

City Council Discussion of Water and Wastewater Infrastructure, Costs, and Rates
City of Westminster
Process Proposal Informed by Council Interviews
Prepared by Heather Bergman – Peak Facilitation Group – July 16, 2020

Discussion Objectives

The purpose of these meetings is to:

- Ensure that all Council members have the same, complete information to help them determine their views and final vote on water and wastewater rates
- Explore new ways to think about future options for water and wastewater rates and related issues

It is NOT the purpose of these meetings to:

- Convince Council members or staff to change their views or perspectives
- Criticize or assume motivations or intent of Council members or staff

Format Recommendations

- We recommend 5 2-hour virtual meetings, each with a focused discussion agenda.
- All members of Council and participating staff should have their cameras on during the entire meeting, not just when they are talking. This creates improved communication and rapport.
- Each meeting should begin with a staff presentation followed by Council discussion.
- Staff presentations should be provided in a packet prior to the meeting, including a brief summary of key items at the beginning of the packet.
- Information should be presented in both narrative and in visual summary form, such as charts and graphs.
- Presentation and discussion topics are outlined below. Council should be invited to add questions to the discussion topics outlined below.
- Staff should come prepared to answer questions briefly and clearly or circle back to Council later with an answer if one is not readily available.
- Staff presentations should be delivered by staff who are most connected to the issues being discussed rather than department heads or CMO.
- CMO and department heads should be present and available to answer questions if/as needed.
- We recommend having our staff join meetings and prepare complete meeting summaries. This does add to the cost, but we think it will ensure a comprehensive and neutral public record of the discussion. It will also result in a summary that is written in accessible language by non-experts, which may facilitate staff and Council outreach in the future. In the cost estimate below, this cost is in italics to indicate that is optional.

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Proposed Meeting Approach

Meeting 1: Part A - Setting the Stage

- Presentation on the difference between interests and positions
- Discussion of Council and staff interests in the water rates discussion

Meeting 1: Part B – Water Infrastructure/System Focus

- What infrastructure is included when we talk about water rates?
 - What is the age, rate of decline, and history of repair/upgrade/replacement of water infrastructure?
 - What drives decline in water infrastructure? (Just age? Materials? Use? Location?)
 - What drives the schedule for repairs/upgrades/replacement for water infrastructure? (Age? Condition? Budget? Staff/Council prioritization?)
 - What creates the need for new water infrastructure? (Retirement of old systems? New growth?)
 - What are the consequences if we delay some of the proposed near-term repairs/upgrades/replacements for water infrastructure? Will there be catastrophic failure? Will it be fine for now? Will it kick the can down the road for a future council or generation to sort out? What are the best-case and worst-case scenarios?

Meeting 2 – Wastewater Infrastructure/System Focus

- What infrastructure is included when we talk about wastewater rates
- What is the age, rate of decline, and history of repair/upgrade/replacement of wastewater infrastructure?
- What drives decline in wastewater infrastructure? (Just age? Materials? Use? Location?)
- What drives the schedule for repairs/upgrades/replacement for wastewater infrastructure? (Age? Condition? Budget? Staff/Council prioritization?)
- What creates the need for new wastewater infrastructure? (Retirement of old systems? New growth?)
- What are the consequences if we delay some of the proposed near-term repairs/upgrades/replacements for wastewater infrastructure? Will there be catastrophic failure? Will it be fine for now? Will it kick the can down the road for a future council or generation to sort out? What are the best-case and worst-case scenarios?

Meeting 3: Water Costs and Rates

- How are costs for water calculated? What is included in the cost amount that is associated with charter and funding mandates? If water infrastructure upgrades/repairs/replacements are included in those costs, please separate them.
- Are water rates the same as the City's costs to produce and deliver clean water? If

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not, what are the additional elements that drive or determine water rates? If so, what (if any) water infrastructure upgrades/repairs/replacements are included?

- Is there a difference between basic maintenance repairs and capital repairs for water infrastructure? Where's the line between O&M and capital? What determines that line?
- Which of the elements that determine water costs and water rates are relatively constant and which are more variable and why?
- Which of those elements can the City control or influence? Which elements are out of the City's control? Why?
- Why is it difficult to say how much it costs to provide 1000 gallons of clean drinking water? What are the variables that make it challenging? What's the range of costs?
- What "blue sky thinking" has staff done about ways to reduce costs to produce and deliver clean water in the short and long terms? What other ideas have you generated and discarded?
- What "blue sky thinking" has staff done about ways to increase or diversify revenues in the short and long terms for producing and delivering clean water? Other than raising rates, what ideas have you generated and discarded?

Meeting 4: Wastewater Costs and Rates

- How are costs for wastewater calculated? What is included in the cost amount that is associated with charter and funding mandates? If wastewater infrastructure upgrades/repairs/replacements are included in those costs, please separate them.
- Are wastewater rates the same as the City's costs to treat wastewater? If not, what are the additional elements that drive or determine wastewater rates? If so, what (if any) wastewater infrastructure upgrades/repairs/replacements are included?
- Is there a difference between basic maintenance repairs and capital repairs for wastewater infrastructure? Where's the line between O&M and capital? What determines that line?
- Which of the elements that determine wastewater costs and wastewater rates are relatively constant and which are more variable and why?
- Which of those elements can the City control or influence? Which elements are out of the City's control? Why?
- What "blue sky thinking" has staff done about ways to reduce costs to treat wastewater in the short and long terms? What other ideas have you generated and discarded?
- What "blue sky thinking" has staff done about ways to increase or diversify revenues in the short and long terms for treating wastewater? Other than raising rates, what ideas have you generated and discarded?

Meeting 5: Options and Issues

- Based on the previous discussion with Council, what options exist? Options could include changes to the capital improvement schedule, changes to ways

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rates/costs are calculated, creative funding or cost-reduction strategies, etc.

- Are there different strategies for addressing water and wastewater?
- How do the various options meet the interests that Council and staff have identified? Which options meet more of the interests? Are there ways to modify one or more options so that they meet more of the interests?
- Can we narrow it down to one composite option that addresses both water and wastewater? If not, can we narrow it down to two options for Council to vote on?
- Can we identify and agree on key themes that frame the issue to inform our discussion with our constituents? Even if we don't agree on the "right" policy approach, can we agree on a shared framing of the issues?