



OFFICIAL MINUTES

Executive Session 4:30 / Town Council 5:30

Wednesday, December 18, 2024

Town Hall / Council Chambers - 302 Pine St Minturn, CO

The agenda is subject to change, including the addition of items 24 hours in advance or the deletion of items at any time. The order of agenda items listed are approximate.

This agenda and meetings can be viewed at www.minturn.org.

MEETING ACCESS INFORMATION AND PUBLIC PARTICIPATION:

This will be an in-person meeting with access for the public to attend in person or via the Zoom link included. Zoom Link: <https://us02web.zoom.us/j/89846878798>

Zoom Call-In Information: 1 651 372 8299 or 1 301 715 8592 **Webinar ID:** 898 4687 8798

Please note: All virtual participants are muted. In order to be called upon an unmuted, you will need to use the “raise hand” feature in the Zoom platform. When it’s your turn to speak, the moderator will unmute your line and you will have five (5) minutes for public comment.

Public Comments: If you are unable to attend, public comments regarding any items on the agenda can be submitted to Jay Brunvand, Town Clerk, prior to the meeting and will be included as part of the record.

1. CALL TO ORDER

Mayor Earle B. called the meeting to order at 4:30pm.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council present Mayor Earle Bidez, Mayor Pro Eric Gotthelf, Town Council members Lynn Feiger, Gusty Kanakis, Tom Priest, Kate Schifani, and Brian Rodine.

Staff present: Town Manager Michelle Metteer, Town Attorney Michael Sawyer (zoom), Town Planner Scot Hunn, and Town Clerk Jay Brunvand (zoom).

3. EXECUTIVE SESSION (4:30 PM)

- A.** An Executive Session pursuant to CRS Section 24-6-402(4)(b) for the purposes of consulting with the attorney to receive legal advice on legal questions and CRS Section 24-6-402(4)(e), for the purposes of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators, related to the following matters:
- Town Manager Transition
 - Retention of Recruiting Firm
 - Water Moratorium

Those present for the executive session included Council present Mayor Earle Bidez, Mayor Pro Eric Gotthelf, Town Council members Lynn Feiger, Gusty Kanakis, Tom Priest, Kate Schifani, and Brian Rodine.

Staff present: Town Manager Michelle Metteer and Town Attorney Michael Sawyer (zoom).

Motion by Gusty K., second by Tom P., to convene in Executive Session pursuant to CRS Section 24-6-402(4)(b) for the purposes of consulting with the attorney to receive legal advice on legal questions and CRS Section 24-6-402(4)(e), for the purposes of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators, related to the following matters: Town Manager Transition, Retention of Recruiting Firm, Water Moratorium as presented. Motion passed 7-0.

The Council convened in Regular Session at 5:32pm.

4. APPROVAL OF CONSENT AGENDA

Consent agenda items are routine Town business, items that have received clear direction previously from the council, final land-use file documents after the public hearing has been closed, or which do not require council deliberation.

A. 12-04-2024 Minutes

Motion by Eric G., second by Kate S., to approve the Consent Agenda of December 18, 2024, as presented. Motion passed 7-0.

5. APPROVAL OF REGULAR AGENDA

Opportunity for amendment or deletions to the agenda.

Motion by Gusty K., second by Tom P., to approve the Agenda of December 18, 2024, as presented. Motion passed 7-0.

6. DECLARATION OF CONFLICTS OF INTEREST

7. PUBLIC COMMENT

Citizens are invited to comment on any item on the Consent Agenda, or not on the regular Agenda subject to a public hearing. Please limit your comments to five (5) minutes per person unless arrangements have been made for a presentation with the Town Clerk. Those who are speaking are requested to state their name and address for the record.

Michelle M. noted an email from Patrick Drennan, incomplete Taylor St address given, regarding the construction work on Taylor St. Work is starting at 7am per code but he works nights, so it is disruptive.

8. COUNCIL COMMENTS & COMMITTEE REPORTS

Eric G. wished all a happy holiday.

9. STAFF REPORTS

A. Manager's Report

Railroad Ave Pedestrian Improvements Grant Extension

Minturn is excited to have received approval from the Public Utilities Commission for the planned improvements along Railroad Ave to increase pedestrian, bicycle and vehicular safety. Due to the delay in receiving the PUC approval, Minturn will be submitting an extension request to begin construction in the spring of 2025. Inter-Mountain Engineering is now working on an RFP for advertising.

Eagle River Quiet Title Progress

I have continued working with Rob Marsh, Jester, Gibson & Moore in preparation for the Eagle River Quiet Title work. The Council was emailed the draft notice to residents several weeks ago and staff anticipates the notification will be mailed out just after the first of the year. Again, this effort is for the riverbed only and will not be impacting anyone's already titled property. Rob Marsh, Esq. will be the primary point of contact for this effort.

Main Street Phase II Sidewalks – Permanent Easement Acquisition

CDOT is awaiting Minturn's first reimbursement request, which Jay Brunvand is putting together now. Once submitted, the Town can advertise for the project and for construction management services simultaneously. Additionally, the Town will be seeking as part of this project a permanent easement from Vail Associates (VA) for drainage across a parcel of land VA owns between HWY 24 and the river. Greg Jamison with HDR Inc. is leading this acquisition process and is subcontracted through Stolfus Engineering.

Highlands Parcel Public Discussion Preparation

Staff are preparing the materials to conduct a public outreach and discussion process to determine how the recently acquired parcels (part of the Battle North settlement) will be utilized. As part of this process a webpage is being created providing background material and information on the two parcels themselves. This will also be turned into an informational flyer for those who do not have access to the internet. An e-blast is expected to go out the week of January 6, 2025, notifying Minturn residents of this effort in hopes of garnering public discussion and feedback. The tentative Open House date for gathering initial feedback is scheduled for January 29, 2025.

Brian R. noted this item for the public. Scot H. highlighted the upcoming schedule and that it would be on the website, newsletters, etc.

First Friday Events Update - December

Minturn conducted the fourth First Friday event on December 6, 2024. This First Friday event was combined with the annual Town Tree Lighting given the geographic proximity of the two and staff has received positive feedback on the combining of the two events. Economic Development Coordinator, Cindy Krieg, has provided a post-event synopsis which is included with this manager's report for further review.

VisitMinturnRedCliff.com

Minturn and Red Cliff, through a grant from the Colorado Tourism Office, have created the www.VisitMinturnRedCliff.com website and corresponding visitor guide to support responsible outdoor recreation in these areas. Printed guides will be available at the Eagle Valley Airport, short-term rentals, and all area hotels, as well as Minturn and Red Cliff businesses and Town Halls.

