NOTICE OF MEETINGS OF THE EXECUTIVE COMMITTEE
OF THE PUEBLO CITY COUNCIL

A MEETING OF THE EXECUTIVE COMMITTEE OF THE PUEBLO CITY COUNCIL WILL BE HELD ON OCTOBER 7, 2019 COMMENCING AT 5:30 P.M. IN THE CITY COUNCIL CHAMBERS, THIRD FLOOR, CITY HALL, ONE CITY HALL PLACE, PUEBLO, COLORADO 81003.

Executive Committee meetings are special meetings of the City Council and are informal Council meetings for the purpose of receiving information and discussion among Council Members; no official action is taken at such meetings. The public is invited to attend, but public comment is generally not received unless otherwise noted.

Individuals requiring special accommodation are requested to please notify the ADA Coordinator of their needs at (719) 553-2295 by noon on the Friday preceding the meeting.

THE AGENDA FOR THE EXECUTIVE COMMITTEE MEETING IS AS FOLLOWS:

AGENDA

I. Call To Order And Welcome - Bob Schilling, Work Session Chair

II. Topics

1. THE GREATER PUEBLO CHAMBER PUEBLO CHILE & FRIJOLE FESTIVAL AWARD VIDEO (5:30 P.M. - 5:40 P.M.)
   
   PURPOSE:
   Video presented to City Council for the Pueblo Chile & Frijole Festival Award given to The Greater Pueblo Chamber.
   
   CALL TO PODIUM
   Ms. Donielle Kitzman, Vice President- The Greater Pueblo Chamber
   Mr. Rod Slyhoff, President- The Greater Pueblo Chamber

   TIME ALLOCATED:
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      TIME ALLOTTED:
      10 Minutes -- Presentation
      10 Minutes--Questions

      SUPPORTING BACKGROUND:
      A presentation to City Council on the Pueblo Chile & Frijole Festival Award given to The Greater Pueblo Chamber.

   2. PERMANENT SOLUTIONS FOR LITTLE PEOPLE AND THEIR GUARDIANS (5:40 P.M. - 6:00 P.M.)
      PURPOSE:
      A presentation to City Council on homelessness.

      CALL TO PODIUM
      Mr. Doug Cox, Police Chaplain - Pueblo Police Department

      TIME ALLOTTED:
      10 Minutes -- Presentation
      10 Minutes--Questions

      SUPPORTING BACKGROUND:
      A presentation to City Council on homelessness

   3. WASTEWATER RATE STUDY (6:00 P.M. - 6:25 P.M.)
      PURPOSE:
      Presentation to City Council on the Wastewater Rate Study.

      CALL TO PODIUM
      Ms. Nancy Keller, Wastewater Director - City of Pueblo
      Mr. Todd Cristiano, Senior Manager - Raftelis Financial Consultants, Inc.

      TIME ALLOTTED:
      15 Minutes--Presentation
      10 Minutes--Questions

      SUPPORTING BACKGROUND:
      Presentation to City Council on the Wastewater Rate Study.

   Documents:

   10-07-19 PERMANENT SOLUTIONS FOR HOMELESS KIDS.PDF

   10-07-19 PUEBLO WASTEWATER RATE STUDY PRESENTATION.PDF

III. Adjournment
Permanent Solutions for Little People

..........................And their parent / Guardians
Background Information

• 2017 Pueblo County Commissioners allocated $25,000.00 to be used through the chaplains fund to repatriate homeless people. In 12 months 166 children and 300+ adults were returned to their home of origin. To date, very few of these people with children have returned.

• Five types of homeless people were identified:
  1. Homeless by Choice
  2. Homeless with Children
  3. No way home
  4. No job or job skills
  5. Mental or Physical barriers to work and travel

Assessment: We could only help two categories: “Homeless with children” and “No way home”
Target audience

• “Homeless with Children” were given the highest priority...
• “Homeless with no way Home” involving women received a second priority based on their willingness to follow instructions.
• Third priority was given to anyone who could show a valid historical address outside the state of Colorado.

