

1999 WATER BOARD ANNUAL REPORT

Membership Status

Current Members

Paul E. Clopper, Chairman
Thomas G. Sanders, Vice Chairman
Joseph Bergquist
Thomas C. Brown
William R. Fischer
David M. Frick
David Lauer
John Morris
David Rau
George Reed
Robert C. Ward

Water Board/City Council Liaison

Charles Wanner

Departures, New Members and Re-appointments

Alison Adams resigned in June of 1999. Bill Fischer was appointed to complete her term. Paul Clopper, Robert Ward, David Lauer and John Morris were all re-appointed to the Board in June to additional 4-year terms.

Water Supply

Analysis of Water Utility's Ability to Meet Future Treated Water Demands

In January 1999, Water Resources staff presented a new analysis of the Water Utility's ability to meet treated water demands in the City's service area and larger growth area to the year 2040, assuming a 1-in-50 drought event. They used population projections and per capita use projections that were available for planning purposes. Two major points were articulated:

- Raw water is not a limiting factor in terms of meeting future demands, rather it is the ability to deliver water; specifically, raw water storage capacity is a limiting factor. It was noted that staff did not get into treatment plant capacities.
- If you look only at the Water Utility service area, not at the areas serviced by the surrounding water districts, the Utility can meet the demand without deficits during a 1-in-50 drought with relatively minor changes in the ability to deliver water. Completion of the pipeline from the Poudre River expands the pipeline's capacity from about 20 mg to 80 mg. Adding another 2000 ac-ft of close-in storage using perhaps gravel pits or other types of storage, would also be important. For the present service area alone, Halligan Reservoir doesn't appear to be necessary for a 1-in-50 drought. As far as looking outside the present service area, which is expecting considerable growth, major additional storage will become necessary for a 1-in-50 drought.

Water Resources staff continues to perform technical analyses on demands and water supplies. In December 1999, a Water Resources staff member gave a presentation to the Board on Cache La Poudre Modeling approaches. The presentation illustrated the modeling approaches being used by the Water Resources Department to assess the City's present and future water supplies, a powerful tool that will help the City plan for the future. Two separate models, a system model and a basin model were described.

Surplus Water Rental Rates

Each year after the irrigation companies have established their annual assessment rates for water shares, the Water Board recommends to the City Council, the rental rates for the City's surplus raw water. In February, the Water Board unanimously recommended that the Council adopt the surplus water rental rates recommended by staff.

Potential Acquisition of Gravel Pits

At the February meeting, Water Resources staff gave a presentation on the potential acquisition of gravel pits and associated land along the Poudre between Shields St. and Overland Trail. The cost would be split between the Utilities and the Natural Resources Dept. The proposal included:

- 273 acres of land in the Poudre River corridor (of which 52.7 acres were to be donated to Poudre School District).

- Approximately 1,800 acre feet of water storage capacity
- Water rights in the John Brown Ditch
- 26 shares of Arthur Irrigation Company

Staff recommended that the Utilities work cooperatively with the Natural Resources Department to acquire the identified gravel pits and associated land for development as a regulating reservoir for the Utilities and for other uses as identified by Natural Resources. It was recommended that Utilities staff prepare an appropriate resolution and/or ordinance for City Council consideration to appropriate \$637,000 from the water rights reserve fund for the possible purchase of this property. The Water Board voted unanimously to accept staff's recommendation.

In July, the Board was informed that LaFarge had exercised their right to purchase the gravel pits on the west side of Taft Hill Rd., and the City purchased 26 shares of Arthur Ditch Co. stock.

Pleasant Valley Pipeline Agreement between City of Fort Collins and NCWCD

The Water Treatment Master Plan, approved by the Council in 1997, included the construction of the Pleasant Valley Pipeline (PVP) which will convey additional water from the Poudre River to the City's water treatment facility on west Laporte Ave. The PVP project has been formulated as a regional project with the City of Fort Collins, City of Greeley and the three water districts that comprise the Soldier Canyon Filter Plant, as project participants. The Northern Colorado Water Conservancy District (NCWCD) has formed "PVP Enterprise" to design, construct, own and operate the pipeline.