10. SPECIAL PRESENTATIONS

Presentations are limited to 5 minutes. Invited presentations are limited to 10 minutes if prior arrangements are made with the Town Clerk.

11. BUSINESS ITEMS

Items and/or Public Hearings listed under Business Items may be old or new and may require review or action by the Council.

- A. Ordinance 24-Series 2024 (Second Reading) An Ordinance Increasing the Short-Term Rental Lodging Tax to 6.5%**

On November 5, 2024 the voters approved increasing the Lodging Tax from 1.5% to 6.5% for Residential properties. This increase applies to ONLY residential short-term rentals of 30days or less. It does NOT apply to commercial short-term rentals as those properties pay a much higher property tax than residential properties. This increase will be effective January 1, 2025. It was noted there were no changes from First Reading.

Public Hearing Opened
No Public Comment
Public Hearing Closed

Motion by Kate S., second by Lynn F., to approve Ordinance 24-Series 2024 (Second Reading) An Ordinance Increasing the Short-Term Rental Lodging Tax to 6.5% as presented. Motion passed 7-0.

- B. Ordinance 25 - Series 2024 (Second Reading) An Ordinance Establishing the Minturn Downtown Development Authority**

The Town of Minturn held a special election on November 5, 2024, regarding the creation of a Minturn Downtown Development Authority. The measure passed by majority vote. The DDA must now be officially formed according to State Statute. Second Reading includes the requested changes to section 3 by eliminating 3b.

Mike S. noted the change requested which opened the board seats up to a more balanced representation.

Public Hearing Opened
No Public Comment
Public Hearing Closed

Motion by Eric G., second by Gusty K., to approve Ordinance 25 - Series 2024 (Second Reading) An Ordinance Establishing the Minturn Downtown Development Authority as presented. Motion passed 7-0.

C. Resolution 65 - Series 2024, A Resolution to approve a professional services agreement for window replacement at Town Hall

The Minturn Town Hall windows are original to the building. Many have warped due to weather conditions and other factors. Most no longer close properly so they have become inefficient. Town Staff recommends window replacement. Town staff posted an Invitation to Bid for 30 days (10/22 – 11/22). This notice was also published in the newspaper. We received 4 total bids, 3 from in-state and 1 from out of state. Based on a multitude of factors including product quality, company reputation, warranty, and contractor recommendations, Town Staff is recommending entering into an agreement with Renewal by Andersen of Colorado.

Motion by Gusty K., second by Kate S., to approve Resolution 65 - Series 2024, A Resolution to approve a professional services agreement for window replacement at Town Hall as presented. Motion passed 7-0.

D. Authorizing Staff to enter into an agreement with a management recruiter up to a maximum dollar amount for the purpose of recruiting a Town manager.

On December 6, 2024, I submitted my letter of resignation to the Mayor and Town Council, providing for a 60-day transition period prior to my formal resignation on February 7, 2025. As part of the transition process, the Town Council should consider hiring an outside professional or organization to lead the recruitment process for obtaining a new town manager. The town manager's role is a critical hire for the execution of Council-directed policy, organization of staff operations and facilitation of relationships between residents and businesses with the town. For the recruitment of a new town manager, an emphasis should be placed on finding someone who is the right "fit" for not only the Council but also the staff and community. Minturn's town manager role must handle matters which are remedial and task-oriented in nature (like distributing snowmelt) to management and project execution. This role is more management based than leadership focused, and a new hire should be prepared to be "in the weeds" with the town staff on a daily basis. The Minturn town staff is too small to support a town manager position which is not

addressing managerial matters daily. A recruitment professional or organization can facilitate finding the right “fit” to ensure a strong position placement with a long-term commitment to the organization.

Direction was given to proceed with recruitment of an interim Manager and a firm to manage the permanent recruitment process.

12. DISCUSSION / DIRECTION ITEMS

A. Water treatment Plant Direction

The need for a new water treatment facility has been at the forefront of Minturn staff efforts and public discussions with the Town Council for years. The most recent direction provided by the Council was to determine any remaining WTP funding opportunities available and present those findings prior to subsequent direction from the Council. Water treatment plant funding opportunities for Minturn are limited due to the Town’s above-average area median income and lack of listing as a disadvantaged community. Opportunities are further hindered by the restrictions imposed on the ability for an Enterprise Fund (Minturn’s water utility) to accept outside dollars. The limitations of Minturn’s funding opportunities are additionally outlined in the Sustainable Strategies Minturn Water Treatment Plant Resourcing Memorandum (attached to this memorandum). Much to the Town’s credit, grant funds have been approved for \$3,000,000 in Congressionally Directed Spending as well as \$159,000 from the Colorado River Water Conservation District Community Funding Partnership program. In addition to these funds, Minturn has applied for a \$3,000,000 grant through the Bureau of Reclamation program. That program will announce award recipients in March of 2025. Of note, as part of the Bureau of Reclamation grant application, definitive dates were required for the water treatment plant project start and completion. This is common for most grant applications which require specific notice of firm project start and end dates. Additional long-term funding relief may come from the ability to sell one or more recently acquired parcels of land through the Battle North settlement agreement and possibly the inclusion of Battle North’s potential/future development project within Minturn’s post-2008 water service area. This information, along with an updated water rate analysis, and future WTP projected cost increases due to construction delay and inflation, will be presented to the Council the evening of December 18th so as to facilitate a final water treatment plant discussion and request for direction.

The Town of Minturn, Colorado, is a one-of-a-kind Rocky Mountain town with a vibrant sense of community. Home to just 1,033 residents and nestled between the Vail and Beaver Creeks, Minturn has strived to maintain its identity separate from other communities in Eagle County but has struggled with infrastructure backlogs. The Town of Minturn has been evaluating the best way to improve the reliability of water production at its existing slow sand direct filtration water treatment plant (WTP). At 60 years old, the plant struggles to meet Colorado Department of Public Health & Environment (CDPHE) regulations, limiting the quantity of water it can treat, and it was found in 2018 that there were no liners on Filters 1 and 2, requiring removal from service and significantly decreasing Minturn’s production capacity.

Funds are needed to support the modernization and modification of the facility to ensure a reliable supply of safe drinking water. Minturn has undertaken feasibility analyses and planning to modernize the plant, and now seeks construction funds to improve the facility to meet current and future water infrastructure needs and requirements. The installation of new water treatment processes will help meet the community's anticipated growth needs by expanding the capacity and reliability of the Town's water infrastructure. The Town has completed 30% of the design and engineering for the construction of a new membrane water treatment plant to improve the resiliency of the water supply. These systems are relatively simple to operate compared to conventional processes (for example, no need for coagulation or settling. This plan would include a new building to house the membrane skids, and requisite chemical storage systems would be constructed in the unoccupied area owned by Minturn to the south of the existing filters. The existing outdoor filters would be converted into detention ponds for backwash waste. The estimated capacity following Phase 2 would expand to 1.2 mgd, with an offline standby unit. The opinion of probable cost for construction is \$11.9 million, with an additional \$1.5 to \$2 million in architectural and engineering services required.

