

MINUTES

CITY OF FORT COLLINS • BOARDS AND COMMISSIONS



WATER COMMISSION

REGULAR MEETING

October 20, 2022, 5:30-7:30 p.m.

Hybrid in person at 222 LaPorte Ave and online via Zoom

1. CALL TO ORDER

5:30 p.m.

2. ROLL CALL

- *Commissioners Present:* Jason Tarry (Chairperson), Greg Steed (Vice Chairperson), John Primsky, Jordan Radin, Rick Kahn, Tyler Eldridge
- *Commissioners Absent - Excused:* Kent Bruxvoort, Paul Herman, Randy Kenyon
- *Staff Members Present:* Jason Graham, Lance Smith, Mariel Miller, John Song, Shannon Ash, Heather Young, Katie Collins, Michael Neale, Kendall Minor
- *Members of the Public:* none

3. AGENDA REVIEW

- Chairperson Jason Tarry briefly summarized items on the agenda

4. COMMUNITY PARTICIPATION

- None

5. APPROVAL OF MINUTES

CHAIRPERSON TARRY ASKED FOR COMMENTS AND REVISIONS ON THE AUGUST 18 MINUTES.

Commissioner Steed moved to approve the August 18 minutes.

Commissioner Radin seconded the motion.

Vote on the motion: it passed unanimously, 6-0

6. NEW BUSINESS

a. Staff Reports

(Attachments available upon request)

i. Financial Monthly Report

(meeting packet only)

ii. Water Resources Monthly Report

(meeting packet only)

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Discussion Highlights

Northern has set the Colorado Big-Thompson (CBT) quotient for 40% for next year - Commissioners and staff had never seen it that low before, or at least in a long time. Mr. Graham said they're discussing it internally for what that means for the organization. Perhaps Northern is worried about the predictions for the Colorado River, but it's still a big adjustment. Come April, the City is expecting to see additional quota, and would likely end up at around 60-70%, but Water Conservation is working with Water Resources to look at models and scenarios with current projections. A Commissioner inquired if this would change the way that water will be managed, such as implementing water restrictions, to which Mr. Graham responded that it wouldn't at least until April, and they're still determining if there are changes to be made.

- iii. **Memo: 2022 Summer Water Quality Update – Upper Cache la Poudre Watershed**
(meeting packet only)

Discussion Highlights

Mr. Graham commented that the summer saw good re-establishment of the burn area of the Upper Cache la Poudre Watershed, and barring any future fires, restoration is on track. The question remains whether the Colorado-Big Thompson (CBT) source will adhere to expectations and whether the supply will meet the community's demand, but that's the balance that the Water Conservation Team is aiming to achieve. A Commissioner commented that the entire system has been compromised after the fire, noting that the watershed can now hold less than it was able to previously due to loss of tree cover.

- iv. **Director of Water Quarterly Update**

Director of Water Utilities Jason Graham gave an update on the ordinance amending chapter 26 of the Code of the City of Fort Collins, addressing unexpected challenges to nonresidential redevelopment customers from Ordinance 119, 2021.

Discussion Highlights

Commissioners asked for clarification on the City's change in language to the ordinance and its impact on the circumstances of a review, to which Mariel Miller, Water Conservation Manager, and Mr. Graham responded that the review is triggered if there are changes to the water meter or service with a larger size, or changes to their water infrastructure. Another Commissioner inquired about time restraints for the review, alluding to disruptions to the business during its process, but it was unknown at this time, but Mr. Graham

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referenced that there were some businesses that have been in limbo for up to 3-4 months. He added that for those infrastructures that were grandfathered in and were paid for under an old system, it presents an opportunity to review for water supply requirements to assign accurate allotments. It provides security for future water use, as it allows to set predictable expectations for the City and businesses, allowing for foreseeable rubrics for excess water use. A Commissioner asked what percentage water is used by businesses, to which Ms. Miller responded that it was about half compared to residential. Mr. Graham added that this allows for a reset of expectations with businesses, especially with restaurants in mind. He added that City Council approved this change.

b. **Regular Items**

(Attachments available upon request)

i. **2023 Utility Rates and Fees**

Financial Planning and Analysis Director Lance Smith presented on the proposed changes to the 2023 water, stormwater, and wastewater utility rates and fees, and to seek support to present the changes to Council for approval.

Discussion Highlights

A Commissioner inquired whether there are statutory requirements, to which Mr. Smith responded that the City does not as it's a home rule community, but it does have financial policies that specify minimum reserve balances in percentages. Another Commissioner asked when there would be a firmer understanding for the Halligan cost estimate, to which Mr. Smith answered he'd have a better understanding in about 6 months. The Commissioner continued to inquire whether there's a figure where it no longer seems prudent to spend money on the project considering inflation, construction costs, easements, etc. A Commissioner projected that if the project is \$150M, Halligan would provide \$19K per acre-foot, while CBT water is going to \$120K per acre-foot, and the Commissioner added that even if the project cost \$300M, it would still be a fraction of CBT water. Mr. Smith added that the costs wouldn't be spent front loaded, but over time with cost-effective solutions during the process. A Commissioner wondered whether the foundational principle is still in effect that development pays the incremental cost for itself over time. Mr. Smith responded that it still is, though legally the requirement is that the development does not exceed the cost of adding a customer, thus the City is not obligated to have development fully pay for itself, but it's the direction that Council wants to continue. The Commissioner inquired whether these increases keep the City's reserves at the historically agreed upon percentage, to which Mr. Smith responded that it does. Another

