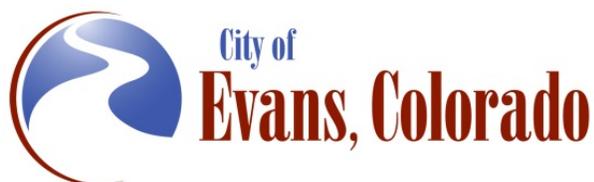


Evans Water and Sewer Board 2015



Meeting Agenda

June 18, 2015

3:30 pm

Evans Community Complex

Council Chambers

1100 37th Street, Evans, Colorado

I. CALL TO ORDER

II. ROLL CALL by Fred Starr

Chairman: Jeff Oyler
Vice Chairman: James Krenzel

Commissioners: Lee Morrison
Glenn Snyder
Vacant

Staff in Attendance:

Fred Starr
Dawn Anderson
Zach Ratkai?
Dave Burns?

Others in Attendance:

Keith Meyers, Ditesco

III. APPROVAL OF MINUTES

IV. AGENDA ITEMS

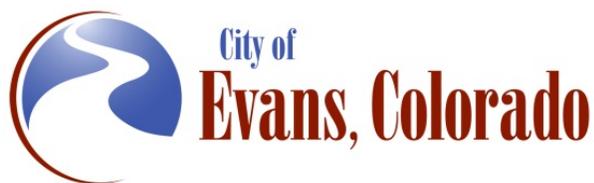
- 1) General Updates – Fred Starr:
 - a) Windy Gap
 - b) NISP
 - c) Stormwater Master Plan
 - d) Water Utility Master Plan
- 2) Flood Update – Zach Ratkai, Dave Burns
- 3) WWTF UPDATE – Keith Meyers, Ditesco, Inc.

V. STAFF REPORTS

Water and Sewer Board packets are prepared several days prior to the meetings. This information is reviewed and studied by the Board, eliminating lengthy discussions to gain basic understanding. Timely action and/or short discussion on agenda items do not reflect lack of thought or analysis. An informational packet is available for public inspection, which is posted on the bulletin board adjacent to the Council Chambers as soon as its available, and which can be accessed Monday through Friday 8:00 a.m. to 5:00 p.m. excluding holidays.

Staff Contact: Fred Starr fstarr@evanscolorado.gov 970.475.1110
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Evans Water and Sewer Board 2015



Meeting Minutes

March 19, 2015

3:30 pm

Evans Community Complex

Council Chambers

1100 37th Street, Evans, Colorado

I. CALL TO ORDER by Jeff Oyler at 3:25pm

II. ROLL CALL by Fred Starr

Chairman: Jeff Oyler - Here

Vice Chairman: James Krenznel - Here

Commissioners: Lee Morrison - Here

Glenn Snyder - Here

Vacant

OTHERS IN ATTENDANCE:

Attorney: Andrew Rottman

Staff: Fred Starr

Dawn Anderson

Pat Zietz

Consultant: Keith Meyers, Ditesco

III. APPROVAL OF MINUTES

Correction to the minutes by Jeff Oyler, he did not motion to approve the minutes. Lee Morrison motioned to approve the previous minutes, Glenn Snyder seconded them. Approval of the Minutes with the mentioned changes by Glenn Snyder, seconded by James Krenznel.

IV. AGENDA ITEMS

No changes to the agenda.

a. Water Quality Report

Pat reported that Weld County has contacted the City for the water quality report. We ordered the brochures that will be included in the next utility mailing. As soon as we have the information, it will be sent out to the board.

b. Irrigation Season – Ditch Rates

Fred: Last fall we set rates for all other water and sewer rates, we did not include the irrigation rates. We have various users from the east side of town that uses the irrigation water. What is before the board today is a proposed increase of the AG rates for Evans Ditch Water. We need a recommendation from the Board to take to City Council. Discussion: This is for an increase of the Denver-Boulder-Greeley CPI Projections. It is normally a cost of living index. We have not gone to a level yet where we go through an analysis, we appear to go through a cost of living increase every year. We have about two dozen people that come into the City to lease water. Glenn: Are we talking about the rates listed on the Irrigation Season handout? The normal increase is 1.9%. James Krenznel motioned to accept the raise of the Evans Ditch Water Rates, seconded by Glenn Snyder. Motion being seconded, all those in favor signify by saying "Ay", all responded "Ay". Opposed

"Nay", no response. Motion carries.