Funding Sought & Secured To-Date

Minturn has successfully secured grants to support the modernization of its WTP and address water infrastructure needs. Since 2021, the Town has secured over \$3 million in federal and philanthropic funding to support this effort. These funds include:

- \$184,000 in Community Funding Partnership (CFP) funding from the Colorado River District
- \$1 million in State and Tribal Assistance Grant (STAG) funding administered through the Environmental Protection Agency (EPA) through congressionally directed spending in FY2022 federal appropriations
- \$2 million in State and Tribal Assistance Grant (STAG) funding administered through the Environmental Protection Agency (EPA) through congressionally directed spending in FY2023 federal appropriations

In addition, the Town sought but was unable to secure a \$1 million U.S. Department of Agriculture "Rural Development Water and Waste Disposal" earmark from Congressman Joe Neguse in the FY2025 federal appropriations process.

Federal Funding Landscape

Recent historic federal investments in infrastructure have introduced billions of dollars in financing to support water needs across the United States. These funds span several agencies, including the Environmental Protection Agency (EPA), the U.S. Department of Agriculture (USDA), the U.S. Bureau of Reclamation (USBR), and the U.S. Department of Interior (DOI).

The Biden Administration has made it a priority to allocate federal funding to projects in communities or neighborhoods that are most affected by poverty, historical disadvantage, climate change, pollution, and environmental hazards. However, while Minturn is a small, rural community with a small population, the Town does not have any census tracts that qualify as "historically disadvantaged" based on the widely used federal Climate and Economic Justice Screening Tool, and likewise Minturn cannot meet most other federal standards for funding for "disadvantaged" communities.

Minturn's median household income, at \$103,333, higher than the Eagle County median income of \$98,887 and state median income of \$92,911, also precludes the Town from taking advantage of many USDA Rural Development programs, such as the USDA Water and Waste Disposal Loan and Grant Program, Special Evaluation Assistance for Rural Communities and Households (SEARCH) program, and Community Facilities Direct Loan and Grant program, which establish income limits as thresholds for the level of grants or loan funding where funds are frequently provided on a graduated scale with smaller communities with the lowest median household income being eligible for projects with a higher proportion of grant funds.

Enterprise Fund Limitations

The Town's Enterprise Fund has specific restrictions in place regarding the use of external funding for the water treatment plant. According to these restrictions, the total amount of grants and other special funding within the enterprise fund cannot exceed 10% of the total fund revenues generated by that fund. If this limit is surpassed, it would disrupt the Enterprise status, potentially impacting any existing debt owed by the enterprise. In such a situation, it may become necessary to seek approval from taxpayers through a ballot issue in order to continue making debt payments.

It is recommended that the Town only break the Enterprise Fund revenue restrictions for large funding sources. It's important to note that this restriction does not apply to federal funding sources. In 2021, the Town received an award of approximately \$350,000 from the Colorado River District (CRD) but could only accept \$184,000 due to the Enterprise Fund restrictions on funding from State agencies.

Timing Considerations

The Town has faced challenges in determining the best course of action for the project, which has taken over two years. This has hindered the Town's ability to pursue federal, state, and philanthropic funding during this period of heavy federal investment. Without a clearly defined scope of work or cost estimates for the project, the Town has been unable to apply for funding for which it may be eligible. This is because the project's development stage did not align with various program eligibility requirements.

As the project progresses and reaches the 30% design stage, it is crucial to seize the opportunity to explore and apply for additional sources of grant and/or loan funding. The Town should move quickly on the project as any delays in implementing the project will lead to escalating costs for the Town. However, it's important to note that many grant and loan programs have specific timelines and may not allow grant/loan funding to cover costs incurred before federal award.

Grant Funding Opportunities

The Addendum to this memorandum outlines over twenty-five (25) sources of federal, state, and philanthropic funding that are currently available to support water infrastructure projects. Rows highlighted in gray indicate programs where the Town does not meet the eligibility requirements. It's important to emphasize that while there are numerous sources of grant funding available for water infrastructure planning, only a few offer funding levels that can meet the substantial \$10+ million required for the complete scope of WTP modernization. Additionally, it is crucial to note that many larger funding sources primarily provide loans rather than grants.

Alternatives to Grant Funding

The Town of Minturn should explore alternative funding options to complete the modernization of the WTP. One viable option could involve seeking loan principal forgiveness from relevant authorities, while another option could be selling parcels of land owned by the town. Both strategies could provide the necessary funds to ensure the successful completion of the WTP modernization project.

The two cited memos are attached to these minutes in full.

Mr. Michael Boyd, 502 ½ Eagle St., felt we should use the money we have to maintain what we have and then sell land to pay for the project. He discussed potential financial impacts to all residents, not just senior citizens.

Ms. Krista Driscoll, 115 Nelson Ave, was concerned if of the increased costs due to inaction. She felt the idea of using future funds to mitigate rates was a good idea.

Ms. Lynn Teach, 253 Pine St., asked about seniors and how they qualify for the rate freeze in the future. She discussed opportunities to use Battle Mtn land as open space and selling some to pay for the water plant.

Mr. George Brodin, 252 Boulder St., discussed cleaning the intake pond to reduce turbidity and increase volume, felt well #4 and the line from it should be reviewed and possibly replaced now, he discussed the drywell and was concerned that use could mix with the processed and or well water, he encouraged the senior rates. He asked about the Construction Use Tax; it cannot legally be used in the Enterprise Fund. He asked what remedy we have when we reach the top of our water allowance. This level would be hit in the late summer when the river is lowest, and the outdoor water is highest. In such an event outdoor water use can be curtailed as needed. It was noted that retreatment is necessary for Eagle River water diversion in the future. It is cost effective to build the building for pretreatment rather than retrofit the need and face the cost later down the line.

Ms. Virginia Olson, 393 Eagle River St, asked about water court clarification. A secondary diversion would provide redundancy and future capacity. Michelle M. noted to a question that the current developments under construction have increased our reserves. Jim Mann noted that for every \$1m we bring in, rates will decrease about \$7.28 per SFE.

Earle B. discussed the cost of waiting and how costs have and will continue to increase as well as the loss of currently awarded grants.

Jim Mann outlined our current fund needs and his attached memo.

Lynn F. reviewed that in the recent past, citizens did NOT want to merge with ERWSD. This result has led to the necessary plant upgrades.

