

## Evans Water and Sewer Board

Evans Community Complex  
Council Chambers  
1100 37<sup>th</sup> Street, Evans, Colorado

Time and Date: **October 15, 2020 @ 3:30 p.m.**

### 1. ROLL CALL

Chairman: Jeff Oyler  
Vice-Chairman: Glenn Snyder  
Commissioners: Randy Blewer  
Brett Bloom  
Michael Thuener

#### Ex-Officio Members:

Mayor: Brian Rudy  
City Manager: Jim Becklenberg

#### City Staff:

Randy Ready, Public Works Director  
Mark Oberschmidt, City Engineer  
Jacque Troudt, Finance Director  
Karen Sabin, Public Works Administrative Specialist

### 2. APPROVAL OF MINUTES

Approval of minutes from 08.20.2020 regular board meeting

### 3. AGENDA ITEMS

#### A. 2021 Utility Rate Recommendations (Jacque Troudt)

#### Potable Water

**\*\*Recommended Motion—Potable Water:**

*I move to recommend the proposed 2021 increase of \$0.75 to the base water rate and an increase of 6% to the water consumption rates.*

**\*\*Alternative Motion—Potable Water:**

*I move to recommend a 2021 increase of \_\_\_\_\_ to the base water rate and an increase of 6% to the water consumption rates for the following reason(s):*

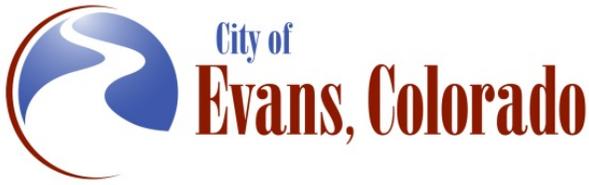
#### Non-Potable Water

**\*\*Recommended Motion—Non-potable Water:**

*I move to recommend the proposed 2021 inflationary increase of 1.9% to the current non-potable water rate.*

**\*\*Alternative Motion—Non-potable Water:**

*I move to recommend a 2021 increase of \_\_\_\_\_ to the non-potable water rate for the following reason(s):*



## Evans Water and Sewer Board

Evans Community Complex  
Council Chambers  
1100 37<sup>th</sup> Street, Evans, Colorado

Time and Date: **October 15, 2020 @ 3:30 p.m.**

---

### Wastewater

**\*\*Recommended Motion:**

*I move to recommend the proposed 2021 inflationary increase of 1.9% to the current wastewater rate.*

**\*\*Alternative Motion:**

*I move to recommend a 2021 increase of \_\_\_\_\_ to the current wastewater rate for the following reason(s):*

### Storm Drainage

**\*\*Recommended Motion:**

*I move to recommend the proposed 2021 inflationary increase of 1.9% to the current storm drainage rates.*

**\*\*Alternative Motion:**

*I move to recommend a 2021 increase of \_\_\_\_\_ to the current storm drainage rates for the following reason(s):*

## 4. PROJECT UPDATES

- A. East Side Storm Sewer Loan Agreement and Project Update (Jacque Troudt/Mark Oberschmidt)
- B. Tuscany Tract O (Mark Oberschmidt)

**1. ROLL CALL – 03:31 pm**

Chairman: Jeff Oyler – present  
Vice-Chairman: Glenn Snyder – present  
Commissioners: Randy Blewer – present  
Brett Bloom – present  
Michael Thuener – present

Ex-Officio Members:

Mayor: Brian Rudy  
City Manager: Jim Becklenberg

City Staff:

Randy Ready, Public Works Director  
Mark Oberschmidt, City Engineer  
Robby Porsch, Wastewater Superintendent  
Karen Sabin, Public Works Administrative Specialist

**2. APPROVAL OF MINUTES – 03:32 pm**

Approval of minutes from 07.16.2020 regular board meeting  
**\*\*Motion to approve minutes/second. Passes unanimously.**

**3. INTRODUCTION TO NEW MEMBERS – 03:34 pm**

Michael Thuener – introduction  
Brett Bloom – introduction

**4. POTABLE, NON-POTABLE, AND STORMWATER UPDATES**

a. Eastside Storm Sewer (Mark Oberschmidt) – **03:40 pm**

Describe project and locations, as well as status of permit for pipe cleaning so we can evaluate pipe quality. Have funds to line pipes, hopefully we do not have to replace. Also going to install a couple of additional inlets and manholes for stormwater and maintenance. Will do those as quickly as UPRR will allow.

35<sup>th</sup>: 66” diameter storm sewer underneath RR and Hwy 85 to Heritage Inn. Have been given a variance to design an open cut process. CDOT will still have to approve design. Have to decommission lagoon as part of this project. Have swapped services with Greeley over the last couple years, but we did those too quickly and didn’t get water shares we should have gotten. We’ve straightened that out now, and gotten a credit for water.