After some clarifications about the NCWCD's ownership of the pipeline, the Board unanimously recommended that the City enter into an agreement with the Northern District to proceed with Phase 2 of the project.

Adjustment of Raw Water Requirement Conversion Factor for North Poudre Irrigation Company

The Water Supply Committee recommended that the Water Board revise the conversion factor for the satisfaction of raw water requirements for North Poudre Irrigation Co. (NPIC) shares. The conversion factor at that time was 5.57 acre feet per share. The committee thought that was somewhat high because of the makeup of those shares. Staff recommended that the Water Board revise the conversion factor for the satisfaction of raw water requirements for NPIC shares from 5.57 to 5.0 acre feet per share, to be effective January 1, 2000. In August, when this was discussed, the vote was to table the item until September. The motion in September to accept staff's recommendation passed unanimously.

Adjustment of Raw Water Requirement – Cash In-Lieu-of Rate

When satisfying the City's raw water requirements, developers have the option of paying cash instead of turning over water rights. The cash rate, in-lieu-of water rights, is periodically adjusted to reflect the market price of water rights in this area. The idea of cash is to come up with a rate that provides enough funds to either purchase water rights or improve the rights the City has.

In August, the Board voted unanimously to recommend to Council that the cash in-lieu-of water rights rate be changed from \$2,700 to \$3,500 per acre foot, and the surcharge be raised from \$1.27 to \$1.65 per thousand gallons, effective January 1, 2000.

Water Conservation and Public Education

The Water Conservation and Public Education Committee had a series of 4 monthly meetings beginning in January 1999.

January: Update on Mandatory Metering Program

Metering staff gave an update on the Mandatory Metering Program. The progress report for 1998 showed that 886 meters were installed, which was substantially less than the 1,400 they were shooting for. In January, the Utilities kicked off the "Gotta Meter" campaign. Mayor Azari was featured in brochures and articles holding a meter with the caption, "Like water? Gotta Meter." Meter crews are installing meters starting in the west part of town and zigzagging from north to south, working towards the east. Installation crews bring a water conservation kit to customers if they respond in a timely manner to the request to have a meter installed, and keep their appointment.

February: Presentation on Education Program

Staff discussed both youth and adult education programs. The Watershed Program for elementary students is divided into three areas: preventing pollution on surface water, treating water to mitigate impacts of pollution and protecting and restoring habitat. These are done through working with Poudre School District (PSD) staff and field trips. Sample education materials brought to the C&PE Committee and Board meetings showed how Utility staff train teachers so they can incorporate water education into the curriculum. Schools are also using the Utilities Web Site to bring up information on the internet. Staff members planned and produced the annual Children's Water Festival which was held in May. This year 1,800 third graders participated. Some Board members were involved in the one-day festival.

The adult education program uses staff produced brochures and articles that appear in newspapers and various other publications. Staff provides tours of the City's Xeriscape Demonstration Garden. They maintain water displays at the library, and plan to have a large display of the Poudre River Watershed at the Discovery Center by the summer of 2000. Stormwater staff does extensive education on flood-proofing and prevention. A week-long Flood Awareness program is kicked off prior to the flood season in the spring each year.

March: Briefing on Flood Awareness Week

Flood Awareness Week took place May 2-8. Many organizations were involved in the week's activities (considerably more than last year).

April: Stormwater Integration Efforts with the Community

Stormwater staff briefed the Conservation and Public Education Committee on integration efforts they are making with community issues and needs pertaining to Stormwater. Staff provided a list of things they are doing in neighborhoods, natural areas, trails, wildlife, aquatic ecosystems and parks, and how they have been finding ways to integrate stormwater facilities and issues with other City-owned facilities.

The Committee also reviewed the 1998 Water Conservation Annual Report prepared by staff.

Legislative and Finance

Utilities Services 2000-2001 Budget Overview

In July, the Chief Financial Officer for the Utilities gave the Water Board an overview of the Utilities 2000-2001 budget. This was the first budget review since the merger of the Water and Light & Power Utilities.