Gusty K. felt strongly that we benefited most from selling some of the land. He asked about freezing senior rates, for multiple properties owned by the same senior, would that reduced rate

affect all their properties. He wants to continue to seek grants. He felt water plant tours might help educate citizens.

Tom P. noted, because we have not acted, it has cost us nearly \$500k in increased costs for the necessary water plant.

Discussion ensued on the costs, opportunities for the sale of the land, and an increase in development costs.

Mr. Rob Davis, 1729 Main St, agreed with selling the land for minimal development to pay for the new plant and keeping most of it as open space.

Ms. Kate Berchenal, 264 Taylor St, emailed that we should re-approach Battle Mtn to develop a combined water treatment plant as that would be less expensive for both parties than would be two separate plants.

Kate S. felt it was not productive to assume Battle Mtn would help us since they have not in 10yrs. She understood the impact of the rates.

Motion by Tom P., second by Eric G., to move forward with membrane plant with pretreatment capacity (Decision Option #1). Motion passed 7-0.

13. FUTURE AGENDA ITEMS

A. Future Meeting Topics

14. ADJOURN

Motion by Kate S., second by Tom P., to adjourn at 7: 39pm.

Earle Bidez, Mayor

ATTEST:

Jay Brunvand, Town Clerk

INFORMATIONAL ONLY ITEMS

Upcoming Council Meetings and Events:

- December 25, 2024 - Town Hall Closed (Christmas Day)
- January 1, 2025 - Town Hall Closed (New Years Day) - Town Council Meeting Canceled due to Holiday
- January 3, 2025 - January First Friday at Steammaster
- January 10, 2025 - Christmas Tree Bonfire
- January 15, 2025 - Town Council Meeting
- January 20, 2025 - Town Hall Closed (Martin Luther King Jr. Day)



Town Council
Mayor – Earle Bidez
Mayor Pro Tem – Terry Armistead
Council Members:
George Brodin
Lynn Feiger
Gusty Kanakis
Kate Schifani
Tom Sullivan

MINTURN WATER SYSTEM TIMELINE

2018, June 6:	<u>Water Discussion – Special Presentation</u>
2018, Sept 5:	<u>Work Session Water Discussion & Review</u>
2018, Sept 19:	<u>Minturn Water Source Options Presentation (Community Interconnect Discussion)</u>
2018, Oct 11:	<u>CDPHE Sanitary Survey Notification</u>
2019, July 7:	<u>Community Water Presentation</u>
2019, Sept 30:	<u>Water System Capital Improvement Plan</u>
2020, Feb 04:	<u>Minturn Copper Exceedance Memorandum</u>
2020, April 08:	<u>Ordinance 05 – Series 2020; Water Moratorium</u>
2021, July 7:	<u>Water Infrastructure CIP Update</u>
2021, Sept 15:	<u>Capital Improvements Plan Update</u>
2022, Feb 16:	<u>Memo Re: Water Moratorium Renewal</u>
2022, Feb 24:	<u>SGM Water Treatment Plant & Eagle River Diversion Cost Estimate</u>
2022, March 01:	<u>Construction Inflation Alert Notification</u>
2022, April:	<u>2022 Community Survey</u>
2022, Apr 6:	<u>Congressional Directed Spending Support Letter</u>
2022, Apr 18:	<u>Ord 06 – Series 2022; Outdoor Water Restrictions Regulations</u>
2022, July 7:	<u>Manager Report – Water Infrastructure Funding</u>
2022, Nov 22:	<u>Minturn Water Treatment Plant Funding Report</u>
2022, Dec 15:	<u>Minturn Water Treatment Plant Cross Creek Alternatives</u>
2023, Jan 18:	<u>Res 05 – Series 2023; Community Plan (Ch 5 Water Infrastructure)</u>
2023, Jan 25:	<u>Phase I Environmental Site Assessment – Confluence Property</u>
2023, Feb 15:	<u>Ord 02 – Series 2023 Water Moratorium Continuance</u>
2023, May 25:	<u>Water Series Newsletter, Issue 1: Understanding Your Water Bill</u>
2023, July 26:	<u>Water Series Newsletter, Issue 2: Water Rates</u>
2023, Aug 16:	<u>Water Treatment Plant Alternatives Analysis Presentation</u>
2023, Aug 16:	<u>Water Treatment Plant Alternatives Analysis</u>
2023, Oct 17:	<u>Water Series Newsletter, Issue 3: Water Treatment Plant Analysis</u>
2024, March 25:	<u>Water Series Newsletter, Issue 4: Water Treatment Update</u>
2024, May 6:	<u>2024 Community Survey</u>
2024, Aug 7:	<u>Minturn Water Treatment Plant 30% Design Drawings</u>
2024, Aug 7:	<u>Membrane Water Treatment Plant Construction Cost Estimate</u>
2024, Nov 20:	<u>Res 61 – Series 2024: Adopting the 2025-27 Strategic Plan</u>
2024, Aug 7:	<u>Membrane Water Treatment Plant Construction Cost Estimate</u>
2024, Sept 26:	<u>Minturn Water Treatment Plant Funding Resources Memo</u>



MEMORANDUM

To: Michelle Metteer, Town Manager, Minturn, CO
From: Sarah Marin, Senior Associate & Client Services Manager
Date: September 26, 2024
Subject: **Minturn Water Treatment Plant Funding Resources Memo**

This memorandum outlines the federal funding landscape for water infrastructure projects that could support Minturn's water treatment plant (WTP) modernization needs. Both the Bipartisan Infrastructure Law (BIL) and the Inflation Reduction Act (IRA) are primed to provide significant funding for water infrastructure, climate resilience, and drought mitigation in the United States. These resources provide historic levels of investment designed to deliver a wide range of water programs, advance environmental justice by prioritizing low-income and disadvantaged communities, and combat climate change by reducing greenhouse gas emissions and other air and water pollutants.

Background

The Town of Minturn, Colorado, is a one-of-a-kind Rocky Mountain town with a vibrant sense of community. Home to just 1,033 residents and nestled between the Vail and Beaver Creeks, Minturn has strived to maintain its identity separate from other communities in Eagle County but has struggled with infrastructure backlogs. The Town of Minturn has been evaluating the best way to improve the reliability of water production at its existing slow sand direct filtration water treatment plant (WTP). At 60 years old, the plant struggles to meet Colorado Department of Public Health & Environment (CDPHE) regulations, limiting the quantity of water it can treat, and it was found in 2018 that there were no liners on Filters 1 and 2, requiring removal from service and significantly decreasing Minturn's production capacity.

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of new water treatment processes will help meet the community's anticipated growth needs by expanding the capacity and reliability of the Town's water infrastructure.