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Commissioner commented that it would be helpful to see models of what it would look like to decrease rates and fees, just to see what the alternative would be. Another Commissioner commented that the rate increases don't put the community ahead of inflation or other rise in costs, considering infrastructure renewal, income deficiencies, etc. Mr. Smith responded that the 4% increase is a part of a longer timeline, hoping to see replacement rates for infrastructure at a sustainable level over the next five years. Another Commissioner added that the rates are still lower than many of the communities in Northern Colorado even with the rate increases, such as Loveland, Longmont, Greeley, and Colorado Springs. Another Commissioner underlined that it's critical to inform the public about Utility changes over the next five years.

Commissioner Kahn moved that the Water Commission recommend City Council approve the proposed changes to the Utility's water, wastewater, and stormwater rates and fees as presented.

Discussion Highlights

Commissioners decided to add a clause in the motion to include a plan for informing the public.

Commissioner Kahn moved that the Water Commission recommend City Council approve the proposed changes to the Utility's water, wastewater, and stormwater rates and fees as presented, and develop a plan to inform the public about this year's increases and increases into the future.

Commissioner Tarry seconded the motion.

Vote on the Motion: it passed unanimously, 6-0

ii. **Income-Qualified Assistance Program Feedback**

Shannon Ash, Affordability Programs Manager, and Heather Young, Community Engagement Manager, presented on the Income-Qualified Assistance Program that aims to serve the community with a reduced rate program and education opportunities for low-income customers and to seek approval to bring it to Council.

Discussion Highlights

A Commissioner commented that in a past presentation, they had been led to believe that it would be nearly impossible to reach 2,000 participants, but it seems to be projected to exceed that number by 2023. The Commissioner added that the cost to run this program for Utilities is much higher than the

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\$415,000 figure presented, as it also includes staff effort and salaries. A Commissioner inquired about the qualifications, to which Ms. Young clarified that customers were auto-enrolled through the Colorado Low-income Energy Assistance Program (LEAP), a state-funded program. Ms. Ash clarified for a Commissioner that unclaimed funds are added to the payment assistance fund.

Commissioner Steed moved that the Water Commission recommend City Council approve to support the Income-Qualified Assistance Program becoming an adopted Utility program.

Commissioner Tarry seconded the motion.

Vote on the Motion: it passed, 5-1

Commissioner Primsky opposed the motion as the program may continue to encourage people to be dependent on government programs and not be resourceful in other ways. He also opposed as there was no real detailed application that was specific to the program itself. He would like to add that there should be a robust review process, as ratepayers should not support participants who may practice irresponsible spending, especially by looking at the projected spending for the program.

iii. **Allotment Management Program Update and Extension**

Water Conservation Specialist Katie Collins presented on the Allotment Management Program (AMP), which has served commercial customers with undersized allotments by waiving some or all Excess Water Use (EWU) surcharges accrued while implementing a project proposed to save water. Ms. Collins seeks recommendation from the Water Commission for Council to extend the program by three years.

Discussion Highlights

A Commissioner expressed surprise that such large developments didn't consider the cost of maintenance in accordance with their allotments. Another Commissioner answered that for permitting, the quickest way to check the box is to throw down Kentucky bluegrass sod—a cheap option—in order to be permitted, leading to these issues later that exceed allotments. Another Commissioner inquired if the staff had considered simply raising the rate if a development exceeds the allotment exorbitantly in order to discourage spending. Ms. Miller responded that the program also hopes to reduce demands for the overall water supply, as well as those who

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purchased land and didn't make the initial decision to put down Kentucky bluegrass at the time of development. Another Commissioner desired to see developers incentivized not to put property owners in situations that exceed allotments moving forward. Another Commissioner wondered whether extending it another 3 years makes sense, but Ms. Collins commented that development code only just changed this year, and there are still properties that are dealing with this issue. Mr. Graham added that the program is achieving its goals of reducing overall water usage and saving costs. Another Commissioner inquired whether the program would add participants, especially through the meter change ordinance for properties that are overusing water. Ms. Collins responded that eligibility specifically requires that the estimated landscape water need must exceed an allotment. Some Commissioners commented that this may enable those who had made short-sighted decisions at the time of development, while others expressed that it may act as a reset for property owners that have found themselves with this issue.

Commissioner Tarry moved that the Water Commission recommend City Council approve an ordinance to extend the Allotment Management Program by three years.

Discussion Highlight

Commissioners decided that they wanted to change the number of years of the extension to one year, though that would still allow participants up to three years of waivers.

Commissioner Tarry moved that the Water Commission recommend City Council approve an ordinance to extend the Allotment Management Program by one year.

Commissioner Kahn seconded the motion.

Vote on the Motion: it passed unanimously, 6-0.

7. COMMISSIONER REPORTS

None

8. OTHER BUSINESS

Memo to Council Regarding BFO Offer 4.47

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Commissioner Radin moved to approve the memo to be sent to Council as written.

Commissioner Kahn seconded the motion.

9. ADJOURNMENT

8:11 p.m.

These minutes were approved by the Water Commission on November 17, 2022.