



WESTMINSTER

Staff Report

TO: The Mayor and Members of the City Council

DATE: November 28, 2012

SUBJECT: Study Session Agenda for December 3, 2012

PREPARED BY: J. Brent McFall, City Manager

Please Note: Study Sessions and Post City Council meetings are open to the public, and individuals are welcome to attend and observe. However, these meetings are not intended to be interactive with the audience, as this time is set aside for City Council to receive information, make inquiries, and provide Staff with policy direction.

Looking ahead to next Monday night's Study Session, the following schedule has been prepared:

A light dinner will be served in the Council Family Room 6:00 P.M.

CITY COUNCIL REPORTS

1. Report from Mayor (5 minutes)
2. Reports from City Councillors (10 minutes)

PRESENTATIONS

1. Radio System Acquisition Update - *Verbal*
2. Proposed Changes to the Minor Home Repair Program
3. Draft Water Conservation Plan

6:30 P.M.

EXECUTIVE SESSION

None at this time.

INFORMATION ONLY ITEMS

None at this time.

Additional items may come up between now and Monday night. City Council will be apprised of any changes to the Study Session meeting schedule.

Respectfully submitted,

J. Brent McFall
City Manager



WESTMINSTER

Staff Report

City Council Study Session Meeting

December 3, 2012



SUBJECT: Proposed Changes to the Minor Home Repair Program

PREPARED BY: Signy Mikita, Community Development Program Planner

Recommended City Council Action

Authorize Staff to proceed with a second amendment to the Minor Home Repair Program Agreement with Brothers Redevelopment, Inc. (BRI) and proceed with proposed modifications to the improvement eligibility list.

Summary Statement

- City Council authorized an assignment of \$50,000 in Community Development Block Grant (CDBG) funds in both 2010 and 2011, totaling \$100,000 for the purpose of creating a Minor Home Repair Program for income eligible households. Program participation is limited to households earning low to moderate incomes, which equates to 80% or less of the Denver Metro Area Median Income (AMI) as defined by the U.S. Department of Housing and Urban Development (HUD).
- The City, having limited administrative capacity to run the program, entered into a contract with Brothers Redevelopment, Inc. (BRI) to administer the program on April 11, 2011 for an initial amount of \$50,000. The contract was amended on June 25, 2012 to increase the total contract amount to \$100,000 and implement other minor program changes.
- The second amendment to the contract proposes to modify and clarify the original listing of eligible and ineligible minor repairs, and to give the City's Development Review Committee the authority to make minor adjustments to the list of eligible activities based upon unforeseen circumstances encountered through the daily operation of the program. Substantive changes to eligibility would be required to be approved by City Council.
- The proposed amendment to the Agreement would also increase the hourly rate for BRI's employee services from \$35 to \$45 per hour for the Home Maintenance and Repair Supervisor and Apprentice/Seasonal Laborers.
- Staff is also recommending several procedural changes to the program as follows:
 1. Limiting the number of times a client may apply for additional grant funding. Currently, the program allows a client to apply for up to \$5,000 every grant year. Staff proposes that funding would only be on a one time basis with additional funding requests to be given consideration based on special circumstances, such as an immediate health and safety need (e.g. furnace replacement) or financial necessity such as if the client is in the low or extremely-low income strata (i.e. 50% or below AMI);
 2. Limiting the range of repairs to those necessary to fix a health or safety problem, not to just replace aged fixtures or bring the house up to current code; and,
 3. Reserving the right of the City and its contractor's to deny services to a client that has created a hostile work environment and/or abused the program.

Staff is recommending that the City amend the contract with BRI and that City Council provide guidance on the proposed changes in order to administer the program in the most prudent and efficient manner.

Expenditure Required: \$0

Source of Funds: 2011 CDBG Funds

Policy Issue

Should the City amend the contract with BRI as proposed in order to further define eligible/ineligible items and increase the allowable employee hourly wage rate?

Alternative

The City could choose to administer the program directly with its current Staff. Staff recommends Council not pursue this alternative because the City's staffing administrative capacity and rehabilitation expertise is very limited, which could compromise the success of the program and could put the City in poor standing with HUD.