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As the project progresses and reaches the 30% design stage, it is crucial to seize the opportunity to explore and apply for additional sources of grant and/or loan funding. The Town should move quickly on the project as any delays in implementing the project will lead to escalating costs for the Town. However, it's important to note that many grant and loan programs have specific timelines and may not allow grant/loan funding to cover costs incurred before federal award.

Grant Funding Opportunities

The Addendum to this memorandum outlines over twenty-five (25) sources of federal, state, and philanthropic funding that are currently available to support water infrastructure projects. Rows highlighted in gray indicate programs where the Town does not meet the eligibility requirements. It's important to emphasize that while there are numerous sources of grant funding available for water infrastructure planning, only a few offer funding levels that can meet the substantial \$10+ million required for the complete scope of WTP modernization. Additionally, it is crucial to note that many larger funding sources primarily provide loans rather than grants.

Alternatives to Grant Funding

The Town of Minturn should explore alternative funding options to complete the modernization of the WTP. One viable option could involve seeking loan principal forgiveness from relevant authorities, while another option could be selling parcels of land owned by the town. Both strategies could provide the necessary funds to ensure the successful completion of the WTP modernization project.

Please contact Sarah Marin at Sarah.Marin@strategiesdc.com or 202.308.7125 with any questions.

State Water Resources			
Opportunity	Purpose	Amount, Match, & Deadline	Potential Uses & Key Considerations
Colorado Water Conservation Board (CWCB)			
CWCB Colorado Water Plan Grants	To make progress on the critical actions and measurable objectives identified in the Colorado Water Plan including, water storage and supply, water sharing agreements, conservation and land use planning, engagement and innovation, agricultural projects, and environmental and recreation projects.	<p>Amount: Typically less than \$300,000</p> <p>Match: 50% match for all construction projects and 25% match for all plans or studies</p> <ul style="list-style-type: none"> No more than half of the match may be in the form of in-kind services <p>Deadlines: December 1 and July 1 annually.</p>	<ul style="list-style-type: none"> A source of funding for water conservation efforts. Past expenditures directly related to the water activity may be considered as matching funds if the expenditures occurred within 9 months of the execution date of the contract or purchase order with the State. Completed feasibility studies must be submitted with an engineer's estimate of probable costs for grant requests that include costs for final engineering plans and construction. Contact: Kevin Reidy, Program Officer, Conservation & Land Use Planning E: kevin.reidy@state.co.us
CWCB Water Supply Reserve Fund Grants	To assist Colorado water users in addressing their critical water supply issues and interests. The funds help eligible entities	<p>Amount: Typically no more than \$300,000</p> <p>Match: 25%</p> <p>Deadlines include October 1, December 1, February 1, April 1, June 1, and August 1 annually.</p>	<ul style="list-style-type: none"> Funds focused on planning and design. Funds can be used for technical assistance regarding permitting, feasibility studies and environmental compliance Studies or analysis of structural, nonstructural, consumptive and non-consumptive water needs, projects or activities Design of structural projects or activities

	<p>complete water activities.</p> <p>Prior to submitting an application to CWCB, the applicant must receive written approval from the region's basin roundtable.</p>		<ul style="list-style-type: none"> • Infrastructure replacement or maintenance projects <p>Contact: Ben Wade, Water Conservation Coordinator</p> <ul style="list-style-type: none"> • E: ben.wade@state.co.us • P: 303-866-3441 x3238
<p>CWCB Federal Technical Assistance Grants for Colorado Water Projects</p>	<p>Provides technical assistance and administrative support to entities applying for federal IJA or other federally available funding. The projects must assist with raw water and water supply projects that directly support the objectives and goals of the Colorado Water Plan.</p>	<p>Amount: A total of \$2 million remains in the entire program fund. Grants are typically small.</p> <p>Match: 25%</p> <ul style="list-style-type: none"> • Project costs may consist of a combination of in-kind and cash match, but no more than half (12.5%) of the match may be in the form of in-kind services. <p>Deadline: Grants will be awarded on a rolling basis through December 2024; grant funds must be fully expended by December 2026.</p>	<ul style="list-style-type: none"> • Source of funds for additional design of the WTP. • Staff in discussion with Program Manager • Priority will be given to Disadvantaged Communities • Technical Assistance includes Local Capacity Grants and Technical Assistance Grants. • Local Capacity Grants are direct awards to grantees to develop projects and submit competitive federal grant applications. • Technical Assistance Grants provide a contractor hired by CWCB to perform a wide variety of water project services, including researching federal grant opportunities, project design and cost estimation, and federal application development/grant writing. <p>Contact: Michael Regan, Budget Analyst</p> <ul style="list-style-type: none"> • P: (303) 866-3441Ext. 3214 • E: michael.regan@state.co.us

Colorado Department of Public Health & Environment (CDPHE)			
CDPHE Small Communities Water and Wastewater Grants	The program is part of the Colorado Water Quality Control Commission's Regulation 55 - State Funded Water and Wastewater Infrastructure Programs. It is for eligible entities that serve a population of no more than 5,000 people, with financial need considered.	<p>Amount:</p> <ul style="list-style-type: none"> • Tier I projects can receive up to \$50,000 Tier I projects and are intended to fund planning and design projects. • Funding for Tier II projects is up to \$400,000 and are intended to fund infrastructure projects including planning, design, and construction. <p>Deadline: Last round was February of 2021.</p>	<ul style="list-style-type: none"> • Waiting to see if program reopens. • Tier II projects must contain a construction component. • Eligible entities that serve a population of no more than five thousand people, with financial need. • Financial need is determined during the application process by DOLA. <p>Contact</p> <ul style="list-style-type: none"> • E: cdphe.wqcd.watergrants@state.co.us • P: 720-248-7394
CDPHE Water Quality Improvement (WQIF) Grant	To improve water quality in Colorado by providing grant funds for water quality improvement projects and stormwater management training and best practices using civil penalties	<p>Amount: Awards vary annually, but usually up to \$250,000</p> <p>Match: At least 10% is required. Higher match percentage will score more points.</p> <p>Deadline: The program typically opens in the fall.</p>	<ul style="list-style-type: none"> • The program is funded by civil penalties collected by the state, and varies each year. • There are five categories of eligible projects. The program funds different categories on project per each Request for Application (RFA). Funding for projects to improve water quality where there has been a civil penalty imposed for a water quality violation, but focus is on stormwater projects. See categories here.

