

**City of Greeley
Water and Sewer Board
Minutes of December 14, 2022
Regular Board Meeting**

Chairman Harold Evans called the Water and Sewer Board meeting to order at 2:00 p.m. on Wednesday, December 14, 2022.

1. Roll Call

The Clerk called the roll and those present included:

Board Members:

Chairman Harold Evans, Vice Chairman Mick Todd, Fred Otis, Cheri Witt-Brown, Tony Miller, Joseph Murphy, Manuel Sisneros, and Tammy Hitchens on behalf of Finance Director John Karner, Deputy City Manager Don Tripp

Water and Sewer Department staff:

Utility Finance Manager Erik Dial, Chief Engineer Adam Prior, Water Resources Administrator II Alex Tennant, Water Resources Administrator III Cole Gustafson, Water Utility Financial Analyst Virgil Peirce, Senior Administrative Assistant Crystal Sanchez, Interim Office Manager Gigi Allen, Water Resource Administrator II Sam Harshbarger, Water Resource Planning Manager Kelen Dowdy, Communications Specialist II Cory Channell, Civil Engineer III Peter Champion, Utility Billing Manager Yesenia Padilla, Water Resource Administrator I Megan Kramer, Water Quality and Regulatory Compliance Manager Michaela Jackson, and Water Quality Technician Sydney Phillips

Legal Counsel:

Senior Environmental and Water Resources Attorney Jerrae Swanson, Environmental and Water Resources Attorney II Dan Biwer, Environmental & Water Resources Attorney I Arthur Sayre and Counsel to Water & Sewer Board Attorney Carolyn Burr

Guests:

No guests attended

Director Sean Chambers joined virtually at 2:20 p.m. from the Colorado River Water Users Association annual meeting.

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2. Approval of Minutes

Vice Chairman Todd made a motion, seconded by Mr. Otis, to approve the November 16, 2022 Water and Sewer Board meeting minutes. The motion carried 7-0.

3. Approval of the Agenda

There were no changes to the agenda

Consent Agenda

4. Approval of First Amendment to CPRW Professional Services Agreement

Recommended Action: Approve the First Amendment to the CPRW Professional Services Agreement and delegate authority to staff to make minor amendments to the agreement.

5. Approval of First Amendment to CPRW Second Reimbursement Agreement

Recommended Action: Approve the First Amendment to the Second CPRW Reimbursement Agreement and delegate authority to staff to make minor amendments or extensions to the agreement.

Ms. Witt-Brown moved that the Board approve the items on the consent agenda and their respective recommended actions. Mr. Murphy seconded the motion. Motion carried 7-0.

End of Consent Agenda

6. Pulled Consent Agenda Items

There were not items removed from the Consent Agenda

7. Welcome New Employees and Promotions

Erik Dial provided an introduction of new Water and Sewer Department employees starting this month.

8. Approve 2023 Board Meeting Dates

Chairman Evans moved that the Board approve the 2023 Board meeting dates. Mr. Otis seconded. The motion carried 7-0.

9. 2023 Rates and Fees Resolution

Virgil Peirce presented information on the 2023 Water and Sewer Rates, Fees, and Charges. The water and sewer rates and fees fall user classifications were developed in response to the 2023 approved budgets for the Water and Sewer Enterprises.

Based upon extensive inflation in capital projects, increased operating expenses in inputs such as treatment chemicals and increased regulatory improvements at the city's wastewater treatment and reclamation facility, the rates all require upward adjustment to meet costs and maintain reliable infrastructure. Residential water rates will be set to increase ~ 2.5%, and residential sewer rates will be increased by ~18%.

Mr. Pierce explained that plant investment fees are updated annually for water and sewer. Because of ongoing city investments in the water system, the water plant investment fee is increased from \$11,200 up to \$12,100 for a ¾" tap. The sewer plant investment fee is increasing to \$6,900 for a ¾" water tap, an increase from the 2022 fee of \$6,800.

Using the pricing methodology approved by the Board at the July 2018 meeting, the cash-in-lieu of raw water fee will increase from \$39,500 to \$44,000 per acre-foot. The new cash-in-lieu price and plant investment fees will take effect on March 1, 2023.

