

WATER UTILITIES BOARD

1997 ANNUAL REPORT

Membership Status

Current Members

Paul E. Clopper, Chairman
Alison Adams, Vice Chairperson
Joseph Bergquist
Thomas C. Brown
David M. Frick
Howard N. Goldman
David Lauer
John Morris
David Rau
George Reed
Thomas G. Sanders
Robert C. Ward

Water Utilities Board Council Liaison

Charles Wanner

Resignations and Departures

Terry Podmore resigned from the Board in January, 1997. Ray Herrmann reached the 12-year term limit. Randy Fischer, John Bartholow and John Barnett were not reappointed at the end of their terms due to the policy to reduce the membership of the Board to 11 members.

WATER SUPPLY

Review and Update of Water Supply Policy

A member of the Water Supply Committee prepared a Water Supply White Paper in 1997 summarizing the City's water supply and the Water Utilities Board's role in protecting and enhancing that supply. The Water Supply and Liaison Issues Committees have been reviewing the Water Supply Policy which was developed in 1987. The Committees recommended that the Policy be updated for the following reasons:

- 1) Most of the goals of the current policy have been met;
- 2) There is a need to address water supply liaison issues;
- 3) There is a need to address raw water supply quality;
- 4) There are new demands for water, e.g. for endangered species;
- 5) There is a desire to maintain agriculture in the area.

With the help of the Water Supply and Liaison Issues Committees, staff will begin updating the Water Supply Policy in 1998.

Regional Cooperation

The 1987 Water Supply Policy states that: "The City should continue to work with water suppliers throughout the Northern Colorado Front Range region to assure that adequate supplies are maintained in the region and that maximum use is obtained from supplies and available infrastructure (treatment capacity and transmission lines)." Two regional groups have been organized to help meet that goal: The Northern Regional Water Coalition and the Larimer-Weld Water Issues Group. Two Water Utilities Board members have represented the Board on these groups, providing updates and minutes at Board meetings. The Water Utilities Board participated in ranking the goals and objectives that were generated by members of the Northern Regional Water Coalition. The Larimer-Weld Water Issues group represents a wide variety of water interests and is currently in a learning and discussion phase.

CBT Ownership Limitation - Interim Base Water Supply Policy

In January, two NCWCD staff members updated the Board on its activities and plans. The primary focus of the presentation was their Base Water Supply Policy. In 1995, the Northern Colorado Water Conservancy District adopted the "Interim Guidelines on Ownership of CBT Allotment Contract for Domestic or Municipal Purposes." They presented three goals with regard to this policy:

- (1) The District's 1938 contract stated that the CBT project was designed to supplement the existing base water supplies that were in the basin in 1938. What the District is trying to do with the base water supply is to ensure that the CBT project remains a supplemental water supply.

- (2) The District is trying to protect the base water supplies in this area. They also want to protect the irrigation identity of the CBT project by requiring that a base supply be associated with CBT allotment contracts, not only on the agriculture side, but the municipal side as well.
- (3) The District is concerned that its policies not result in wholesale migration of CBT out of agricultural into municipal.

Utilities staff and Water Utilities Board members continue to have questions and concerns about this policy. The availability of multiple sources of water is a critical water supply issue for the City of Fort Collins. The District's policy, limiting ownership of CBT water, could be a detriment to that availability in the future.

At the May Board meeting, the WUB discussed a draft letter to the NCWCD Board of Directors sharing the Board's concerns about the policy. After a lengthy discussion, the Board agreed to send a letter with guidance from the Mayor, the Council Liaison, the City Manager and the Water Utilities General Manager.

Regional Raw Water Transmission Line

The Pleasant Valley Pipeline is a proposed 7-8 mile long raw water transmission line that would transport raw water from the Poudre River (Munroe Canal) to the Soldier Canyon Water Treatment Plant. It will provide reliability for the City's summer water supply. The conceptual design should cost about \$400,000 which would be split 4 ways among the participants; Greeley, Fort Collins, the Northern Colorado Water Conservancy District (NCWCD) and the three regional water Districts. Water Utilities Board Committees reviewed sizing options for the regional project. The intent of the project is to provide 40-80 MGD capacity for the City. It is anticipated that the design and construction of the pipeline will occur during the next 2-3 years.

Proposed Surplus Water Rental Rates

Each year, after the irrigation companies have established their annual assessment rates for water, the WUB recommends rental rates for the City's surplus water to the City Council. In February, the Board voted unanimously to follow staff's recommendation for the 1997 surplus water rental rates.

