



City of Fort Lupton

NOTICE OF PUBLIC MEETING

Thursday, March 18, 2021

6:30 PM

Fort Lupton Recreation Center
203 S Harrison Avenue

You may join in person or join remotely by registering at:
<https://attendee.gotowebinar.com/register/455333466799646222>

General Discussion – This Public Meeting is for City staff to present information regarding the upgrade to the Waste Water Treatment Plant (WWTP)

a. Waste Water Treatment Plant (WWTP) Upgrades

CRS § 24-6-402 (2) (c) Any meetings at which the adoption of any proposed policy, position, resolution, rule, regulation, or formal action occurs or at which a majority or quorum of the body is in attendance, or is expected to be in attendance, shall be held only after full and timely notice to the public. In addition to any other means of full and timely notice, a local public body shall be deemed to have given full and timely notice if the notice of the meeting is posted in a designated public place within the boundaries of the local public body no less than twenty-four hours prior to the holding of the meeting. The public place or places for posting such notice shall be designated annually at the local public body's first regular meeting of each calendar year. The posting shall include specific agenda information where possible.

RECORD OF PROCEEDINGS
FORT LUPTON CITY COUNCIL/ENTERPRISE BOARDS
March 18, 2021

A public meeting was held at the City of Fort Lupton Recreation Center, 203 S. Harrison Ave. on Tuesday, March 18, 2021. Due to the COVID-19 virus, the meeting was held with remote access provided through GoToWebinar. Mayor Zo Stieber called the meeting to order at 6:30 p.m. and invited everyone to join her in the Pledge of Allegiance.

ROLL CALL

Mari Peña, City Clerk, called the roll. Those present were Mayor Zo Stieber, Councilmembers Shannon Rhoda, Bruce Fitzgerald, Tommy Holton and Michael Sanchez.

Also present were City Administrator, Chris Cross, Assistant City Administrator, Glenda Aretxuloeta, City Clerk, Mari Peña, and Public Works Director, Roy Vestal.

PUBLIC PARTICIPANTS

Participants in attendance were: Cassie Ali, Diantha Dickinson, Steve Dickinson, James Tyler II, Ronald Schuyler, Tammy Klein, Marge Klein, Jim Sidebottom, Claud Hanes, Penny and Deb Demille, Brenda Willis, Jon Mays, Maria Vasquez, F. Vasquez, William Garden, and Emmet DeLange.

Participants who registered online using GoToWebinar: Bernice Hampton, Brandy DeLange, Bruce Davis, Carli Floyd, Christin Leis, David Moore, Erick Rickman, Jackie Van Watermuelen, Janet Kiota, Jeff Rabas, John Swanson, Julianna Williams, Kenneth Harnett, Larry Keil, Linda Irvine, Marilyn Jimenez, Marybeth Brown, Melissa Rojas, Michael Long, Nanette Balerio, Nathan Balliew, Pat Worley, Peggy Eagan, R Steven Clark, Rory Pettiger, Sherry Carey, Stephanie Luitzinger, Stephanie Martin, Steve Smith, Tom Callaway, Tom Shumaker, Travis Aksamitowski, Wesley Back, Amy Bullington, Jami Woodward, Derek Hofmeister, and Solomon Fadase.

Also, present was representative from Burns and McDonnell, Brian Knadle, Department Manager.

WASTEWATER TREATMENT PLANT ("WWTP") UPGRADES PRESENTATION

Assistant City Administrator, Mrs. McCarroll presented the City with an overview of Specific Colorado Regulations including defining Regulation 31, Regulation 38 and Regulation 85 and the required nutrients to treat wastewater. Included in the presentation were a CDPHE Compliance Schedule, Penalties for Non-Compliance, the Cost to upgrade the treatment plant of \$38,000,000 plus the options explored by the City to come into compliance. The possibilities examined were: moving forward with the upgrade, look into regionalization with neighboring sanitation districts, and selling the WWTP. The City's options are: (1) Pay for Upgrade of the WWTP or (2) Regionalize with Metro Wastewater Reclamation District. The breakdown of the \$38,000,000 estimate submitted by Burns and McDonnell was detailed in a spreadsheet.

Brian Knadle, Department Manager for Burns and McDonnell provided at overview of the layout, operations and capacity of the WWTP. Mr. Knadle explained what Regulation 85 compliance

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requirements means to the WWTP and the current and future treatment process at the WWTP.

Mrs. McCarroll explained the long-term costs of operating the WWTP including costs of \$38 million, \$15 million, and \$30 million costs over a 10 year period. These costs are total money possible to keep up with regulations.

Mrs. McCarroll indicated that this public meeting is required by the Environmental Protection Agency and the Colorado Department of Health and Environment to receive/apply for funding; therefore, discussion is limited to the upgrades. Mrs. McCarroll was able to briefly explain what regionalization was, since it was one of the options listed.