There were some fairly significant rate increases, particularly in the Water Utility. Light & Power has not had an increase for many years because of continual growth in the system that has deferred the rate increases.

It was pointed out that the Utilities have engaged in extensive borrowing, so the Utilities' debt/service costs are rising. In order to keep up with the debt service costs and keep the bond coverage where it needs to be, rate increases are necessary.

Since the merger of the Utilities, allocating customer service and administrative costs that benefit each of the four utilities has been difficult. How to charge equitably to each of the funds was a troublesome question. Consequently, beginning in the 2000 budget, there is a new fund, called the Utility Customer Service and Administration Fund. It is where all of these costs will be budgeted and paid for.

Several Board members requested that rate comparisons be part of the budget overview. Staff agreed to provide rate comparisons for the Board at their August meeting. Approval of the budget was postponed until the August meeting because five Board members were absent.

Utilities Services 2000-2001 Budget Approval and Review of Customer Comparison Data

Customer cost comparison data was provided for the August meeting. The first page showed comparisons for Longmont, Loveland, Colorado Spring, Denver, Greeley and Fort Collins. The second page showed a monthly utility bill for a typical Fort Collins single family customer, and the third page listed the pro forma statement of the budget for all of the Utilities' funds, allowing the Board to see the magnitude of the dollars involved for the entire budget.

The Board unanimously recommended to Council the 2000-2001 Utilities Budget as proposed.

1999 Colorado Legislation

In May, after the end of the 1999 Legislative session, Board members received two summaries of the 1999 session: The Colorado Water Council Report by Sara Duncan and the Colorado Municipal League's report. According to the Colorado Water Council Report, "It was a relatively good year for water suppliers and the Colorado General Assembly. Only a few bills had direct impact on water interest, and the inclination to otherwise meddle through legislation, was curbed."

Engineering

Joint Water Distribution Study Presentation

In June, staff gave a presentation to the Water Board on a joint water distribution study. In 1998, an intergovernmental agreement was worked out for the exchange of treated water between the City of Fort Collins and the Fort Collins-Loveland Water District. It was approved by Council and executed in January. The Water Sharing Committee decided to capitalize on that success and go to the next step of commissioning a joint study of the water distribution system of the City and three adjoining water districts.

The Water Board raised some questions and concerns, but took no formal action. There was general agreement that this cooperative effort is the right thing to do and the right time to do it. Staff and the Water Board have been working for years on regional water cooperation. Staff met with the Engineering Committee to review some of the technical aspects of the study.

Liaison Issues

Analysis of Utilities' Ability to Meet Future Treated Water Demands

In January, the Liaison Issues Committee met with the Water Supply Committee to review and discuss the new analysis of the Utilities' ability to meet treated water demands. (Please see Water Supply section.)

Pleasant Valley Pipeline Agreement between City of Fort Collins and Northern Colorado Water Conservancy District (NCWCD)

The pipeline project has been formulated as a regional project. (See Water Supply section.)

Joint Water Distribution Study

Water sharing takes place through intergovernmental agreements. (See Engineering section.)

Joint Regional Water Board Meeting

On June 9th, Fort Collins Water Utilities hosted a regional dinner meeting at the Ptarmigan Country Club with Greeley and Loveland Water Boards and staff, and representatives from the Fort Collins-Loveland Water District, the East Larimer County Water District (ELCO) and West Fort Collins Water District. A local radio personality gave a talk on "Regional Water History."

Water Quality

Video on Watershed Protection

In February, the Utilities' Senior Process Design Engineer showed a recently produced video on watershed protection. The video is an effort to provide further outreach and inform people in Fort Collins and the surrounding area about the program. The Board found the video to be helpful and very well done.

