



**AGENDA**  
**for the Board of Trustees**  
**of the Town of Palisade, Colorado**  
**341 W 7<sup>th</sup> Street (Palisade Civic Center)**

**May 23, 2023**

**6:00 pm Regular Meeting**

**A live stream of the meeting may be viewed at:**

**<https://us06web.zoom.us/j/3320075780>**

- I. **REGULAR MEETING CALLED TO ORDER AT 6:00 pm**
- II. **PLEDGE OF ALLEGIANCE**
- III. **ROLL CALL**
- IV. **AGENDA ADOPTION**
- V. **ANNOUNCEMENTS**
  - A. **PUBLIC COMMENT REMINDER:** All emails sent to the Town Clerk for public comment on a specific agenda item prior to the day packets are published will be included in the staff report. Emails received after the packets are posted will be forwarded to the Board of Trustees. Any member of the public who wishes to have a statement or email read into the Minutes is required to appear in person and make said statements to the Board directly.
  - B. **GET INVOLVED WITH OUR COMMUNITY! UPCOMING PUBLIC MEETINGS (Palisade Civic Center 341 W 7<sup>th</sup> Street):**
    1. **Board of Trustees WORK SESSION** – Tuesday, June 6, 2023, at 6:00 pm in the TRAINING ROOM
    2. **Planning Commission** – Tuesday, June 6, 2023, at 6:00 pm
    3. **Tourism Advisory Board** – Thursday, June 8, 2023, at 9:00 am
    4. **Board of Trustees** – Tuesday, June 13, 2023, at 6:00 pm
  - C. **TOWN OFFICES WILL BE CLOSED** Monday, May 29, 2023, in observance of Memorial Day.
  - D. **PLANNING COMMISSION OPENING:** The Palisade Planning Commission is seeking applicants to fill a term that expires in February 2025. Applications are being accepted until May 31, 2023. Please email Brian Rusche, Community Development Director, at [brusche@townofpalisade.org](mailto:brusche@townofpalisade.org) for more information and an application.
- VI. **TOWN MANAGER REPORT**
  - A. **Quarterly Report** – Gregg Mueller, Finance Director
  - B. **JUCO World Series update**
  - C. **Watershed update**
  - D. **Railroad Crossing Paving** – Mesa County

**VII. CONSENT AGENDA**

*The Consent Agenda is intended to allow the Board to spend its time on more complex items. These items are generally perceived as non-controversial and can be approved by a single motion. The public or any Board Member may ask that an item be removed from the Consent Agenda for individual consideration.*

**A. Expenditures**

- Approval of Bills from Various Town Funds – May 3, 2023 – May 19, 2023

**B. Minutes**

- Minutes from May 9, 2023, Regular Board of Trustees Meeting

**C. Letter of Intent to Participate in the Mesa County Hazard Mitigation Plan****D. Ordinance 2023-03 – Extension of Moratorium on Subdivisions****VIII. NEW BUSINESS****A. Resolution 2023-09 - Hodges Public Purpose Subdivision**

*The Board of Trustees will consider accepting a tract in Town ownership to access the Palisade Plunge.*

1. Staff Presentation
2. Board Discussion
3. Decision - Motion, Second, and Rollcall Vote to:  
*Approve, deny, or table (until June 13, 2023), Resolution 2023-09 accepting Lot 2 of the Hodges Subdivision for access to the Palisade Plunge Trail and designate the Community Development Director as the agent to receive the deed during the closing process.*

**B. Resolution 2023-10 Supporting a Coordinated Grant Application and Memorandum of Agreement for Electric Vehicle Charging Stations with Mesa County**

*The Board of Trustees will consider a Resolution supporting a grant application with Mesa County for Electric Vehicle Charging Stations and approve a Memorandum of Agreement.*

1. Staff Presentation
2. Board Discussion
3. Decision - Motion, Second, and Rollcall Vote to:  
*Approve, deny, or table (until June 13, 2023), Resolution 2023-10 supporting a coordinated grant application with Mesa County for Electric Vehicle Charging Stations and directing the Town Manager to enter into a Memorandum of Agreement with Mesa County to coordinate said grant.*

**IX. PUBLIC COMMENT**

***All those who wish to speak during public comment must sign up on the sheet provided outside the boardroom doors. Please keep comments to 3 MINUTES OR LESS and state your name and address.*** Neither the Board of Trustees nor staff will respond to comments at this time. The Board may direct staff to look into specific comments to bring back as an Agenda item at a future meeting; however, the Board reserves the right to clarify information from comments that are factually incorrect.

