

MINUTES
WATER AND SEWER BOARD
June 19, 2014 – 3:30 p.m.

CALL TO ORDER

Meeting was called to order by Chairman Oyler @ 3:30 p.m.

ROLL CALL

Present: Chairman Oyler
Vice Chairman Krenzel
Board Member Morrison
Board Member Snyder
Absent: None

OTHERS IN ATTENDANCE

Dawn Anderson, Civil Engineer II
David W. Robbins, Water Resource Attorney
Amber Kauffman, Olsson Associates
Carlos Medina, Olsson Associates
LauraJane Baur, P.W. Admin.

APPROVAL OF MINUTES

Vice Chairman Krenzel made a motion to approve the minutes from May 15, 2014. Motion was seconded by Board Member Morrison. Motion passed with all voting in favor thereof.

CHANGES TO THE AGENDA

N/A

AGENDA ITEMS

A. Olsson Associates Report

- i. Dawn Anderson introduced Amber Kauffman and Carlos Medina, consultants from Olsson Associates. Carlos noted that he is assigned to Evans, located in the Engineering Department, and will be available if anyone has questions later on. He passed out his business card and noted that his cell phone is the best form of contact for him.
- ii. Amber Kauffman began the Waste Water Treatment Improvement presentation with a brief update on the Windy Gap project, then moved on to the waste water treatment planning slides. (Power Point attached) Some comments of note are as follows:
 - ◆ Health Department concerns: They are looking to see that we are making progress and moving forward, but have given us no specific time line.
 - ◆ New permits will be issued again in two years. Permits are issued with 5 year terms. This will basically give us a 7 year timeline. The next permit will have specific timelines that will have to be met or we will face significant financial penalties.
 - ◆ Evans staff and Olsson Associates will be meeting with them in the next few weeks; there may be some issues concerning ammonia levels that will have to be addressed.

- iii. SWOT Analysis was reviewed for 1. Maintaining two plants, 2. Centralization and 3. Centralization +5 years.
- ◆ Maintaining two plants shows to be more costly over the long term and requires the extra expenditures (financial & staffing) to run two plants.
 - ◆ Dennis Robins made note on the Centralization SWOT, regarding the more complex treatment processes, the new and larger system is very different than what current staff is accustomed to operating and maintaining. The newer system will require a training and certification process for staff over the next 2-3 years.
- iv. Rate Models for each of the three scenarios were shown and compared.
- ◆ It was noted that our current rates are not meeting current needs/expenses.
 - ◆ Although immediate Centralization (within 2-3 years) requires a higher initial increase for the 1st 3 years, it flattens out after that. The increase is up front, but at today's costs.
 - ◆ The Centralization +5 has a more gradual increase in rates; but because construction doesn't start for another 2-3 years, it carries no guarantees on cost of materials, etc. down the line that may cause pricing to be higher than currently anticipated in these rate models. In the meantime, funds will be required to fix the Evans plant temporarily to run at pre-flood level and make improvements to address the current ammonia issues. This option holds more risk than immediate Centralization.
- v. Board member comments/discussion:
- ◆ Board Member Morrison brought up the fact that although the W&S Board makes a recommendation to Council, the Council is in a very difficult position.
 - ◆ Board Member Snyder voiced concern that he thinks Centralization is best for the Community, but the elected Council may prefer Centralization +5 based on the rate structure.
 - ◆ Attorney Robbins recommended having a senior member of the CDPHE come and talk with City Council to help convince them that Centralization is the best course of action.
 - ◆ Amber Kauffman stated earlier that the Utilities Task Force has already made their recommendation for Centralization to City Council.
 - ◆ Vice Chairman Krenzel noted that the W&S Board must recommend what is best for the Community and, therefore, supports Centralization.
 - ◆ Board Member Morrison concurred that Centralization would be best for the Community.
 - ◆ Chairman Oyler offered support for Centralization with the need to work on getting information out to the public. He suggested possibly holding an informational public meeting.
 - ◆ Dawn Anderson offered that she is currently working with the Evans Communications Manager to get the word out in several different venues (news, Facebook, twitter, etc.)

Board Member Snyder made a motion to send the City Council a recommendation to approve Centralization of the Waste Water Treatment facilities and the associated rates. Motion was seconded by Board Member Morrison. Motion passed with all voting in favor thereof.