• People Not Considered:
  1. Local People
  2. Frequent and seasonal travelers
  3. Homeless by Choice
Defining their need

• Warmth and safety were identified as immediate needs
• Nutrition was also identified as an ongoing need
• Permanent relocation for education and emotional development was the greatest need of all the children.

HOW?

Reconnect the children with family through their elders and home school counselors.
Simple Plan

Use the existing program through the chaplains fund to identify, clear each person and arrange the transportation.

Note: Since 2004 the Pueblo Area LE Chaplains have maintained a voucher agreement with commercial bus lines for discounted travel.
Simple Plan – 4 step process

1. Release information regarding the program through word of mouth.

2. Clear the potential rider through the clerks in the police lobby. Identification will be necessary.

3. Establish contact with family and school in the home city.

4. Issue a voucher and escort family to their bus.
Safe Guards

1. Clearance through police dept
2. Contact with home school
3. Issue a voucher – not cash
Cost Effectiveness

- A typical bus ticket is ≤ one night hotel stay.
- ... ≤ feeding a family of four at a fast food restaurant.
- It is a long term solution
- It releases the officer to focus on crime issues rather than finding an answer to homeless children on a cold night.
Wastewater Financial Plan and Rate Study

City of Pueblo, CO
October 7th, 2019
Agenda

1. Financial plan study goals and objectives
2. Framework
3. Wastewater financial plan results
4. Existing and proposed rates
Study goals and objectives

- Development of a multi-year financial plan, and rates which sustain the long-term financial health of the wastewater utility.
  - Rate revenues sufficient to meet annual operating expenses, debt service and capital expenditures
  - Funding capital projects while minimizing revenue increases
  - Maintain reserve levels in accordance with industry best practices and debt service coverage which meets loan requirements
  - Rates that equitably recover the annual revenue requirement
Wastewater bills are increasing nationwide

Drivers for increases
• Energy costs
• Aging and additional infrastructure
• Increased regulatory pressures
Industry publications provide the framework

- Raftelis Financial Consultants, *Water and Wastewater Finance and Pricing*
- Water Environment Federation, *Financing and Charges for Wastewater Systems*
Financial planning process

Optimizing financial plan scenarios:

- Project rate revenues using historical customer data
- Project operating expenses and capital expenditures
- Develop the optimal mix of rate revenue and debt to fund capital projects that will:
  - Meet reserve targets
  - Comply with bond covenants
  - Meet current and future capital needs
  - Minimize impact to customers
Financial plan drivers

- Aging infrastructure – most of collection system is 50 years old
- Nutrient removal upgrades to meet permit standards
- Water Reclamation Facility multi-year electrical system rehabilitation
- Sanitary sewer lining to decrease infiltration of selenium-rich groundwater.
- Study to demonstrate the effect of sanitary sewer lining on selenium and sulfate concentrations in groundwater
Financial planning assumptions

• Forecast period: 2020 - 2029
• No growth through the study period
• Inflation factors:
  › Salaries will increase 3% annually
  › Benefits will increase 8% annually
  › Utility costs will increase 8% annually
  › All other costs will increase 4% annually
• Operating reserve target: 90 days of O&M
• Debt service coverage target: 1.2 times net income
• State Loan terms
  › 3.0% annual interest rate,
  › 20-year term,
  › 2.0% issuance costs
## Capital project costs and funding sources 2020 - 2029

### $ millions

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Cost (in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;R</td>
<td>$92.9</td>
</tr>
<tr>
<td>Nutrient / Selenium Projects</td>
<td>$31.6</td>
</tr>
<tr>
<td>WWTP</td>
<td>$59.6</td>
</tr>
<tr>
<td>Bond Proceeds</td>
<td>$55.6</td>
</tr>
<tr>
<td>Rate Revenue</td>
<td>$128.5</td>
</tr>
</tbody>
</table>

