

## **Newsletter 122422**

### **Silt Water Treatment Plant Improvements Public Meeting Planned**

At its November 28 Board meeting, Trustees heard from Patrick Radabaugh, an engineer with Dewberry Engineers, local engineer Tony Zancanella, who is the Town's contract WTP Operator and the Town's financial consultant, Jim Mann, that the proposed water treatment plant will cost close to \$28 M. The average customer bill was thought to increase from the current \$45 per month to as much as \$170 per month.

After the presentation, the Trustees were clear with the consultants and staff that the price for the improvements was too high and directed that efforts be made to reduce the scope and price of the project. Continued work by staff and its consultants have whittled that estimate to around an average \$100 increase per customer. The work continues.

An open house was held last Monday, December 19 from 5:30-7:30 at the Silt Town Center to inform citizens and solicit public input regarding the Town of Silt Water Treatment Plant's Project Needs Assessment (PNA). The PNA is a report that discusses the rationale for the project. The report has been submitted to the Colorado Department of Public Health and Environment (CDPHE) to qualify the Town of Silt for a State Revolving Fund (SRF) Loan.

Click below to link to a presentation given by Patrick Radabaugh, an engineer with Dewberry, the Town's consulting and design engineers on the project and James Mann, with UMB Bank, who is contracted to provide financial modeling for the project.

An additional Public Meeting will be held on Monday, January 9 from 6-7 PM at Silt Town Hall to inform citizens of the rationale for the improvement, the methods to fund the estimated \$28 M cost and a description of the new pretreatment and filtration system. The public will then be encouraged to provide feedback on the project. Town Staff and engineers will be on hand meeting to discuss the plan and accept feedback.

Silt citizens, merchants and any other interested persons are invited to attend. The format for the meeting will be formal presentation followed by public comment. It should be noted that the Town of Silt Board of Trustees meeting will follow immediately after the water plant Public Meeting where public comment will be taken, as well.

For more than a year, Silt's Board of Trustees has been receiving information about its aging and struggling water treatment plant. In February 2022, the Town engaged Dewberry engineers to study both the water and wastewater plants. It found critical problems with the water plant that should be addressed sooner than later.

In October, the Town contracted with Dewberry to develop a plan to improve water in Silt and to shepherd the Town through the labyrinth of financial and regulatory hurdles to get the work engineered, designed, scheduled, built and paid for. As part of the same process, the Town contracted with James Mann, with the Public Finance section of UMB Bank, to assist with financing.

In the meantime, the Town will continue with its loan application with the State of Colorado's water resources authority, the gatekeeper of the Federal Government's new Bipartisan Infrastructure Law (BIL) funds. The Town intends to tap these funds to the extent it can for this project.

The Town anticipates hosting addition public meetings on the plant and the need for improvements after March 3, when the State will make a recommendation as to the funding amount to be loaned and the loan forgiveness package to be offered.

The PNA details the need for improvements to the Town of Silt Water Treatment Plant. The current plan is to replace the existing membrane filtration system with a new pretreatment and filtration system that will improve the reliability of treatment, improve treatment for taste and odor, increase potable water system resilience, and accommodate future growth.

# Silt Board of Trustees Considers Selecting Contractor for Water Plant Pre-Construction

## CMAR Process Provides Additional Transparency, Collaboration in Pricing

The Silt Board of Trustees on Monday night, March 27, will consider the selection of a contractor to assist in the design and engineering of the improvements planned for the Silt Water Treatment Plant. The Town advertised for Construction Manager at Risk firms (CMAR) last month. Two national firms, Garney Construction and Hensel Phelps responded. Garney proposed doing the work for \$199,416, while Hensel Phelps proposed \$175,160.

By selecting the CMAR delivery method for this Project, the CMAR is expected to collaborate closely and transparently with the Town and its Design Engineer during Phase I to develop a design that achieves our objectives at a mutually agreeable Guaranteed Maximum Price (GMP).

With Town staff controlling the process, the Town, Dewberry engineers and the CMAR work together to develop cost models and assistance in securing State Revolving Fund (SRF) loans, avoiding and reducing impacts to existing operations and maintenance due to construction activity, set and achieve realistic and appropriate completion dates.

A Town subcommittee consisting of Mayor Pro Tem Kyle Knott, Trustee Jerry Siefert, consulting engineers and staff interviewed representatives of both companies and decided that while both firms were well-qualified to perform the work, it was more comfortable with Garney Construction.

Garney was selected primarily for the following reasons:

- Experience in building and starting plants with the technology specified for the Silt plant.
- Exclusive construction experience in water supply, wastewater, pipe, pump, tank and heavy civil projects. They do not do projects not associated with water.
- The proposed Construction Manager for this project lives 20 minutes from Silt and has extensive Western Colorado construction experience.

Contracting with Garney at this point does not obligate the Town to actually pursue building the water plant improvements. Nor does it obligate the Town to contract with Garney beyond the \$199,416 CMAR process, which will be complete in November 2023. Only by amendment to the agreement, voted on by the Town of Silt Board of Trustees, will the contract with Garney be extended to include construction of the improvements.

It is well documented that the Silt Water Treatment Plant is not a reliable long-term facility for the Town. Our contract engineering firm, Dewberry, our contract Operator in Responsible Charge (ORC) and our Public Works Director have all recommended that the plant be substantially improved in the near future to address capacity issues, aid in turbidity filtration and treat iron and manganese issues effectively. Added to this is the urgency of not knowing how long this facility will remain operational.

The meeting on Monday evening will start at 7 PM at Silt Town Hall.