23<sup>rd</sup> Avenue Road construction will start soon and will include a waterline.

Question: Is there already a storm line there?

Answer: Yes, it will be under the west half of the road.

City Comment: Also have the expansion of 47<sup>th</sup> Avenue going, 37<sup>th</sup> Street Overlay. City has a lot going on.

- b. Tuscany Tract O (Mark Oberschmidt) – **03:45 pm**  
Tract O has been cleared. Now we are getting ready to install a pump system. Hoping to have it out to bid first week of September. Pump has already been ordered since it has a long lead time.

## 5. WASTEWATER UPDATES

- a. Lagoon Decommissioning (Mark Oberschmidt) – **03:47 pm**  
Have a draft plan in hand for the decommissioning and some cost estimate associated with it. If the plan is approved by CDPHE, then construction plans will follow. Hoping to see 30% design plan within the next month. Current plan for actual decommission is to excavate out material, haul it to waste management for disposal, then bring back fill dirt to bring ponds back to grade. Will take down northern, eastern, and western berms between lagoons one and two and bring those to grade.

City Comment: Long term goal is that this land may lend itself well to recreation space.

Question: How much material will they have to haul out of there?

Answer: Right around 16k cy. And about 5k cy to bring it to grade. We are going to bring in extra and stockpile it also, since the price is so good.

Question: What's the environmental impact of developing that once its decommissioned?

Answer: If we get certified clean closure from CDPHE then we get no environmental covenanting.

Question: What is the City going to maintain around the lift station?

Answer: We will at least need to maintain that area and the shop space as well.

City Comment: There's been no conversation so far about whether the City would sell the land or keep it.

Question: How about on the flood side of it?

Answer: We're out of the 100-year floodplain. But we are still in the 500-year floodplain. The lift station is elevated, so it's okay. When we remove the berms, it will help lower the surface elevation of the water.

- b. Wastewater Treatment Plant capacity review – population, load, and flow projections (Randy Ready and Robby Porsch) – **03:54 pm**

Part 2 of a three-part project, looking at our new WWTF and how it is operating and keeping up with population, flow, and load.

Equipment and staff are performing well. Capacity is about 60% of the flow protection and 80% of the load protection. 80% triggers planning for expansion. So where are we in reality? Plant was built on projections of 1.5% per year. Instead Evans grew at about 2.5% with current projections being even higher.

Projected to grow out to 25,000 in 2035. Instead here we are in 2020, almost at that 2035 number. Higher population, and higher density. Gone up .5 per home. See .pptx for details.

Third part of this project will be presented later this fall: What are our alternatives and what are their cost estimates? We are looking at potentially doubling our population in the next 20 years.

We are looking economic trends, family size, water availability in the north front range, the type of housing units being developed, and upcoming annexation and zoning factors.

1% vacancy in apartments. (3-5% is normal). Housing types in the future will be very important.

Evans flow per capita is lower than expected, but the load per capita is higher than expected. Within range, but still, there is that difference.

We applied for a re-rate on the plant and were granted a 10% increase in our daily load. Why is our BOD load high? Possibly commercial/industrial contributors. We are testing to see if we have any contributors that are heavy.

Shows flow and load in the future based on population projections. Still at 55% flow capacity. BOD load is at 79% capacity. At 80% we have to start design process – that's what we are doing. When we reach 90%, we are required to be building. BOD load says that we might have to be under construction as early as 2024.

City Comment: City is looking at potential growth slowing due to economy slowing. 2024 may be realistic, or it may look more like 2026 or 2027.

Question: How many units in St. Michaels contribute to our flow?

Answer: 400 or so, which is about 6%. That will buy us some time when that switches over to Greeley's lift station.

Question: What is a timeline of construction?

Answer: Engineers' best guess is about 36 months.

Question: When was this study done? How new are these numbers?

Answer: January 2019 to December 2019.

Question: How has COVID changed those numbers?

Answer: There's been about a 5-6% increase during COVID. That is easing off now. Not just in organic load, but also nutrient load.

Question: What are our alternatives?

Answer: Two alternatives. Physical expansion or process intensification. If we did physical expansion, two aeration tanks. Process intensification ratchets up our available bugs so that we can treat more organics and nutrients in the same footprint.

Question: When will we know more?

Answer: We will bring you numbers at your October meeting.

Review four improvement areas: headworks, secondary process, treatment of effluent, and solids handling.

Question: Are you using the census bureau to predict growth?

Answer: That 3% is a pretty aggressive figure. Community Master Plan will help us figure this stuff out by taking a hard look at local information.