Jeff: Do we need to address watering restrictions or is that taken care of? Fred: It is taken care of in the fact that we have a Drought Management Plan that identifies triggers that the City monitors snow pack and rain fall. There are a set of triggers in there that has staff come to the Water & Sewer Board to make a recommendation to City Council. The normal ordinance municipal code has restrictions in place from April 15th to October 15th. Even numbered addresses watering on Sunday, Tuesday and Thursday and odd numbered addresses on Monday, Wednesday and Saturday. No watering between the hours of 12:00 noon and 5:00 pm and no watering on Friday. This is our normal restrictions. Question regarding restrictions from April 15th to May 15th, residents are only allowed to water twice a week. Fred will check into that restriction and report back to the Board. They will monitor the drought plan and come back to the Board if anything changes. City Parks and Buildings are exempt from the Watering Restrictions. The Recreation Department has started scheduling activities so the Parks Department has discussed getting the parks prepped and will probably start watering before April 15th. They will keep an eye on the cooler weather that is coming and make the decision to start watering as necessary. Pioneer Park is non-potable water, discussion on trying to use as little as possible.

c. WWTF UPDATE – Keith Meyers, Ditesco, Inc.

Fred introduced Keith. We have completed the force-main route selection running from the Evans Plant to the Hill-n-Park site. We will have some minor tweaks to do that will move the force main alignment slightly but overall have a general route selection. The lift station selection has gone fairly well, we've looked at various pump types, wet well types and how it would operate for the City. We've also looked at some site concepts, will show you maps as we go through the presentation. Have also moved on with the Waste Water Treatment Plant selection process, so we've selected a process and what that means is the mechanical and chemical system that's going to treat the waste water flows. We've been through the CDPHE prequalification process and have submitted that application, have visited with the State and DOLA and completed that step. We're waiting for a pre-qualification certification letter that precedes us through their process, he is in communication with them on a routine basis about this project and how we're proceeding. We're getting very close to the end of April and having a project needs assessment report for them, that's the very first step in entering that revolving loan fund program and from that we'll split into two applications; the site application for the force mains and the site application for the Waste Water Treatment Plant. Those are the processes we will be going through first. He thinks we have a pretty good handle on the revolving loan fund financing strategy. DOLA was able to reconfigure the funding source for the DOLA Grant, they have made it a federal grant so it will not impact our Enterprise Funds status this year so everything we are expending now we are drawing down on that particular grant maintaining Enterprise Fund status longer such that we can enter the revolving loan fund program in the January cycle. By doing that, there is no need for a general election to authorize an increase in expenditures. Feels we are in pretty good shape there. If we enter into the January cycle, than an April meeting for a June funding of 2016 for the project. That's the overall schedule we are shooting for.

See handouts for update.

Fred: Things seem to be running very well, we have HDR and Dewberry designing their portions, Keith's job is to keep everyone on track. Questions on time-line, Keith explained that if everything goes well, we will be the end of 2017 this plant will be on-line. If we run into weather delays and permitting delays we might be the Spring of 2018. His goal is to get it before the end of 2017, he does not like to start up Waste Water Treatment Plants in the middle of the winter, it is very difficult. He's happy to come anytime and update the Board.