**X. COMMITTEE REPORTS**

**XI. ADJOURNMENT**

**WORK SESSION**

**A. Sewer Rate Study and Connection to Clifton Sanitation Discussion**



## PALISADE BOARD OF TRUSTEES

**Meeting Date:** May 23, 2023

**Re:** Consent Agenda

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The Consent Agenda has been attached as a separate document for ease of reading.

Included in the consent agenda are:

- A. Expenditures**
  - Approval of Bills from Various Town Funds – May 3, 2023 – May 19, 2023
- B. Minutes**
  - Minutes from April 25, 2023, Regular Board of Trustees Meeting
- C. Letter of Intent to Participate in the Mesa County Hazard Mitigation Plan**
- D. Ordinance 2023-03 – Extension of Moratorium on Subdivisions**



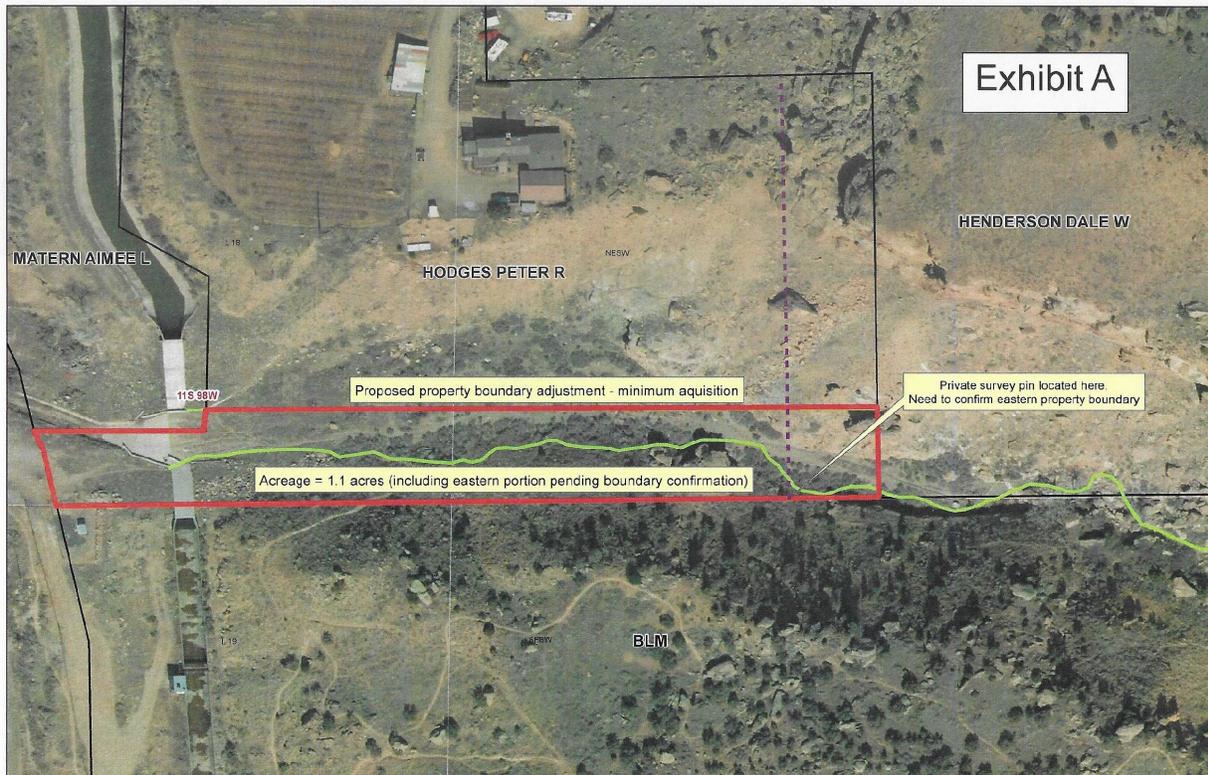
## PALISADE BOARD OF TRUSTEES Agenda Item Cover Sheet

