



WATER BOARD ANNUAL REPORT

1994

Membership Status

Current Members

Timothy J. Dow, President
MaryLou Smith, Vice President
John Bartholow
Thomas C. Brown
Paul Clopper
David G. Frick
Howard Goldman
Neil S. Grigg
Ray Herrmann
Terence H. Podmore
David Stewart

Water Board/City Council Liaison

Alan Apt

Resignations and Retirements

None

Reappointments and New Members

David Frick and Terence Podmore were reappointed to additional 4-year terms. Howard Goldman completed the term of a Board member who resigned and was appointed to an additional 4-year term.

WATER SUPPLY

Forest Service Special Use Permit for Joe Wright Reservoir

The City has been working for several years with the Forest Service to get the City's Special Use Permit for Joe Wright Reservoir renewed. There have been countless meetings, hearings, conflicts, compromises and temporary solutions in trying to resolve the issue.

In December of 1994, it seemed that the City and the Forest Service were close to reaching a conclusion on this issue. There are some concerns regarding liability and insurance that remain to be resolved. It appears that a 50-year easement rather than a special use permit will be issued. The easement provides more permanency, and implicit recognition by the Forest Service that Joe Wright Reservoir is a permanent facility, and that the City of Fort Collins has a substantial investment in it and the related facilities up there.

Sheep Creek Reservoir

Sheep Creek, located in Roosevelt National Forest near Sleeping Elephant Mountain, is a reservoir the City acquired in the early 1950s. It held water from 1910 to 1930, but the dam has been defunct and hasn't held water since then.

At issue at the February Board meeting was whether the City should continue to spend the resources necessary to maintain and protect the associated water rights in anticipation of the possible rehabilitation of the reservoir.

In the 1970s, the City filed an application for various exchanges of Sheep Creek Reservoir water that could be implemented if the dam and reservoir were to be rehabilitated. The City was successful in getting a conditional decree for 532 Ac-ft.

The obstacles to moving forward with the project were: 1) the expense of rebuilding the reservoir and obtaining the necessary permits; 2) the likelihood that an EIS would be required with all the related studies and issues; 3) that there are currently no roads into the site; 4) that Sheep Creek is a home for greenback cutthroat trout; 5) that the site appears to be an environmentally sensitive area; and 6) that the Colorado Water Conservation Board has instream flow rights above and below the site.

Staff's recommendation was that the Water Board recommend to the Council that the City no longer pursue the protection of the water rights associated with Sheep Creek. The Water Board voted 6-2 to accept staff's recommendation. Those dissenting were concerned that there wasn't enough solid information to warrant abandoning the protection of the water rights.

Water Supply Projections

The Water Supply Committee met in June to assess the City's water supply situation and options for increasing the amount and reliability of the supply. One area they discussed was the relative benefit of the purchase of water rights versus purchase of dry year options. The Committee will be reviewing the larger picture at length to determine if they can make some sort of evaluation of options for improving the reliability of the City's water supply.

Front Range Water Forum Technical Committee

At the July Board meeting, staff announced that the Front Range Water Forum Technical Committee was in the process of developing their scope of work. One of the major areas will be to inventory water supplies with a focus on the Denver-metro area. They will also look at exchange possibilities, groundwater and how it plays into the big picture, the potential for interruptable supplies, and the task of examining an integrated system.

Analysis of Proposed Additional Pipeline - Water Treatment Facilities Master Plan

In December the Water Supply and Engineering Committees met jointly to discuss the results of an analysis staff prepared that focused on a proposed additional pipeline; a part of the Water Treatment Facilities Master Plan. The analysis showed the additional amounts of water that could be transported with a larger diameter pipeline. The analysis was based on three major assumptions: 1) the demand for the year 2045 at 50,000 Ac-ft per year; 2) the availability of water from the Southside Ditches; and 3) the hydrologic trace that was used to perform the analysis. Another opportunity the committee saw with the pipeline options was for regionalization, particularly with the Tri-district.

Horsetooth Reservoir Intake Valve Repairs

The Northern Colorado Water Conservancy District (NCWCD) scheduled maintenance for the first of November on the outlet tunnel at Horsetooth Reservoir. Problems with scheduling of the divers, cold weather causing the River to freeze, and an accident that occurred when the divers were removing the bulkhead, extended what was to be a two-week project to nearly the entire month of November. With the outlet to Horsetooth out of use, the water supply for the City and the Districts was entirely dependent on the Poudre River. Through the period of the repairs and maintenance, there were a number of close calls with dwindling supplies in the treated water storage reservoirs, but with the help of Greeley, Water Supply and Storage Co. and the River Commissioner, the City was able to make it through the crises. On November 30th, with a collective sigh of relief, the project was completed.