Water Quality Issues Update

The Water Quality Services Manger provide an update in June of a number of water quality issues:

Total Maximum Daily Load (TMDL) Program

Board members asked about the status of the TMDL program and what was happening on the state and national levels. The program is changing because of lawsuits by environmental organizations where TMDLs are not in place. The argument is whether or not they need to be in place where water quality standards are being met. The EPA and the State are redefining the TMDL, and even at the federal level they are planning changes to make it easier to understand. At the federal level, they even want to consider quantity as a pollutant.

Consumer Confidence Report

When the Safe Drinking Water Act was re-authorized in 1996, a new requirement was created that a report had to be distributed to customers stating what was in their drinking water. It took several years to get the guidance in place, and to arrive at a consensus of what did and did not need to be included, and what language to use.

In August, staff gave the status of the Consumer Confidence Report which was discussed at the June meeting. Copies of a draft bill stuffer were included in Board packets. After discussion about what was in the draft, staff assured the Board that the bottom line of the report is that the City meets or surpasses all state and federal water quality standards.

Phase 2 Stormwater Regulations

Staff informed the Board that the Phase 2 Stormwater Regulations should come out in the fall. The regulations were expected to require education, assessing water quality and include criteria to protect water quality in stormwater projects. Generally, the City is considered one of the leaders in terms of being ready for these regulations.

Water Quality Policy Annual Report

Copies of the Water Quality Annual Report were included in Board packets. The chair of the Water Board stated that the City is meeting every one of the goals for water quality. Each year there is an update and the City is not falling short on anything. Staff summarized that the point of the report is to make sure the City is keeping up with its goals, and it is.

Stormwater

Rainfall Study

In September of 1998, Board members received copies of a draft report of the Precipitation Frequency Study. Staff discussed the summary and highlights of the study.

Rainfall Study Results:

- Current City of Fort Collins 2-hour design rainfall, 2.89"
- 2-hour regional rainfall 3.67" – 27% increase
- At-gauge analysis resulted in 4.37" two-hour rainfall – 51% increase
- 3.67" rainfall distribution peak intensity same as 2.89" – 9 in/hr at 35 minutes
- 4.37" rainfall distribution peak intensity 12 in/hr at 35 minutes

In October of 1998 the Board voted 7-1 to support the Task Force recommendations. (One member supported the minority recommendation, which was to change the rainfall amount to 4.37 inches with 5.5 inches for those areas on the west side of the City).

Summary of Task Force Recommendations

- Adopt the regional 100-year, 2-hour design storm of 3.67" (majority opinion)
- Adopt uniform rainfall across Fort Collins (reasoning in Task Force Memo)
- Build additional recording rain gauge sites to start gathering data for future use.

In January 1999, the Board received a memo that summarized the City Council study session regarding the recommendations of the Precipitation Study Task Force.

The Board voted unanimously to send a letter to the City Council confirming the Board's support of their October 1998 decision on the rainfall study recommendations. The letter indicated support of what staff had done.

In March, staff informed the Board that City Council had adopted the revised rainfall criteria on second reading. The Council also amended the City Code to read that the General Manager of the Fort Collins Utilities has the authority to amend master drainage plans for the sole purpose of enhancing said plan, based on reliable data and information.

Old Town Floodplain Variance Request

In April, two Old Town properties were considered separately for floodplain variances: Nicos' Catacombs and a new Gibb's Bagels at 113 South College Ave. and City Drug at 103 West Mountain Ave. Both properties are in the Old Town floodplain. The applicant was requesting a variance from the 1 ½ ft. requirement of floodproofing above the base flood elevation, to 6 inches above the base flood elevation. What the Board acted upon was whether that 6-inch amount of free board was enough.

Staff's recommendation for the South College site was to grant the variance. Their reasoning was two fold: First, the building will be floodproofed; it wasn't at the time of the variance request, and second, the site conditions in this case were the reasoning behind why they needed to have a less restrictive elevation. The Board voted 7-1 in favor of granting a variance. The reason for the opposing vote was a concern that this will set a precedent, and a fear that people might be trapped in Nicos' Restaurant in a flash flood.

The Board voted unanimously to accept the staff recommendation to grant the variances for 103 West Mountain Ave. and 113 South College.

