

# Water & Sewer Department

## MEMORANDUM

TO: Sean Chambers, Director of Water and Sewer  
 FROM: Virgil Pierce, Rates and Budget Analyst  
 DATE: June 26, 2023  
 RE: Existing and Planned Water and Sewer Debt

Debt issuance is a critical component of the department’s financial planning strategy, providing the up-front investment necessary to continuously fund the replacement and expansion of Greeley’s water and sewer systems. The following tables summarize existing and future bond issuances in the water and sewer funds, detailing remaining principal and associated debt service costs. Note: future bond issuances are subject to change as capital planning evolves. Pages two through four contain a list of major capital projects driving future debt issuances.

| <b>Water Fund - Existing</b> | <b>Principal Remaining</b> | <b>Years Remaining</b> | <b>Annual Debt Service</b> |
|------------------------------|----------------------------|------------------------|----------------------------|
| 2014 Revenue                 | \$ 1,095,000               | 1                      | \$ 1,127,850               |
| 2016 Revenue                 | \$ 15,490,000              | 5                      | \$ 4,239,500               |
| 2018 Revenue                 | \$ 36,990,000              | 17                     | \$ 3,577,700               |
| 2022 Revenue                 | \$ 58,975,000              | 19                     | \$ 5,207,650               |
| 2021 Windy Gap*              | \$ 60,545,000              | 31                     | \$ 3,275,847               |
| <b>Total Existing Water</b>  | <b>\$ 173,095,000</b>      |                        | <b>\$ 17,428,547</b>       |

\* Windy Gap Debt Service is treated as an operating expense.

| <b>Water Fund – Future</b> | <b>Proposed Issuance</b> | <b>Payment Period</b> | <b>Est. Debt Service</b> |
|----------------------------|--------------------------|-----------------------|--------------------------|
| 2024 Revenue               | \$ 33,000,000            | 20                    | \$ 2,428,198             |
| 2024 WIFIA Loan            | \$ 121,657,000           | 35                    | \$ 6,801,114             |
| 2026 Revenue               | \$ 7,000,000             | 20                    | \$ 515,072               |
| 2029 Revenue               | \$ 16,000,000            | 20                    | \$ 1,177,308             |
| 2029 WIFIA Loan            | \$ 34,996,000            | 35                    | \$ 1,848,259             |
| 2031 Revenue               | \$ 19,000,000            | 20                    | \$ 1,398,053             |
| 2033 Revenue               | \$ 11,000,000            | 20                    | \$ 809,399               |
| <b>Total Future Water</b>  | <b>\$ 242,653,000</b>    |                       | <b>\$ 14,977,403</b>     |

| <b>Sewer Fund - Existing</b> | <b>Principal Remaining</b> | <b>Years Remaining</b> | <b>Annual Debt Service</b> |
|------------------------------|----------------------------|------------------------|----------------------------|
| 2015 Revenue                 | \$ 2,845,000               | 6                      | \$ 529,444                 |
| 2018 Revenue                 | \$ 9,095,000               | 15                     | \$ 835,850                 |
| 2022 Revenue                 | \$ 20,670,000              | 19                     | \$ 1,507,300               |
| <b>Total Existing Sewer</b>  | <b>\$ 32,610,000</b>       |                        | <b>\$ 2,872,594</b>        |

| Sewer Fund – Future       | Proposed Issuance     | Payment Period | Est. Debt Service    |
|---------------------------|-----------------------|----------------|----------------------|
| 2024 Revenue              | \$ 48,000,000         | 20             | \$ 3,531,924         |
| 2026 Revenue              | \$ 13,500,000         | 20             | \$ 993,354           |
| 2028 Revenue              | \$ 11,000,000         | 20             | \$ 809,399           |
| 2033 Revenue              | \$ 76,500,000         | 20             | \$ 5,629,004         |
| <b>Total Future Sewer</b> | <b>\$ 144,500,000</b> |                | <b>\$ 10,632,563</b> |

The following tables list the major capital projects driving future debt issuances for the water and sewer funds. Future project costs are estimated.