B. Staff Reports

- i. 2014 Water Consumption Update – Dawn Anderson, Civil Engineer II
Graph & data sheet – Handouts for Review

Water consumption was up slightly from last month, but lower than consumption for this month last year.

CORRESPONDENCE:

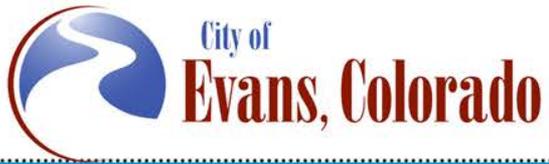
- A. Dawn Anderson noted that due to the construction at Prairie View Middle School, there will be some upcoming road closures.
 - i. North 65th Avenue will be closed from June 23rd through August 11th.
 - ii. After that, the intersection of 37th & 65th will be closed until September to construct the water/sewer lines.
- B. Prospective New Board Member
 - i. Fred Starr confirmed to Dawn Anderson that Evans does not allow service on more than one Board at a time, and that Fred has spoken with Steve Bernardo regarding this.
 - ii. There is still an opening for a Water & Sewer Board Member.
 - iii. Chairman Jeff Oyler suggested that we advertise the opening in the monthly newsletter.
- C. David Robbins, Evans' Water Resource Attorney will be attending the Water and Sewer Board meetings for the next few months as Dennis Montgomery unavailable.

AUDIENCE PARTICIPATION: None

ADJOURNMENT

Motion was made by Board Member Snyder and seconded by Board Member Morrison to adjourn the meeting. The motion carried and the meeting adjourned at 4:42p.m.

LauraJane Baur, P.W. Administrative Specialist



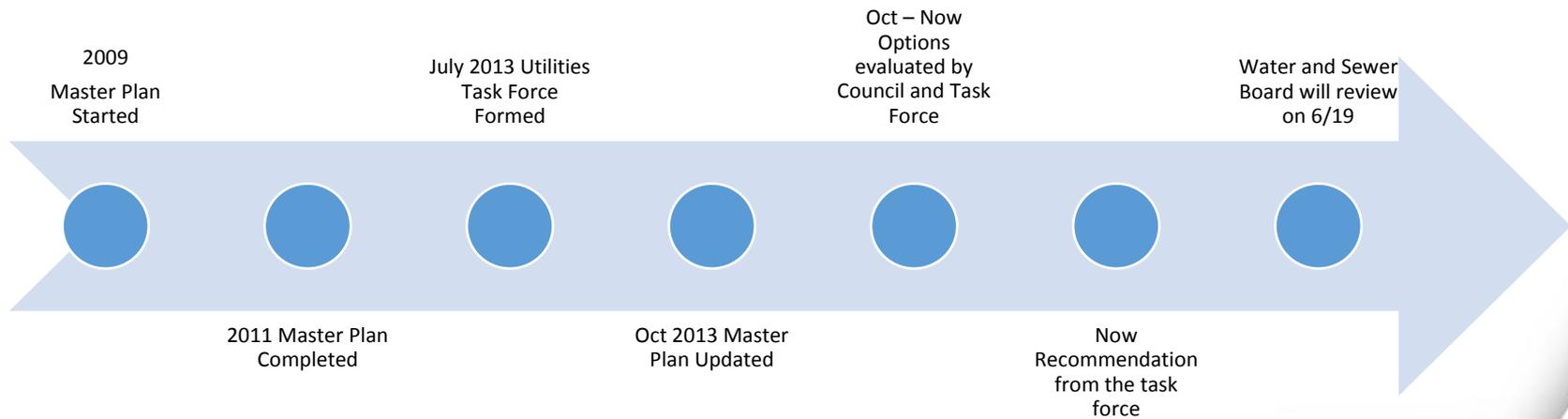
WASTEWATER TREATMENT IMPROVEMENTS



Windy Gap Magnitude Update

- Status of Project
 - Bureau of Reclamation is expected to release decision on Final EIS in late 2014.
 - Design and construction expected to take 5 years and be on-line by 2020
- Agreement with Greeley
 - Approximately \$5 Million to purchase the 5 shares from Greeley (by December 31, 2015)
 - Approximately \$536,000 for design (Evans portion, 2015-2016)
 - Approximately \$4.9 Million for construction costs (Evans portion, 2017-2020)
- Debt Service
 - \$5 - \$7 per month per residential customer for purchase only

