

TOWN OF BERTHOUD
BOARD OF TRUSTEES
SPECIAL MEETING
TUESDAY, JULY 1, 2003
Page 1 of 5

The Board of Trustees of the Town of Berthoud met for a special meeting on Tuesday, July 1, 2003, in the Board Room of Town Hall. Mayor Milan Karspeck called the meeting to order at 7:32 p.m.

MEMBERS PRESENT: Mayor Milan Karspeck
Mayor Pro-Tem Jenny Foote
Trustee Don Ashcraft
Trustee Glen Buckingham
Trustee David Gregg
Trustee Michael Patrick

MEMBERS ABSENT: Trustee Peder Thorstensen

STAFF PRESENT: Town Administrator Jim White
Water Superintendent Ed Simpson
Deputy Town Clerk Charlene Reed

WATER RESTRICTIONS

Mayor Karspeck noted this meeting is a continuation of the public hearing to consider changing the current water restrictions. He read the proposed ordinance, which requires a unanimous vote of the Trustees present because of the emergency clause. Following discussion, it was determined that the wording of the second paragraph under Section 1 needs to be amended to state newly laid sod. Mayor Karspeck noted the prior ordinance included the use of soaker hoses, drip irrigation and hand watering under the exceptions, and he asked that this be included.

Trustee Patrick noted that if we don't need to impose watering restrictions because we have enough water, we should consider reducing the surcharges we put in place last year. We would like our customers to be able to use our water and not allow it to be wasted. Mayor Karspeck noted this is not something we are prepared to do this evening, but agreed it should be discussed.

Trustee Patrick suggested we allow our users to use 24,000 gallons before they are subject to a surcharge.

Water Superintendent Simpson noted he would be comfortable with removing the limit on the number of days, as long as we keep the restriction that does not allow watering between 10:00 a.m. and 6:00 p.m.

Mayor Karspeck opened the floor for public comment and there was none.

Mayor Pro-Tem Foote moved to adopt Ordinance 967 as modified under Section 1, sentence 2 to state irrigating new sod, and with the inclusion of micro-irrigation, including hand watering, soaker hoses and drip irrigation. Second by Trustee Ashcraft. All members voted YES.

Mayor Karspeck noted this ordinance was passed with an emergency clause, which makes it effective immediately. We will be notifying the press to get this information to the residents as soon as possible.

Mayor Karspeck summarized the proposed change to link our water surcharge rates to the cost of excess water. He noted this was discussed with John Gallagher of Black and Veatch, and he recommended that we prepare a study to determine how this change would affect our ability to meet our bond obligations.

Trustee Ashcraft noted this is a separate issue from restrictions and conservation, and he suggested he would like this study to include information regarding our water sources and projections regarding how we will be using that water. He pointed out it is important that the Board be able to justify our rate structure to our water users.

Mayor Karspeck noted our current structure was established to encourage water conservation. He would like to see a rate structure that can be justified based on our supply and the cost of our water.

Trustee Buckingham agreed and noted it is important that our users be able to fully utilize our water resources. He asked to see a study that would determine how much water we have available and to establish rates that would allow our residents to use that supply. If our residents are unable to use our water because of high rates, and the water goes down the river, that is not a good use of our supply.

Mayor Karspeck agreed this is important, and asked if the Board would like to have Mr. Gallagher do this analysis.

Trustee Buckingham agreed a study is important, but felt the Board should determine what specifically we are asking for. We need to determine whether we want to optimize our revenues, encourage conservation, or price our water to allow us to maximize our water usage. He noted all three of these uses send a different message, and we need to determine what we are trying to accomplish with the study.

Mayor Karspeck noted the residents of Berthoud paid for water dedication and should be allowed to use the water they paid for.

TOWN OF BERTHOUD
BOARD OF TRUSTEES
SPECIAL MEETING
TUESDAY, JULY 1, 2003
Page 3 of 5

Trustee Buckingham suggested we need price our water to cover the Town's cost to provide the water, and then establish a price that allows our residents to use the water we provide.

Trustee Patrick noted we cannot assume that everyone has dedicated an acre foot and he suggested we should take that into consideration when we determine water rates. He pointed out that there are some users who use dramatically more water than a residential tap would allow.

Trustee Ashcraft suggested we look at whether we are asking for an adequate dedication. We need to look closely at lot size and water usage for developments that are coming into the Town.