Background Information

The City receives an allocation of federal CDBG dollars on an annual basis to fund projects or programs that are of benefit to low to moderate income populations. The City receives about \$500,000 annually, of which about \$400,000 is available for projects and programs. Given a high level of inquiry from Westminster residents regarding minor home repair over the last several years, City Council assigned \$50,000 of CDBG funds in both 2010 and 2011 for the purposes of creating a minor home repair program. The City, having limited capacity to administer the program, issued a Request for Qualifications (RFQ) from entities with the capacity to administer the program on behalf of the City. The City selected Brothers Redevelopment, Inc. (BRI) to administer the program.

BRI has extensive experience administering federal funds (including CDBG) through its rehabilitation program and also has in-house rehabilitation personnel that do most of the work. In instances requiring expertise (i.e. electrical, plumbing, etc.), BRI has a stable of pre-qualified specialists under contract. The City entered into a contract with BRI on April 11, 2011, for an initial amount of \$50,000 using 2010 CDBG funding. The original contract was amended on June 25, 2012, to add \$50,000 using 2011 CDBG funding and to exclude emergency and maintenance items.

So far, over 100 homeowners have contacted the City to find out more about the program. The program has received 35 applications of which 19 have been completed, 12 are scheduled for repairs, and four have been declined. The cost per completed home has averaged approximately \$3,000. Repairs have included hot water heater replacement, furnace replacement, installation of grab bars, plumbing and electrical repairs, and repairs to gutters, doors, and windows. The annual goal of the program is to complete nine to ten homes per year. In the first 18 months, the program has exceeded this goal with 19 completed projects. The client feedback has been overwhelmingly positive.

Staff is following trends in requests and is recognizing the need to clarify and redefine what the program can and cannot provide, particularly for exterior work. Staff has prepared the proposed second amendment (attached) with a listing of eligible and ineligible minor repair activities for City Council's consideration. Among the more significant proposed revisions are adding fences, common area, and lateral sewer line repairs/replacement to the list of ineligible items. Fences have been excluded as they are considered non-essential to the house. Common area repairs, such as exterior painting of townhome units in a complex, have been excluded as they exceed the scope of the program. There have also been several requests for lateral sewer line and roof repairs/replacement. It has been determined that these items can easily exceed the \$5,000 grant amount and the intent of the minor home repair program. Exterior painting can be covered up to a cost of \$5,000, but interior painting is ineligible unless it results from a larger repair job, such as removing sheet rock to access water pipes. Tree removal would remain an eligible project, but only upon the City Forester making a

determination that the tree is hazardous and a safety hazard. Other exterior repairs or improvements will only be eligible if they address health and safety problems, or the structural integrity of the house. Improvements specifically for the purpose of improving energy efficiency, such as new windows or appliances, have been removed from the eligible list. They may still be provided, but must address a specific health or safety issue or be part of an eligible improvement (e.g. installation of new water heater or furnace).

Staff is recommending that the eligibility listing be subject to minor revisions within the discretion of the City's Development Review Committee (DRC). Members of this committee include the City Manager, Deputy City Manager, Community Development Director and several other city staff. Substantive changes, such as eliminating a repair activity altogether, would still require City Council's review and consent, as well as an amendment to the Agreement.

Another proposed amendment to the Agreement with BRI pertains to the allowable wage rate for services rendered. BRI has requested an increase in the employee hourly rate from \$35 to \$45 per hour for the Home Maintenance and Repair Supervisor and Apprentice/Seasonal Laborer positions in order to keep up with the actual costs of administering the program.

Staff is also proposing some procedural and applicant eligibility requirements. Over the past two years operating the program, Staff has encountered several situations that have caused difficulties relative to implementing the program. Therefore, Staff is recommending the following procedural changes to address the more notable situations and problem areas:

1. Limiting on the number of times a client may apply for additional grant funding. Currently, the program allows a client to apply for up to \$5,000 every grant year. Staff proposes that funding would only be on a one time basis with additional funding requests to be given consideration based on special circumstances, such as an immediate health and safety need (e.g. furnace replacement) or financial necessity such as if the client is in the low or extremely-low income strata (i.e. 50% or below AMI);
2. Limiting the range of repairs to those necessary to fix a health or safety problem, not to just replace aged fixtures or bring the house up to current code; and,
3. Reserving the right of the City and its contractor's to deny services to a client that has created a hostile work environment and/or abused the program.