Following Board discussion, Vice Chairman Todd moved that the Board adopt the Resolution concerning the 2023 Water and Sewer rates, fees and charges. Mr. Miller seconded. The motion carries 7-0.

10. Integrated Water Resources Plan (IWRP) - Update

Kelen Dowdy discussed how the IWRP team is approaching the analysis of Terry Ranch groundwater development and aquifer storage and integration and consideration on how the Board may define sustainable use of the water resources in storage at Terry Ranch. Ms. Dowdy's presentation covered the need to understand the range of likely water system demands in the future and the tradeoffs of making major investments in one part of the water system over others. The presentation discussed the analysis and need to identify near-term capital infrastructure investments that will be necessary regardless of Terry Ranch integration details. Next steps will include an analysis to explore what projects may support and optimize Greeley's water system once the Terry Ranch aquifer storage and recovery project is connected to other system infrastructure and operational.

The next regular update on the IWRP strategic water resource planning activities and analysis will take place at the January 2023 Board meeting.

11. Terry Ranch Infrastructure Project Update

Peter Champion, P.E., discussed how the Water and Sewer Department engineering staff is currently working on design and pre-construction activities for the first phase of the Terry Ranch Water Supply Pipeline. Because of the drought resiliency and water storage opportunity offered by the Terry Ranch project, the Board has requested a quarterly project update.

The first section has been prioritized on the south end of the alignment and is approximately six miles starting at the southern connection to the existing Bellvue sixty-inch water transmission pipeline. The planning and design work is being executed under a CMAR contract, and work packages A and B are currently at the 95% design phase. The contractor is currently creating the Guaranteed Maximum Price (GMP) for package A and B with planned start of construction in February 2023 depending on material availability. The Steel coil, a long lead time material, for the construction of the pipe has been ordered for work package A and B and the design drawings have been given to the pipe manufacturer for start of fabrication drawings. Work package C is currently in the design phase and working towards a 60% design completion.

For all future phases of the project, between Hwy 14 and the treatment plant location located at the Terry Bison Ranch, the design will be advanced from 30% to 60% in 2023.

The remainder of the pipeline will be broken into multiple segments for design and construction purposes. The second segment of the pipeline is in the Water Enterprise capital improvement plan, and it is tentatively planned for construction in 2024/2025 as funding becomes available.

Deputy Director Operations Nina Cudahy joined the meeting at 3:03 p.m.

12. EPA Lead and Copper Rule Revisions Update

Adam Prior and Michaela Jackson presented an informational overview of changes to the State's Lead and Copper rule. The water quality team routinely samples for lead and copper as required by our monitoring plan, and monitor water quality characteristics daily. However, historically there were some homes connected to city infrastructure with lead pipes, as people did not know that lead could seep out into drinking water at that time. The public information and recent regulatory enhancements for lead have come to fruition following the public health crisis in Flint, Michigan, from 2014-2019 where corrosive water combined with lead pipes exposed people to lead in their drinking water.

The water leaving Greeley's treatment facilities is lead-free. Lead does not come from our water supplies or the city's water delivery pipelines. However, Greeley has been monitoring and proactively removing lead from our supply network since the 1990's. Historically, lead piping was sometimes used in the service lines that connect individual properties to the city water mains. The Water & Sewer Department previously replaced all known City-owned portions containing lead (from the water main to the water meter)

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but has not replaced the customer-owned portions (from the meter to the house). Up until now, these have been left for homeowners to replace at their own discretion. This means that in older homes built prior to 1981 (based on Greeley's adoption of the International Plumbing Code that banned lead in water service lines) the customer portion of service lines may still contain lead.

In December of 2021, the Environmental Protection Agency released revisions to the Lead and Copper Rule (LCRR), that strengthen the regulatory framework governing lead in drinking water. One of the key elements of the LCRR is the requirement for water systems to develop and maintain a service line inventory, including material information for both the public and privately owned portions of the system. The LCRR also required that any galvanized steel lines downstream of historical lead lines must also be removed.

