

HUERFANO COUNTY
ON BEHALF OF GARDNER PUBLIC IMPROVEMENT DISTRICT
PUBLIC HEARING ON WASTEWATER SYSTEM IMPROVEMENTS-

April 9, 2024

- The Gardner Public Improvement District (GPID) owns and operates a wastewater collection system and wastewater treatment facility (WWTF). The wastewater collection system and treatment facility were construction in 1976 by the Gardner Water and Sanitation District. In 2010, the residents voted to create the Public Improvement District to be operated by Huerfano County.
- The GPID undertook a Preliminary Engineering Report (PER) and performed pipeline video inspection to evaluate the existing collection system and determine the extent of deficiencies. The PER identified that nearly 2,750 lineal feet of sewer main is back-pitched or severely flat and less than minimum slope (0.40%) for the system wide 8-inch diameter pipelines. Additionally, there are pipeline sags causing hydrogen sulfide to be generated resulting in the degradation of manholes. As such, the majority of the collection system is recommended to be replaced. The project was separated into smaller phases for affordability.
- Option 1 of the project will include the following:
 - Replacement of 2,561 feet of existing pipe with 8-inch PVC
 - Replacement of 10 existing manholes with new 4-foot diameter manholes
 - Installation of 280-feet of 8-inch PVC for the WWTF effluent pipe extension, with two 4-foot diameter manholes and 1 new outlet structure.
- The proposed improvements will protect public health as the improvements will allow for proper conveyance of wastewater. The estimated cost for Option 1 of the project is \$1,271,000 and Option 2 is \$1,239,000. The combined project is \$2,375,000
- Funding status:
 - Department of Local Affairs (DOLA) Community Development Block Grant award of \$452,000, may receive more to bring to full \$600,000
 - Disadvantaged Communities (DAC) Design and Engineering (D&E) Grant: \$185,00 (not yet awarded)
 - Bipartisan Infrastructure Law (BIL) funding- provides 50% grant funding up to \$1,000,000 after the loan application is submitted. Depending on project amount this could range between \$220,000 and \$650,000
 - Water Pollution Control Revolving Fund Program (WPCRF) Loan: The County ARPA money will be applied to the loan after the project thus reducing the loan to a range of \$100,000 to \$269,000

GARDNER PUBLIC IMPROVEMENT DISTRICT
RECOMMENDED WASTEWATER SYSTEM IMPROVEMENTS
POTENTIAL PROJECT FINANCING SCENARIO

Component	Option 1 (east end)	Combined 1 & 2
Project Cost ¹⁾	\$1,271,000	\$2,375,000
DOLA CDBG Grant ²⁾	\$452,000	\$452,000
WPCRF DAC D&E Grant ³⁾	\$185,000	\$185,000
Huerfano County ARPA ⁴⁾	\$125,000	\$250,000
Congressional Directed Spending ⁵⁾		\$500,000
EIAF More Housing Now ⁶⁾	\$200,000	\$200,000
WPCRF Principal Forgiveness ⁷⁾	\$217,000	\$519,000
WPCRF Loan ⁸⁾	\$92,000	\$269,000
Annual Debt Service ⁹⁾	\$3,831	\$11,201
Current O&M Expense (customer/mo) ¹⁰⁾	\$26.81	\$26.81
New Debt Service (customer/mo) ¹¹⁾	\$4.56	\$13.33
Added Reserve Requirement (customer/mo) ¹²⁾	\$0.46	\$1.33
Needed Average Monthly Bill (customer/mo) ¹³⁾	\$31.83	\$41.48
Current Average Revenue (customer/mo) ¹⁴⁾	\$31.00	\$31.00
Estimated Required Rate Increase ¹⁵⁾	\$0.83	\$10.48

- 1) Total estimated project cost.
- 2) Awarded Community Development Block Grant award
- 3) Disadvantaged Community Design and Engineering Grant award of \$185,000, TBD
- 4) Committed Huerfano County ARPA but applied after the full amount of loan to maximize principal forgiveness; applied to the debt
- 5) Congressional Directed Spending facilitated by EPA, is not viewed favorably by SRF
- 6) More Housing Now- 50% grant to help build infrastructure for affordable housing projects, reflects 50% of infrastructure downstream of housing
- 7) 50% Bipartisan Infrastructure Law funding up to \$1,000,000 of the loan request
- 8) The loan amount is reduced by the County ARPA money is planned to be applied towards the loan principal to maximize principal forgiveness.
- 9) Annual Debt Service based on an interest rate of 1.5% for a 30 year term
- 10) Based on 2021 sewer operating expenses of \$22,520 divided by 70 EQR and 12 months
- 11) Debt Service is based on annual loan payments of \$20,382 divided by 70 EQR and 12 months
- 12) Required 10% reserve requirement on debt service.
- 13) The total of monthly expenses, new debt service, and reserve requirement
- 14) Based on the proposed user charge of \$31 per month (\$28 sewer availability fee and \$3 for Plant Investment Fee)
- 15) Estimated required rate increase

- Construction/Environmental Impacts

- The short-term impacts associated with construction activities will include: dust generation; added construction noise; road closures and/or disruptions; potential increase in erosion; and ground surface disruption.
- Construction activities will incorporate the appropriate best management practices to mitigate any potential of erosion or sedimentation.
- There are no other environmental impacts identified at this time.
- Environmental Clearance is forthcoming

- Wastewater System Improvements project schedule

- Process Design Report/Basis of Design Report Submittal April 2024
- Loan Application Submission..... June 2024
- Loan Approval August 2024
- Advertise project to bid October 2024
- Project award November 2024
- Initiate construction..... January 2025
- Completion of construction July 2025

The schedule will be impacted by funding if CDS monies are incorporated in the initial project as that will take time to receive approvals.