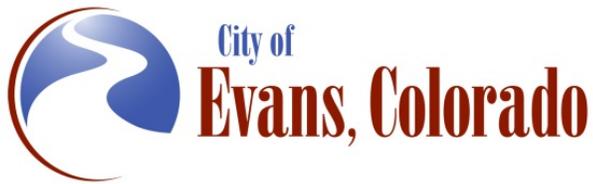
Comment: When we started this plant, we weren't really growing at all, but then growth just took off. Evans has been growing a lot faster than we thought it was going to. The floods in 2013 really kick-started the design and build of this plant.

Comment: Evans has lower cost of housing than surrounding communities, which will bring in larger families.

City Comment: Schedule another tour of WWTP?

Reply: Probably a good idea.

Comment: If population growth stalls because of this economic bubble that we are in, the expansion of the plant could be put off.



## Evans Water and Sewer Board

Evans Community Complex  
Council Chambers  
1100 37<sup>th</sup> Street, Evans, Colorado

Time and Date: August 20, 2020 @ 3:30 p.m.

Comment: A lot of families are having to move in with each other because they simply cannot afford to live on their own. We can expect that continue, even though Evans is more affordable.

City Comment: Another thing this board will be involved with over the next few months is an industrial pretreatment growth ordinance. It will help us require large industrial facilities to either pretreat on site or implement other tools to help them pay their way and not overload the system.

WW has been taking different samples to try to figure out where high load is coming from. As population has increased, flow has not. Load has, but not flow. Credit that to overall water conservation. That's a good indication that City is moving in the right direction.

Question: Are we going to exceed our water cap this year?

Answer: June was very dry, but we will not exceed it this year. Last presentation when we showed exceeding cap in 2024.

Last time we went over cap was 2012 – very expensive. Over a million dollars. We track it every month, but at this point we look okay for 2020.

Question: Do we ever compare what our meters show we are using to what the master meters say we use?

Answer: We watch that pretty closely and there is some different (mainly from fire hydrant use and undetected leaks), but overall we are running pretty tight. Some systems show a 30-40% differential, but here it's pretty good.

**04:37 pm:** motion to adjourn/second. Passes unanimously.

---

# WATER & SEWER BOARD AGENDA REPORT

---

**DATE:** October 15, 2020  
**AGENDA ITEM:** 3.A  
**SUBJECT:** 2021 Utility Rate Recommendations  
**PRESENTED BY:** James L. Becklenberg, City Manager  
Randy Ready, Assistant City Manager  
Jacque Troudt, Finance Director

---

## **ISSUE DESCRIPTION:**

The purpose of this work session item is for the Water and Sewer Board to consider staff recommendations for the 2021 utility rates.

### **Potable Water**

The water utility includes four primary user rates, the base rate, consumption rate, non-potable rate and ditch rates.

**Base Rate:** The primary purpose of the base rate is to fund the ongoing operations and maintenance of the water system. In an effort to ensure the fund is self-supporting and providing for very basic major maintenance of the water system, the base rate has been increased by a modest amount each year since 2009 in an effort to fund major maintenance and capital replacement at a minimum of annual depreciation.

For 2020 rates, the Water & Sewer Board had many discussions relating to necessity of continuing this rate increase for funds to remain available for future maintenance and capital needs. After joint discussions with City Council, a rate increase of \$.75 was recommended for 2020. Staff recommends the continuation of this plan for 2021, increasing the base rate by an additional \$.75 per month.

The current rate per month for 2020 for the single-family residential units within the City is \$20.25 and those outside the City is \$21.25.

Analysis completed indicates every \$0.75 increase in base rate equates to approximately \$54,000 additional revenue to fund ongoing operations and maintenance (to include payroll, supplies and services, system maintenance, and asset management). A 2021 in-city rate of \$21.00 would be a 3% increase over 2020, and an in-city rate of \$22.00 would be a 3% increase over 2020.