**Meeting Date:** May 23, 2023  
**Presented By:** Brian Rusche, Community Development Director  
**Department:** Community Development  
**Re:** Hodges Public Purpose Subdivision

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**SUBJECT:** RESOLUTION 2023-09 ACCEPTING CERTAIN REAL PROPERTY CREATED BY THE HODGES PUBLIC PURPOSE SUBDIVISION

**SUMMARY:** On October 15, 2017, the Town of Palisade entered into a contract with Peter R. and Valerie R. Hodges to purchase approximately one (1) acre of their property, located at 824 Rapid Creek Road (Parcel #2937-023-00-072), for the construction of the Palisade Plunge. The Town was granted a Perpetual Easement, recorded March 6, 2018 (Reception #2832679) for a trail construction and maintenance easement. The subdivision of the property, known as the Hodges Subdivision A Public Purpose Subdivision was recorded on April 28, 2023 (Reception # 3062436). Mesa County is assisting the Hodges on the transfer of the parcel, known as Lot 2, to the Town as agreed upon in 2017.



The attached resolution authorizes acceptance of the property by the Town and designates the Community Development Director as the agent to receive the deed during the closing process.

**PALISADE GAME PLAN REFERENCE:**

Chapter 4 – Recreation and Tourism (page 98)

- Strategy 4.2A – Provide clear direction on where it is appropriate for people to gather and access recreational areas (page 111)

**BOARD DIRECTION:** Adopt Resolution 2023-09.

**TOWN OF PALISADE, COLORADO  
RESOLUTION NO. 2023-09**

**A RESOLUTION OF THE BOARD OF TRUSTEES FOR THE TOWN OF PALISADE, COLORADO, ACCEPTING CERTAIN REAL PROPERTY LOCATED AT 824 RAPID CREEK ROAD, A PORTION OF PARCEL # 2937-023-00-072, KNOWN AS LOT 2 OF HODGES SUBDIVISION – A PUBLIC PURPOSE SUBDIVISION AND AUTHORIZING THE COMMUNITY DEVELOPMENT DIRECTOR TO ACT ON THE TOWN’S BEHALF IN THE REAL ESTATE TRANSACTION.**

**WHEREAS**, the Town of Palisade entered into a contract to purchase a portion of the property located at 824 Rapid Creek Road (Parcel#2937-023-00-072) for the construction of the Palisade Plunge Trail; and

**WHEREAS**, the Town was granted a Perpetual Easement (Reception No. 2832679) dedicated to the Town of Palisade for the purpose of construction and maintenance of the Palisade Plunge Trail; and

**WHEREAS**, the owners, Peter R. and Valerie. R. Hodges, have subdivided their property at 824 Rapid Creek Road (Parcel # 2937-023-00-072) into the Hodges Subdivision – A Public Purpose Subdivision (Reception No. 3062436) under the procedures set forth by Mesa County, which include a requirement that Lot 2, encumbered by the above referenced easement, be restricted to the public purpose for the intended use of the Palisade Plunge Trail; and

**WHEREAS**, the Hodges will convey said Lot 2, Hodges Subdivision – A Public Purpose Subdivision, as shown on Exhibit A (the “Property”) to the Town of Palisade pursuant to the purchase contract; and

**WHEREAS**, the Board of Trustees desire to accept ownership of the Property.

**NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF TRUSTEES OF THE TOWN OF PALISADE, COLORADO THAT:**

The Community Development Director, Brian Rusche, is authorized to act on behalf of the Town, to accept a Deed to accomplish the conveyance of title to the Town of the parcel of land described as Lot 2, Hodges Subdivision a Public Purpose Subdivision, as same is recorded at Reception No. 3062436 in the records of the Mesa County Clerk and Recorder, which the Town hereby accepts ownership.