Raw Water Requirement - Cash In-Lieu-of Rate

In September, the Board voted unanimously to recommend to the City Council that the cash-in-lieu-of water rights rate be raised from \$1,800 to \$2,700 per acre foot and the surcharge be increased from \$.85 to \$1.27 per thousand gallons. Developers have the option of paying cash instead of turning over water rights to the Utility. The cash or in-lieu-of water rights rate is periodically adjusted to reflect the market price of water rights in the area.

Continuing Water Supply Items

The Board continues to review these items:

- 1) City's position on its responsibility to protect the health of riverine ecosystems affected by City water use, and the relation of that responsibility to traditional water supply goals;
- 2) The proposed Halligan Reservoir project, and;
- 3) Opportunities to purchase water rights.

WATER CONSERVATION AND PUBLIC EDUCATION

Demand Management Measures

In March, Board members received copies of the Water Conservation Annual Report. Staff presented an overview of the report and answered questions. The Demand Management Measures included in the report have all been implemented.

Metering Program

In 1990, in order to comply with the State law mandating that all major water suppliers meter water use by the year 2009, the City implemented a voluntary metering program. The City Council directed that the program be completed by the year 2005. At the time that program was put into effect, the City was already metering all commercial and multi-family units. Staff anticipated that they would need to meter 1,300 single family residences and duplexes a year to meet Council's goal. With the exception of 1992, volunteers had lagged behind that goal, so staff recognized that the time had come to take a different approach.

At the April Board meeting, staff presented three options, listing the associated advantages and disadvantages. Staff recommended a mandatory approach that would result in the systematic installation of meters, moving across the City from west to east. After considerable discussion, the Board voted 9-6 to recommend this approach to the Council. The Council approved the mandatory metering program in August, 1997.

Public Education

The Water Utilities continues to have an active public education program, including the annual Children's Water Festival in the spring (some Board members participate in this), presentations to classes in the Poudre School District, water conservation programs, Xeriscape Demonstration Garden and distribution of publications.

Stormwater staff gave a presentation to the Conservation & Public Education Committee in December on the Stormwater Quality situation, Flood Awareness Week activities in the spring and integration of Stormwater management with community issues and needs. They also provided information on their programs in the Poudre School District.

Flood Hazards

As a result of the "Flood of 1997," public awareness of flood hazards has increased greatly. Three WUB members made presentations at an all day conference at CSU discussing various aspects of that devastating flood.

Informing Citizens about the Quality of Their Drinking Water

Staff has been providing information about the water quality in the Water Utilities' Annual Report.

LEGISLATIVE AND FINANCE

Legislation

The Board reviews and makes recommendations on water, wastewater and stormwater related legislation. They are briefed on proposed legislation on water issues as they come up, and if needed, take appropriate action.

Finance

The Board reviews the utilities proposed budgets, and makes recommendations regarding water, stormwater and wastewater rate increases, water and wastewater PIFs, and Stormwater Basin Fees.

At the August meeting, staff gave a presentation on Wastewater Plant Investment Fees. The Board voted unanimously to recommend that staff implement the 30% commercial PIF increase all at once, rather than incrementally. They also voted 7-1 to recommend that the PIF charge be based on the \$6.11 average over 5 years instead of phasing it year by year through five years. The consensus of the Board was that staff consider inflation in the numbers; perhaps 2 ½ - 3%.

In July, staff presented the proposed 1998-1999 Stormwater, Water and Wastewater Fund Budget. This was the first two-year budget. Starting in 1998, the City is going to a biannual budget. The Legislative and Finance Committee reviewed the budget and made a recommendation to the full Board. The Board voted unanimously to approve the 1998/1999 budget as presented.

Stormwater Finance

The Stormwater Utility will continue working on the Poudre River Drainageway Plan, funding policies and implementation, and a Stormwater Capital Fee Policy. The Capital Fee Policy was not addressed by the Water Utilities Board in 1997.

Bond Issue Update

During budget discussions, the Board usually hears about bond issues. The Water Utilities General Manager reported to the Board in June that the bond issue for the office expansion and renovation at the Service Center was finally happening. The project was projected to cost \$2.5 million; approximately \$1.8 million will be borrowed.

ENGINEERING

Proposed Water Treatment Master Plan

The Engineering Committee met in April to discuss the Proposed Water Treatment Master Plan. Staff presented the Master Plan Improvements, going through each of the 25 projects. At the full Board meeting, the Board voted unanimously to accept staff's recommendation to move ahead with the plan.

Continuing Reviews and Updates

The Engineering Committee continues to monitor the NCWCD Regional Water Supply Study; to review planning and designing phases of construction projects as needed; review Water Treatment, Stormwater and Wastewater Treatment Master Plans; review scope of work for the Halligan Reservoir Feasibility Study; review design criteria, and review the Dry Creek Floodplain Project.