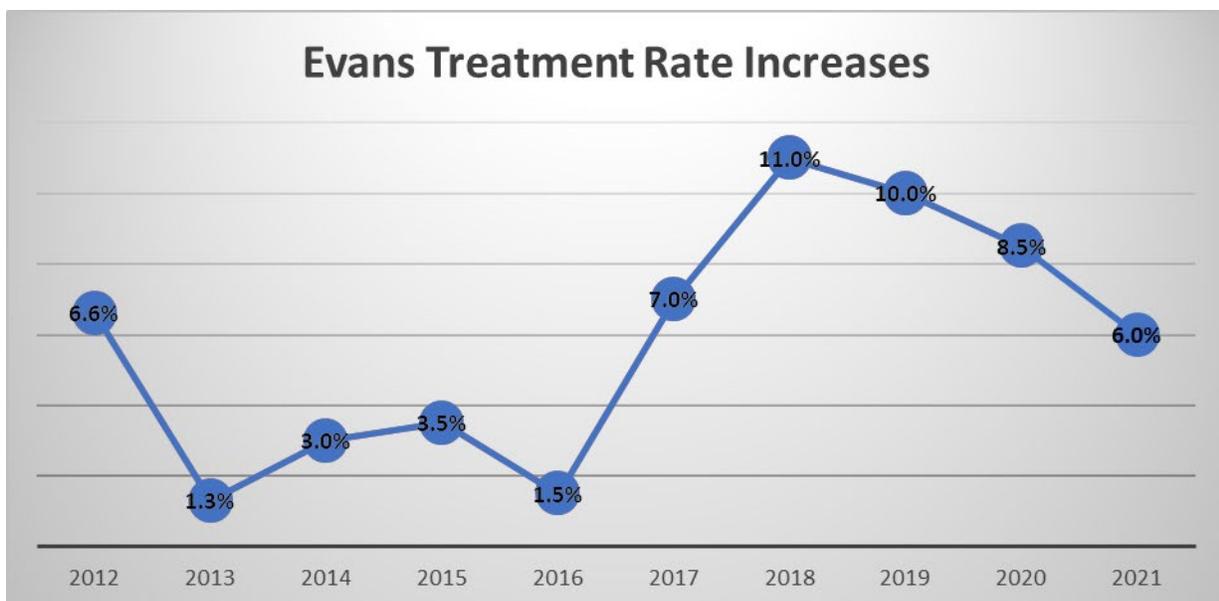
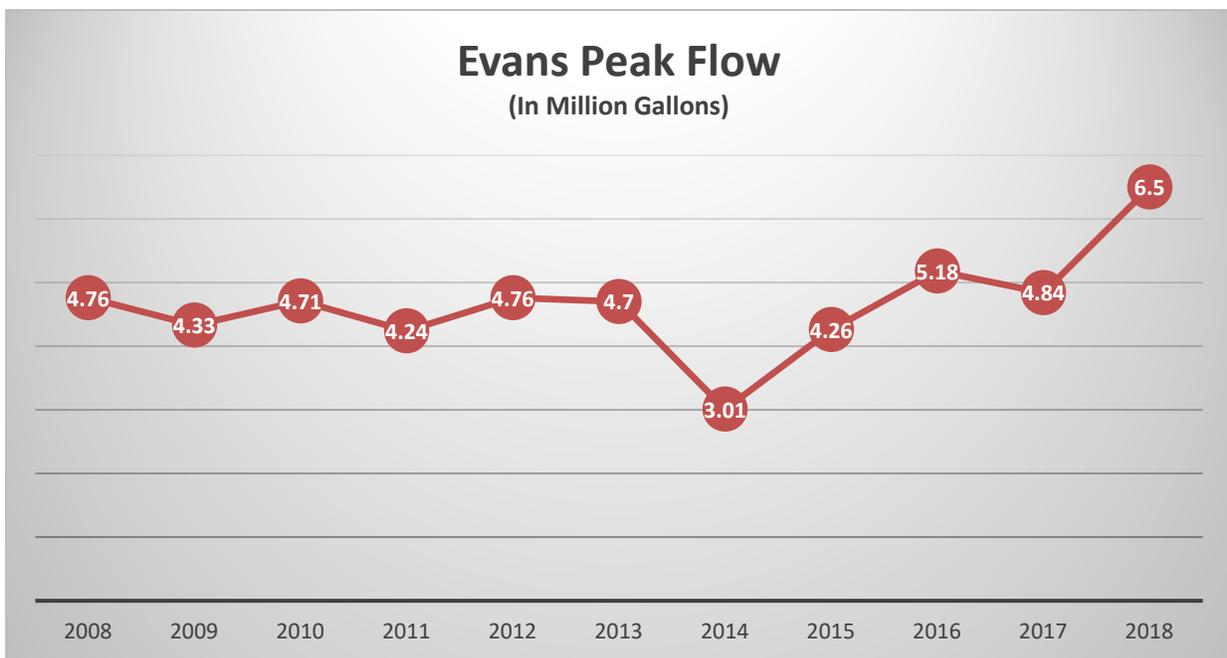
**Consumption rate:** The consumption rate for the water utility is intended to cover the costs of water treatment and associated services. Prior to 2017, the City Council made a policy decision to reserve funds collected above the expenses to fund potential future water conservation efforts. These efforts were not specifically identified, and the funds accumulated until they were used in 2013 to assist in paying the system expansion fee to the City of Greeley. Currently, excess fund balance in the Water fund is held for capital projects like NISP, and future expansion needs with the City of Greeley. The 2021 budget included a priority for increased water conservation efforts.

Substantial rate increases to water treatment costs from the City of Greeley have been implemented since 2016. Most recently, the rates increased 11, 10, and 8.5 percent in 2018, 2019, and 2020, respectively. For 2021, the City was notified that the treatment costs with the City of Greeley are anticipated to increase again by an estimated 6 percent.

