TOWN OF WELLINGTON

BOARD OF TRUSTEES
September 15, 2020
6:30 PM

Special Meeting Agenda

Please click the link below to join the webinar:
https://zoom.us/j/96781563563
Webinar ID: 967 8156 3563

Or iPhone one-tap :
US: +13017158592,,96781563563# or +13126266799,,96781563563#

Or Telephone:
US: +1 301 715 8592 or +1 312 626 6799 or +1 346 248 7799

A. CALL TO ORDER

1. Roll Call

B. ITEMS

1. Waste Water Treatment Plant Master Plan Presentation by Jacobs

2. Utility Rate Review

3. Election Date Discussion

C. EXECUTIVE SESSION

1. Conferences with negotiators for the local board as allowed pursuant to § 24-6-402(4)(e)(I), for the purpose of determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators relative to the Poudre School District Annexation Agreement and Development Agreement.

D. ADJOURN

The Town of Wellington will make reasonable accommodations for access to Town services, programs, and activities and special communication arrangements Individuals needing special accommodation may request assistance by contacting at Town Hall or at 970-568-3380 ext. 110 at least 24 hours in advance.

TOWN OF WELLINGTON

Board of Trustees Meeting

Date: September 15, 2020
Submitted By: Dave Myer, Engineer
Subject: Waste Water Treatment Plant Master Plan Presentation by Jacobs

EXECUTIVE SUMMARY

This is a presentation of the results of the WWTP Master Plan completed by our Consultant, Jacobs Engineering Group.

BACKGROUND / DISCUSSION

STAFF RECOMMENDATION

ATTACHMENTS

None

TOWN OF WELLINGTON

Board of Trustees Meeting

Date: **September 15, 2020**
Submitted By:
Subject: **Utility Rate Review**

EXECUTIVE SUMMARY

Review of Utility Rate Increase scenarios and final discussion before adoption on September 22, 2020.

BACKGROUND / DISCUSSION

The Town contracted with Woodard & Curran to evaluate water, wastewater, and stormwater rates. In the last several months, staff presented the historical base rates/ tier rates, historical cost of water, capital improvement and impact fees, cash flow analysis, and the proposed increase scenarios.

The goal was to:

- Develop realistic projections of the full costs associated with operating the utility
- Review multiple years of utility bills to establish a trend in usage
- Calculate monthly fixed and volumetric charges necessary to provide for the utility's long-term financial sustainability

Major factors for the increase in rates:

- Utility rates have remained the same since 2016
- Increased water costs
- New capital projects/loan

STAFF RECOMMENDATION

Staff is seeking feedback on which Utility Rate Increase to adopt.