	from water quality violations.		Contact: <ul style="list-style-type: none"> • E: CDPHE_WQCD_Contracts+LAU@state.co.us
CDPHE Emerging Containments in Small or Disadvantaged Communities Grant Program	To assist public water systems in small or disadvantaged communities with planning and design grants, and infrastructure funding to reduce public health risks from emerging contaminants including PFAS, manganese and other emerging contaminants.	Amount: Tier 1: Planning and Design Grants of up to \$300,000. Tier 2: Infrastructure Grants of up to \$10 million Deadline: It is anticipated that future RFA application periods will be open twice per year in January and June in 2024, 2025, 2026, 2027, or 2028.	<ul style="list-style-type: none"> • For the removal of emerging contaminants only • Funded by the EPA but administered by the CDPHE • Contact: cdphe_wqcd_ec_sdc_grants@state.co.us
CDPHE Assistance Grants Program	These grants are intended to help public water systems reach or consistently comply with the Colorado Primary Drinking Water Regulations, and/or address a potential or existing water quality challenge.	Amount: Awards are up to \$25,000 with a total of \$150,000 annually. <ul style="list-style-type: none"> • 2024 round is closed 	<ul style="list-style-type: none"> • Potential source of funding for a small component of the water plant project • State funded program and projects must be completed within the calendar year they are awarded. Contact: Angela Green Garcia, Drinking Water Coach at angela.garcia@state.co.us or Kyra Gregory drinking water training specialist at kyra.gregory@state.co.us

CDPHE PFAS Grant Program	This program provides funding opportunities for sampling efforts to test groundwater and surface water, water treatment infrastructure, and emergency assistance for communities and water systems affected by these chemicals.	<p>Amount: There is no award ceiling, although entities receiving more than \$100,000 will have to submit detailed project reports.</p> <p>Match: Not required</p> <p>Deadline: Application will open January 2025 and close Spring 2025</p>	<ul style="list-style-type: none"> • The amount of funding available varies on an annual basis. • After completing preliminary PFAS testing, this could be used as a funding source for infrastructure projects for treatment. • Contact: cdphe_wqcd_pfas_grant@state.co.us
Other State Resources			
Community Funding Partnership	For the protection, conservation, use and development of water resources in the Colorado River Basin. Projects must focus on agriculture, infrastructure, healthy rivers, watershed health and water quality and conservation/efficiency.	<p>Amount: Up to \$1 million</p> <p>Match: No minimum match percentage but program funds may not be the sole source of funding.</p> <p>Deadline: Rolling</p>	<ul style="list-style-type: none"> • Applicants are required to submit a letter of support for the project from the board(s) of county commissioners in which county the project is located and/or water from the project will be utilized. • Contact the River District to arrange for a pre-application meeting about the proposed projects. Contact: partnerfunding@crwcd.org
DOLA Energy/Mineral Impact Assistance Fund	To promote sustainable community development, and to	<p>Amount: Up to \$1,000,000</p> <p>Match: One-to-one</p>	<ul style="list-style-type: none"> • A potential source of funds for any water/sewer projects

	increase the livability and resilience of communities through planning, construction, and maintenance of public facilities and the provision of public services.	Deadline: 3-4 cycles a year	<ul style="list-style-type: none"> • DOLA EIAF funds are quite flexible and could be used as a source of funding for any of the water infrastructure projects. • Applicants are required to contact your area's Regional Manager before a grant is submitted. • Contact: Kate McIntire, regional manager <ul style="list-style-type: none"> ○ E: kate.mcintire@state.co.us ○ P: 970-744-0760
Colorado DOLA Community Development Block Grant (CDBG)	The Department of Local Affairs administers the federal Community Development Block Grant (CDBG) program for non-entitlement municipalities and counties to carry out community development activities.	<p>Amount: Up to \$600,000, although entities can argue for higher.</p> <p>Match: Not required but recommended.</p> <p>Deadline: Typically late winter or early spring</p>	<ul style="list-style-type: none"> • Examples of projects include sewer and water systems, commercial streetscape improvements, community centers, food banks, shelters, and health clinics. • Project must (1) serve low-moderate income populations; (2) prevent or eliminate blight; or (3) meet urgent public health or safety needs. • Contact: Olivia Cook, Housing Development Specialist <ul style="list-style-type: none"> ○ (P) 970- 640-7576 ○ (E) olivia.cook@state.co.us
Federal Resources for Water			
Opportunity	Purpose	Amount, Match, & Deadline	Potential Uses & Key Considerations
EPA State and Tribal Assistance Grant (STAG) Earmark	STAG Earmarks support water and wastewater projects that will result in	<p>Amount: Up to \$7 million</p> <p>Match: 25%</p>	<ul style="list-style-type: none"> • Minturn has received two (2) STAG awards since 2022. • Must work with your congressional delegation to get funding authorized in FY2026 appropriations.

	improvements in environmental quality and/or human health.	Deadline: Spring on an annual basis.	
USDA "Rural Development, Water and Waste Disposal" Earmark	Rural Development, Water and Waste Disposal" Earmark support water and wastewater projects such as rural drinking water sources, treatment, storage and disposal, sewer, and stormwater collection.	Amount: Recommended ask is \$1 million Match: 25% Deadline: Spring on an annual basis.	<ul style="list-style-type: none"> • Must service a rural area with a population of 10,000 or less. • Well earmarked, good funding potential • Must work with your congressional delegation to get funding authorized in FY2026 appropriations. • This earmark is only available through House members.
USDA Water and Waste Disposal Predevelopment Planning Grants	The program helps eligible low-income communities plan and develop applications for proposed USDA Rural Development water or waste disposal project.	Amount: Maximum of \$30,000 or 75 percent of the predevelopment planning costs. <ul style="list-style-type: none"> • The amount of the pre-development grant will be subtracted from the total grant eligibility • Grants are based on demonstrated need and availability of funds. Match: 25% match. Deadline: Applications for this program are accepted year-round	<ul style="list-style-type: none"> • Applicants must be unable to borrow funding • To be eligible a community must have a median household income below the poverty line or less than 80% of the statewide non-metropolitan median household income. The statewide non-metropolitan median household income in Colorado in 2023 was \$90,900. The limit for assistance for this program is \$72,700. • The Town should Contact: Amy Crick, Loan Specialist, Delta Local Office after its Disadvantaged Status review by DOLA to see if the community can qualify <ul style="list-style-type: none"> ○ (P) 970-399-8195 ○ (E) amy.crick@usda.gov