Greeley considers many factors when increasing rates, such as:

- Peaking Factor: Portion of rate attributable to the increase in peak flow, which is based on highest water usage days
- Rate Base: The increase in the value of the water capital assets (excluding water rights), essentially a share of system capital costs
- Operating Costs: Overall cost to run the system

The peaking factor is the ration of the maximum flow to the average daily flow within the water system. Below is a graph showing how Evans peak flow has changed over the past several years.



Analysis completed indicates that the Water Fund cannot absorb these increases, while still allowing for funds to be available for any water conservation efforts and system expansion activities. A fee increase of 6%, equal to the fee increase from Greeley is necessary for Water operations revenue to offset treatment cost.

Usage (gallons) per Dwelling Unit	2020 Rates per 1,000 gallons	2021 Proposed Rates after 6% Increase Per 1,000 gallons	Change
Tier I: 1,000 – 16,000	\$5.04	\$5.34	\$0.30
Tier II: 16,001 – 22,000	\$7.96	\$8.44	\$0.48
Tier III: Over 22,000	\$12.77	\$13.54	\$0.77
Commercial, per 1,000	\$6.12	6.49	\$0.37

Using the average potable water usage of 9,200 gallons per month, a single-family user within the City will see a monthly increase of about \$2.78 in their potable water usage section of the utility bill.

#### **Non-Potable Water**

The non-potable rate is applied to every 1,000 gallons of usage for those using this system. This rate has historically been increased by a modest amount to offset increases in operating costs and provide for a higher level of system maintenance. For 2021, operating costs in this category are projected to increase by an inflationary 1.9 percent. Staff is recommending the same percentage of non-potable cost increase be applied to the non-potable rates. The 2020 rate per thousand gallons for non-potable is \$2.61. An increase of 1.9 percent would result in a per thousand-gallon rate of \$2.66. Using the average non-potable water usage of 6,100 gallons per month, a single-family user within the City will see a monthly increase of about \$0.30 in their non-potable water usage section of the utility bill.

The remaining rate for the water fund is the Evans Supply Ditch rates. Similar to the non-potable rates, the ditch rates have historically been increased by a modest amount to help keep up with operations and maintenance costs and incrementally advance the cost recovery philosophy applied to other water and wastewater services. The expenses related to the ditch are budgeted to increase by 1.9 percent for 2021. Staff is recommending the same percentage of cost increase be applied to the ditch rates. Below is a table showing the current rates compared to those after a 1.9 percent increase.

	2020 Rates	2021 Rates After 1.9% Increase	Change
< 1 Acre	\$94.79	\$96.59	\$1.80
2 <sup>nd</sup> Acre	\$58.16	\$59.27	\$1.11
3 <sup>rd</sup> Acre	\$53.07	\$54.08	\$1.01
4 <sup>th</sup> Acre +	\$37.55	\$38.26	\$0.71

### Waste Water

Rate increases occurred from 2016-2019 to provide adequate revenue for the new plant operations and maintenance. Rates in 2020 were increased 2.7% to keep up with inflationary increases in operation and maintenance costs.

Financial analysis in the Waste Water fund indicates the rates will need to be adjusted similarly to accommodate the increase in costs. Again for 2021, staff recommends inflationary increases equal to 1.9% for base rate revenues. As is recommended in other utility operations, the effect of this increase is shown below.

<i>January 1, 2020</i>	<i>January 1, 2021</i>	<i>Change</i>
\$42.47	\$43.28	\$0.81

Commercial waste water usage rates, when a similar 1.9% increase is applied, are shown below:

**Class 2 commercial:** Schools, churches, warehouses, offices, and manufactured home communities served by a common tap, shall be assessed the following per water tap per month plus the following per 1,000 gallons of water used per month.

**Class 3 commercial:** Beauty shops, barber shops, bars/taverns, service stations (excluding wash racks), vehicle and equipment repair facilities, and motels without dining facilities shall be assessed the following per water tap per month plus the following per 1,000 gallons of water used per month.

**Class 4 commercial:** Restaurants, motels/hotels with dining facilities, office buildings with dining facilities, grocery stores with food processing, Laundromats (excluding dry cleaning) carwashes and truck washes shall be assessed the following per water tap per month plus the following per 1,000 gallons of water used per month.

<b>Commercial Class</b>	<b>2020 Rate</b>	<b>2021 Proposed Rate</b>	<b>Change</b>
<b><u>Class 2</u></b>			
<b>Fee per water tap, per month</b>	\$19.48	\$19.85	\$0.37
<b>Fee per 1,000 gallons of water used per month</b>	\$4.34	\$4.42	\$0.08
<b><u>Class 3</u></b>			
<b>Fee per water tap, per month</b>	\$19.48	\$19.85	\$0.37
<b>Fee per 1,000 gallons of water used per month</b>	\$4.66	\$4.75	\$0.09
<b><u>Class 4</u></b>			
<b>Fee per water tap, per month</b>	\$19.48	\$19.85	\$0.37
<b>Fee per 1,000 gallons of water used per month</b>	\$8.88	\$9.05	\$0.17

### Storm Drainage

Council adopted Resolution No. 02-2019 which amended Storm Water Utility Fees to fund federal regulatory requirements, system maintenance and the highest priority capital improvements as identified in the 2016 Storm Water Master plan. The rate increases were effective January 1, 2019 and have also allowed for design work to be completed on the highest priority capital Storm Water projects in 2020. The two current projects underway are improvements at Heritage Inn/ 35<sup>th</sup> Street across Highway 85, and Highway 85 improvements at 31<sup>st</sup> Street.