Waste Water Treatment Planning Time Line



Background Information

- Potential Treatment Options
 - New Evans WWTF north of the existing Evans WWTF and future upgrades to Hill-n-Park
 - Two Treatment Plants – Repair Evans WWTF, mitigate for flooding, continue on pre-flood path with identified treatment at both facilities
 - Centralization – One new combined treatment plant at Hill-n-Park to be put in service as soon as possible.
 - Centralization +5 years – One new combined treatment plant at Hill-n-Park to be put in service in 5 years.
- New Evans WWTF north of the existing Evans WWTF was Eliminated
 - Large expense with no clear advantages over Options Two Treatment Plant and Centralization options

Maintain Two Plants

- Repair the existing Evans WWTF and flood-proof the facilities immediately
 - Total project cost estimated \$1,017,933 – Evans cost: \$127,241 (mitigation not included)
- Address permitted discharge capacity and ammonia issues at Hill-n-Park
 - Cost unknown at this time
- Design and construct 1.9 MGD MBBR plant at existing Evans WWTF to begin as soon as possible (no change to the Utility Plan). Plant to address capacity and ammonia limits
 - Cost \$4.7 million
- Capacity, biological (Reg. 31 total N and P effluent limits) and disinfection improvements at Hill-n-Park (2018-2023)
 - Cost \$16 million
- Evans WWTF biologic improvements to address Reg 31 (total N and P effluent limits) (2023-2028)
 - Cost \$4.3 million
- Admin. building and capacity upgrades at Hill-n-Park WWTF
 - Cost \$6.8 million
- Total 20 year investment \$31.9 million

(cost estimates as provided by HDR Engineering and per FEMA project worksheets)

Two Plants – SWOT ANALYSIS

Internal

Helpful

STRENGTHS

- No utility plan update
- No interim upgrades at Evans WWTF
- Potential to meet effluent limits quickly

Harmful

WEAKNESSES

- Continue with two plants – potentially requiring more staff than current levels
- Continued coordination for lab work and office space
- Long term cost is higher than one plant options

External

OPPORTUNITIES

- Construction time line
- No change to planned treatment requirements

THREATS

- Potential Flood threat at two plants
- CDPHE may require interim upgrades at Hill-n-Park WWTF to meet ammonia discharge limits

Centralization

- Make repairs at the existing Evans WWTF caused by flooding.
 - Total project cost estimated \$1,017,933 – Evans cost: \$127,241 (mitigation not included)
- Consolidate wastewater treatment facilities at the Hill-n-Park WWTF and be on-line as soon as possible
 - Cost \$22.4 million
- New Lift Station located at the Existing Evans Wastewater Treatment Plant
 - Cost included in item above
- Capacity upgrades
 - Cost \$7 million
- Total 20 year investment \$29.5 million

(cost estimates as provided by HDR Engineering and per FEMA project worksheets)

Centralization – SWOT ANALYSIS

Helpful

Harmful

STRENGTHS

WEAKNESSES

Internal

- One treatment facility and one lab/office
- Reduced plant operations staff
- Out of the 100-year floodplain
- Space for expansion
- Addresses treatment issues sooner

- Larger plant
- More complex treatment processes
- Higher upfront rate increase
- Incorporate new lift station (no current experience and potentially more operating expense for pumping)

External

OPPORTUNITIES

THREATS

- Regional treatment –potential to extend service to LaSalle

Centralization + 5 yrs.

- Make repairs at the existing Evans WWTF caused by flooding.
 - Total project cost estimated \$1,017,933 – Evans cost: \$127,241 (mitigation not included)
- Consolidate wastewater treatment facilities at the Hill-n-Park WWTF and be on-line in 5 years
 - Cost \$22.4 million
- New Lift Station located at the Existing Evans Wastewater Treatment Plant
 - Cost included in item above
- Incrementally increase rates over 5 years with CDPHE's approval
- Capacity upgrades
 - Cost \$7 million
- Total 20 year investment \$29.5 million

(cost estimates as provided by HDR Engineering and per FEMA project worksheets)