EPA Water Technical Assistance (WaterTA)	Connects communities to experts who help assess and implement solutions for their drinking water, sewage, and stormwater needs	Amount: No direct funding; technical assistance only Deadline: Rolling	<ul style="list-style-type: none"> • After reviewing your submission, the EPA or a technical assistance provider will respond with potential next steps. • Contact: waterTA@epa.gov
US BuRec WaterSMART Water and Energy Efficiency Grants	For projects that conserve and use water more efficiently; increase the production of hydropower; and accomplish other benefits that contribute to water supply reliability in the western US.	Amount: Applicants may request up to \$500,000 for projects to be completed within two years; up to \$2 million for projects to be completed within three years; and up to \$5 million for projects to be completed within three years. Match: Non-Federal match of 50% Deadline: There are typically two rounds of funding a year: one in the spring and one in the fall.	<ul style="list-style-type: none"> • Project categories include: water conservation project such as canal lining, metering, irrigation flow management or renewable energy projects. • Applicants may submit multiple project proposals; combine interrelated or closely related projects into one application. • Applicants must be in the Western United States or U.S. Territories. • Contact: Josh German, Grants Management Specialist <ul style="list-style-type: none"> ○ (P) (303 445-2839 ○ (E) jgerman@usbr.gov
US BuRec WaterSMART Environmental Water Resource Projects	For water conservation and efficiency projects, water management and infrastructure	Amount: Applicants may request up to \$3 million for projects completed in 3 years or up to \$5 million for	<ul style="list-style-type: none"> • Plan to seek funding by the March deadline. • Working with HDR on an application. • Can fund both design and construction of the WTP.

	improvements, and river and watershed restoration and nature-based solution projects that provide significant ecological benefits, have been developed as part of a collaborative process, and help carry out an established strategy to increase the reliability of water resources	projects that are undertaken through a watershed group and completed in 5 years. Match: A 25% match is required Deadline: March 11, 2025	<ul style="list-style-type: none"> • Contact: Avra Morgan at 303-445-2906 or aomorgan@usbr.gov or Robin Graber at 303-445-2764 or rgraber@usbr.gov
USDA Community Facilities Loans and Grants	Provides affordable funding to develop essential community facilities in rural areas of populations of 20,000 or less. Funds can be used to purchase, construct, and / or improve essential community facilities, purchase equipment and pay related project expenses	Amount: Typically up to \$3 million Match: 85% match for grants in communities with populations of 20,000 or less and median household income below 90% of the State nonmetropolitan median income. Interest rates set by Rural Development; loan repayment terms may not be longer than the useful life of the facility, state statutes,	<ul style="list-style-type: none"> • Provides low-interest direct loans, grants or a combination of both as well as a loan guarantee program • Priority is given based on population and median household income with priority given to small communities with a population of 5,500 or less and those having a median household income below 80% of the state nonmetropolitan median household income • Contact: Duane Dale Colorado Community Programs Director <ul style="list-style-type: none"> ○ (P) (970)-529-8375 ○ (E) duane.dale@usda.gov

		the applicants authority, or a maximum of 40 years, whichever is less Deadline: Rolling	
USDA Economic Impact Initiative Grants	To assist in the development of essential community facilities in rural communities with extreme unemployment and severe economic depression. Funds can be used to construct, enlarge or improve community facilities for health care, public safety and public service.	Amount: Typically up to \$2 million Match: At least a 25% match required based on need and funding available Deadline: The program is currently closed.	<ul style="list-style-type: none"> • Rural is defined as communities with a population of 20,000 or less. Must have a not employed rate greater than 19.5% or a median household income below 90% of the state non-metropolitan median household income. • Grants may be made in combination with other financial assistance such as a Community Facilities direct or guaranteed loan, applicant contribution or funding from other sources. • Contact: Duane Dale Colorado Community Programs Director <ul style="list-style-type: none"> ○ (P) (970)-529-8375 ○ (E) duane.dale@usda.gov
USDA Rural Community Development Initiative Grants	To support housing, community facilities and community and economic development projects in rural areas	Amount: Up to \$500,000 Deadline: Likely Summer 2025	<ul style="list-style-type: none"> • Funding focus on training (homeowners and businesses) and technical assistances on strategic plan development, accessing alternative fundings sources, board training, and the creation of training tools. • Rural define as cities or towns with a population of 50,000 or less • Contact: Amy Crick <ul style="list-style-type: none"> ○ (P) (970)-399-8195 ○ (E) amy.crick@usda.gov
USDA Special Evaluation	Helps very small, financially distressed	Amount: Up to \$100,000	<ul style="list-style-type: none"> • Rural areas must have a population of 2,500 or less and have amedian household income below 80%

Assistance for Rural Communities and Households (SEARCH) Grants	rural communities with predevelopment feasibility studies, design and technical assistance on proposed water and waste disposal projects	Deadline: Rolling	<p>of the state non-metropolitan median household income</p> <ul style="list-style-type: none"> • Predevelopment planning costs (feasibility studies, preliminary design and engineering analysis, and technical assistance for applications) must be to support rural water, sanitary sewage, solid waste disposal and storm wastewater disposal facilities • Contact: Duane Dale Colorado Community Programs Director <ul style="list-style-type: none"> ○ (P) (970)-529-8375 ○ (E) duane.dale@usda.gov
EPA Environmental and Climate Justice Community Change Grants	To benefit disadvantaged communities through projects that reduce pollution, increase community climate resilience, and build community capacity to address environmental and climate justice challenge	<p>Amount: Up to \$20 million</p> <p>Match: No match is required</p> <p>Deadline: November 21, 2024</p>	<ul style="list-style-type: none"> • Must support environmental justice in disadvantaged communities; must be a historically disadvantaged and environmental justice community • Contact: CCGP@epa.gov
EPA Water Infrastructure Improvements for the Nation (WIIN), Small and Underserved Communities Emerging	To assist public water systems in meeting Safe Drinking Water Act (SDWA) requirements	Amount: Program has \$25 million available in 2024; amount of funding that EPA awards to each state and territory is based on an allocation formula that includes factors for population	<ul style="list-style-type: none"> • Communities must apply through their State • Must benefit underserved, small, and disadvantaged communities by upgrading infrastructure to comply with the Safe Drinking Water Act, reducing exposure to Per- and Polyfluoroalkyl Substances (PFAS), removing sources of lead, and addressing additional local drinking water challenges.