**Total Capital Projects:** $184.1

**Funding Sources:** $184.1
10-year cash flow, 2020 - 2029
No revenue adjustments
10-year cash flow, 2020 – 2029 with proposed revenue adjustments

- **O&M Expenses**
- **Cash-Funded Capital Projects**
- **Debt Service**
- **Revenues**
## 5-year cash flow snapshot detail

<table>
<thead>
<tr>
<th>Item</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate Revenue Increase</td>
<td>6.0%</td>
<td>6.0%</td>
<td>5.0%</td>
<td>5.0%</td>
<td>3.0%</td>
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<tr>
<td>Ending Balance</td>
<td>$5.5</td>
<td>$49.7</td>
<td>$11.0</td>
<td>$23.1</td>
<td>$12.1</td>
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<tr>
<td>Target Reserves</td>
<td>$6.2</td>
<td>$4.9</td>
<td>$4.9</td>
<td>$3.3</td>
<td>$7.3</td>
</tr>
<tr>
<td>Over/(Under) Reserve Target</td>
<td>$3.3</td>
<td>$1.8</td>
<td>$1.7</td>
<td>$0</td>
<td>$3.5</td>
</tr>
<tr>
<td>Debt Service Coverage</td>
<td>5.56</td>
<td>5.95</td>
<td>6.15</td>
<td>6.27</td>
<td>5.45</td>
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<tr>
<td>Total Capital Funded</td>
<td>$10.1</td>
<td>$13.5</td>
<td>$13.8</td>
<td>$16.2</td>
<td>$20.0</td>
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<tr>
<td>State Loan Issues</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$1.0</td>
<td>$1.0</td>
<td>$10.6</td>
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</table>

Annual Rate Increases of 3.5% needed for 2025-2028
## Existing and proposed rates

<table>
<thead>
<tr>
<th></th>
<th>Existing</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
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</thead>
<tbody>
<tr>
<td>Service Charge, $ per Bill</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Meter Size</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Change ($)</td>
<td>$1.24</td>
<td>$1.31</td>
<td>$1.16</td>
<td>$1.22</td>
<td>$0.76</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>Existing</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume Rate, $ per 1,000 gallons</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Type</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Industrial (1)</td>
<td>$4.81</td>
<td>$5.10</td>
<td>$5.40</td>
<td>$5.67</td>
<td>$5.96</td>
<td>$6.14</td>
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</tr>
<tr>
<td>Change ($)</td>
<td>$0.29</td>
<td>$0.30</td>
<td>$0.27</td>
<td>$0.29</td>
<td>$0.18</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Applicable to actual water usage in January and February billing periods and to the monthly average water usage of January and February for the March through December billing periods.
## 5-year snapshot

### Additional financial performance indicators

<table>
<thead>
<tr>
<th>Item</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Residential Indicator</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SF Monthly Bill</td>
<td>$45.34</td>
<td>$45.87</td>
<td>$50.11</td>
<td>$52.46</td>
<td>$53.94</td>
</tr>
<tr>
<td>% of Median Household Income</td>
<td>1.44%</td>
<td>1.50%</td>
<td>1.55%</td>
<td>1.60%</td>
<td>1.62%</td>
</tr>
<tr>
<td>Days Cash on Hand</td>
<td>195</td>
<td>148</td>
<td>143</td>
<td>90</td>
<td>191</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> The Residential Indicator is used to evaluate the system’s financial capability for funding the selenium mitigation projects. SF Monthly Bill includes stormwater fee of $3.07 in 5-year snapshot.
Typical monthly bill comparison
Single family residential, 4,000 gallons

- Parker: $46.44
- Pueblo West Metro: $42.46
- Arapahoe County: $40.79
- Colorado City Metro: $40.64
- Pueblo Existing FY19: $39.87
- Fremont SD: $36.90
- Castle Rock: $35.66
- Fort Collins: $33.73
- Longmont: $32.33
- Centennial: $32.00
- Loveland: $31.43
- Westminster: $27.84
Thank you

City of Pueblo, CO
October 7th, 2019