ATTACHMENTS

1. Water Rate Model Update Board of Trustees Meeting May 26, 2020_202007161215247421 (1)

Wellington Rate Study - Update

Board of Trustees Meeting
May 26, 2020

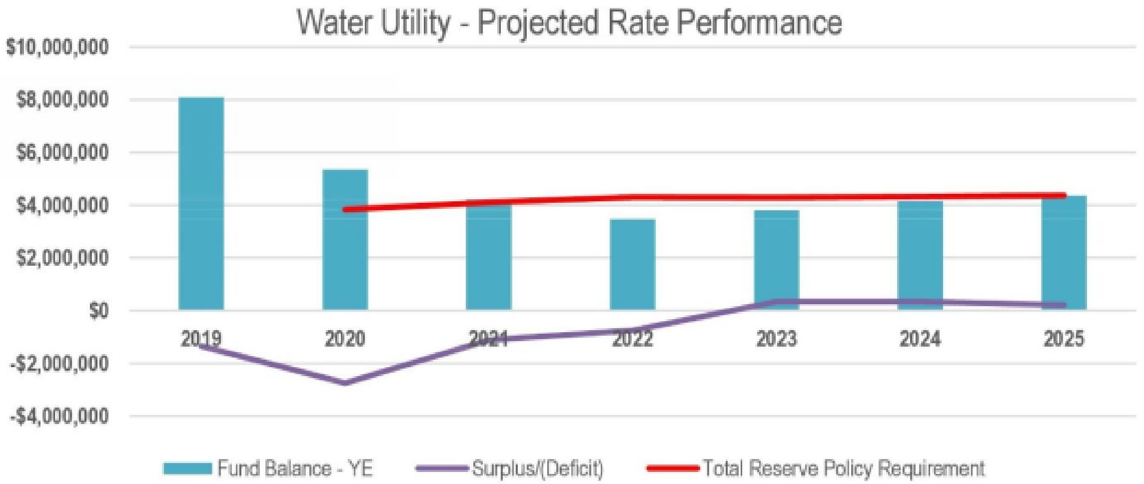
TOWN OF
WELLINGTON

Background

- Woodard & Curran presented the utility rate study on March 17, 2020.
- Town Board had additional questions regarding the NPIC share valuation.
  - Current model NPIC Shares evaluations:
  - 2020 - $126,740
  - 2021 - $138,816
  - 2022 - $151,357
  - 2023 - $163,614
  - 2024 - $176,161
  - 2025 - $198,307
  - Current market rate as of 05/20/2020 approximately $205,000

Consultants Water Rate Recommendation

Water Rates ($/unit)									
	Tier	Tier Size	2019	2020	2021	2022	2023	2024	2025
Fixed Charge Increase (%)					reset	20.0%	10.0%	0.0%	0.0%
Monthly Fixed Charge			$ 18.86	$ 18.86	$35.00	$ 42.00	$ 46.20	$ 46.20	$ 46.20
Volumetric Increase (%)			0.0%	0.0%	25.0%	25.0%	5.0%	0.0%	0.0%
Tier	Included	0	n/a	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	1	15	$3.65	$3.65	$4.56	$5.70	$5.99	$5.99	$5.99
	2	15	$3.93	$3.93	$5.70	$7.13	$6.29	$5.99	$5.99
	3	>30	$4.94	$4.94	$7.72	$9.65	$8.51	$8.10	$8.10

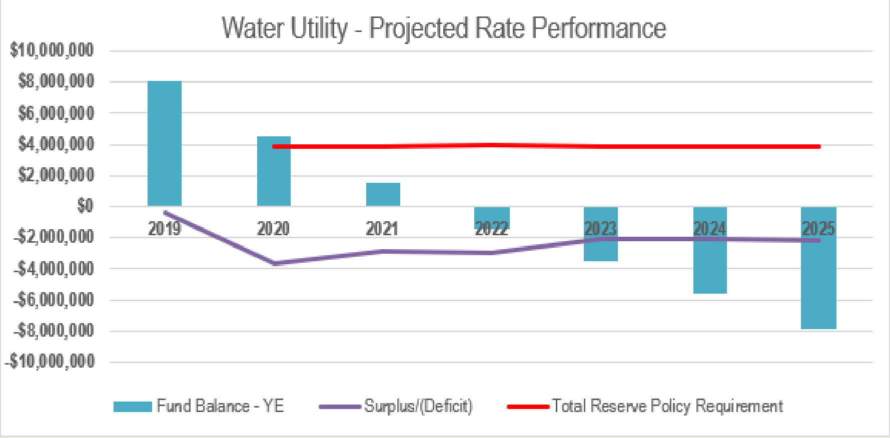


Scenarios

- Scenario 1 - Maintain current water rate structure.
- Scenario 2 - Implement consultant’s rates with new NPIC evaluation.
- Scenario 3 - Updated step price increase. This will put the Town out of compliance with fund balance policy until 2025.
- Scenario 4 – Increase rates to ensure compliance with fund balance policy.

Scenario 1 – Current Rate Structure

Water Rates ($/unit)									
	Tier	Tier Size	2019	2020	2021	2022	2023	2024	2025
Fixed Charge Increase (%)					reset	0.0%	0.0%	0.0%	0.0%
Monthly Fixed Charge			$ 18.86	$ 18.86	$18.86	$ 18.86	$ 18.86	$ 18.86	$ 18.86
Volumetric Increase (%)			0.0%	0.0%	25.0%	25.0%	5.0%	0.0%	0.0%
Tier	Included	0	n/a	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	1	15	$3.65	$3.65	$4.56	$5.70	$5.99	$5.99	$5.99
	2	15	$3.93	$3.93	$5.70	$7.13	$6.29	$5.99	$5.99
	3	>30	$4.94	$4.94	$7.72	$9.65	$8.51	$8.10	$8.10

