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TOWN COUNCIL CONSENT AGENDA COMMUNICATIONS

AGENDA DATE: April 15, 2024

SUBJECT: Ordinance 2024-248: Amending Article III of Chapter 13 of the Johnstown Municipal Code to add Section 13-86 Establishing a Special Fee Concerning Regional Water Storage Tank Improvements to be Paid by Benefitted Properties in the Subject Area and Remitted to the Water Utility Enterprise

ATTACHMENTS:

1. Ordinance No. 2024-248
2. West Tank Cost Allocation Memorandum
3. Pressure Zone Map

PRESENTED BY: Doug Gossett, Engineering Director

AGENDA ITEM DESCRIPTION:

The Council held a public hearing on April 1, 2024, and approved Ordinance 2024-248 on first reading.

Proposed for Council's review and consideration is an ordinance that would authorize the Town to collect a special fee for the design and construction of a Potable Water Distribution Storage Tank and Associated Infrastructure (West Tank) within the Town's west pressure zone. The west pressure zone is generally located along the Interstate 25 corridor, south of Larimer County Road 18 and west of Colorado Boulevard. The Town maintains a Pressure Zone Map that outlines the anticipated boundaries of each pressure zone.

The Town's water distribution system consists of six pressure zones that are supplied water from the Town's Water Treatment Plant. The Town's north and south pressure zones are currently served by two separate water distribution storage tanks, commonly referred to as the north and south tanks, respectively. The east and old town pressure zones can be supplied with water by the south tank. However, the Town's west pressure zone, which serves properties at the highest elevation within the Town, does not have a storage tank but relies on the water treatment plants booster pump station to provide water and maintain pressure within the zone.

The Community that Cares

The Town's 2015 Water Master Plan identified the need for additional water distribution storage including the need for storage for the west zone, however, the plan did not provide recommendations on sizing or timing of the future West Tank. In 2022, the Town contracted with J-U-B Engineers to analyze the Town's pressure zones and provide a recommendation to address the need of water storage in the Town's west pressure zone where the Town is experiencing and anticipating growth. The results of the study showed that a two-million-gallon storage tank would be required to serve the west pressure zone, as outlined in the West Tank Cost Allocation Memorandum.

The memorandum included a cost estimate for the construction of the West Tank, as well as population projects to determine a recommended special fee for implementation. The memorandum recommended that the Town collect a special fee as development occurs in the west pressure zone in the amount of \$970.00 per single-family-equivalent (SFE). An SFE is generally the amount of water used by a single-family household as defined by the Municipal Code and within the Ordinance. The fee was based on a total estimated construction cost of approximately \$12,900,000 and a projected 13,290 SFEs within the west pressure zone. The SFE projection of 13,290 includes both existing customers and projections for undeveloped land based on the Town's Comprehensive Plan and SFE projections from the sewer master plan.

The construction of the West Tank will provide multiple benefits to the Town's water utility, including:

- The West Tank will be located at the highest service elevation in the Town. This means that the West Tank would provide resiliency to the rest of the water distribution system in the event of an emergency.
- Increase reliability and operational stability throughout the distribution system.
- Increase water pressure and provide more consistent water pressure for those properties and businesses in the west zone. This includes several existing businesses.
- The tank will provide necessary storage in the event of a fire or critical infrastructure failure within the west pressure zone.
- Reduce the size of the pump station required at the Water Treatment Plant at future buildout. This will ultimately result in a lower capital and annual operational cost for the Water Treatment Plant.

The exact timeline to construct the West Tank has not yet been determined and is dependent on the development that occurs in the west pressure zone. Town Staff anticipates that the West Tank will likely need to be constructed within the next fifteen years. By starting to collect funds through this special fee, the Town will be able to proactively set aside these funds as development continues along the corridor.

STRATEGIC PLAN ALIGNMENT:

- Quality Infrastructure & Facilities
 - *Ensure future viability of infrastructure and facilities*

LEGAL ADVICE:

The Town Attorney drafted Ordinance 2024-248.

FINANCIAL ADVICE:

Town Staff recommends approval of Ordinance 2024-248 to ensure that appropriate fees are collected to ensure the financial viability of constructing the West Tank when it is determined to be necessary.

RECOMMENDED ACTION: Approve Ordinance No. 2024-248 on Second Reading.

Reviewed and Approved for Presentation,



Town Manager