WATER CONSERVATION AND PUBLIC EDUCATION

Demand Management Measures 8 and 9

In May the City Council passed conservation measures 8 and 9 of the Demand Management Resolution. These measures are landscaping requirements that incorporate water conservation. The City Council/Water Board Water Planning Committee reviewed them and recommended that Council adopt them.

Educational Displays

In December the Conservation and Public Education Committee met to discuss ideas for constructing mobile displays that could be used for educational purposes. Further planning is needed to determine the scope and cost of the project.

LEGISLATIVE AND FINANCE

Proposed Development/Plan Review Fees

In January the Board approved by a vote of 8-1 a Development/Plan Review Fees Ordinance with a clarification that the Board didn't necessarily endorse, one way or the other, the underlying philosophy. The ordinance was in response to Resolution 93-179 adopted by Council in November, 1993. It required that 100% of the cost of development-related activities be recovered through City development review fees. The ordinance authorizes the City Manager to adjust fees each year based on costs. Water Board members spent considerable time discussing this issue, and were assured that Council members would be aware of their comments since excerpts from the Water Board minutes are attached to Council support material.

Endorsement of Proposed Action of Ad Hoc Cost of Service Committee

The Ad Hoc Cost of Service Committee spent several months reviewing the Cost of Service Water Rate Study completed by Utility staff, and the associated ratemaking analysis. The Committee recommended further clarification of several policies, as well as the role water and wastewater ratemaking should play in following those policies. They also agreed to refer four policy issues to the Water Board/City Council Water Planning Committee.

The Water Board's recommendation was to forward the policy issues to the Water Planning Committee and modify the recommendation regarding a conservation rate to reflect the Board's concern about delaying consideration until more people are metered. The Water Planning Committee recommended forwarding the item to the Council for consideration.

Monthly Financial Status Report

At the December 1993 Board meeting a number of questions were raised concerning the financial status of the Utility. As a result, the Board requested that staff include on each month's meeting agenda a financial status report to keep the Board better informed.

Review of Legal Issues for Water Related Ballot Issues

Staff prepared a status report on water related legislative issues for the May Board meeting. The report included a description of two important proposed constitutional initiatives:

- 1) An amendment that would prohibit trans-basin water diversions without an affirmative vote of a majority of all "eligible electors" within the basin. It didn't get on the ballot.
- 2) An amendment that would require the State to defend a strong Public Trust Doctrine, which could seriously undermine the underlying principle of water as a private right. It wasn't on the ballot.

The Assistant City Attorney explained what the Board could and couldn't do with regard to these kinds of initiatives.

Proposed Resolution on Possible Wilderness Designation for Rocky Mountain National Park

In June, Congressman Skaggs introduced a bill that would designate as wilderness 240,650 acres in four separate areas of Rocky Mountain National Park. Congressman Allard asked the City's position on the legislation, and the Council Legislative Review Committee referred the bill to the Water Board and Natural Resources Board.

The Fort Collins City Council passed a resolution that supported designating the Park as a wilderness area, provided the designation would not impair the water rights or facilities of the NCWCD, the City of Fort Collins or other communities, and urged the sponsors of the Act to continue to work with the Northern District and effected communities to resolve any concerns with regard to water rights or facilities which may arise from the proposed wilderness designation.

Neither Sen. Brown nor Sen. Campbell supported the bill at that time. Other area cities had both water and land use concerns. The bill died in a Congressional sub-committee.

Review of the Draft Water & Wastewater Utility Recommended 1995 Budget

Staff presented a draft of the Water & Wastewater Utility 1995 recommended budget to the Water Board in July. The recommended 1995 budget included revenue projections based on a 5% water rate increase and a 6% wastewater rate increase. It also included a 3.49% increase in

O&M expenses in the Water Fund and a 4.32% increase in O&M in the Wastewater Fund. Budgeted funds for minor capital expenditures increased by 0.89% in the Water Fund and 0.72% in the Wastewater Fund.

The Board unanimously recommended approval of the Water & Wastewater 1995 budget, taking into consideration that the vote was based on a rate increase that assumes approval of the Water Treatment Master Plan. Without the master plan, the water rate increase would be 4%.