At the direction of City Council, during 2019 the City retained Raftelis Financial Consultants to conduct a comprehensive stormwater rate study. The purpose of the study was to identify solutions to the rate inequity that existed between the residential and commercial rates for storm water. Alternative rate solutions were examined, and a new rate structure was implemented in 2020 to achieve the objectives of 1) rate equity between classes, 2) rate equity between customers within a class, 3) improved customer understanding, and 4) ease of implementation/administration.

The current 2020 rates are sufficient to service debt on construction of the two priority Storm Water projects, and staff is currently working to finalize debt issuance with the Colorado Water Resources and Power Development Authority (CWRPDA). This loan will allow the Storm fund to realize low, partially subsidized, interest rates. For 2021, staff recommends implementing an inflationary increase of 1.9% as is recommended with other utility fees to sustain the increased operation and maintenance costs.

Below is a table showing both the current rates and the proposed 2021 rates.

Customer Class	2020 Rate	2021 Proposed Rate	Change
Residential/ manufactured home (per unit)	\$9.74	\$9.93	\$0.19
Commercial/ Industrial/ Multifamily			
Tier 1: (0- 14,000 square feet)	\$24.85	\$25.32	\$0.47
Tier 2: (14,000-45,000 square feet)	\$49.69	\$50.63	\$0.94
Tier 3: (45,000 square feet and larger)	\$59.74	\$60.88	\$1.14

**Goals for 2021:** A staff priority will be to complete rate studies for Water, Wastewater, and Storm Water fees in 2021. Anticipated efficiencies exist in completing review of user rates and system development (impact) fees for the three utilities simultaneously.

---

**STAFF RECOMMENDATION:**

Below is a table of the staff recommended utility user rate increases for 2021.

Rate Type	2020 Rate	2021 Proposed Rate	Change
<b>WATER BASE</b>			
Water Base Rate – Inside City	\$ 20.25	\$ 21.00	\$ 0.75
Water Base Rate – Outside City	21.25	22.00	\$ 0.75
<b>POTABLE WATER CONSUMPTION</b>			
1,000 – 16,000 gallons	5.04	5.34	\$ 0.30
16,001 – 22,000 gallons	7.96	8.44	\$ 0.48
Over 22,001 gallons	12.77	13.54	\$ 0.77
Commercial treated water usage, per 1,000 gallons	6.12	6.49	\$ 0.37
<b>NON-POTABLE WATER CONSUMPTION</b>			
Non-Potable usage, per 1,000 gallons	2.61	2.66	\$ 0.05
Ditch Rates:			
< 1 acre	94.79	96.59	\$ 1.80
Second Acre	58.16	59.27	\$ 1.11
Third Acre	53.07	54.08	\$ 1.01
Each additional acre	37.55	38.26	\$ 0.71
<b>WASTE WATER</b>			
Per residential living unit per month	42.47	43.28	\$ 0.81
Commercial Base Rate	19.48	19.85	\$ 0.37
Class 2 commercial (schools, churches, warehouses and offices), per 1,000 gallons	4.34	4.42	\$ 0.08
Class 3 commercial (beauty/barber shops, bars/taverns, service stations, vehicle and equipment repair facilities and motels without dining facilities), per 1,000 gallons	4.66	4.75	\$ 0.09
Class 4 commercial (restaurants, motels/hotels with dining facilities, office buildings with dining, grocery stores with food processing, laundromates, car washes and truck washes, per 1,000 gallons	8.88	9.05	\$ 0.17
<b>STORM DRAINAGE</b>			
Residential/ manufactured homes, per dwelling unit, per month	9.74	9.93	\$ 0.19
Commercial/ industrial/ multifamily communities:			\$ -
Tier 1 (0- 14,000 sq ft)	24.85	25.32	\$ 0.47
Tier 2 (14,000- 45,000 sq ft)	49.69	50.63	\$ 0.94
Tier 3 (45,000 sq ft and larger)	59.74	60.88	\$ 1.14

---

**FINANCIAL SUMMARY:**

The proposed rate increases above have corresponding revenue impacts in each of the funds as discussed above. As enterprise funds which are intended to be self-sufficient and function as business units, this revenue is needed to meet those directives.