Inconsistent Bank Levels and Elevation on New Mercer Ditch

Citizens representing the Woodbox Condominiums Ass'n. and the Avery Park Neighborhood Ass'n. were concerned that the New Mercer Canal banks have been inconsistent in height from the floor to the bank level for many years and that there had been no maintenance of the banks to make them level. They believed that the lack of maintenance was causing a flood hazard and was a flood safety issue and a public safety issue. The potential hazards were causing the Avery Park neighborhood frustration and fear every time it rained.

Since this was more of an operational design issue, as opposed to a policy issue, the Board didn't take any formal action. Staff was asked to respond to the construction and maintenance issue. The Board asked staff to keep them apprized as to the various options they take while working with the Woodbox and Avery Park Associations. The Board chair stressed that Council has every right to give the Board direction to look at issues of prioritizing. The avenue for addressing the priority issues is a request via Council, through the City manager, and to the Utilities General Manager for the Board to take action.

Poudre River Floodplains Regulations Recommendation

The Floodplains Task Force began in July of 1998 when the Water Board recommended a policy review for designated floodplains. They recommended that Council review and possibly revise existing policies regarding development in the floodplain. In December of 1998, a Floodplains Regulations Task Force was created consisting of 21 individuals with various backgrounds, including two Water Board members. Since that time, the Task Force has met several times, and the Water Board was given a number of updates.

At the August meeting, staff brought a matrix showing proposed floodplain regulations for the Water Board to review. Staff was looking for feedback and action from the Board on the options recommended by staff. After considerable discussion, the Board first voted 5-3 to make the floodway equal to the floodplain as explained in Option 3. A motion to accept the recommendation of staff, subject to revised language for the new development category, passed unanimously.

In September, staff presented a revision of the language concerning new development under Poudre River Floodplain Regulations, which the Board had requested at the August meeting. They unanimously approved staff's recommendation of the Poudre River Floodplain Regulations with the suggested changes at the August and September meetings.

Levy Protection – 404 Permit for Boxelder Sanitation District Sewage Lagoons

In October, a Natural Resources Department staff engineer gave a presentation on a proposal from Boxelder Sanitation District (BSD) to make a number of improvements along the Poudre River designed to protect their lagoons, plant and force main due to the threat of flooding. The major reason for Boxelder's urgency to make the improvements was a flood that occurred in the spring of 1999. BSD had been working with Natural Resources staff and Stormwater staff, and had given a presentation to the Natural Resources Board. The chair of the Natural Resources Board (a former Water Board member) was present at the Water Board meeting to provide the Natural Resources Advisory Board's perspective.

There was clarification as to why Natural Resources was involved. The area in question is within Larimer County's floodplain protection jurisdiction. Natural Resources is involved because:

1. There is a general interest in this section of the River because it is a part of the Fort Collins community.
2. The City of Fort Collins owns a portion of the property on which these improvements would occur. The archery range, which, while purchased as part of the Resource Recovery Farm, is managed as a natural area. The City Council must grant an easement for this work to occur.
3. The City hopes to have a property interest in all of this area, which is all gravel-mined land. They are working with LaFarge and other property owners on some projects to enhance reclamation of the area.

City staff and the Natural Resources Board have agreed to allow BSD to move forward on four improvements Boxelder had requested. They decided the other items warrant further study. The Natural Resources Board was appreciative of the efforts of Stormwater and Natural Resources staff to scale down the things the BSD wanted to do.

The Water Board voted unanimously to support staff's position of the short and long-term issues presented in the position paper. It was stressed that it is important to go to Council with support from both Boards for staff's position.

Stormwater Education Program

Please see Conservation and Public Education

Other Items not Included in Major Categories

Out-of-City Service Requests

Sanitary Sewer Service Request – North Taft Hill Road

In February, Utilities staff received a request for a proposed RV campground located east of Taft Hill Road and north of the LaFarge gravel operation. City Code requires that out-of-city service requests for developments other than single family be taken to Water Board for a recommendation to the Utilities General Manager.