Staff pointed out that the process of reducing waste and improving efficiency is on-going.

Cost of Service Issues

Board members received a summary of cost of service issues for the August meeting. The Water & Wastewater Utility currently designs its rates on a cost of service basis. The Ad Hoc Cost of Service Committee forwarded to the Water Board a policy to add conservation considerations as well as several cost of service rate adjustments. Staff discussed each item listing the advantages and disadvantages of each. The Board voted unanimously to support staff's proposed modification policy for the 1995 Water & Wastewater rate schedule.

In December, City Council adopted a comprehensive rate package that included the following changes:

Rates paid by outside City customers - Outside City customers currently pay 1 1/2 times the applicable rate for the equivalent water metered service within the City. Starting with 1995, rates will be held constant until inside-city rates catch up. This will take approximately 5 years for water rates and 8 years for wastewater rates.

Authorize future use of conservation incentives in rate-making - To meet the goals of the Demand Management Policy, it may be necessary to implement a rate structure that encourages conservation. Council authorized the Utility to base its rates on conservation incentives in addition to cost of service.

Implement residential wastewater rates based on winter quarter consumption - This "pay as you flush" rate structure will shift the cost toward those customers who use a lot of water inside the home. Presently, all residential customers pay a flat fee. This rate structure will result in more equitable rates for low volume water users, but will increase the monthly bill for those customers with larger households.

Establish conservation rates for non-residential customers - Non-residential customers whose monthly water usage exceeds 5 times the average usage for customers of the same meter size will pay more for water used in excess of the specified amount. This rate should encourage conservation and shift costs to those customers who contribute to summer peak water usage.

Begin 3-year phased cost of service adjustments - A recently completed cost of service study indicated that some customers are paying more than they should and others are not paying enough. These discrepancies will be corrected over a 3-year period.

Meet utility-wide revenue requirements - Overall, the Utility needs to collect 6% more in wastewater revenue and 5% more in water revenue in 1995.

Construction Water Rates

At the September meeting staff explained that a temporary construction rate of 1/2 the applicable flat rate or minimum metered rate charge for the size of the metered tap, was currently being charged for premises under construction, starting on the date the permit is validated. Staff asked the Board to review this item because of issues surrounding the administration of the program. At the meeting an issue was raised about the status of the hydrant meter installed during the construction period.

The amended motion to approve the construction rate in concept and have staff resolve the issue of double billing for construction water, passed unanimously.

In November, staff clarified the construction rates item. At the time a permit is issued, applicants will pay a one time fee based on three months of construction. Customers who check out hydrant meters for water during construction will be credited with 6,000 gallons of water, 2,000 gallons for each of the 3 months.

ENGINEERING

Cross Connection Control Program

The Engineering Committee and the full Board have spent considerable time and effort on the issue of cross connection control. A cross connection is a link between a consumer's water system and the City's potable water system through which contaminating materials can enter the system. The Cross Connection Program is mandated by federal and state law. In 1991 the City approved funding to begin the program.

Major parts of the program were developed in 1992 with input from internal City committees and external committees from industry. In 1993 the program lay dormant for a few months after the resignation of the Cross Connection Control Administrator.

In January of 1994, a new Cross Connection Control Administrator was hired. In April of 1994 he presented the Board with the updated rules and regulations manual. The revised program will include residential as a part of the overall picture, but staff will be spending the majority of their time and effort on commercial and industrial facilities where the greatest potential for

contamination lies. Individual residential sprinkler systems, as they are tested in the fall or spring, will become a part of a data base and testing reminders will be sent out from those lists.

The Board voted unanimously to recommend adoption of the first ordinance which amends the City Code. After considerable discussion, the actual Cross-Connection Control Rules and Regulations were referred to the Water Board Engineering Committee for further review. In addition, the decision was also delayed to seek an opinion from the City's legal staff on two specific questions.

The Engineering Committee concluded that the Utility is constrained by State regulations, and because of that, they concurred with the staff recommendation to approve the regulations as defined. City legal staff prepared a memo explaining some of the legal ramifications of not complying with State regulations. At their May meeting, the Board voted 6-1 to recommend approval of the Cross-Connection Control Rules and Regulations as presented.

Water Treatment Master Plan

The Water Board Engineering Committee was closely involved in reviewing the Water Treatment Facilities Master Plan along with the Water Supply Committee, as stated previously in the Water Supply portion of this document.