The presentation included funding options to pay for the upgrade. One of the options included an increase in sales tax, with the payback plan using a new sales tax to lessen the impact on sewer bills. This cannot be done because the enterprise fund cannot transfer more than 10% of its revenue. This option would not provide enough money to pay towards the loan. The second option would be bonds. Bonds are loans from various financial entities. The City could borrow from a financial institution who sells the bonds and in turn funds the WWTP project. The City cannot sell bonds itself, but a financial institution can sell bonds to fund a project. The City chose the bond option. Three (3) bonds were evaluated: State of Colorado Water Pollution Control Revolving Fund Loan, State of Colorado Water Revenue Bond Program, and Stifel Financial Private Bond Financing. The State of Colorado Water Pollution Control Revolving Fund proved to be the best lowest interest rate with the lowest cost of debt. The bond loan process was explained as a rigorous application process with a deadline to the State of Colorado by June 15, 2021.

Mrs. McCarroll explained that to assist in paying for the bond loan the City will be increasing sewer tap fees from \$3,041 to \$9,500 per tap. The estimated tap fees contributing to the annual debt payment is \$950,000 however, this is dependent on how many new homes and businesses are built per year. A portion of this money will go towards payment of the bond loan. The calculation of the tap fees were explained for both residential and commercial buildings as well as the breakdown of the money towards the bond loan payment and water projects. Also explained were changes to the utility bill that will soon include a new REG85 Sewer Fee. An estimate of the next five years and beyond explaining the Reg. 85 Sewer Fee was provided.

Q & A

Did the City consider the creation of a special district that can take on debt to be paid as a mill levy tax? The City Administrator, Chris Cross, responded that it was discussed. Not all information was available. The mill levy tax is a fee that would be going to everyone, it's a different way to spread the cost.

Discussion occurred over the cost of taps. The cost of each tap is based on the size of each tap per building.

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Does the City have a 20-year plan for utilities? The Public Works Director, Roy Vestal, stated that the City does have a plan that is updated about every five 5-year and is currently at the end of the last one.

How was the tap fee determined? Mrs. McCarroll stated that an analysis and comparison of surrounding communities were completed. Mr. Vestal added that surrounding communities were researched and the City wants to maintain competitive. The City's fees were below the average.

What happens if there is no growth? Mrs. McCarroll provided the presentation "Next Five Years and Beyond" and explained what the sewer fee would be if there is no construction of new homes. The fee could go up to \$32.82 per home.

What growth does this plant allow for? Brian Knadle explained the flows of the existing treatment plant of 2 mgds. The new plant can treat up to 3.5 mgds, which will double the capacity. This flow is within the CDPHE guidelines. The new plant will handle 7000 taps and the existing plant handles 2700 taps. This plant follows CDPHE guidelines required, redundancy requirements, and expanding the plant that meets Reg. 85.

What is the capacity of each treatment train? Mr. Knadle explained the design meets CDPHE guidelines, and each treatment train must be able to treat 50% of the full flow, half of 3.5 mgds, but hydraulically capable to passing the peak flow.

How does this affect businesses? Mrs. McCarroll answered that sewer tap fees are based on the size of the tap and the usage of water.

What if we have a catastrophic failure? Mrs. McCarroll stated that there is approximately \$2.5 million in the sewer utility fund. If we don't have funds we would need a way to supplement it.

Have we found cost for piping? Mayor Stieber stated that as we pave streets we analyze any infrastructure that may need replacement.

Discussion occurred regarding why tap fees were not raised earlier? Mayor Stieber stated that fees should have been raised and it was overlooked.

A statement was made from a resident that Reg 31 technology isn't there yet.

Do we have enough water? Councilmember Tommy Holton stated that the City has enough water including CBT shares and purchase of Windy Gap.

How many cities are in this? Mrs. McCarroll stated that the mandate is not based on Cities but rather on entities that handle wastewater.

How many cost proposals did the City receive? Mr. Knadle explained that every piece of equipment was bid and Burns and McDonnell received 64 bid packages and each package was reviewed.

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Is Fort Lupton water drinkable? The Water Treatment Supervisor, Jon Mays, stated that the water is drinkable and is excellent water. The plant is older and may need upgrades and the upkeep of maintenance.

Discussion occurred if the City could join a metro district or become regional. Mr. Vestal stated that these options were discussed and reviewed. There is a potential.

When the bond goes away what happens to the fee? Mrs. McCarroll stated that it is a 30-year bond; the slide presentation showed a "what if" scenario and the future can't be predicted. There will be a \$20 fees in 2021.

There was no further discussion or comments.

ADJOURNMENT

The meeting adjourned at 8:09 p.m.

Respectfully Submitted,


Maricela Peña, City Clerk



Approved by City Council


Zo Stieber, Mayor