Centralization +5 yrs. – SWOT

ANALYSIS

Helpful

Harmful

STRENGTHS

WEAKNESSES

Internal

- One treatment facility and one lab/office
- Reduced plant operations staff
- Out of the 100-year floodplain
- Space for expansion
- Lower cost option of 20 yr. period

- Larger plant
- More complex treatment processes
- Incorporate new lift station (no current experience and potentially more operating expense for pumping)

External

OPPORTUNITIES

THREATS

- Regional treatment –potential to extend service to LaSalle

- CDPHE may require interim upgrades at Evans and Hill-n-Park WWTF's to meet discharge limits
- Increased cost of materials
- Potential change in political direction

Item Included in Rate Models

- Balanced operations
- Operating reserves met
- Major Maint. – \$50k/year starting in 2015
- Capital
 - Major line replacements as identified in Master Plan
 - Facility upgrades – debt service
- Users bear all costs (no grant revenues anticipated)
- Commercial rate increases at same % as residential
- Additional full time employee for line flushing per 2013 Mercer staffing study

Potential Monthly Sewer Rate Rates: Two Treatment Plants

Year	2014	2015	2016	2017	2018	2019	Avg. 2020-2024	Avg. 2025-2030
Operations	\$13.98	\$14.42	\$15.25	\$15.45	\$15.93	\$15.80	\$16.41	\$18.08
Major Maintenance	0	\$0.31	\$0.47	\$0.47	\$0.47	\$0.47	\$0.47	\$0.47
Capital Improvements	0	\$1.35	\$2.77	\$4.79	\$6.38	\$8.79	\$14.00	\$18.24
Total Rate	\$13.98	\$16.08	\$18.49	\$20.71	\$22.78	\$25.06	\$30.88	\$36.79

<i>Residential Increase</i>	\$2.33	\$2.10	\$2.41	\$2.22	\$2.07	\$2.28	\$1.61	\$0.69
<i>Commercial Increase</i>	20.0%	15.0%	15.0%	12.0%	10.0%	10.0%	5.8%	3.0%