**RESOLVED, APPROVED, and ADOPTED this 23<sup>rd</sup> day of May 2023.**

TOWN OF PALISADE, COLORADO

(Seal)

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Greg Mikolai, Mayor

ATTEST:

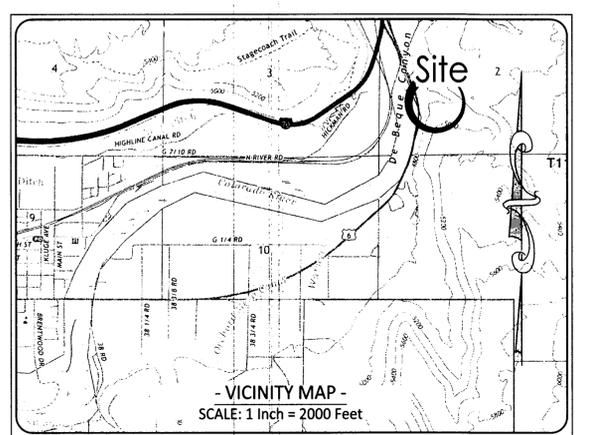
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Keli Frasier, Town Clerk

# Hodges Subdivision a Public Purpose Subdivision

Situated in Lot 18 and NE1/4 SW1/4 Section 2, Township 11 South, Range 98 West of the 6th P.M. Mesa County, Colorado 2021-0163

## EXHIBIT A



**LEGEND**

- - Found Monument as Described
- - Found 2" Iron Pipe and 3.25" BLM Brass Cap
- - Set 18" long No. 5 Rebar and 1.25" Green Plastic Cap L.S. No. 38200
- - Set PK nail and 2" Diameter Shiner L.S. No. 38200

\*Exterior Subdivision Monuments set in concrete

**Area Summary**

Lot 1 = 4.409 Acres
Lot 2 = 0.952 Acres
<b>Total = 5.361 Acres</b>

**CERTIFICATE OF OWNERSHIP:**  
Know All Persons By These Presents:  
The undersigned, Peter R. Hodges and V.R. Hodges, are the owners of record of that real property situated in Lot 18 and the NE1/4 SW1/4 Section 2, Township 11 South, Range 98 West of the 6th P.M., County of Mesa, State of Colorado, the ownership of which is demonstrated at the Warranty Deed, Book 2329, Page 459 as Reception No. 1800514 of the records in the office of the Mesa County Clerk and Recorder. Based on Warranty Deed, Book 2329, Page 459 said property being described as follows:

A tract of land situated in Lot 18 and the NE1/4 of the SW1/4 of Section 2, Township 11 South, Range 98 West of the 6th Principal Meridian and being more particularly described as follows:  
Beginning at the Southeast corner of said Lot 18; thence West along the South line of said Lot 18 to the Easterly right-of-way line of U.S. Highway 6 & 24; thence Northwest along said right-of-way to a point which is 50 feet North of the intersection of the South line of said Lot 18 and said Easterly right-of-way; thence East to the centerline of the Orchard Mesa Power Canal; thence Northerly following said centerline to a point 555.22 feet North of the South line of said Lot 18; thence East to a point on the East line of said Lot 18, thence South along said East line 163.41 feet, thence East 245.0 feet, thence South 391.91 feet more or less to the South line of said NE1/4SW1/4 of said Section 2; thence West 245.0 feet more or less to a point known as the Southeast corner of said Lot 18 and the Southwest corner of the NE1/4SW1/4, also being the True Point of Beginning, Mesa County, Colorado.