Stormwater Criteria Ad Hoc Committee

The Engineering Committee is represented by its chair on the Stormwater Criteria Ad Hoc Committee. That Committee is reviewing Stormwater criteria and how the calculations are done, etc. Other Engineering Committee members have been invited to attend.

LIAISON ISSUES

Regional 201 Study

The Regional 201 Study consultant gave an informational presentation at the Board meeting in June. The Board was given updates on the Study at each Board meeting. Following is the December, 1997 update:

The 201 Study has been in progress for nearly two years and is close to completion. A final public meeting is scheduled for mid to late February. The consultant has generated a list of alternatives for capacity needs for all the entities during the initial planning period until the year 2020; the complete planning period is until the year 2040. Many alternatives involve each entity expanding on its own land. Others include cooperating in smaller regional subsets and a full regional facility. The consultant looked at all of those from an economic and non-economic perspective including such things as timing and logistics. The bottom line is that none of the entities will need capacity at the same time and the City of Fort Collins is one of the last ones to need capacity. At this point, the most reasonable approach economically would be for each entity to expand separately. Everyone has sufficient land to expand, and preliminary analyses show that a regional facility would be too expensive. The group needs to finish screening the alternatives.

Annual Meeting of Regional Water Boards

On May 22, 1997 the Water Utilities Board met in Greeley with the Loveland and Greeley Water Boards and their staffs for their annual regional meeting to discuss regional issues and concerns.

Regional Cooperation

See Regional Cooperation under Water Supply.

Cooperation With Larimer County and City Council

The Water Utilities Board seeks to maintain and enhance coordinated efforts of management matters with Larimer County staff and City Council.

ELCO Exchange Agreement

In April, staff informed the Board that the Utility is working on an agreement with East Larimer County Water District (ELCO) that would allow them to accept Josh Ames certificates and turn them over to the City in exchange for an annual delivery of water from the City. Staff has been cooperating with ELCO on a housing development in their service area. This development (Dry Creek Mobile Home Park) is a Council priority.

WATER QUALITY

1996 Water Quality Annual Report

At their June meeting, the Board discussed the 1996 Water Quality Annual Report prepared by staff. The major theme for 1996 was continuing improvement in treatment and monitoring. Staff reported to the Board that they continue to track proposed regulations to assess and prepare for potential impact on the Utilities. The Board complimented staff on the quality of the report.

Ongoing Reviews

The Board periodically reviews quality trends of raw water, drinking water, wastewater and stormwater, as well as permits and regulations.

Watershed Management Presentation

The Utilities Process Design Manager gave a Watershed Management presentation at the January Board meeting. The report was the result of recent in-house studies that show the need for the City to be actively involved in a watershed management program. Fort Collins' drinking water supply comes from watersheds on the upper reaches of the North Platte, South Platte and Colorado Rivers. The watersheds cover thousands of acres and are located within national forests and national park boundaries. It was emphasized that managing those lands for the purpose of protecting water quality is going to require the participation of many agencies. The City can't do it by itself. The presentation generated considerable discussion which the Board found useful. There was concern about the potential of deteriorating water quality in the watersheds. It was acknowledged that monitoring, analysis and investigation needs to continue into the decades ahead.

Water Treatment Storage Tank

In September staff informed the Board that an underground water storage tank, needed to improve the reliability of the area's drinking water supply, is scheduled to be constructed beginning in the spring of 1998.

Water Treatment Master Plan Improvements

The Board continues to monitor Water Treatment Master Plan improvements. (See Engineering section)

STORMWATER

Dry Creek Flood Plain Variance Hearing

(Note) At variance hearings, the Board functions as a quasi judicial body. Typically the role of the Board is to recommend policy to the Council.

An application for a variance to floodplain regulations was submitted to the Board in July. The variance request from Newell Recycling of Denver, Inc., was to construct a new facility with above ground gasoline, antifreeze and oil storage tanks in a designated floodplain. Part of the facility would be a recycling center for old cars, refrigerators, etc. The Board was to decide whether the measures the Company was taking to flood proof the storage tank would be enough to overcome the threats posed by flooding. The Board had two variance options:

- (1) To deny the variance request based on a portion of the City Code that applies to this situation and,
- (2) To grant the variance request with the condition that the proposed flood proofing measures be implemented.

Staff's recommendation was option 2 because the extensive flood proofing measures that had been proposed for the site had greatly reduced the threat of damage to the storage tanks by flooding.

After extensive testimony had been presented from the company requesting the variance, and considerable discussion by the Board and staff, the Board voted unanimously to grant the variance under the condition that the proposed flood proofing measures be implemented.