V. STAFF REPORTS

a. Drought Plan – Water Restrictions

See above discussion

b. 2014 Master Meter Reads (attachment)

Dawn: The attached form is a little different than what you are used to, this form is actually directly from Doug Seeley. She explains every year that our cap numbers are different, we used to provide the Board with billing numbers. This is actually calculating to show the entire month of January. This is what Greeley provides, she also gets those figures. The first two months of 2015 are lower than where we were last year. Glenn: Do you think that is because of the trailers that were taken out in the flood? Dawn: We have the multi-family in Ashcroft so that is kind of a wash, it's probably because of all the snow that we have had. January was actually a little bit higher than last year but February went under so we are pretty much even for where we were last year. Jeff: We'll see what happens with irrigation season coming up. Dawn: History shows that we should be approaching that cap soon according to the graphs. We'll keep watching it very closely.

c. Fred: Reported on Windy Gap and NISP Projects

The information he is getting from Northern Colorado Water still makes it appear that the Windy Gap Project will say they have received all of their permits. The City is leasing the opportunity to buy five units of the Windy Gap Project from Greeley, so we'll need to decide how we will purchase those full five Windy Gap units from Greeley. We'll either have to purchase them this year or his hope is we can agree to extend the payment for a couple of years before writing that big check. Writing that check to Greeley buys the units then we get into the full cost share of the design and construction cost of the Windy Gap Project, which is pretty big numbers. The last number he has from Windy Gap was 25 to 30 Million dollars would be Evans portion of that project. In talking with Jessica, she wants to be able to go to a bond to lump all that costs together and pay Greeley and have money set aside for our participation of building the project. Jeff: Just Evans is 30 Million? Fred: Yes. Then the NISP Project is also moving along, it isn't quite as far along as Windy Gap, maybe it's probably three years trailing Windy Gap. The NISP Project cost estimate is about a seven year old number so Northern Colorado Water is saying we need to hire an engineer now to refine our cost estimate. The cost estimate just for the NISP Project, total cost with using seven year old numbers is half a Billion Dollars, it's a 500 Million Dollar project. Costs aren't going down so maybe the NISP Project might be a total cost of 600 Million Dollars. We'll have a proportional cost of that. He keeps getting nervous because we're looking at a 30 Million Dollar Treatment Plant and then we are looking at a 25 Million Dollar investment in Windy Gap and then maybe three or four years down the road we will have another 25-30 Million Dollar participation in the NISP Project should we decide to stay in both. Water is not going to get cheaper and then what Northern Colorado Water is not telling anyone, because they just don't know yet, after you design it and build it, you will have your proportional operational costs after that. The City's Utility section is taking on some pretty major plant investments here in the next few years. His guess is that we will come back to discuss whether or not we should stay in both projects in the couple of years. It does make sense to be in both projects, but it will come at a rate cost and we will need to figure that out soon. Glenn: We may have to raise our in lieu of water cash fund. Fred: That's where when Keith ran his numbers for the present value, that project we're building is probably 65 to 66 Million and if you look at that and say that's 3 to 3 1/2 Million Dollars a year that you should be putting in a savings account so that by the end you've made all the repairs and saved all the money to build a new plant. A 3 1/2 Million Dollar Waste Water Budget is bigger than the one he has now. That doesn't include the cost of operational maintenance of our existing collection system. Businesses don't like to pay higher fees but like having the reliance on water and sewer services. Glenn: Is the water fund strictly being used as the water fund? No money coming out of it for other projects other than sewer and water? Fred: If you look at the budget, you can go on-line and see the City's Budget. If you go to the Water Fund, you will see a transfer of funds to the City's General fund, but that transfer represents salaries and operational costs. The City pays all PW staff and we do a transfer from the water fund. That's the only thing that is being transferred out of the utility fund. He knows the Mayor has asked the staff to tell the City Council what the costs are for the City to irrigate Pioneer Park. He wants to know how much water is being used by the City to irrigate their parks and run this building. Right now the City gets their water for free. The Mayor understands that we should probably look at that and be fair. If we were to split us off as a separate Water and Sewer District like the Fire District, that Water District would send any one of their customers' bills for the sewer and water they use. It's a little different when the City owns the utilities. Council wants to know what that is. Fred wants to know because of the cash flow. If he sees these consumption numbers starting to approach a cap condition, he would go directly in front of City Council and tell them we need to shut the water off to the City Parks and let them go brown because that is one way he has of shaving that cap. The cost of its one thing, but the cost of going over the cap is the big expense. He understands there needs to be adjustments going forward to pay for all these sewer and water projects; we're doing the meter replacement program. Dawn: The goal of that project has been very positive. The goal of that project was to replace all of the residential meters and radios. It used to take two staff members two very long days to read meters. That team has done an exceptional job. Hopefully this will