Two Wastewater Treatment Plant Years Rate Structure

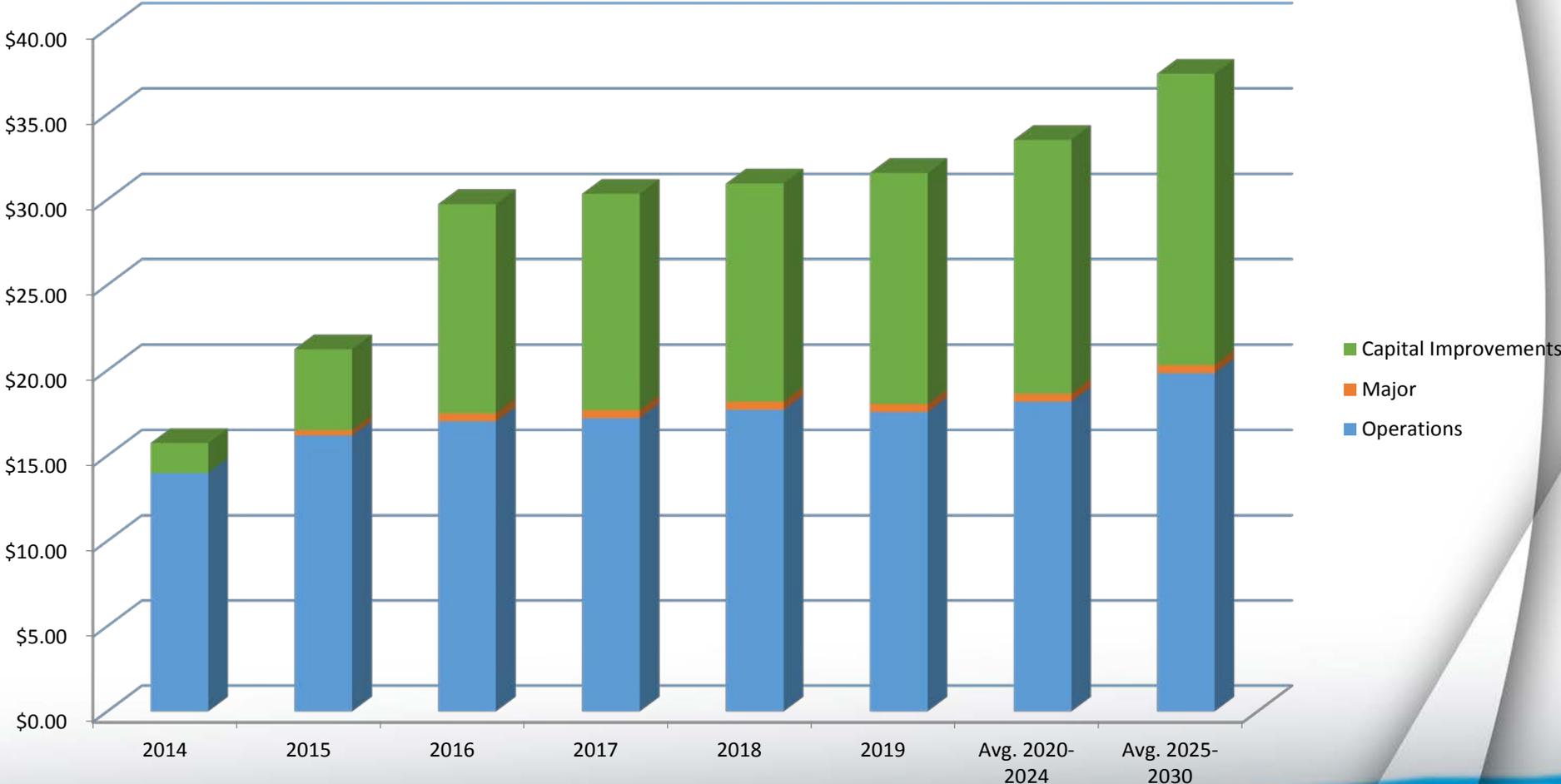


Potential Monthly Sewer Rates: Centralization

Year	2014	2015	2016	2017	2018	2019	Avg. 2020- 2024	Avg. 2025- 2030
Operations	\$13.98	\$16.17	\$17.00	\$17.20	\$17.68	\$17.55	\$18.16	\$19.83
Major Maintenance	0	\$0.31	\$0.47	\$0.47	\$0.47	\$0.47	\$0.47	\$0.47
Capital Improvements	\$1.75	\$4.75	\$12.26	\$12.66	\$12.78	\$13.53	\$14.86	\$17.06
Total	\$15.73	\$21.23	\$29.73	\$30.33	\$30.93	\$31.55	\$33.49	\$37.36

<i>Residential Increase</i>	\$4.08	\$5.50	\$8.50	\$0.60	\$0.60	\$0.62	\$0.66	\$0.73
<i>Commercial Increase</i>	35.0%	35.0%	40.0%	2.0%	2.0%	2.0%	2.0%	2.0%