Contaminants Grant Program		below the poverty level, small water systems, and underserved communities Deadline: Program currently closed.	<ul style="list-style-type: none"> General information: wiindrinkingwatergrants@epa.gov Colorado Contact: EPA Region 8 or CDPHE <ul style="list-style-type: none"> Cynthia Gonzales, EPA Region 8 at Gonzales.cynthia@epa.gov
Loans and Bonds for Water Resources			
Opportunity	Purpose	Amount, Match, & Deadline	Potential Uses & Key Considerations
CWCB Water Project Loan Program	Provides low interest loans for the design and construction of untreated projects in Colorado. This includes agricultural and municipal water collection, storage, and delivery facilities, and hydroelectric power generation.	<ul style="list-style-type: none"> Loans applications that are less than \$10 million are accepted year-round. Loans for more than \$10 million must be submitted by August 1 for funding available by July of the following year. 	<ul style="list-style-type: none"> A source of funding for the Water Intake Reconstruction Project. Projects financed by the Water Project Loan Program must align with the goals identified in Colorado's Water Plan. The standard term for a Water Project Loan Program loan is 30 years. Contact: Matt Stearns, Program Officer, Conservation & Land Use Planning <ul style="list-style-type: none"> E: matthew.stearns@state.co.us
State Revolving Fund Drinking Water Revolving Funding (DWRF)	Low-interest rate loans to finance the design and construction of drinking water infrastructure. This includes treatment facilities, transmission and distribution lines,	<ul style="list-style-type: none"> Direct loans for projects up to \$3 million Leveraged loans for projects over \$3 million Application deadlines are: Jan. 5, Feb 5, April 5, June 5, 	<ul style="list-style-type: none"> A source of loan/forgivable loan funding for the Water Treatment Plan. Projects must be listed on the DWRF Eligibility List. The eligibility list is updated annually through a publicly accessible survey. The state helps manage environmental reviews, engineering design approvals, and conduct overall project management.

	source water, storage structures, and other projects related to drinking water.	Aug. 5, Oct 5 and Nov. 5.	Contact: Alex Hawley, Grants and Loans Unit Manager <ul style="list-style-type: none"> • P: 720-248-8095 • E: alex.hawley@state.co.us
USDA Water & Waste Disposal Loan & Grant Program	The program finances the acquisition, construction or improvement of drinking water, sewer, solid waste, and storm water systems, including legal and engineering fees, land acquisition, and water and land rights.	Deadline: Applications are accepted year-round. <ul style="list-style-type: none"> • Funding is in the form of long-term, low-interest loans with grant funding if available to reduce the impact on rate payers. 	<ul style="list-style-type: none"> • Up to 40-year payback period, based on the useful life of the facilities financed. • Fixed interest rates, based on the need for the project and the median household income of the area to be served. • Contact: Amy Crick, Loan Specialist, Delta Local Office <ul style="list-style-type: none"> ○ (P) 970-399-8195 ○ (E) amy.crick@usda.gov

MEMO

TO: Michelle Metteer, Manager

DATE: December 14, 2024

FROM: James Mann, Financial Analyst

RE: Water Treatment Plant Probable Cost – Probable Rate Impact Analysis

Based on the 30% design of the replacement water treatment plant cost estimates between \$12 million and \$14 million, the Town requested an evaluation of the impact of the project cost on the Town's water utility rate structure. After discussion with the Town's WTP Engineer, the \$14 million upper end of the project includes adequate contingency for the project, so the below analysis utilizes the upper end as the needed capital. The goal would be to get to a 90% design standard prior to issuing the debt, with the hopes of having a better final number to minimize the debt that would be issued.

In looking at the anticipated impacts, the following assumptions were used:

- Base Water Rates as established
- Volumetric Water Rate Tiers as established
- Implementation of a Senior Water Rate Structure that impacts 30 customers
- Project Costs - \$16,300,000 (HDR memo of 8/20/24)
 - \$14,000,000 WTP construction costs
 - \$1,100,000 design & engineering costs
 - \$1,200,000 construction management costs
- Adjustment of the Tap Fee to reflect cost of new plant – revised tap fee of \$16,271, indexed annually at the borrowing rate for the bonds
- Anticipated Community Development of 426 additional taps broken out and absorbed as follows:
 - Minturn North - 30 taps already accounted for
 - Malloitt Park – 120 taps
 - 100 Block Redevelopment – 30 taps
 - Infill/Other – 246
 - Assume 30 Senior Rate Class accounts (frozen monthly fees)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Current SFEs	756.4	756.4	726.4	741.4	766.4	796.4	826.4	856.4	886.4	901.4	906.4
Minturn North	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Malloitt Park	120.0	0.0	0.0	10.0	20.0	20.0	20.0	20.0	10.0	0.0	0.0
100 Block	30.0			5.0	5.0	5.0	5.0	5.0			
Infill	246.0	0.0	0.0	0.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Less Senior Rates			(30.0)	(30.0)	(30.0)	(30.0)	(30.0)	(30.0)	(30.0)	(30.0)	(30.0)
Total SFEs	396.0	756.4	726.4	741.4	766.4	796.4	826.4	856.4	886.4	901.4	906.4

- Anticipated Borrowing Rate of 3.50%
- Total Borrowing, including remaining engineering, construction management, and issuance costs of \$13,645,000

- 30-year amortization schedule
- Assume half year payment in 2026, fully amortizing in 2027
- Debt Coverage at a minimum 1.20x to meet bond covenants.

Based on the above assumptions, impacts have been modeled in two scenarios. The first scenario assumes that the no changes to bond covenants occur, requiring coverage to be at the 1.20x level, while the second scenario assumes that the Town pays off the original 1997 bond covenant debt to allow rewriting of the covenants to 1.10x (will need to work with CDPHE to ensure that they will agree). The impacts are summarized below:

	Option 1 – 1.20x	Option 2 – 1.10x
Annual Debt Service (new bonds)	\$741,897	\$741,897
Total Debt Service (all bonds)	\$899,702	\$885,221
Gross Debt Service (coverage)	\$1,079,643	\$973,744
Required Max Monthly Debt Service Charge (2027)	\$117.39	\$105.88
Existing Monthly Debt Service Charge	\$20.59	\$11.51
New WTP Monthly Debt Service Charge	\$96.80	\$94.37
Reduce Borrowing by \$1.0 MM Impact	\$7.28	\$6.50

Currently, the Base Rate per SFE is \$110.16, and the volumetric rates are set at \$4.25/1,000 for the first 4,000 gallons, \$9.75/1,000 for the next 4,000 gallons, and \$15.00/1,000 for anything over 8,001. These rates are not projected to increase for 2025 or 2026, but are projected to increase 2.00% in 2027. With the base and volumetric rates, plus the Option 1 debt service monthly fee, the average Town rate payer monthly bill in 2027 is projected to be \$243. Without the WTP project, the average Town rate payer monthly bill in 2027 is projected to be \$146.

While the above will have a significant impact on the rate payers, the Town does have the potential of reducing costs through project savings, or by obtaining additional grant funding. Aside from those aspects, the anticipated growth of taps through the Malloit Park, 100 Block, and general infill of the Town will produce significant tap fee revenue that could be used to further offset some of the above impacts. These developments will add approximately 396 new taps to the Town, which will generate approximately \$6.2 MM of tap fee revenue. As those tap funds are receipted, the Town does have the opportunity to utilize those funds the year after they have been receipted to offset the monthly costs of the rate payers.