---

**REQUESTING FROM WATER AND SEWER BOARD:**

Direction regarding rates for incorporation into a resolution for City Council consideration.

---

**ATTACHMENTS:**

- None

---

# CITY COUNCIL AGENDA REPORT

---

**DATE:** October 5, 2020

**AGENDA ITEM:** 9.B

**SUBJECT:** Consideration of Ordinance 735-20 and Loan Agreement with Colorado Water Resources & Power Development Authority (CWRPDA) for Storm Drainage Fund Improvements

**PRESENTED BY:** James L. Becklenberg, City Manager  
Jacque Troutd, CPA, Finance Director  
Drew Lyman, Assistant City Attorney

---

## AGENDA ITEM DESCRIPTION:

In 2018, the City formed the infrastructure solutions task force for the purpose of assessing the City's road and storm drainage needs as well as examining financing options for capital improvements. After months of deliberation, the task force recommended that City Council consider issuing debt funded by a storm drainage fee increase to finance the necessary capital improvements. The rate increase became effective January 1, 2019 and was established at a level sufficient to repay debt to complete the highest priority storm drainage projects.

On February 4, 2020, City Council approved design contracts for Phase 1 of the East Side Storm drainage improvements, which was the first step in completing specific projects.

Staff began working on design plans for the drainage improvements and identified financing options for the City. At this time, an opportunity exists for the City to receive a low interest loan from the Colorado Water Resources and Power Authority (CWRPDA) to pay for construction of the storm drainage infrastructure projects located at the Heritage Inn/ 35<sup>th</sup> Street across Highway 85 and Highway 85 improvements at 31<sup>st</sup> Street. The 2019 rate increase is sufficient to service the loan and no additional rate increases are recommended at this time to repay the debt.

After conferring with the City's outside bond counsel, Staff recommends that City Council adopt an ordinance to ensure that the Code expressly authorizes entering into the loan agreement. Based on the City's stated desire to make the needed capital improvements a high priority, the ordinance should be adopted on an emergency basis to "lock-in" funding at attractive loan terms.

CWRPDA anticipates selling bonds on October 29, 2020, and funds will be available to the City in November 2020. The City will then be able to draw down proceeds in a reimbursement process as funds are used.

---

**FINANCIAL SUMMARY:**

The recommended rate increase began January 1, 2019 and was estimated to pay for the debt service payments for roughly one-third of the highest priority storm drainage capital projects.

The rate increase has been used to fund design work on the East Side Storm Drainage projects, and the loan is still needed to fund the construction of these main projects. The City applied for a loan with the Colorado Water Resources and Power Development Authority (CWRPDA) in late 2019, and recently the CWRPDA Board of Director's approved Evans' loan in the amount of \$8,600,000 plus issuance costs, a principal amount not to exceed \$9,600,000. The City now has an opportunity to enter into an agreement with CWRPDA to accept the loan funds, with a 20-year repayment at an interest rate of 70% of the market rate, not to exceed 3.5%, on the Authority's 2020 Series B State Revolving Funds Revenue Bonds.

The City will experience savings in participating in the CWRPDA loan. The interest rate to be secured is anticipated to be much lower than if the City would secure bank financing individually, as the City does not have a bond rating, and the Storm Drainage Enterprise Fund has had relatively small amounts of historical activity and cash flow. Also, by only having to repay 70% of the final interest rate secured, the City will recognize savings in the total cost of the project.

The current storm drainage service fee is sufficient to make estimated debt service payments, with only inflationary increases anticipated to occur for 2021 rates. After the two major storm drainage projects are completed, City Council should consider further rate increases to fund additional capital projects.

---

**RECOMMENDATION:**

The interest rate offered on CWRPDA loan instrument is well below rates the City could secure with a single debt issuance. The City also accepted similar debt structure to construct the current Wastewater Treatment Plant, which was a successful process for the City. Staff recommends City Council approval of the attached loan agreement and associated Ordinance to issue the debt. The City's bond counsel has recommended the ordinance be approved as an emergency ordinance to ensure that the City Code provides for the legal authority to enter into the associated loan agreement.