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actually pay for itself on water consumption. Staff has been knocking on doors, making phone calls and sending out letters to residents. We know have a nice yellow letter that if a resident has not responded, we send it out telling them to get a hold of us within 10 days or their water will be shut off. With all the codes, it says we have access to the meters but since those letters have gone out, we have received a pretty good response. Fred: Like Dawn said, we send out what he calls the nasty gram that threatens to shut their water off but the objective is to convince people that we have to get into their house and change the meter. We decided to create a letter that says the City has the ability that if you don't get a hold of us and make an appointment at your convenience, then we have the ability to shut your water off and then go in and replace the meter. He doubts we will ever have a situation where we will actually shut anyone's water off but we just had to let some people know we were serious.

d. Report from Andy Rottman

We received our Godfrey Ditch letter and a change application. Right now we are currently involved in a dispute with the person we bought the shares from about who actually owns them. They have been working with the City Attorney, Scott Krob, he is taking the lead on negotiating actual ownership of the shares. Basically the water court case right now is on hold until that issue gets resolved. We have a substitute supply plan that uses those Godfrey Ditch shares to augment the Envirotech Well under agreement there and then uses that water before and IGA with Central that we committed to providing. There are a lot of things up in the air right now, we met with Central yesterday to try and figure out how that IGA can be amended to the satisfaction of both parties. We don't know whether the substitute supply plan is going to be approved for another year and that expires at the end of this month. It's really on Scott to get that side of it resolved, there's a good chance we might wind up giving back the Godfrey Ditch shares to the original owner and cancel the EQR's. If that happens, we would dismiss the water court case. Fred: There are very few of those Godfrey Ditch water share EQR's that have actually been used to pull building permits. Two banking institutions made loans on these and realized that maybe they owe more money than what the EQR's value is. The City would just as soon like to get out of the middle of all that. Glenn: That wasn't checked out before? Fred: Not by the banks, they made some loan decision based on what they thought, no one asked the City. Glenn: We paid for them, didn't we? Fred: No, we didn't buy the Godfrey Shares. They were dedicated and we created EQR's so the City didn't purchase them, it was just a water dedication in exchange to create EQR's. That individual took those EQR receipts to the banks and asked them to loan him money on them and the banks said sure. Come to find out, the banks over loaned the value of what this gets you when you go to get a building permit. We totally want to stay out of the middle of that. Glenn: What will that do to our contracts? Fred: That's what Andy was saying, in order to convert EQR's back to Godfrey Ditch shares, we have a couple of agreements sitting out there, and we'll have to find a substitute water supply to do the Envirotech augmentation, we can use some of our existing water to do that. Andy: Those are the two big issues that if we can give the shares back what do we do with the Central IGA and the Central IGA essentially gave us storage and let us use Centrals augmentation station and a few other things and in return we were giving Central the use of a certain portion of those Godfrey Shares. So we have to figure out how to give them some kind of substitute water supply that's going to make them happy enough to amend that agreement. And we have to find water to augment the Envirotech Well. So those are the two big issues outstanding right now. It changes week to week right now so he thinks in a month by the next meeting we'll know more of what's going on. It's complicated.

Jeff: If there is no further discussion, the chair will entertain a motion to adjourn. Glenn made the motion to adjourn, James seconded. Motion is made and seconded, all in favor signify by saying "Ay", all opposed "Nay", motion carried.

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