**As Surveyed Legal Description**  
A Parcel of land situated in Lot 18 and in the NE1/4SW1/4 of Section 2, Township 11 South, Range 98 West of the 6th Principal Meridian, County of Mesa, State of Colorado, and being more particularly described as follows:

**BEGINNING** at the Southeast Corner of said Lot 18, a properly marked 3.25" BLM Brass Cap on a 2" pipe, dated 1952, MCSM #11951; thence S 89°30'43" W along the South line of said Lot 18 a distance of 283.61 feet to a point in the Easterly right-of-way line of U.S. Highway 6 & 24 as defined by Parcel 62 Rev. 3 as shown on the Colorado State Highway Department Map, Federal Aid Project No. F 001-1(1); thence N 19°07'49" W along said Easterly right-of-way a distance of 52.77 feet; thence N 89°30'43" E a distance of 81.44 feet to the centerline of the Orchard Mesa Power Canal; thence along the centerline of said Canal the following four (4) courses:  
1. N 02°54'40" W a distance of 98.45 feet;  
2. N 19°32'40" W a distance of 143.28 feet;  
3. N 03°22'40" W a distance of 174.00 feet;  
4. N 10°52'24" W a distance of 102.29 feet;  
thence S 89°52'49" E a distance of 287.23 feet to a point on the East line of said Lot 18; thence S 00°32'44" W along said East line a distance of 163.42 feet; thence N 89°25'43" E a distance of 244.86 feet; thence S 00°32'44" W a distance of 391.84 feet to a point on the South line of said NE1/4SW1/4 of said Section 2; thence S 89°26'14" W along said South Line a distance of 244.86 feet to the TRUE POINT OF BEGINNING;

Said parcel containing 5.361 acres, more or less.  
Said owner(s) has/have caused the described real property to be surveyed, laid out and to be publicly known as: Hodges Subdivision a Public Purpose Subdivision, 5.361 acres.

Said owner(s) hereby acknowledge that all lienholders or encumbrances, if any, associated with the interests of this plot have been represented hereon.

Said owner(s) do subscribe hereunder this 20th day of September, 2022.  
Peter R. Hodges  
(Signature of Owner)

JANIKA D. HARRIS  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID #20074032761  
My Commission Expires August 27, 2023