## Newsletter Silt WTP

For more than a year, Silt's Board of Trustees has been receiving information about its aging and struggling water treatment plant. In February 2022, the Town engaged Dewberry engineers to study both the water and wastewater plants. It found critical problems with the water plant that should be addressed sooner than later.

In October, the Town contracted with Dewberry to develop a plan to improve water in Silt and to shepherd the Town through the labyrinth of financial and regulatory hurdles to get the work engineered, designed, scheduled, built and paid for.

At its November 28 Board meeting, Trustees heard from Patrick Radabaugh, an engineer from Dewberry and the Town's financial consultant, Jim Mann. After the presentation, the Trustees were clear with the consultants and staff that the price for the improvements was too high and directed that efforts be made to reduce the scope and price of the project.

In the meantime, the Town will continue with its loan application with the State of Colorado's water resources authority, the gatekeeper of the Federal Government's new Bipartisan Infrastructure Law (BIL) funds. The Town intends to tap these funds to the extent it can for this project.

To that end, an open house will be held to inform citizens and solicit public input regarding the Town of Silt Water Treatment Plant Improvements and Project Needs Assessment (PNA). The PNA is a report that discusses the rationale for the Water Treatment Plant Improvements Project. The report has been submitted to the Colorado Department of Public Health and Environment (CDPHE) to qualify the Town of Silt for a State Revolving Fund (SRF) Loan.

The PNA details the need for improvements to the Town of Silt Water Treatment Plant. The improvements will replace the existing membrane filtration system with a new pretreatment and filtration system that will improve the reliability of treatment, improve treatment for taste and odor, increase potable water system resilience, and accommodate future growth.

The Town's consultant, Dewberry Engineers, submitted an opinion of probable construction cost of \$28 million for the Water Treatment Plant improvements project. Town Staff and engineers will be on hand to discuss the plan for improving water in Silt.

The open house will be held:

Date: December 19, 2022  
Time: 6:00 PM to 7:00 PM  
Location: Silt Town Center  
Address: 600 Home Avenue, Silt, Colorado

Copies of the PNA and the Dewberry study will be available for public review prior to the Open House at Silt Town Hall and at [www.townofsilt.org](http://www.townofsilt.org).

The points of contact for the Town of Silt are Trey Fonner, Public Works Director and Jeff Layman, Town Manager, 970-876-2353.

## **Silt Receives Approval for Additional State Funding for Water Plant Renovation**

The Town of Silt's request to be considered a "disadvantaged community" for the purposes of qualifying for additional funding for its water plant renovation was approved last Friday in Denver. At a monthly meeting of the Colorado Water Resources and Power Development Authority board, a "business case" was made that Silt should be considered a "disadvantaged community", based on several benchmarks, such as household income, home values, unemployment, population changes and other factors.

Due to the decision, Silt will qualify for as much as \$300,000 in design and engineering assistance and up to \$2 M in additional "loan forgiveness" when the loan package is calculated later this year.

In other water plant news, JDS Hydro, a consulting engineering firm hired by the Town to review the work done so far on the project, is fully engaged in the process and intends to issue a report the end of March.

Finally, Town staff has received Statements of Qualifications proposals from two very experienced and qualified contractors who, when selected, will help the Town whittle down the costs associated with the water plant renovation.

## **Silt Board of Trustees to Discuss Water Rate Structures**

Water rate structures will be the topic of conversation between Trustees on Monday night at the Board of Trustees meeting. The method of how to charge for water service has come up from time to time, but now that the Board is faced with paying for significant improvements in its inadequate water plant, it asked staff to develop an updated water rate structure for the Town. The new structure will address both the current state of affairs and future needs. Financial Analyst Jim Mann will be on hand to introduce a couple of options and to discuss others.

The “current state of affairs” is led by the realization that Silt’s water service operates at a roughly \$200,000 deficit, paid for by wastewater revenue. A proposed “status quo” rate structure, averaging about \$95 per ratepayer would close this gap, but would not provide any improvements to the plant.

Other options, averaging between \$137 and \$143 per month would fully pay for water operations, provide a comfortable six-month reserve and make the improvements necessary for the water plant for the next 20+ years.

More information can be found at [www.townofsilt.org](http://www.townofsilt.org) on the home page, lower left hand corner under the button titled “Water Treatment Plant Planning Documents and Information”.

The meeting on Monday, March 27 will begin at 7 PM at Silt Town Hall.



## **Water Rate Structure Options Again on the Agenda**

### **Trustees to Discuss Water Rates Monday at Work Session**

Water rate structures will again be the topic of conversation between Trustees at Monday's work session starting at 6:15 PM, immediately prior to the Board's Regular Meeting.

At the last BoT meeting, Trustees heard from financial consultant Jim Mann on several options for water rates. Importantly, Mann reviewed some of the basic assumptions in developing the rate models. After discussion, the Trustees asked for more analysis on options including base rates of 2,000 and 3,000 gallons. Mann will be presenting that information.

One major discovery Mann has uncovered is the fact that the water utility runs about \$200,000 in red each year. Water rates are recommended to increase by 86% just to operate the water utility in a fiscally responsible manner. The Board will discuss adjusting rates now to operate the utility to break even OR wait until more is known about the cost of the plant and amount of financing that will be awarded.

More information can be found at [www.townofsilt.org](http://www.townofsilt.org) on the home page, lower left-hand corner under the button titled "Water Treatment Plant Planning Documents and Information".

The meeting on Monday, April 10 will begin at 6:15 PM at Silt Town Hall.