



WATER & SEWER ADVISORY BOARD REGULAR MEETING

Town Hall - 8720 Spruce Mountain Road
SUMMARY MEETING MINUTES
NOVEMBER 13, 2018 @ 6:30 p.m.

ESTABLISH QUORUM

MEETING CALLED TO ORDER by Tricia Bernhardt at 6:30 pm

PRESENT

ABSENT

Tricia Bernhardt (Chair)
Eric Waggle (Co-Chair)
Ruth Ann Arfsten
Richard Cargill
Lynn Pfaff
Brian Cook (Alternate)

NON-VOTING / GUESTS: Gerry Been (Liason); Marvin Cardenas, Matt Krimmer, Sandra Mason, Susan Kerry

MINUTES FROM PRIOR MEETING: Minutes were distributed but not addressed.

MOTIONS:

A motion was made by Brian Cook to create separate Commercial and Residential Tap Fees, and to increase the Commercial Tap Fees over the Residential Fees by 52%, thereby requesting that the Commercial Sewer Tap Fee would be \$10,640 and Commercial Tap Fee for Water would be \$12,160. The total of both would raise \$7,800 from \$15,000 to \$22,800. The motion was seconded by Lynn Pfaff. A roll-call vote was taken. Six (6) in favor, zero (0) against; motion carried.

OLD BUSINESS:

- Brian Cook requested to bring Gerry Been up to date as there was no Council meeting Nov. 1, 2018.
- The W&S Advisory Board put forward a Motion at their last meeting to schedule a tour of the Water Treatment Plan and the Waste Water Treatment Plant with Semocor. That was completed on November 8, 2018. The Board felt it was a very good tour. Discussed the cleaning process that occurs at the current WWTP and the impact that the Colorado Renaissance Festival has on the WWTP in it's current state. Brian does not feel that it would be adequate for the initial Campground flows, particularly based on historical performance when the Highway Dept. was included. Primarily concerned with odors. Gerry explained that parts are stocked now to facilitate repairs immediately and avoid odor and capacity problems.

- Discussion continued regarding estimated flows (from Marvin's memory) for Campground, CRF and existing Town as it relates to the current WWTP capacity, and the projected capacity for the new WWTP to handle the Campground flows. Would like to know why they can't measure what is being trucked out from the Campground now to forecast what their impact would be on Larkspur WWTP loads. What are the projected flows from the Campground? How was it calculated for the new Agreement proposal to Sun? Matt explained updated State regulation for the Campground flows at 100 gpd and how it was applied in the Campground agreement.
- Discussion moved to a document Marvin Cardenas received which reflects sales tax revenue from the Campground which he found "shocking and really low". He asked Gerry to have Michelle create a spreadsheet. The sales tax revenue from Tim Dumler's site is projected to be over \$400K per year, comparable to the CRF revenues. The Campground revenue stream is often less than half of that. If the Town is to borrow \$4M to upgrade the WWTP and the Campground would put in their \$4M....(unfinished statement). There was much criticism of the original Campground Agreement that the Board would like to see re-negotiated. Matt clarified that the Campground was asked to pay for their share in the re-negotiations, currently calculated at a little over 60% of the total cost. Marvin estimates the Campground would drive at least a 50K gpd capacity, so Marvin would like to see a revenue stream that would at least neutralize the monthly payment for the Town's portion of \$4M or show how much the Town will need to draw from General Fund to subsidize it? Marvin can show where the Travel Center will be a good revenue stream for the Town and he would like to see the same thing for the Campground. He would like to tell the Town residents that water and sewer rates would not go up very much because the Campground will be bringing in so much revenue. Matt explained that the short-term impact on the Town is greater, but in the long term, the revenue will benefit the Town. Gerry explained that the taps and tax shareback agreements with the Campground were made during a time that the Town was trying to encourage development. The Board understands why these agreements were made in the past; however, would like to see where this revenue will pay for the other \$4M not covered by the Campground, with little or no rate increases on the Town residents. The Board believes that \$650K in sales tax revenue over 10 years plus monthly rates and fees generated by the Campground, reduced by the sales tax shareback will total around \$1M over 10 years. The Board does not see how this will adequately pay back the \$4M. Additionally, the Town is giving up an acre of valuable land off I-25, the Town will have to maintain the plant, and the Town will have to deal with the smell. Tricia asked that the numbers be put together on a simple spreadsheet or diagram so the Board can review and understand the finances around this. Gerry committed to work with Matt or someone on staff to prepare something for the community to see the benefits to the Town. Matt committed to have Michelle make a presentation to the W&S Board to show them the work that's been done so far, and as documentation is prepared going forward, to show how the Town staff are working to save the Town money and minimize rate increases to Town residents.
- The Board is concerned that the new Agreement for the Campground cannot be calculated without knowing what all these costs and revenue streams will be, and that it will be finalized without the Town being able to vote on it or the Board being able to advise the Council on it.

