



WATER NEWS

LOWER BASIN WATER TREATMENT PLANT

The Town of Eagle is moving forward with plans to construct a second water treatment facility located east of the existing wastewater treatment plant at the confluence of Brush Creek and the Eagle River.

Investing in our water infrastructure includes capital improvement costs, plant operations, the cost of distribution of water and planning for future water needs. We want you to have the most up-to-date information on the new water plant, and what a new plant means for our community.

Water System Basics

The Town receives 100% of its water from Upper Brush Creek. Peak demand for water occurs in the summer months due to outdoor irrigation. This year, the current water plant is operating at approximately 90% capacity.

Challenges and Opportunities

- The capacity of the existing water treatment plant is limited.
- There is no water supply redundancy in the system, which makes the Town's existing water supply vulnerable to drought and extreme weather circumstances.
- During the summer months, the water demand is approaching plant capacity. The existing water plant operates 20 hours per day in the summer. (Maintenance needs are problematic at this level of operation.)
- Our current plant cannot be expanded because of space and lack of adequate water rights.

Why Do We Need a New Water Plant?

- A single water treatment plant does not provide for system redundancy, which means that reliable service is at risk in the event of Brush Creek blockages or contamination.
- With respect to capacity, future residential and commercial growth will increase demand.
- Peak water demands in the summer already approach the maximum capacity of the plant, even with 90% of customers complying with odd-even day watering restrictions.

Proposed Lower Basin Water Plant

The proposed plant has been in consideration since 2007, with an initial plant design completed in 2012. The time is right for a new plant with the current water demand, anticipated need for redundancy in the system and to support Eagle's future. The new treatment plant will serve the Town for 20 years and beyond. The plant is designed to allow for future expansion if needed.

New Lower Basin Water Plant Benefits

- The new water plant will create redundancies in the Town's water service, and accounts for disasters such as forest fire, landslide or drought.
- Increased flows will occur in Middle Brush Creek which creates environmental benefits for the Brush Creek ecosystem.

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- Expanded service gives the town access to additional water resources

Rate Study

SGM, Inc. conducted an updated rate and tap fee study in March 2018 to evaluate sustainable water rates and how to implement an incremental water account holder surcharge and tap fee increase. Through this study, they concluded that both increases are necessary and feasible to build and operate the new water treatment facility.

Cost and Financing

Construction costs are \$27 million. The Town is paying for this cost with savings in its water enterprise fund and a State Revolving Fund (SRF) loan, which is a low interest loan that is administered by the State of Colorado. The Town has \$10 million saved that it will use as a down payment. The remaining cost of the plant is funded through the SRF loan, which has a 20-year repayment term. The Town chose SRF loan funding because it has the least financial impact to Eagle residents over the course of the payback period.

What About Tap Fees?

Tap fees (new construction payment for connection to the water system) also contribute to the Town's water infrastructure system. A tap fee study was completed in 2017 and showed that the current tap fees are not covering the Town's investment in the water system. In February 2018 the Town passed an Ordinance to increase the tap fees 15% over the next five years to fairly charge new customers their fair share cost of the Town's water system.

How Does This Affect Me?

Two ways:

- 1) Monthly Surcharge
- 2) Water Rate Increase

To repay the principal and interest on the SRF loan, the Town is proposing a monthly surcharge that will be applied to each water bill. This surcharge was determined in April 2018 and was based on the final construction costs of the plant. The monthly surcharge will have a sunset date that will coincide with the full repayment of the SRF loan. Also, water rates will be changed to a tiered system that is more detailed to encourage equity among users and conservation. A gradual increase will occur annually of water rates will occur with no more than a 3%.

Timeline

- April 2018 | Surcharge and rate increase amount finalized
- Summer 2018 | Begin construction
- 2020 | Phase I completion

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Cost of Delay

Delaying the construction of the new plant means that Eagle residents will continue to be subject to the reliability of risks of a single water treatment plant, and the Town will not be able to execute its vision and plans for smart growth. Furthermore, plant construction costs are projected to continue to escalate in the future.

How Can I Get More Information?

For more information regarding the Lower Water Basin Treatment Plant, like us on Facebook, sign up for Eagle Today or visit www.townofeagle.org.

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