Overall, the program has met the City's goals and is successful. It is meeting an identified need. The proposed changes to the program are in accordance with the City's Strategic Plan Goal of ensuring a "Safe and Secure Community" whereby financially challenged residents will be provided a means of accessing resources to make essential repairs to their homes thereby protecting the health and safety of the household. The program further promotes the goal of "Vibrant Neighborhoods and Commercial Areas" by maintaining the livability and structural integrity of residential properties and minimizing the potential for abandonment which can become a blighting factor on the neighborhood.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment - Proposed Second Amendment to the Contract

**SECOND AMENDMENT TO THE
AGREEMENT TO FURNISH PROFESSIONAL AND CONSULTING SERVICES TO THE
CITY OF WESTMINSTER FOR
THE WESTMINSTER EMERGENCY AND MINOR HOME REPAIR PROGRAM
DATED APRIL 11, 2011**

The City of Westminster (hereinafter referred to as "City") and Brothers Redevelopment, Inc. (hereinafter referred to as "Consultant") agree to amend the Agreement described above as follows:

1. EXHIBIT "A" SCOPE OF WORK. Eligibility of Improvements. (p. 9). Under General Allowances, add that these General Allowance shall be guidelines that are subject to minor revisions within the discretion of the City's Development Review Committee (DRC) and upon written notice to Consultant as provided for in Section X(E) of the Agreement. Substantive changes, such as a different type of excluded repair activity, shall require amendment to this Agreement and shall be subject to City Council's review and consent.

Replace the original listing of General Allowances with the following:

Eligible minor repair activities associated with scheduled repairs may include, but are not limited to, the following:

- Painting homes – for exterior only, unless associated with another eligible interior repair for the repair area only
- Building handicapped ramps (ADA approved)
- Bathroom and doorway modifications to accommodate disabled citizens
- Flooring repairs - eligible only if it is a health or safety issue (tripping hazard, etc.)
- Electrical repairs
- Plumbing repairs
- Air conditioner/swamp cooler installation (if deemed medically necessary as directed by MD with letter). The cost can not exceed the \$5,000 maximum. Portable units are not eligible
- Existing individual window replacement (if it poses a safety hazard, such as a damaged or inoperable window)
- Safety improvements
- Exterior repairs to primary structure (house) such as gutter replacement required to preserve health, safety and welfare of resident and/or the structural integrity of the house. Please see the list below for exterior property repairs that are ineligible.
- Removal of dead trees or trimming of limbs determined to be hazardous to the general public or pose a significant threat to the structural integrity of the residential unit. The City Forester is required to make a determination that the tree is hazardous.
- Water heater or furnace repair or replacement
- Other similar work, as authorized

Activities excluded from the program include, but are not limited to, the following:

- Maintenance items, such as annual furnace checks
- Emergency items that must be fixed immediately, such as clogged drains, relighting pilot lights, fallen tree limbs, etc.
- Sewer line repairs or replacement from outside wall of house to street

- Fence repairs or replacement
- Common area repairs, such as exterior painting of townhome units in complex
- Roofing repairs or replacement
- Exterior siding repairs or replacement, unless necessary to protect the structural integrity of the house
- New windows for the primary purpose of energy efficiency enhancement or for the entire home
- Appliances (e.g. dishwasher, refrigerator, stove, washer/dryer) and appurtenances not considered permanent fixtures such as lamps, space heaters, portable air conditioning units, and similar devised.
- Interior and exterior remodeling not required for health, safety, and welfare and considered purely aesthetic improvements
- Structural additions
- Water softening systems

2. EXHIBIT "A" SCOPE OF WORK. Budget and Payment Schedule. (p. 14). The employee hourly rate for the Home Maintenance and Repair Supervisor and Apprentice/Seasonal Laborer shall be increased to \$45.00. The hourly rate for the Volunteer Department Coordinator and the Program Coordinator shall remain at \$35.00.

3. All other terms and conditions of this Agreement and the First Amendment thereto, dated June 25, 2012, shall remain in effect.

This Amendment is dated the 17th day of December, 2012.

BROTHERS REDEVELOPMENT, INC.