Staff communicated that to continue to provide the best possible water to our customers, and to stay ahead of the regulatory framework the city is initiating two projects. The first project is titled; WATER SERVICE LINE INVENTORY POTHOLING PROJECT, this project will identify homes with lead service lines or galvanized steel downstream of historical lead service lines. The first phase will start in early 2023 and will begin with the digging of basketball sized potholes at 120 pre-determined properties to identify service line pipe material (public & private). This project will then be expanded to a further investigate 1,980 older homes over the next 3-5 years.

Before potholing begins, priority customers will receive a request to complete customer survey and direct communication. Where lead or galvanized steel downstream of historical lead service lines are identified, the project titled: WATER SERVICE LINE REPLACEMENT PROJECT will replace these water service lines. This project will replace service lines to the first fitting inside of the customer's house as required by the EPA's revisions at no cost to the customer. Customers will need to sign an acknowledgement and consent form for this work to take place.

Ms. Jackson informed the Board that information on this phase of the project has been provided to City Council and more information is available on the city website at [Lead and Copper \(greeleygov.com\)](https://greeleygov.com/Lead-and-Copper).

Cheri Witt-Brown left the meeting at 3:21 p.m.

Following a review of the remaining items on the agenda, Board Chairman Evans adjusted the order of the agenda to reflect the Director's Report as item number 13 and the Legal Report as item number 14 to allow Director Sean Chambers to speak virtually on the

Director's Report.

13. Director's Report

Sean Chambers shared appreciation for the staff, Board, Finance Dept. and City Manager's office work on the 2023 budget and related rate adjustments. The team worked collaboratively and diligently to meet the utilities business needs while working to manage increased operational costs, inflationary impacts and several large regulatory driven projects for the municipal wastewater (sewer) treatment facility. Sean recognized that the rate adjustments were more significant than we would like, but necessary for maintaining a safe, reliable, regulatory compliant and resilient water sewer utility system. It was noted that several planned water system construction projects and water acquisitions were deferred beyond 2023 to help absorb the impacts of inflation across all operational and capital project budgets. The Wastewater rate adjustment is large, and the project is required to meet unfunded environmental health mandates. Sean noted additional appreciation for the low-income utility assistance program and noted its importance to the city and customers who need support.

Second, Sean noted that W&S Dept. staff have worked closely with Communications and Engagement Dept. staff to develop a rate and fee information communications plan. That plan includes a variety of communication strategies and tools, including written informational summaries, web page updates, YouTube.com informational videos, social media posts and a press release on the rate and fee adjustments for 2023. The attached info sheet will be provided as a bill stuffer for all customers.

Sean noted appreciation for allowing him to participate virtually while attending to the Colorado River Water Users Association, noting that approximately 40% of the city's water is sourced from the Upper Colorado River by way of the Colorado-Big Thompson and Windy Gap projects.

14. Legal Report

Carolyn Burr of Welborn, Sullivan, Meck & Tooley stated that based on our review of the October 2022 Water Court Resume, staff and water counsel do not recommend that the Water and Sewer Board file statements of opposition to any water court applications that would be due at the end of December 2022.

15. Such Other Business That May Be Brought Before the Board Added to This Agenda by Motion of the Board

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Erik Dial brought forward the topic of the Northern Integrated Supply Program (NISP), a regional municipal water supply project that recently achieved a supportive record of decision (RoD), formalizing its USACE 404 and related project permits. The RoD was issued Friday, December 9, 2022.

In the past, staff have worked with water quality and engineering consultants to review and comment on the state and federal permitting analysis of project impacts and mitigation strategies. The NISP project, which aims to divert a large junior water right on the Poudre River above Greeley's Bellvue Water Treatment Plant and utilize water from ditches north of the Poudre River is proposing to build a large surface water reservoir north of Bellvue, known as Glade Reservoir.

The Water and Sewer staff will be working to obtain a copy of the RoD, evaluate resources to review the terms of the RoD and the incorporation of permit conditions that Greeley advocated for protecting its water and treatment facilities. Staff will follow up with the City Manager's office and Board as needed on this subject.

16. Adjournment

Chairman Evans adjourned the meeting at 4:01 p.m.

DocuSigned by:

Harold Evans

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Harold Evans, Chairman

DocuSigned by:

Raymond C. Lee III

Raymond Lee, Board Secretary