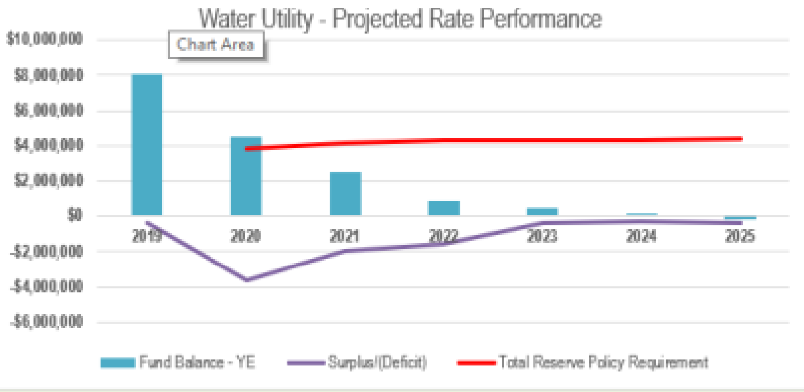


Cash Flow Analysis – Scenario 1

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Projected Revenues	2,579,074	2,712,084	3,187,647	3,801,499	4,059,758	4,179,730	4,299,747
Projected Operating Expenditures	2,678,364	3,850,007	4,068,639	4,316,389	4,503,835	4,698,446	4,900,493
Operating Loss/Gain	(99,290)	(1,137,923)	(880,992)	(514,890)	(444,077)	(518,716)	(600,746)
Debt Service	298,750	1,623,879	1,621,453	1,588,427	1,547,992	1,464,694	1,462,016
CIP Projects		863,102	387,242	873,837	131,024	118,346	142,449
Total Cost	(398,040)	(3,624,904)	(2,889,687)	(2,977,154)	(2,123,093)	(2,101,756)	(2,205,211)
Ending Fund Balance	**8,088,061**	**4,463,157**	**1,573,470**	**(1,403,684)**	**(3,526,777)**	**(5,628,533)**	**(7,833,744)**

Scenario 2 – Consultant's Recommended Rates

Water Rates ($/unit)									
	Tier	Tier Size	2019	2020	2021	2022	2023	2024	2025
Fixed Charge Increase (%)					reset	20.0%	10.0%	0.0%	0.0%
Monthly Fixed Charge			$ 18.86	$ 18.86	$35.00	$ 42.00	$ 46.20	$ 46.20	$ 46.20
Volumetric Increase (%)			0.0%	0.0%	25.0%	25.0%	5.0%	0.0%	0.0%
Tier	Included	0	n/a	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	1	15	$3.65	$3.65	$4.56	$5.70	$5.99	$5.99	$5.99
	2	15	$3.93	$3.93	$5.70	$7.13	$6.29	$5.99	$5.99
	3	>30	$4.94	$4.94	$7.72	$9.65	$8.51	$8.10	$8.10