CITY OF WESTMINSTER

By: _____

By: _____

Printed Name: Mary Ann Shing
Title: President

Printed Name: J. Brent McFall
Title: City Manager

Address:

Address:

2250 Eaton Street
Garden Level, Suite B
Denver, Colorado 80214

4800 W. 92nd Avenue
Westminster, Colorado 80031

Attest: _____

Attest: _____

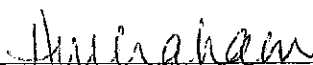
Title: _____

City Clerk

(Corporate Seal,
if applicable)

(Seal)

Approved as to legal form and content:



City Attorney



Staff Report

City Council Study Session Meeting
December 3, 2012



SUBJECT: Draft Water Conservation Plan

PREPARED BY: Stu Feinglas, Water Resources Analyst
Mike Happe, Utilities Planning & Engineering Manager

Recommended City Council Action

Review the Staff's presentation on the proposed Water Conservation Plan and provide direction prior to opening the 60 day public comment period.

Summary Statement

- Westminster's conservation program is an integral part of meeting the City's buildout water supply.
- Staff will present a summary of the proposed Westminster Water Conservation Plan for Council's review and comment. This plan will provide a roadmap for the City to reach the conservation goals recently identified as a part of the Comprehensive Water Supply Plan (CWSP). These goals are an important component of the City's buildout water supply.
- A State-approved plan will also allow the City to qualify for future funding from the Colorado Water Conservation Board (CWCB) and the Colorado Water Resources and Power Development Authority for water and infrastructure projects pursuant to HB 04-1365, adopted on June 4, 2004.
- Council approved the contract with Aquacraft, Inc. to develop the City's Conservation Plan in May 2010. The City has paid the upfront costs of the plan from budgeted capital funds and will receive grant funding of \$38,130 from the State as reimbursement for the development of the Water Conservation Plan.
- Staff has met all State requirements for the development of a Water Conservation Plan. The plan as written has been preliminarily reviewed by the CWCB. If approved by Council, Staff will open the Draft Plan to public comment.
- After the public comment process, the Plan will be amended to incorporate comments and modifications. The final version of the Plan will be presented to Council for formal adoption and submitted to the CWCB for approval.

Expenditure Required: \$0

Source of Funds: N/A

Policy Issue

Should the City continue conservation planning efforts as outlined in the proposed Water Conservation Plan by proceeding with public comment and ultimately adopting a final Water Conservation Plan to meet buildout water supply needs?

Alternative

Council could direct Staff to not continue conservation planning efforts as detailed in the proposed plan as written. Staff would not submit the plan to the required 60 day public comment period nor pursue State approval of the plan. Staff does not recommend pursuing this alternative because it would limit the ability to meet conservation goals as identified by Council that will help the City achieve buildout water supply. The City would also not be eligible to receive funding from the Colorado Water Resources and Power Development Authority for future water and infrastructure projects.

Background Information

Westminster has been a leader among Colorado utilities in promoting and implementing sensible water efficiency measures, having implemented comprehensive water conservation measures since 1976. Most of the measures that have been implemented over the past 35 years are still part of the conservation program in 2012. As a result, the City has realized significant water savings that have reduced the City's need for new water supply purchases.

The development of a Water Conservation Plan is a part of the City's overall Comprehensive Water Supply Plan. The CWSP includes conservation as a critical water source for the City to meet its future water needs. The proposed Water Conservation Plan develops long term strategies for water conservation programs, implementation and tracking of water savings to assure attainment of the water conservation goals required to meet the City's future buildout water needs.

The City obtained its first State-approved water conservation plan in 1996 in accordance with the State's Water Conservation Act of 1991. The Water Conservation Act of 2004 modified the requirements for a Water Conservation Plan and reaffirmed that all covered entities must have an updated approved water conservation plan on file with the State. The legislation established that an approved Water Conservation Plan is required in order to receive grants or loans from the Colorado Water Conservation Board and the Colorado Water Resources and Power Development Authority.

In 2006, the State required previous conservation plans to be updated with new specifications. Grant funding was offered by the State to help water providers develop these new plans. On May 10, 2010, City Council approved two contracts with Aquacraft, Inc. The first contract was to perform a Water Conservation Verification Study on residential water demand to quantify current residential water use and potential water conservation savings, assess the effectiveness of the City's conservation programs and review the City's projections of future water use. Council was presented information on the Conservation Verification Study at its May 2, 2011 Study Session including data about how the City's residential customers use water and where conservation savings might be achieved. The Verification Study confirmed that Westminster residents are already efficient water users. The second contract was to develop a Water Conservation Plan for State approval using the data from the Verification Study in conjunction with the City's Comprehensive Water Supply Plan.