---

**SUGGESTED MOTIONS:**

*I move to approve Ordinance 735-20 upon first reading and approve the City's loan agreement with the Colorado Water Resources and Power Development Authority for Storm Drainage capital improvements.*

*I move to deny Ordinance 735-20 and associated City's loan agreement with the Colorado Water Resources and Power Development Authority for Storm Drainage capital improvements.*

---

**ATTACHMENTS:**

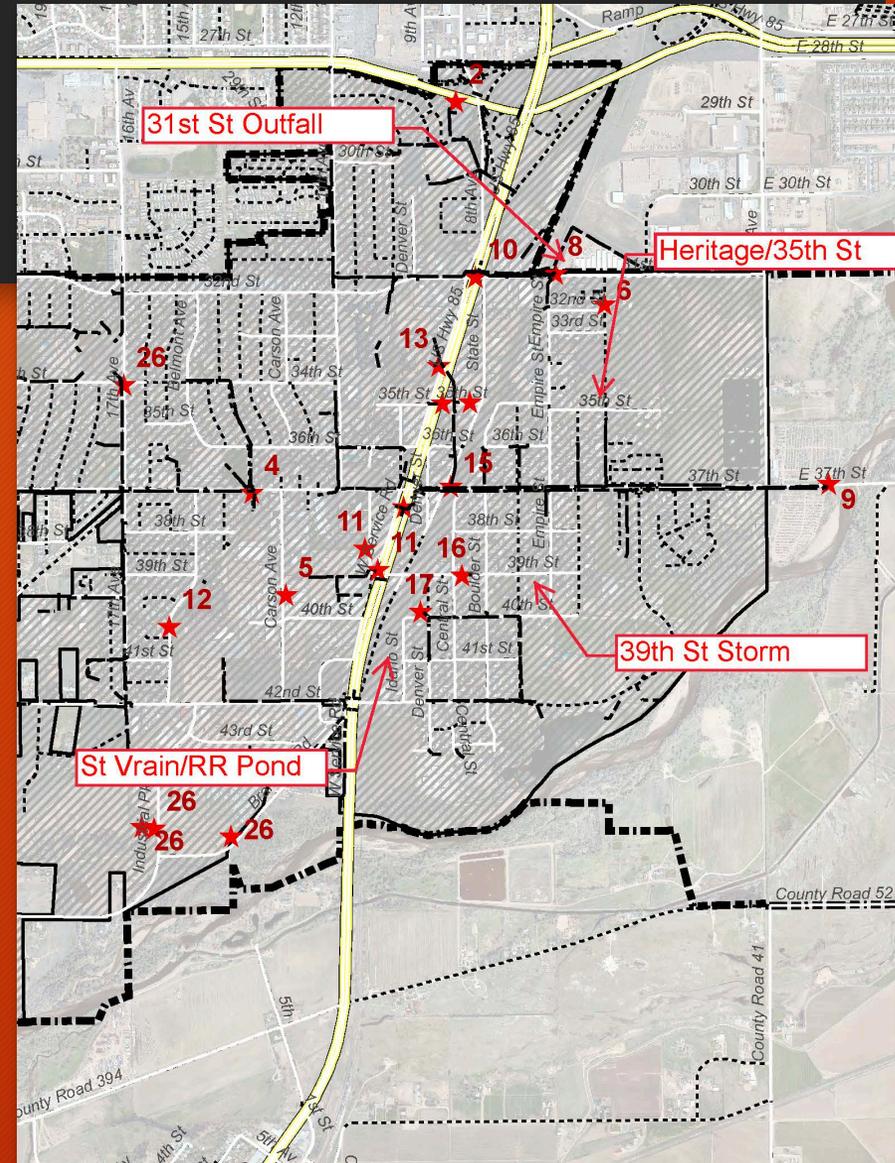
- A- Draft Loan Agreement between Colorado Water Resources and Power Development Authority and the City of Evans
- B- Ordinance 735-20

# East Side Storm Sewer Projects

City Council  
October 05, 2020

# ESSS Master Plan Projects

- 31<sup>st</sup> Street Storm
- Heritage Inn / 35<sup>th</sup> Street Storm
- 39<sup>th</sup> St Storm
- St Vrain / RR Pond



# Master Plan ESSS Project Evaluation

- 31<sup>st</sup> Street
  - Use existing conveyance
- Heritage/35<sup>th</sup> St
  - Go through lagoons
- 39<sup>th</sup> Street
  - Rethink Master Plan
- RR Ponds
  - Rethink Master Plan
- St Vrain
  - Rethink Master Plan



## SELECTED ESSS Projects

- 31<sup>st</sup> Street Storm
- Heritage Inn / 35<sup>th</sup> Street Storm



# 31<sup>st</sup> Street Storm / Channel

- New Inlets
- New MH access for maintenance
- Possible CIPP
- Additional Detention by Kum & Go
- Channel Improvements
- \$1.2M Budget
- 4-6 Months Construction



# Heritage Inn and 35<sup>th</sup> St Stormwater Outfall

- Replace undersized storm sewer under 85/UPRR
- Lagoon Alignment
- Pipe and Open Channel to River
- \$7.4M Budget
- 10-12 Months Construction (2021-2022)



# ESSS Reduce Risk = Reduce Cost

- Reduce Risk by
  - Potholing 31<sup>st</sup> Street
  - Hydro Vac Storm sewer under UPRR
  - Potholing 35<sup>th</sup> Street
  - Soils exploration at tunnel locations



# Evans East Side Drainage Projects

Questions / Comments