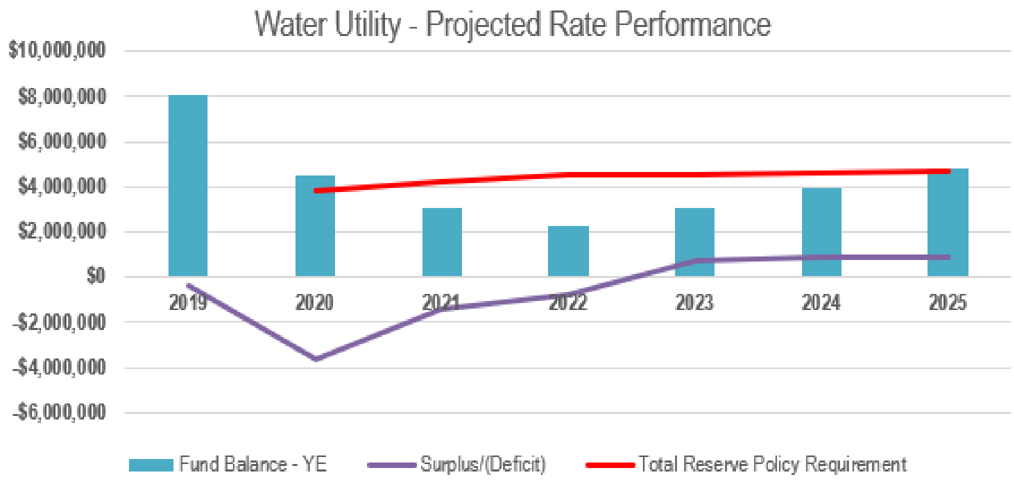


Cash Flow Analysis – Scenario 2

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Projected Revenues	2,579,074	2,712,084	4,091,522	5,176,293	5,778,241	5,959,696	6,141,195
Projected Operating Expenditures	2,678,364	3,850,007	4,068,639	4,316,389	4,503,835	4,698,446	4,900,493
Operating Loss/Gain	(99,290)	(1,137,923)	22,883	859,904	1,274,406	1,261,250	1,240,702
Debt Service	298,750	1,623,879	1,621,453	1,588,427	1,547,992	1,464,694	1,462,016
CIP Projects		863,102	387,242	873,837	131,024	118,346	142,449
Total Cost	(398,040)	(3,624,904)	(1,985,812)	(1,602,360)	(404,610)	(321,790)	(363,763)
Ending Fund Balance	**8,088,061**	**4,463,157**	**2,477,345**	**874,985**	**470,375**	**148,585**	**(215,178)**

Scenario 3 – Updated Step Structure

Water Rates ($/unit)									
	Tier	Tier Size	2019	2020	2021	2022	2023	2024	2025
Fixed Charge Increase (%)					reset	25.0%	15.0%	0.0%	0.0%
Monthly Fixed Charge			$ 18.86	$ 18.86	$45.00	$ 56.25	$ 64.69	$ 64.69	$ 64.69
Volumetric Increase (%)			0.0%	0.0%	25.0%	25.0%	5.0%	0.0%	0.0%
Tier	Included	0	n/a	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	1	15	$3.65	$3.65	$4.56	$5.70	$5.99	$5.99	$5.99
	2	15	$3.93	$3.93	$5.70	$7.13	$6.29	$5.99	$5.99
	3	>30	$4.94	$4.94	$7.72	$9.65	$8.51	$8.10	$8.10