Centralization Rate Structure

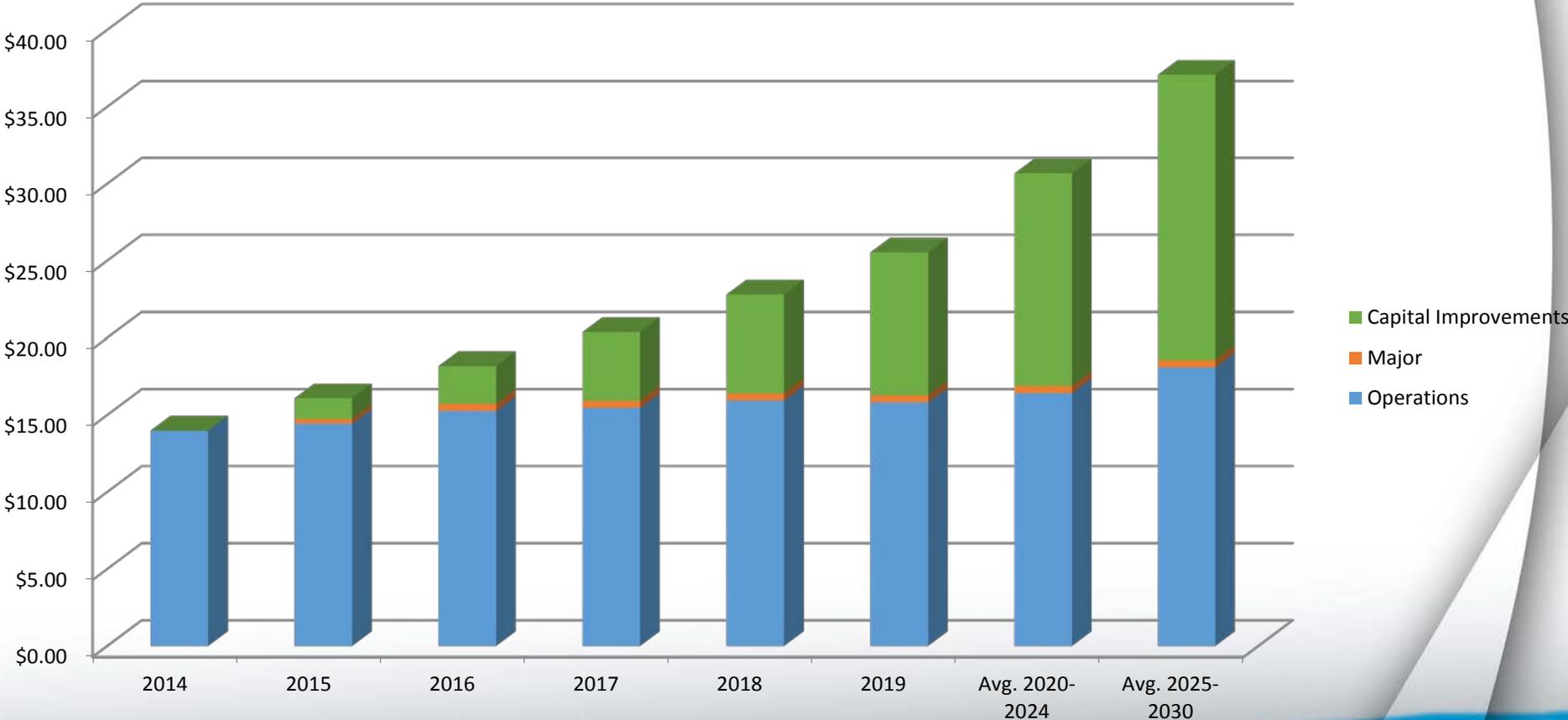


Potential Monthly Sewer Rates: Centralization + 5yrs.

Year	2014	2015	2016	2017	2018	2019	Avg. 2020- 2024	Avg. 2025- 2030
Operations	\$13.98	\$14.42	\$15.25	\$15.45	\$15.93	\$15.80	\$16.41	\$18.08
Major Maintenance	0	\$0.31	\$0.47	\$0.47	\$0.47	\$0.47	\$0.47	\$0.47
Capital Improvements	0	\$1.35	\$2.45	\$4.43	\$6.39	\$9.26	\$13.78	\$18.52
Total	\$13.98	\$16.08	\$18.17	\$20.35	\$22.79	\$25.53	\$30.66	\$37.07

<i>Residential Increase</i>	\$2.33	\$2.10	\$2.09	\$2.18	\$2.44	\$2.74	\$1.46	\$1.25
<i>Commercial Increase</i>	20.0%	15.0%	13.0%	12.0%	12.0%	12.0%	5.2%	3.5%

Centralization +5 Years Rate Structure



Summary of Potential Sewer Rates

Year	2014	2015	2016	2017	2018	2019	Avg. 2020 – 2024	Avg. 2025- 2030	2030
Two Plants Total	\$13.98	\$16.08	\$18.49	\$20.71	\$22.78	\$25.06	\$30.88	\$36.79	39.56
Centralization	\$15.73	\$21.23	\$29.73	\$30.33	\$30.93	\$31.55	\$33.49	\$37.36	39.22
Centralization +5 yrs Total	\$13.98	\$16.08	\$18.17	\$20.35	\$22.79	\$25.53	\$30.66	\$37.07	40.32

