FAQs

This is home. We treat it right.

Upper Thompson Sanitation District

GENERAL QUESTIONS

1. Why are new lift stations and a wastewater treatment facility needed?

The existing Upper Thompson Sanitation District Wastewater Treatment Facility (WWTF) was constructed in the mid-1970s.The facility is aging, difficult to maintain, nearing capacity, and not equipped to meet future water quality regulations. Additionally, the existing facilities do not meet current electrical and building codes or safety requirements.

When completed, the new UTSD WWTF will ensure compliance with upcoming regulatory requirements, accommodate future growth, and protect the water quality of the Big Thompson River. Once completed, the project will provide space for build-out treatment capacity of the entire Estes Valley.

We are phasing the construction to coincide with customer growth to minimize financial impacts to the current customers.

2. What will happen to the existing facility?

The existing WWTF will be evaluated for repurposing the site or demolition. The District prefers to minimize the use of two facilities due to the cost of maintaining the existing aging treatment facility.

3. Why are there two sanitation districts in a town this small?

The Estes Park Sanitation District serves the area of Estes Park proper. The Upper Thompson Sanitation District was formed in 1971 to provide wastewater treatment service to the areas surrounding the downtown corridor of Estes Park and to improve the water quality of the Big Thompson River which was being degraded by septic tank systems.

FINANCIAL SPECIFICS

1. Why do UTSD rates differ from Estes Park Sanitation District rates?

- UTSD has three times the infrastructure to maintain and three times the service area.
- Our collection system infrastructure travels through difficult mountainous terrain that is very low density, compared to the high-density downtown corridor. There is simply more physical infrastructure to operate and maintain.

2. Why doesn't UTSD have a mill levy, and what exactly is an enterprise fund?

In 1993, the District retired the 20-year General Obligation Bond, which was used to fund the original WWTF construction, thereby eliminating the mill levy and becoming debt free. Rather than encumbering another mill levy, the District has since operated as an enterprise. Municipalities/Special Districts can recover costs for some specific services using enterprise funds. An enterprise fund is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. With an enterprise fund, all costs of service delivery—direct, indirect, and capital costs—are identified.

This allows the District to recover total service costs through user fees. Enterprise funds can be used to ensure that customers are paying for the full cost of service delivery, including the costs necessary for ongoing maintenance, upgrades, and expansions.

3. How much will it cost to construct the new WWTF?

The wastewater treatment process selection and sewer interceptor alignment are yet to be determined. Final costs are unknown; however, preliminary estimates range between $48-$60 million.

The project is expected to be financed through long term, low interest loans from the Colorado Water and Power Development Authority's State Revolving Fund, and/or the United States Department of Agriculture (USDA) and District-wide rate increases. The District will also investigate state and federal grant opportunities for design and construction.

4. Will customer rates increase?

Yes. Eleven percent each year in 2021, 2022, and 2023.

At the regular May 19, 2019 Board Meeting, the Board voted unanimously to adopt a three-year eleven percent rate adjustment for the years 2021, 2022, and 2023 and diminishing increases for subsequent years.

In 2013 the District engaged the services of Raftelis Financial Consultants and Hatch Mott MacDonald to conduct a cost-of-service study and develop a ten-year Capital Improvement Plan (CIP). The importance of the study was to document the cost of providing wastewater service by evaluating the various methods of revenue generation through service fees, financing, bonds and/or mill levies. The study also helped to identify the methods of funding,

costs of operation, and necessary capital improvements to be used as a foundation for future planning.

The cost-of-service study was revisited and updated in 2020 and examined District expenses, revenues, and planned capital projects. The Study was used to develop financial scenarios to support the District's objectives.

The Board also passed a resolution at the March 2020 regular board meeting to increase the District's System Development Fee (SDF) from $8,700 to $10,200. A SDF is a one-time fee charged to new development to pay for the capital costs required to serve those customers. The SDF is reviewed annually and may be adjusted by the Board of Directors to account for inflation and the impact of new development on the District's infrastructure. More information is included in the Raftelis rate study report.

5. What factors impact the cost of building the UTSD WWTF?

- Cold weather and altitude require all of the tanks to be covered.
- Aesthetically, the new facility design will be mindful of the natural surroundings.
- The project construction will be subject to economic drivers such as a high demand for contractors, contractor availability, small labor pools, and material costs.
- Redesign and rerouting of the two major collection system interceptors to the new site.

6. How is the project financed?

- The District is considering a loan from state and/or federal agencies in the amount of $45-$60 million for the project. The loan terms would be between 20 and 40 years.
- The District is investigating grants to offset some of the project costs. Grants may be received from local, state, or federal sources, and may be combined with low to zero loan interest rates over the life of the project.

ENVIRONMENTAL CONCERNS

1. How will the new facility help protect the water quality of the Big Thompson River?

The new facility will incorporate state-of-the-art treatment technologies, materials, and equipment utilizing biological nutrient removal, removal of heavy metals and solids digestion and handling processes. The District's effluent discharged into the Big Thompson River is further regulated by the Environmental Protection Agency (EPA) and the Colorado Department of Public Health and Environment (CDPHE) Water Quality Control Division (WQCD). Of most importance, we have an experienced staff to operate the new facility.

2. Will there be odors?

Treatment facilities, when designed and operated correctly, should have minimal odors. Odor control will be incorporated into the design as needed.

3. Will green technology be used?

Use of green technology will be considered where an associated cost benefit exists. Consideration will include:

- remanufactured and recycled materials
- high energy efficiency electrical equipment
- smart telemetry communication systems
- organic paints
- energy efficient windows and insulation
- propane versus diesel generators

PHYSICAL ASPECTS

1. How is the project designed?

The project will be phased construction with initial design to treat three million gallons per day (MGD) and the ability to expand to ultimate buildout of four MGD.

Future expansion will allow for the ability to handle all the wastewater flow in the Estes Valley.

2. How large is the new WWTF and when will it be operational?

Initial capacity will be designed to treat three MGD with room to expand as needed. New WWTF property has been purchased and project planning is underway. The new site provides the ability to meet build-out wastewater treatment needs.

The project will include replacement of the Fish Creek Lift Station (FCLS) and Thompson River Lift Station (TRLS) and use of the FCLS force mains that were replaced in 2019. A Preliminary Engineering Report (PER) has been initiated to address the:

- facility basis of design
- local, state, and federal regulatory permit values for future phases
- loans and grants applicable to the project

3. Will local contractors and professional consultants be utilized for project construction?

The District will strive to use local contractors and professional consultants for the project when applicable.

TIMELINE

Preliminary and final design is anticipated between January 2021 and March 2022. Construction is anticipated between April 2022 and June 2024.

PROJECT PUBLICITY

1. What community outreach has been conducted?

Community outreach to inform and educate customers and the Estes Park community about the District and plans to build a new wastewater treatment facility have been ongoing and include public notices, press releases, letters, and emails.

Public notice of the Board's discussion of rates and fees at the May 12, 2020, Special Meeting and the May 19, 2020, Regular Meeting was posted on the District's website, Facebook page, SDA website, at the District administration office, and published in the Estes Park News.

Drivers for the rate increase included in the Raftelis Financial Consultants financial report, cited new development projects in the Estes Valley that will impact District infrastructure, the current cost of providing wastewater collection and treatment to our customers, and the District's capital cost of constructing a new WWTF.

2. Where will project updates and District information be posted?

District regular board meetings are held on the third Tuesday of every month at 4:00 p.m. Updates can also be found on the District's website https://utsd.colorado.gov/ and the District's Facebook page.