Trustee Patrick noted there are other municipalities that have rates set on a house by house basis. Every resident has a different rate structure which considers historic use and lot size. He noted he does not feel Berthoud needs to take such drastic steps, but we do need to get to a cost basis and be sure our users do not use more than their fair share of water. If cost is the only way we have to encourage people to limit their usage, there is justification to continue to charge more for excessive usage.

Mayor Karspeck noted the first step in the process is to justify our rates and provide relief to allow our users to be able to afford to use our water.

Trustee Patrick agreed, and noted if we have water, our users should be able to buy that water.

Mayor Karspeck asked Superintendent Simpson if the reservoir is full. Mr. Simpson noted we are close to full.

Trustee Ashcraft recommended that we forward this information to John Gallagher of Black and Veatch.

Trustee Buckingham suggested we instruct Mr. Gallagher to maximize water usage, rather than maximizing revenues to the community. The conservation rates were established to force people to conserve water. Now we need to develop rates that maximize our water usage.

Administrator White noted we will provide this information to Mr. Gallagher, and determine when they are ready to start this study. The cost of the study was not to exceed \$2,000 per agreement.

Superintendent Simpson expressed concern that if we encourage our residents to increase water usage, we do not have the capacity to treat the water. We are currently treating

TOWN OF BERTHOUD
BOARD OF TRUSTEES
SPECIAL MEETING
TUESDAY, JULY 1, 2003
Page 4 of 5

approximately 2 mgd. We have a 4 mgd plant, and based on the plant capacity study done by Sear-Brown, can currently only treat 3.67 mgd. Once we reach 85% of our capacity, we should be starting engineering for plant expansion. At our existing plant, we do not want to treat more than 2.8 mgd. He noted we spent money for a pipeline to increase our water supply. The maximum build out at the current site is 6 mgd. Once we reach that capacity, we will need to build a larger plant.

Trustee Buckingham asked how much water we can treat on an ongoing basis, without needing to expand our current plant. Superintendent Simpson noted we need to stay in the range of 2.8 mgd. Once we exceed that amount on any three days in one year, we are going to have to look at increasing the size of the plant.

Trustee Ashcraft noted that under drought conditions last year, we stayed well below our capacity. He asked what our daily usage was for the prior year. Superintendent Simpson noted during 2001, we actually reached the 2.8 mgd limit. At the present time, we are running on two new filters and two filters that are from the 1930's.

Trustee Buckingham asked Superintendent Simpson how much water he anticipates we will treat this summer. Superintendent Simpson noted he anticipates that we will treat in excess of 2.5 mgd this summer.

Mayor Karspeck asked for information regarding the study that was done by Sear-Brown. Superintendent Simpson noted they did a comprehensive study in 2002, and the finished water pumping capacity of the plant was determined to be 3.67 mgd.

Mayor Karspeck noted the Town purchased a 4 mgd plant, and asked why the study indicated a lower capacity. Superintendent Simpson noted there were problems in the design of the plant which affected the capacity. Mayor Karspeck noted we have addressed some of the issues that caused a reduction in capacity. Superintendent Simpson noted the "fix" was done, and the plant is working fairly well since we lowered the launders. Administrator White offered to provide a copy of the Sear-Brown study for the Board.

Mayor Karspeck noted we are getting 4.9 mgd from the pipeline. With the plant capacity, we may need to reduce the amount of water we are receiving. Superintendent Simpson noted we are planning to cut back the water we are receiving to 2.7 mgd. Attorney Fickel suggested we trade the water for CBT shares that we can use later.

Mayor Karspeck suggested we look at leasing the water. Superintendent Simpson noted if we lease the water, we cannot run it through the pipeline. Mayor Karspeck suggested we could lease the water and run it down the river. He also suggested we look at the possibility of storing water in the lake. Superintendent Simpson suggested our Welch water could be used to water the parks.

TOWN OF BERTHOUD
BOARD OF TRUSTEES
SPECIAL MEETING
TUESDAY, JULY 1, 2003
Page 5 of 5

REPORTS

Administrator White reminded everyone that the dedication for the third sculpture in Fickel Park, "The Potato Man," is scheduled for tomorrow, July 2, 2003 at 5:00 p.m.

With no further business, the meeting adjourned at 8:10 p.m.

Mayor Milan Karspeck

Charlene Reed, Deputy Town Clerk