The proposed campground would contain approximately 175 RV sites and 25 tent sites. Water for the campground would be provided by West Fort Collins Water District. The property involved was just outside the Urban Growth Area.

Potential impacts on the City and financial considerations were presented. After considerable discussion about potential flooding problems, the Board voted 8-1 with 1 abstention, to provide sewer service if the development is approved by Larimer County, and with the condition that the sewer line be protected from a 100-year flood.

Water and Sanitary Sewer Service Request – Poudre Overlook Subdivision

In July, Utilities staff received a request for water and sanitary sewer service from the Poudre Overlook Subdivision on the east side of Overland Trail approximately $\frac{3}{4}$ mile north of Vine Drive. There were existing County subdivisions on the south, east and north sides of the proposed site. In terms of providing service to the development, there were existing water mains in Overland Trail, in the subdivision to the east and large water mains across the site in the northwest/southeast direction. The existing sanitary sewer that would provide service was currently in the subdivision to the east of the proposed site. Those facilities had adequate capacity for the additional development.

The Board voted unanimously to recommend approval of the Poudre Overlook Subdivision out-of-city service request.

Utilities Strategic Planning Initiative

In November 1998, staff announced that the Utilities were working with a consultant to develop a strategic plan. In February 1999, the consultant for the Planning Initiative met with the Water and Electric Boards to present their preliminary findings. They had separate meetings with each Board in November. They collected information, and came back to share their thoughts about that information. There were a number of critiques offered to them from staff and the Boards. The Water Board was given periodic staff updates through each phase of the process. The final report is expected to be available in the first part of 2000.

Presentation on Water Treatment Facility (WTF) Master Plan

Utilities staff gave a presentation on the Water Treatment Facility (WTF) Master Plan in July. They updated the Board on construction progress. They also brought a model of the structures of the new complex. The Board was able to view the model from the top, which gave them a sense of the architecture. The layout was labeled with a legend.

Staff reminded the Board that there were numerous projects in the Master Plan that were adopted. At the meeting they showed the largest of the improvements, the ones currently under construction at the Water Treatment Facility.

Land Purchase – Resource Recovery Farm

The City is gradually moving its sludge application project from the Resource Recovery Farm (RRF) to the Meadow Springs Ranch. Because that is occurring, there have been questions about the future of the RRF. A staff member from the Natural Resources Dept. has been working on some exchanges which will benefit both Natural Resources and the Utilities. At the Board's October meeting the Board was informed about the transfer deal in terms of the land transaction, and some of the reasons behind it. A memo explaining the background and the transaction in more detail was distributed at the meeting. There are a number of advantages to the City in this proposed exchange. The Board recommended approval of the transfer of the RRF property.

The Chair of the Water Board commended the staffs of both Natural Resources and the Utilities for the exceptionally creative work to arrange for the exchange. A Board member stated that taking advantage of an investment that was made for one purpose years ago and now using that investment to accomplish other City activities and objectives today, in a very efficient way, is commendable.

John Carver Workshop

In April, several Board members and staff attended a City sponsored John Carver Workshop on the role of boards and commissions. According to the John Carver literature, Mr. Carver "challenges and reinterprets so much of the prevailing wisdom about boards as to introduce a complete revolution in the accepted board process: a powerful, new technology of governance. His approach gives fresh meaning not only to management accountability, but to management empowerment as well. The new model enables boards to shed their trivia, control without meddling, keep their focus on long term outcomes, and—while remaining apart from the exercise of management—to *lead*." Board members who attended the workshop gave their impressions of the session at the May Board meeting.

Fort Collins Utilities 1998 Annual Report

The Water Board reviewed the Fort Collins Utilities 1998 Annual Report in March and declared it an excellent document.

Water Board 2000 Work Plan

The Water Board 2000 Work Plan was adopted unanimously at the December meeting.

Monthly Reports

Northern Colorado Water Conservancy District Updates
Fort Collins Utilities Financial Status Report
Treated Water Production Summary
Staff Reports
Committee Reports