Maintain Two Plants

\$31.9 Million

Centralization total 20 year investment

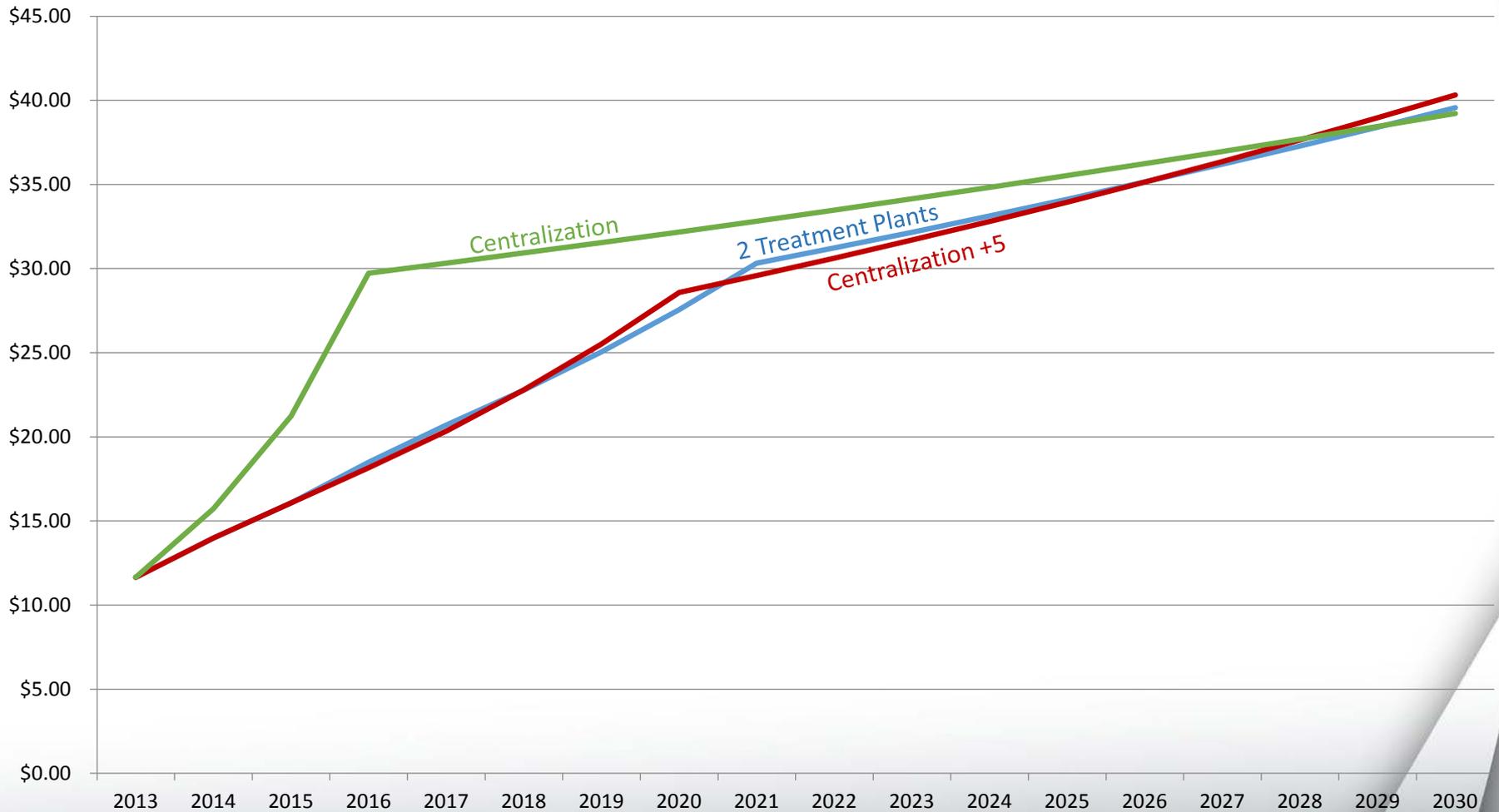
\$29.5 Million

Centralization +5 Years total 20 year investment

\$29.5 Million

(all dollars are presented in todays dollars)

Summary of Potential Sewer Rates



Project Steps

- Changes to City Utility Rates
- Temporary Repairs to Evans WWTF
- Revision to City's Sanitary Sewer Utility Plan
Preparation of a Site Application
- 208 Board review of updated Utility Plan and Site Application
- CDPHE Review of Site Application
- Process Design Report

Project Steps (Cont'd)

- CDPHE Review of Process Design Report
- Wastewater Treatment Facility and Lift Station Design
- CDPHE Plan and Specification Review and Addressing Comments
- Project Bid and Award
- Construction of New WWTF and Lift Station

Timeline