- The Board wants to be clear on the process; they want to be sure they will be able to review the re-negotiated Agreement before it is voted on by the Council. Matt explained the process and the Board indicated they were satisfied with the process allowing the Board to review the Agreement at the same time as the Legal review and the Council review are done, prior to it going to a Council vote.

NEW BUSINESS:

- Brian brought up leaving residential Tap fees alone, and raising Tap fees for Commercial. The Board discussed this and after acknowledging that a full Rate Study is going on, prefer to ask for a rate increase at this time and again after the Rate Study is done. Gerry included the information that the monthly rates must go up to meet the State's requirements for funding, however the Board did not come to consensus about changing rates. Returning to Tap Fees, the Board made a Motion to separate Commercial and Residential Tap Fees, and to increase the Commercial Tap Fees over the Residential Fees by 52%. A motion was created and a vote was taken.
- Brian wants to create a Motion to report to the Council that the Board is struggling with the numbers for the WWTP. Other members of the Board were not in agreement that this a good description of the status. The request for a spreadsheet was again brought up and it was decided that if Michelle could do a spreadsheet about the numbers for this would be helpful toward clarification. Tricia questioned whether the Board's desire for information should be included in the update to the Council instead of a Motion.
- The Board entered into lengthy discussion regarding the Board's request for copies of correspondence, estimates, proposals, designs, engineer reports, etc. Matt advised them to make a request for specific information instead of creating a Motion. He also advised them that preliminary information being used in negotiations will only contribute to misinformation. When there are hard cost data, it can be shared, even before it's finalized; however, it would be premature for the Board to receive negotiation materials. Discussion addressed qualifications of the staff working on the projects; the Board requested to attend negotiations along with staff. Matt agreed to approach Council about the request that the Board be included in the Sun re-negotiation Agreement and WWTP project meetings. Additional discussion surrounding how the Board can review every option and design and bid to see if they agree with the conclusions that Town staff have reached. Sandra addressed the Board regarding the prematurity of sharing the information at this time and the risk of misunderstanding and misinformation. Tricia again stressed that the Board has concerns regarding how the Campground Agreement could be structured properly prior to the development and design of the WWTP being finalized. The Board returned to the question of what documentation they can have access to at this time. Matt said there isn't much finalized information available right now except the statistics on the projected revenues that would come out of the new development. Gerry encouraged the Board to wait for the PER to become available and to dig through it and bring questions back to this Board to ask for supporting documents regarding staff decisions. Brian doesn't believe that the Board should only be able to review the one or two recommendations that the Town staff comes up with; they want to review them all. Tricia asked Lynn to read the ordinance for the formation of the Water & Sewer Board. The Board feels that the ordinance states that the Board should fully understand the water and sewer issues to adequately advise the Board and that this requires that all the information the Town staff sees should be shared with the Board. Sandra assured them

that the reasons why Town staff makes the recommendations they do will be furnished with the proposal for review by the Board. The Board felt this was reasonable.

- The Board circulated the monthly Systems Report that was distributed by Ed Blanchard.

BOARD COMMENTS: None

NEXT MEETING: Was not discussed.

MEETING CALLED TO ADJOURN by Tricia Bernhardt. The motion was seconded by RuthAnn Arfsten. Motion carried by unanimous voice vote 6-0-0. Tricia Bernhardt adjourned the meeting at 8:19 p.m.