Using the water demand projections developed in the CWSP, Staff evaluated future water supply needs. Planned water supply projects, including conservation, were evaluated and included in the final CWSP to meet the future gap in water supply and demand.

Staff presented an updated CWSP to Council on June 4, 2012. At that time, Council determined that the gap would be met through the identified water supply projects and water conservation. Within that gap analysis, the City has identified a 2,200 acre feet goal that will be met through demand reductions to be accomplished by a combination of passive and active water conservation measures addressed in the proposed Water Conservation Plan. Given the high level of efficiency already accomplished in Westminster, a goal of conserving another 2,200 acre feet of water by buildout is realistically achievable. This represents a 6% reduction in buildout water demand due to future conservation savings.

The City’s water conservation program addresses all residential and non-residential water users. Both indoor and outdoor water uses were evaluated for savings and cost effectiveness. The City has determined that water savings from conservation will not be needed to meet the City’s water demands until buildout approaches. Most of the fixtures and appliances in use today, such as washing machines and toilets, will be replaced by residents with more efficient models by buildout without the City’s involvement. This allows the City to categorize the fixture and appliance savings as passive; no direct City action will be required.

The proposed Conservation Plan is a long term roadmap to help the City track progress and meet its future conservation goals. The plan includes the following set of innovative and effective water conservation measures targeted for implementation by 2015. Water savings from these measures will continue to accrue through buildout.

Conservation Measure	Description	Acre Foot Savings by Buildout
Utility water system loss control	In 2011, water loss through the City’s distribution system was determined to be 6.52%, which is considered to be a low rate regionally. Maintaining this water loss rate while continuing to make improvements are the fundamental goals for the City’s program.	150
Passive fixture replacement	Existing toilets, washers and other water using fixtures will be replaced by customers due to the age of the fixtures or remodeling and redevelopment.	1,650
*Leak alert notification	Customer accounts which trigger a water leak alert via the utility billing system will be sent a simple leak check alert notification via email or the U.S. Mail. The leak check alert will notify the customer of a possible leak and recommend courses of action to further investigate and remedy the situation.	200
*Informational water budget	The City will develop landscape water budgets that will provide a reasonable estimate of expected water use at a site based on the irrigated area and landscape. Comparisons on actual consumption vs. water budget estimate will be provided to customers.	200
*Improved customer information	The City will use GIS technology to provide customers with a tool for information about water use and information on where efficiency improvements can be made.	
*Irrigation	The City will continue to offer free irrigation system audits upon	

audits	request.	
	Total Conservation Savings To Be Achieved by Buildout (AF)	2,200

* Included in the Adopted 2013-2014 Budget.

Most of the conservation savings identified in the plan are from indoor water uses. The City has high confidence that savings from replacing older fixtures and appliances with newer models will be permanent since in most cases the inefficient versions are no longer manufactured or available for purchase. With the City's residential outdoor water use currently at very efficient levels, additional outdoor savings potentials are low. The proposed conservation measures will continue to target high irrigation users.

Staff has met all State requirements for the development of this conservation plan. The plan as written has been preliminarily reviewed by the CWCB. If Council approves the draft Water Conservation Plan, Staff will open the draft plan for a 60 day public comment process. Once the public comment process is complete, Staff will incorporate the comments into the plan and bring the completed plan to Council for review and adoption. After Council's adoption, the plan will be submitted to the CWCB for State approval. Staff intends to evaluate the Water Conservation Plan periodically per State requirements. This review will allow the City to modify programs to meet the City's water needs based on future water demand and supply data.

Along with the programs developed to meet specific conservation goals, the City will continue to implement the following measures:

- Conservation based rate and tap fee structures
- Code requirements for submetering multifamily and commercial units and mandatory recycling of water at car washes
- The City's landscape ordinance that requires efficient irrigation hardware, irrigation audits and efficient landscapes in new construction
- The Garden-in-a-Box program introducing residents to water efficient gardens
- The Slow the Flow residential irrigation audit program
- Ongoing Utility Water Loss Control, Pressure Management and Leak Detection Programs
- The Reclaimed Water Program
- Educational programs such as the annual Children's Water Festival and workshops targeting the general public as well as industry groups.

The Water Conservation Plan supports City Council's goal of "Financially Sustainable City Government Providing Exceptional Services" by contributing to the objective of securing and developing a long-term water supply.

Copies of the complete plan document are available upon request.

Respectfully submitted,

J. Brent McFall
City Manager