| <b>Projects Driving Future Debt – Water</b>                   |                                  |                                  |   |
|---|----------------------------------|----------------------------------|---|
| <b>2024 Issuance: \$33M</b><br>(expended 24-25)               | <b>2 Year<br/>Project Budget</b> | <b>Proposed<br/>Bond Funding</b> | <b>% of Bond<br/>Issuance</b>           |
| W & S Facilities Program                                      | \$ 17,195,000                    | \$17,000,000                     | 52%                                     |
| Utility Billing Replacement –<br>Water                        | \$ 5,250,000                     | \$ 5,250,000                     | 16%                                     |
| Distribution Pipeline Replacement                             | \$ 4,724,000                     | \$4,500,000                      | 14%                                     |
| North Boomerang Pump Station                                  | \$ 3,935,000                     | \$ 3,500,000                     | 11%                                     |
| 23 <sup>rd</sup> Ave Reservoir Replacement                    | \$ 3,520,000                     | \$ 2,750,000                     | 8%                                      |
|   | <b>\$ 34,624,000</b>             | <b>\$ 33,000,000</b>             |   |
| <b>2024 WIFIA Loan Issuance: \$121.7M</b><br>(expended 24-28) | <b>5 Year Project<br/>Budget</b> | <b>Proposed Loan<br/>Funding</b> | <b>% of WIFIA<br/>Loan<br/>Issuance</b> |
| Non-Potable Waterline   | \$ 22,540,000                    | \$ 22,539,000                    | 19%                                     |
| Bellvue Pipeline Goldhill                                     | \$ 22,065,000                    | \$ 22,065,000                    | 18%                                     |
| Lead Service Line Replacement                                 | \$ 16,572,000                    | \$ 16,572,000                    | 14%                                     |
| Non-Potable Expansion Projects                                | \$ 15,073,000                    | \$15,073,000                     | 12%                                     |
| Transmission Line Rehab – Bellvue<br>#1 and #2 – Cache        | \$ 9,037,000                     | \$ 9,037,000                     | 7%                                      |
| Mosier Reservoir Rehab and Optm                               | \$ 8,800,000                     | \$ 8,800,000                     | 7%                                      |
| Bellvue Residuals Gravity Thick.                              | \$ 8,107,000                     | \$ 8,107,000                     | 7%                                      |
| Terry Ranch Water Development                                 | \$ 37,590,000                    | \$7,518,000                      | 6%                                      |
| Waterlines Extensions to O St                                 | \$ 6,481,000                     | \$ 6,480,000                     | 5%                                      |
| Bellvue 2mg Clear Well  | \$ 5,813,000                     | \$ 5,467,000                     | 4%                                      |
|   | <b>\$ 152,078,000</b>            | <b>\$ 121,657,000</b>            |   |
| <b>2026 Issuance: \$7M</b><br>(expended 26-27)                | <b>2 Year<br/>Project Budget</b> | <b>Proposed<br/>Bond Funding</b> | <b>% of Bond<br/>Issuance</b>           |
| Bellvue Intake Maintenance                                    | \$ 8,255,000                     | \$ 7,000,000                     | 100%                                    |
|   | <b>\$ 8,255,000</b>              | <b>\$ 7,000,000</b>              |   |