LIAISON ISSUES

Intergovernmental Agreement - South Fort Collins Sanitation District

In 1985, the City and South Fort Collins Sanitation District entered into a 5-year intergovernmental agreement which established service area boundaries, provided for sharing of master plans, and initiated cooperation in providing service to the customers of the City and the District. The agreement has worked well in providing an orderly process for discussing and resolving service issues. There weren't any large overriding issues in the new agreement. The Board unanimously recommended approval of the new agreement at their January meeting.

Briefing from New General Manager of the Northern Colorado Water Conservancy District (NCWCD)

The new General Manager of the NCWCD Eric Wilkinson, visited the Water Board meeting in April. He gave a thorough update on District activities and answered Board members' questions.

Regional Joint Meeting of Water Boards and Staff with Governor

On May 16, 1994, the Fort Collins, Greeley and Loveland Water Boards, staff and elected officials met with Governor Romer in Greeley to discuss issues relating to the Forest Service

Special Use Permits, and other regional topics. The meeting was valuable in that it provided an opportunity for dialogue as well as making the Governor aware of the groups' perspectives and the importance of water issues to Northern Colorado communities.

Boxelder Sanitation District

Representatives from the Boxelder Sanitation District and their attorney attended the November Water Board meeting to discuss a draft ordinance allowing the District to purchase a parcel of land and easements from the City to accommodate the District's plans to expand its lagoon system; an option they are considering in order to comply with certain requirements established by the Colorado Water Quality Control Division.

The draft ordinance stated that the City has serious concerns about the use of lagoon systems to treat commercial and industrial wastes typically generated in urban service areas. The City decided that the Colorado Water Quality Control Division is the appropriate agency to determine the technical merits of any future site application submitted by the District to expand its lagoon system.

The draft ordinance stated that in the spirit of intergovernmental cooperation and the avoidance of time consuming and expensive litigation, the City would reluctantly consider selling the land and easements requested by the District, with the following conditions:

- (a) The Division determines that the expansion of the District's lagoon system is consistent with state and federal water quality laws, rules, regulations, goals and policies, and thus approves the District's site application to expand the lagoon system: and
- (b) The District agrees not to pursue future land acquisitions from the City for the purpose of further expanding its lagoon system.

The Board passed the draft ordinance by an 8-2 vote. One of the dissenters stated that "the request was in the best interest of the District, but not in the best interest of the City." The other dissenting Board member felt "the City was being pressured to make a decision, and more time should be allowed for a resolution." Others who voted yes supported the ordinance with some reservations.

The ordinance was adopted by the Council in December. Staff announced that one of the "whereases" stated that the Boxelder Board agrees to meet with the Fort Collins Water Board prior to July 1, 1995 to discuss regional issues. The District is to keep interested parties apprised of the site application process, and the schedule for public meetings. At their January meeting the Water Board will discuss topics and timing for the meeting with the Boxelder Board.

WATER QUALITY

Presentation of Draft Water Treatment Facilities Master Plan

In June, consultants from Black & Veatch who prepared the Draft Water Treatment Facilities Master Plan, gave a preview of the executive summary of the plan.

The purpose of the B&V project was to review past efforts, assess existing conditions, project future needs, and develop a comprehensive plan for the next 20 years. The results of this Planning Study were heavily influenced by the City's recently adopted Drinking Water Quality Policy, and it was also influenced by the Water Demand Management Policy.

The assumptions and findings of the Water Treatment Facilities Master Plan indicate that new facilities to increase treatment capacity and improve reliability will be needed within the 20-year planning period.

The purpose of the Master Plan is to:

Provide the facilities needed to meet future treated water demands.

Ensure that the quality of the treated water delivered to customers consistently meets or surpasses regulatory requirements.

Ensure that the quality of the treated water meets customer expectations.

Provide operating flexibility to meet fluctuations in usage and raw water quality.

Provide sufficient redundancy, standby facilities and emergency procedures to ensure water supply reliability.

Supply high quality treated water at the lowest practical cost.

This plan was referred to the City Council/Water Board Water Planning Committee and the Water Board Engineering and Water Supply Committees. In November, the Water Planning Committee met to focus on the rates associated with the Master Plan. The various capital projects were re-phased to stretch out the Master Plan for a longer period so the financial impact would be less initially. The idea was that, presumably, the Council would endorse only Phase I, which is concerned with health and safety issues. Phases 2 and 3, focusing on liability and capacity issues, will be reviewed after more information is gathered.

