

TOWN OF CRAWFORD
425 Hwy 92
Crawford, CO 81415
www.colorado.gov/crawford



Public Hearing 6:00 pm regarding Water Tank Project
Tuesday, Aug 6, 2024
Town Council Meeting to follow public hearing
Zoom meeting for the public 958 684 9882

Agenda

ROLL CALL

Chris Johnson
Cally Gallegos
Bo Nerlin Town Attorney

Bruce Bair
Gill Saunders

Jessica Hart
Jeff Peed

Tim Pobirk
~~Cherri Olson~~

Jim Crook
Chana Clawson

Public Hearing

Mayor Johnson opened the public hearing at 6:00 pm Trustee Cherri Olson was absent

Attendees:

Dana Hlavac The Department of Local Affairs Regional Manager
Wanda Gofforth
Hetty Todd
Deb Imlah
Christopher Brown
Bret Specht
Michelle Specht

Mayor Johnson opened the meeting up for the staff. Cally Gallegos gave her time to the Town Engineer, and Bruce Bair, Public Works Director. Bruce Bair explained the process of the project, and that this project was one of the first items listed in the Town's Capital Improvements Plan (CIP). Bruce Bair stated that Steve LaBonde (engineer with WestWater Engineering) has completed the Project Needs Assessment (PNA) which is a requirement for the Town to be eligible for the Drinking Water Revolving Fund loan program.

Steve LaBonde explained the funding process, and that the Town has been awarded a \$25,000 grant from the Department of Local Affairs (DoLA), with 50% matching funds from the Town of Crawford, and a \$10,000 planning grant from the State Revolving Fund (SRF) to fund, in part, for the Project Needs Assessment. The Town has also secured an Energy Impact Assistance Fund (EIAF) DoLA grant of \$420,000 for 50% of the estimated construction costs.

The need for the Supplemental Water Storage Tank volumes were then discussed for the following criteria:



- 1) Fire safety since the Town does not have adequate fire flow storage,
- 2) Equalizing storage to fill the tank at night after the peak daytime usage and,
- 3) Emergency storage of one day of average usage that is typically required.

The water storage shortfall based on these criteria is 127,600 gallons per the CIP report.

Four (4) alternatives were evaluated as possible solutions to the water storage shortfall. The PNA determined that the preferred alternative was to construct a new water storage tank located north of the existing storage tank, since the Town already owned the property (275 Greenwood Ave) on land that had already been disturbed, and would hopefully be excluded from NEPA permitting. This alternative cost estimate is \$800k to \$900k. The other alternative was to construct a new tank adjacent to the Crawford State Park (Alternative #2) at a cost that would be closer to \$1,000,000. The Town would also have to purchase the land and create a new parcel (public improvement subdivision process), which would take the project to even higher costs. The other two alternatives (rehabilitation of existing concrete storage tank, and no action alternative) were not considered as viable options, since they would not meet the water storage volume shortfall.

This project is the sixth phase of the Town of Crawford's water system improvements. Phase I began in 1984, Phase II in 1987, Phase III 1995-1996, and Phases IV and V in 2001. Phase V included a raw water storage tank that was installed closer to the Town's water source, Wiley Springs, to compensate for the lack of output from the springs flow, and emergency demands. This tank allows the Town to have close to 5 days of emergency storage if there was a major disruption in the water supply.

The new storage tank will be 160,000-gallons (40-feet in diameter x 17-feet water height). This will provide the Town with a finished water storage volume to meet a projected growth rate of 1.8%. For the current population of 421, a 1.8% growth rate would increase the population to 602, or approximately 72 new homes over 20-years. With the new storage tank, the Town would have the capability of providing adequate water storage (380,000-gallons in total) to meet the 20-year required storage volume (339,700-gallons). The new water storage tank will also provide additional emergency storage (40,300-gallons), and provide redundancy with the current finished water storage tank.

The cost of the new storage tank would be approximately \$810K with a 15% contingency for any cost increase, due to the ever-rising cost of steel. Steve LaBonde then explained the 20-year cash flow projection spreadsheet. This shows the Town's revenues and expenses. He explained that the Town would need to show a 110% rate coverage. With the estimated cost of the project of \$810k, and the already secured DoLA grant of \$420k for 50% of the



estimated construction cost, Steve stated that the Town should qualify for the bipartisan infrastructure law funding through the Drinking Water Revolving Fund for the other 50%. Since the Town is considered a Disadvantaged Community (DAC), this should qualify the Town for a principal forgiveness loan of \$200,000.00 (49%), leaving \$210,000 (51%) that would need to be borrowed from the DWRF base program. The current minimum subsidized interest rate of the DWRF loan program is 1.5% over 20-years.

Water rates would probably need to be increased \$6.95 per tap for the Town to maintain the 110% rate coverage for this projected loan amount. The Town would not need to spend any of their Capital Improvement Reserve Fund (i.e., \$3.00 per tap per month) that would be held for other projects. Jeff Peed asked when the rate increase would go into effect. Steve LaBonde stated that this typically occurs after the loan documents are executed.

Jim Crook -Trustee, asked if the rates would increase again when the Wiley Spring project is completed. That is to be determined later, that is a separate project. Steve LaBonde stated that the spring project also needs to be completed as the springs flow has decreased over the years to as low as 70 to 80-gallons per minute. The Town will run short of water if this continues. Bruce Bair stated that the Wiley Spring project (Phase VII) will be for replacing the underground infiltration gallery piping, and he knows that there is more water to be captured, and that it will help the Wiley Springs output flow. He stated that DoLA has an interest in seeing the Town complete the spring rehabilitation project, since they have funded so many of the prior Phases to the Town's water system. Bruce Bair stated that the Town hopes to initiate the Spring Collection System Improvements after the Supplemental Finished Water Storage Tank is complete to provide for additional emergency storage if the Springs need to be taken off-line.

Trustee Gill Saunders asked if the project would make fire insurance cheaper for the citizens of the Town. Steve LaBonde didn't think that it would make a difference. When the Town replaced the distribution system piping with 6" and 8" pipe (Phase II) with new fire hydrants added to the system, it improved the fire insurance rating for the Town at that time.

Wanda Gofforth – Stated that the new water tank will be a great addition to the Town.
Hetty Todd – Stated that she thought that the water tank was necessary and that having it up by the existing tank was a great plan.

Christopher Brown – asked if Greenwood Avenue would become a through street when this project was complete. Bruce Bair stated that Greenwood Avenue would not change, that is not part of this project.

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The public hearing ended at 7:00 pm