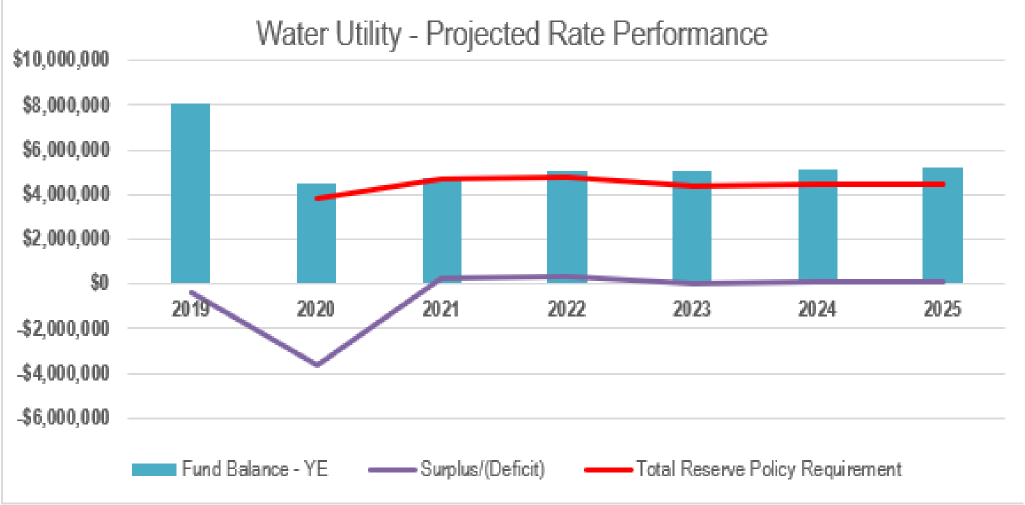


Cash Flow Analysis – Scenario 3

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Projected Revenues	2,579,074	2,712,084	4,651,592	6,022,914	6,940,448	7,163,483	7,386,563
Projected Operating Expenditures	2,678,364	3,850,007	4,068,639	4,316,389	4,503,835	4,698,446	4,900,493
Operating Loss/Gain	(99,290)	(1,137,923)	582,953	1,706,525	2,436,613	2,465,037	2,486,070
Debt Service	298,750	1,623,879	1,621,453	1,588,427	1,547,992	1,464,694	1,462,016
CIP Projects		863,102	387,242	873,837	131,024	118,346	142,449
Total Cost	(398,040)	(3,624,904)	(1,425,742)	(755,739)	757,597	881,997	881,605
Ending Fund Balance	**8,088,061**	**4,463,157**	**3,037,415**	**2,281,676**	**3,039,273**	**3,921,270**	**4,802,875**

Scenario 4 – Fund Balance Compliance

Water Rates ($/unit)									
	Tier	Tier Size	2019	2020	2021	2022	2023	2024	2025
Fixed Charge Increase (%)					reset	0.0%	-30.0%	0.0%	0.0%
Monthly Fixed Charge			$ 18.86	$ 18.86	$75.00	$ 75.00	$ 52.50	$ 52.50	$ 52.50
Volumetric Increase (%)			0.0%	0.0%	25.0%	25.0%	5.0%	0.0%	0.0%
Tier	Included	0	n/a	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	1	15	$3.65	$3.65	$4.56	$5.70	$5.99	$5.99	$5.99
	2	15	$3.93	$3.93	$5.70	$7.13	$6.29	$5.99	$5.99
	3	>30	$4.94	$4.94	$7.72	$9.65	$8.51	$8.10	$8.10



Cash Flow Analysis – Scenario 4

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Projected Revenues	2,579,074	2,712,084	6,331,712	7,136,889	6,174,233	6,369,856	6,565,522
Projected Operating Expenditures	2,678,364	3,850,007	4,068,639	4,316,389	4,503,835	4,698,446	4,900,493
Operating Loss/Gain	(99,290)	(1,137,923)	2,263,073	2,820,500	1,670,398	1,671,410	1,665,029
Debt Service	298,750	1,623,879	1,621,453	1,588,427	1,547,992	1,464,694	1,462,016
CIP Projects		863,102	387,242	873,837	131,024	118,346	142,449
Total Cost	(398,040)	(3,624,904)	254,378	358,236	(8,618)	88,370	60,564
Ending Fund Balance	**8,088,061**	**4,463,157**	**4,717,535**	**5,075,771**	**5,067,153**	**5,155,523**	**5,216,087**

Questions?

TOWN OF WELLINGTON

Board of Trustees Meeting

Date: September 15, 2020
Submitted By:
Subject: Election Date Discussion

EXECUTIVE SUMMARY

BACKGROUND / DISCUSSION

The Town Clerk's Office received signed petition forms for the sale of retail and medical marijuana in the Town of Wellington and to impose a 3.5% tax on retail marijuana and retail marijuana products in the Town of Wellington on July 30, 2020. The Clerk then inspected the signatures on the petitions for validity. A statement of sufficiency was completed within the 30 days allowed. A statement of sufficiency was sent to the individuals listed on the petitions as the proponents of the petitions electronically on August 20, 2020 and on August 25, 2020 as hard copies. Protests were received by the Clerk's Office on September 8, 2020. A protest hearing will be conducted the week of September 14, 2020 and if the petitions are determined to be sufficient, a special election will need to be called.

Pursuant to C.R.S 31-10-108, Special elections shall be held on any Tuesday designated by ordinance or resolution of the governing body. No special election shall be held within the ninety days preceding a regular election. No special election shall be called within sixty days before the date thereof, nor shall any special election be held within the thirty-two days before or after the date of a primary, general, or congressional vacancy election. A special election may be held at the same time and place as a primary, congressional vacancy, or general election as a coordinated election pursuant to section 1-7-116, C.R.S., or may be conducted at the same time as a mail ballot election pursuant to article 7.5 of title 1, C.R.S. Special elections shall be conducted as nearly as practicable in the same manner as regular elections.

The special election can be called on any Tuesday between December 7, 2020 - January 17, 2021.

STAFF RECOMMENDATION

Staff requests the Board make a determination of the preferred election date if an election is needed.

ATTACHMENTS

None