Note: The applicant of the variance later decided not to develop the site.

Dry Creek/West Vine Intergovernmental Agreement

Note: This is also considered to be a regional cooperation issue.

At the February meeting the Board took action on the Dry Creek/West Vine Intergovernmental Agreement. A group of legal and financial staff members from the City and County met for several

months to draft an intergovernmental agreement (IGA) to form a Local Improvement District (LID) for the Dry Creek Floodwater Diversion Project and a stormwater utility. The key provisions are:

- Provides for the City of Fort Collins and Larimer County to cooperate on matters of stormwater planning and funding for the West Vine Basin and Dry Creek Basin.
- Provides for Larimer County to consider forming a stormwater utility for the purpose of funding stormwater improvements for certain City-County fringe areas within the Urban Growth Area (UGA).
- Provides for the County to consider forming a Local Improvement District (LID) for the purpose of financing and constructing the Dry Creek Floodwater Diversion Project.
- Provides for the City and County to jointly fund capital improvements in the West Vine Basin through their respective stormwater utilities.
- Provides for the County to hire a project manager for the two projects that are envisioned by the agreement.
- Provides that the City and County will use the same fee schedules in the respective basins.
- Contemplates that the County Stormwater Utility would be an enterprise as defined under state law.

Ten Board members vote to recommend approval of the IGA to the City Council; one member abstained.

City Plan - Land Use Code Concerning Water Hazards

At the February meeting, staff explained that the City Plan - Land Use Code Concerning Water Hazards, is an attempt to cover what must be considered for any development or re-development within the floodplain. This goes into more detail than what is in the City Code. Lands subject to flooding or located in a natural drainageway will not be approved for development or re-development unless the following conditions are met:

- Complies with the Basin Master Drainageway Plan applicable to such lands;
- Complies with City Stormwater Design Criteria and Construction Standards;
- Complies with floodplain regulations as defined in Chapter 10 of the City Code;

- Any development in the 100-year floodplain will be designed in such a way as not to cause any adverse effects on the development or surrounding properties, either from increased flood heights, flow velocities, flow duration, rate of rise of floodwater, channel stability, or sediment transport;
- Any mitigation measure proposed to address identified adverse effects shall maintain natural area values in accordance with Chapter 29 of the City Code;
- All measures proposed to eliminate, mitigate, or control water hazards related to flooding of drainageways shall be approved by the Water Utilities General Manager.

OTHER ITEMS

Water Utilities Board Functions

In September, the chair and vice chair of the Board attended a City Council Work Session to discuss adding a list of Water Utilities Board Functions to the City Code. The Board had been working on the list for several months. The Council was supportive of the Board's efforts to define their functions. They suggested two minor changes. The Board voted unanimously to approve the list of Functions with Council's suggestions, and directed staff to proceed with the draft for the City Code.

City Council's 1997-1999 Policy Agenda

The Board reviewed the City Council's 1997-1999 Policy Agenda at their August Board meeting. The document represented the Council's vision of the policy work which it plans to accomplish during the next two years. The City Manager asked each board and commission to submit a memorandum outlining how each group believes that its work will support the accomplishment of the agenda. The Board chair and a staff member prepared a response that related the Council's policy themes to the Board's work plan. At the September meeting, the Board approved the response and its format, and agreed to forward it to the City Manager.

Consideration of Purchase Offer for Property at Meadow Springs Ranch

A prospective buyer of a portion of the Meadow Springs Ranch asked to make another presentation to the Board in February after his offer was rejected by the Board and staff in December, 1996. The Board reaffirmed its previous stand by a vote of 9-2, to reject the offer to sell the property and withdraw it from the market.

Land Use Planning (Poudre River)

In February, WUB members were given an informational presentation on Land Use Planning for the Poudre River. The presentation gave the Board an opportunity to comment on various land use activities related to the River. The Poudre River Land Use Plan is being developed by City staff and will encompass lands both inside and outside the City. This plan will direct, in detail, the land use activities along the River.

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Approval of Bylaws

The Board reviewed and approved their revised Bylaws at the February meeting.

Approval of Water Utilities Board 1997 and 1998 Work Plans

In January the Board approved its 1997 Work Plan. This was the first work plan that included the Stormwater Utility projects and activities. The Board reviewed and approved the 1998 Work Plan in October.

Approval of Water, Stormwater and Wastewater Utilities 1996 Annual Report

In April the Board approved the Water, Stormwater and Wastewater Utilities 1996 Annual Report.

Monthly Reports at Board Meetings

Northern Colorado Water Conservancy District Update

Treated Water Production Summary

Financial Status Report

Other Staff Reports

Standing Committee Reports