



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

Logan Tower Bldg - Suite 620, 1580 Logan Street, Denver, Colorado 80203-1942
303/830-1550 · Fax 303/832-8205 · info@cwrpda.com

April 3, 2023 (Transmitted via email)

Jeff Layman, Town Administrator
Town of Silt
231 N. 7th Street
P.O. Box 70
Silt, Colorado 81652

Re: Drinking Water Revolving Fund ("DWRF") Business Case Approval

Dear Mr. Layman:

On March 3, 2023, the Board of Directors of the Colorado Water Resources and Power Development Authority approved the Town of Silt's business case and awarded the Town Disadvantaged Communities status for a term of 18-months. This determination allows the Town access to a Design and Engineering grant, a reduced interest rate for the first \$3 million repayable loan, and base program principal forgiveness (PF), in addition to Bipartisan Infrastructure Law (BIL) PF. The Town must receive loan approval for a loan prior to the expiration of the 18-month period to receive a reduced interest rate.

We look forward to working with you and your representatives towards a successful project. Please call me at (303) 830-1550, extension 1011 or email me at areichel@cwrpda.com with any questions.

Sincerely,

A handwritten signature in black ink that reads "Austin Reichel".

Austin Reichel
Financial Analyst II

CC: Matt Alms, Sean Oliver, Mark Henderson, WQCD, (via email)
Desi Santerre, DOLA, (via email)

December 5, 2022

Board of Directors
Colorado Water Resources and Power Development Authority
1580 Logan Street, Suite 620
Denver, CO 80203

Re: Determination of Disadvantaged Community Status-Silt, Colorado

Members of the CWRPDA Board of Directors,

The Town of Silt is respectfully requesting the determination of disadvantaged community status, even though the Town has not met the standard program criteria. We would submit that the Town of Silt is truly disadvantaged based upon the totality of current and past circumstances.

According to the 2020 census, the Town of Silt has a total population of 493. The Town is also obligated to provide municipal water for over 24 taps outside of the Town's actual boundaries. The total number of taps has remained largely stagnant since 2017 at 351. The Town's water plant needs replacement and sidewalks, and other infrastructure are in disrepair or non-existent in many parts of the Town.

While the Town of Silt is located within the boundaries of Garfield County, the Town of Silt and the Town of Colbran are distinguishable from the other municipalities in Garfield County. Geographically, the Town is approximately 35 miles from the Cities of Grand Junction, Fruita, and Palisade. Given the Colorado weather, this 35-mile stretch can be arduous at times not only for commerce passing through the intervening Silt Canyon, but for residents commuting to and from work or services. Often, the City of Grand Junction is considered a "mini-hub" of the Denver metropolitan area. The Grand Junction regional airport, current industry, and proximity to Salt Lake City support the significant economic growth in Grand Junction, Fruita, and Palisade. Unfortunately, the economic benefits of this "hub" do not extend to the outlying areas of Silt and Colbran.

It is very difficult to find reliable data specific to the Town of Silt and the surrounding community.

The Town would submit that utilizing data encompassing all of Garfield County may result in an unreliable

analysis for the purposes of the determination of disadvantaged community status for the Town of De Beque.

The entire staff for the Town fluctuates from approximately 10FTE to 15FTE. Most of the professional

staff commute into the Town of Silt, while residents tend to commute outside of the Town to obtain gainful employment. There are only a handful of small businesses within the Town itself. Over the past two years the only restaurant and bar and a local tavern have closed. The local coffee shop closed as of May 1, 2022. According to the 2020 American Community Survey 5-Year Estimates, the employment rate in Silt is 63%. However, this is distinguishable from the County as a whole. According to the Garfield County Workforce Center, the unemployment rate for all of Garfield County reached it's highest level in April of 2020 at 12.6%.

Historically, the Town of Silt has been highly reliant upon the oil and gas industry, which continues to impact the economy in Silt. With the exception of the short-term boost in the economy resulting from the marijuana industry, the Town's economy rises and falls with the ebbs and flows of the oil and gas industry.

In 2008, Schlumberger Technology Corporation, an oil and gas field service company requested annexation into the Town of Silt for the purposes of developing their national headquarters. The development was to include 70 acres South of I-70, with buildings and facilities supporting Schlumberger's business activities as a support company for development of natural resources. However, after the annexation was complete and development of the necessary infrastructure and public services on the South side of the interstate were beginning, Schlumberger abruptly abandoned the entire project and breached the terms of the annexation agreement. This resulted in acreage being annexed into the Town without the necessary infrastructure to effectively provide both water and sewer on the South side of the interstate. The impact of this breach was devastating to the Town of Silt and continues to this day. The Town is currently seeking grant funding for a bore under the interstate to mitigate the issue of lack of sewer services to the annexed area.

In an effort to mitigate the negative impact of the withdrawal of Schlumberger and to diversify it's economy, the Town of Silt became the first community East of the Utah border to welcome the marijuana industry, resulting in a short term boost to the local economy. Without the excise tax revenues derived from the marijuana industry, the Town of Silt would have had only 1 year with a net income between the years of 2014-2020 and the General Fund balance for the Town of Silt in 2020 would have been -500,000.

However, the voters in the City of Grand Junction have recently approved of the establishment of 10

new retail marijuana shops and the voters in Garfield County have approved of marijuana grows in the County. While the exact impact of these new developments is yet to be determined, it is anticipated that the excise tax revenues will significantly decline for the Town of Silt. Once again, the 35-mile drive from Grand Junction through the Silt canyon constitutes a significant economic barrier for the Town.

There is significant interest in development in the community as the Town struggles to grow it's economy. However, just as the 35-mile geographical distance constitutes an economic barrier, so does the lack of services to the annexed portion of the Town South of the interstate.

The Town appreciates this opportunity to provide the Board with additional information and data which may fall outside of the standard criteria for the determination of disadvantaged community. The designation would provide the Town of Silt an opportunity to obtain reasonable funding for the necessary replacement of the Town's water plant.

Respectfully submitted,

Care' McLinnis

Town Administrator

Town of Silt