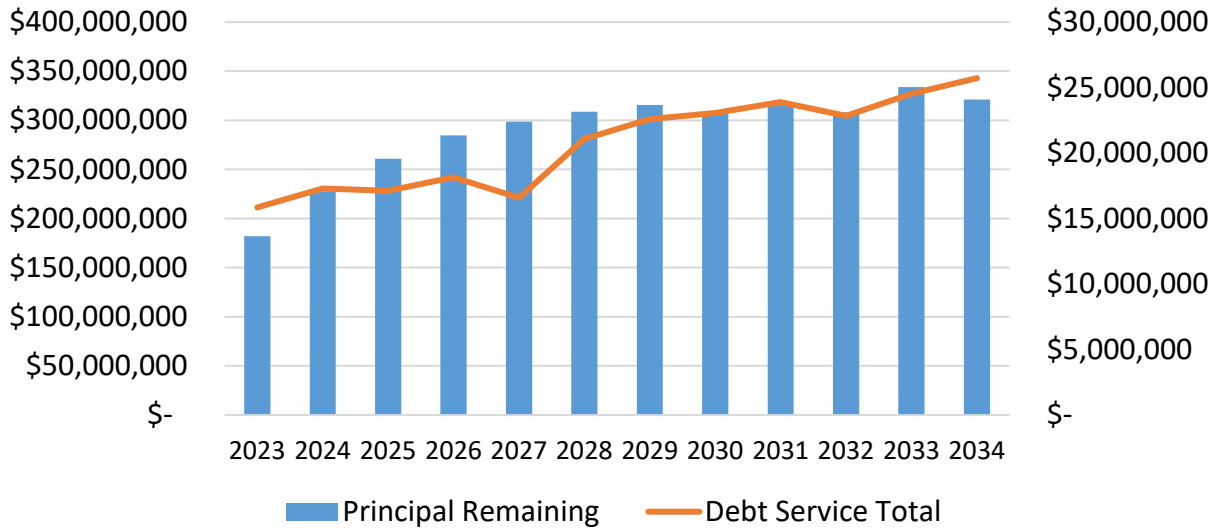
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|   |                       |                       |                  |
|---|-----------------------|-----------------------|------------------|
| <b>2029 Issuance: \$16M</b> (expended 29-30)<br>Future Water Acquisition  | <b>2 Year</b>         | <b>Proposed</b>       | <b>% of Bond</b> |
|   | <b>Project Budget</b> | <b>Bond Funding</b>   | <b>Issuance</b>  |
|   | \$ 20,394,000         | \$ 16,000,000         | 100%             |
|   | <b>\$ 20,394,000</b>  | <b>\$ 16,000,000</b>  |                  |
| <b>2029 WIFIA Loan Issuance: \$35M</b><br>(expended 30-31)<br>Boyd Process Improvements<br>23 <sup>rd</sup> Ave Reservoir Replacement | <b>5 Year</b>         | <b>Proposed</b>       | <b>% of Bond</b> |
|   | <b>Project Budget</b> | <b>Loan Funding</b>   | <b>Issuance</b>  |
|   | \$ 32,444,000         | \$ 32,444,000         | 93%              |
| \$ 18,262,000   | \$ 2,553,000          | 7%                    |                  |
|   | <b>\$ 50,706,000</b>  | <b>\$ 34,996,000</b>  |                  |
| <b>2031 Issuance: \$19M</b> (expended 32)<br>Future Water Acquisition   | <b>2 Year</b>         | <b>Proposed</b>       | <b>% of Bond</b> |
|   | <b>Project Budget</b> | <b>Bond Funding</b>   | <b>Issuance</b>  |
|   | \$ 23,454,000         | \$ 19,000,000         | 100%             |
|   | <b>\$ 23,454,000</b>  | <b>\$ 19,000,000</b>  |                  |
| <b>2033 Issuance: \$11M</b> (expended 33)<br>Future Water Acquisition   | <b>1 Year</b>         | <b>Proposed</b>       | <b>% of Bond</b> |
|   | <b>Project Budget</b> | <b>Bond Funding</b>   | <b>Issuance</b>  |
|   | \$13,119,000          | \$ 11,000,000         | 100%             |
|   | <b>\$ 13,119,000</b>  | <b>\$ 11,000,000</b>  |                  |
| <b>Grand Total</b>  | <b>\$ 302,630,000</b> | <b>\$ 242,653,000</b> |                  |

**Projects Driving Future Debt - Sewer**

|   | <b>2 Year<br/>Project Budget</b> | <b>Proposed<br/>Bond Funding</b> | <b>% of Bond<br/>Issuance</b> |
|---|----------------------------------|----------------------------------|-------------------------------|
| <b>2024 Issuance: \$50M</b> (expended 24-25)  |                                  |                                  |                               |
| WTRF Treatment Phase II                       | \$ 43,282,000                    | \$ 43,000,00                     | 90%                           |
| WTRF Additional Cake Hopper                   | \$ 2,642,000                     | \$ 2,500,000                     | 5%                            |
| Highland Hills 47 <sup>th</sup> Ave Sewer Cap | \$ 2,550,000                     | \$ 2,500,000                     | 5%                            |
|   | <b>\$ 48,474,000</b>             | <b>\$ 48,000,000</b>             |                               |
| <b>2026 Issuance: \$20M</b> (expended 26-27)  |                                  |                                  |                               |
| North Poudre RR Sewer Phase I                 | \$ 7,120,000                     | \$ 7,000,000                     | 52%                           |
| WTRF Secondary Clarifier Upgrd.               | \$ 6,376,000                     | \$ 6,000,000                     | 44%                           |
| WTRF Secondary Digesters Rehab                | \$ 2,170,000                     | \$ 500,000                       | 4%                            |
|   | <b>\$ 15,666,000</b>             | <b>\$ 13,500,000</b>             |                               |
| <b>2028 Issuance: \$11M</b> (expended 28-29)  |                                  |                                  |                               |
| WTRF Blower Replcmnt. Phase 2                 | \$ 9,382,000                     | \$6,500,000                      | 59%                           |
| Lift Station #9                               | \$ 7,815,000                     | \$ 4,500,000                     | 41%                           |
|   | <b>\$ 17,197,000</b>             | <b>\$ 11,000,000</b>             |                               |
| <b>2033 Issuance: \$76.5M</b> (expended 33)   |                                  |                                  |                               |
| WTRF Reg. 31 Improvements                     | \$ 82,350,000                    | \$ 76,500,000                    | 100%                          |
|   | <b>\$ 82,350,000</b>             | <b>\$ 76,500,000</b>             |                               |
| <b>Grand Total</b>                            | <b>\$ 163,687,000</b>            | <b>\$ 149,000,000</b>            |                               |

### Total Proposed Water Debt



### Total Proposed Sewer Debt