OTHER MAJOR ITEMS

Biosolids Management Plan

Staff gave an overview of the Biosolids Management Plan at the August Water Board meeting. When the City purchased the Meadow Springs Ranch in 1990, the City Council directed staff to develop a master plan, not only for the ranch itself, but for long term biosolids management at the ranch and water treatment plant solids as well. The Management Plan was completed during the summer of 1994. Staff then asked for a recommendation from the Water Board to proceed with the next phase of the project.

The "pilot phase" studies were useful in providing background information on the benefits of rangeland application of biosolids, but they were not designed to address operational issues. What was planned next was a demonstration phase to address issues like the best time of year for application, the kinds of impacts on the somewhat delicate prairie land, what kinds of vehicles are going to do the best job, the best kinds of equipment for application, and other operational items.

The Water Board voted unanimously to recommend to the City Council, approval of the Demonstration phase of the Biosolids Management Plan.

Staff Survey of Water Board Members

In April Water Board members were asked to respond to a survey prepared by staff. The survey was designed to measure the members' level of satisfaction of all aspects of the Water Board experience. They were also asked to rate the degree of importance of various publications they receive and of some Board functions. Staff was looking for areas where improvements could be made. The summary of the results indicates that the Board is very satisfied with their overall experience as a Board member.

Recognition of Neil Grigg for His Contributions as Water Board President

Neil S. Grigg, President of the Water Board for more than 3 years, was recognized on December 16th for his outstanding contribution as president of the Board. He was given a plaque with a gavel.

Meeting and Social Time with Former Water Board Members

At the request of current Board members, former Water Board members were invited to the December Board meeting for a social gathering and an exchange of ideas on some of the major challenges facing the Board. The emphasis was on regional cooperation and future water supplies. Retiring Board president Neil Grigg gave the group an update on the issues the Board had been

grappling with for the past two years. Three former presidents and nine former members enjoyed getting re-acquainted, and participating in an informative and spirited exchange of ideas.

ROUTINE ITEMS

Surplus Water Rental Rates

In February the Board voted unanimously to recommend approval of the 1994 Surplus Water Rental Rates. Each year, after the irrigation companies have established the annual assessment rates for their water, the Water Board recommends the proposed rates to the City Council.

Approval of Draft 1995 Water Board Work Plan

Each year, in November, the Board reviews a draft of the work plan for the following year. Major items relate to the work of the Water Board standing committees. All City Boards and Commissions are required to provide work plans which are forwarded from the City Clerk's Office to Council members.

The Board unanimously approved the 1995 work plan with an emphasis on Liaison Issues. That section says: "Meet with regional water boards to discuss issues of regional interest, and review issues with regional water and sanitation districts as needed."

Election of Officers

In November Tim Dow was elected president and MaryLou Smith was re-elected as vice president. (Ordinarily elections are held in October.)

WATER BOARD WORK PLAN - 1994

1. Water Supply
 - A. Review opportunities for purchase of water rights or option contracts
 - B. Continue to monitor proposed Halligan Reservoir Project
 - C. Periodically review status of Southside Ditches water rights transfer
 - D. Periodically review status of NCWCD's Poudre Project
 - E. Review NCWCD Regional Water Supply Study
 - F. Periodically review status of Thornton's Northern Project
 - G. Review of Sheep Creek Reservoir
2. Water Conservation and Public Education
 - A. Play an advisory role in implementing demand management measures as recommended by the Demand Management Committee and adopted by the City Council
 - B. Continue to monitor volunteer metering program
 - C. Help promote additional public education projects
3. Legislative and Finance
 - A. Review and make recommendations on water related legislation
 - B. Review Utility proposed budget and make recommendations regarding water and wastewater rate increases
 - C. Review recommendations of Cost of Service Committee
4. Engineering
 - A. Continue to monitor NCWCD Regional Water Supply Study
 - B. Review planning and designing phases of construction projects as needed
 - C. Review water treatment master plan
 - D. Review Scope of Work for Halligan Feasibility Study
5. Liaison Issues
 - A. Pursue cooperation and interaction with related City Boards
 - B. Meet with regional water boards to discuss issues of regional interest
 - C. Review issues with regional water and sanitation districts as needed
6. Water Quality

Review and provide input to the City Council/Water Board Water Planning Committee for the development of a policy regarding City goals for raw water quality protection and standards for treatment of drinking water
7. Routine Items

The Water Board will review and consider as needed such items as raw water rental rates, cash in-lieu-of water rights rates, and Water Board attendance goals.