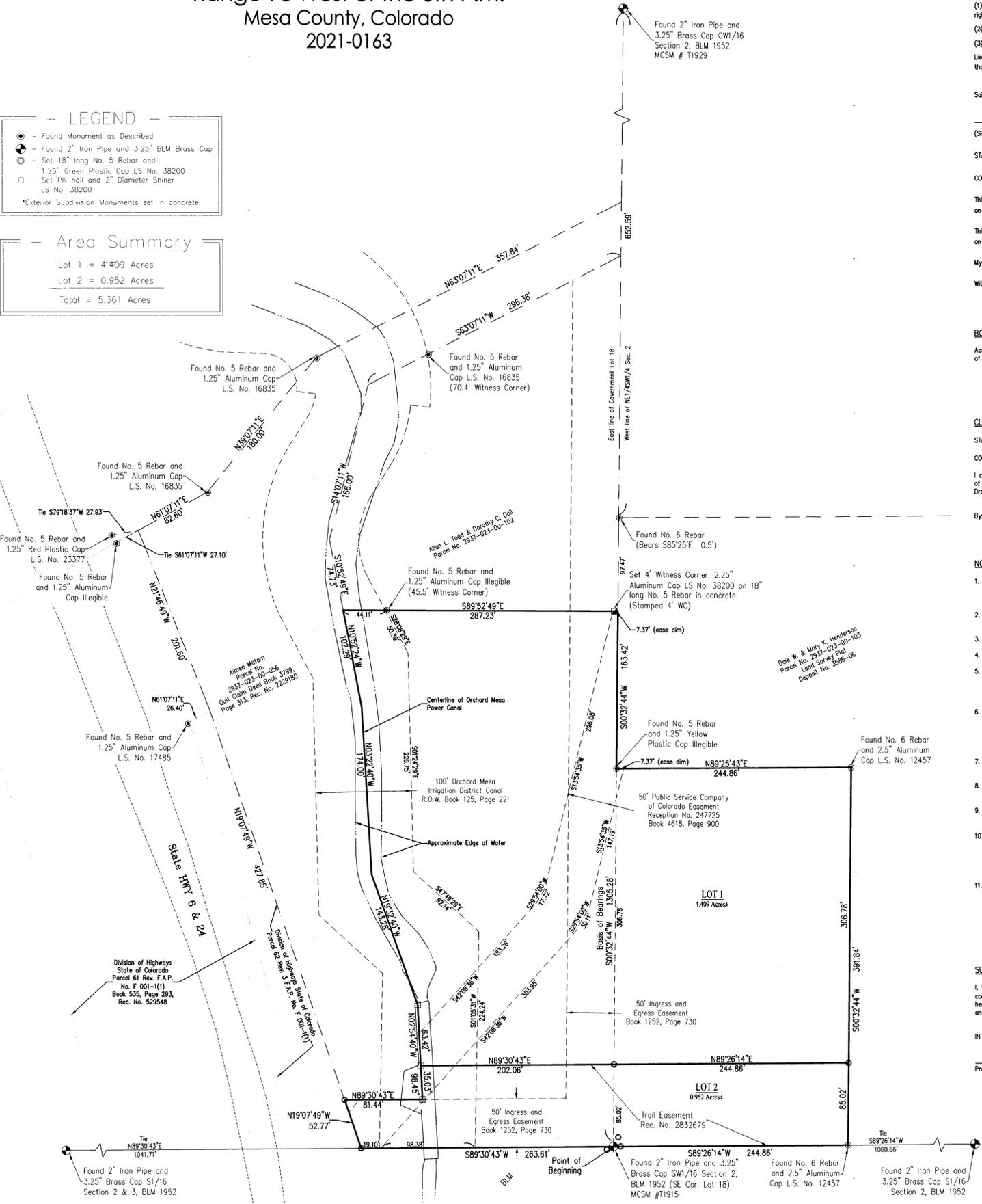
STATE OF COLORADO ) ss  
COUNTY OF MESA )  
This plot was acknowledged before me by Peter R. Hodges  
on this 20th day of September, 2022. My commission expires:  
Witness my hand and seal: Janika D. Harris

Said owner(s) do subscribe hereunder this 2nd day of December, 2022.  
V. R. Hodges  
(Signature of Owner)

JANIKA D. HARRIS  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID #20074032761  
My Commission Expires August 27, 2023

STATE OF COLORADO ) ss  
COUNTY OF MESA )  
This plot was acknowledged before me by V. R. Hodges  
on this 2nd day of December, 2022. My commission expires:  
Witness my hand and seal: Janika D. Harris

- PLAT NOTES:**
- Pursuant to C.R.S. §24-68-101 et seq. and Section 1.11 of the 2020 Mesa County Land Development Code, a site specific development plan has been approved by the Mesa County Planning Division Reception No. \_\_\_\_\_ and shall result in a vested right for a period of three years from the date that the required vesting notice is published.
  - Lot 2 of this subdivision is restricted for a public purpose which legally restricts the use of the public purpose lot to the proposed use in Planning File 2021-0163. The public purpose lot cannot be used for another use unless reviewed as a new use by the Planning Division and meets applicable County regulations.



**Lienholder's Ratification Statement**  
Lienholder hereby acknowledges as depicted and/or dedicated on this plat:  
(1) the existence and location of public rights-of-way, including any rights of maintenance and administration of rights-of-way;  
(2) the existence of individual lots and the location of lot lines;  
(3) and the zoning density proposed for this subdivision.  
Lienholder hereby agrees, in the event of partial foreclosure on its lien against the property depicted in this plat, that items (1) through (3) above and all rights incident thereto shall survive any such partial foreclosure.

Said Lienholder do subscribe hereunder this 24th day of April, 2022.  
Janika D. Harris  
(Signature of Lienholder)

JANIKA D. HARRIS  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID #20074032761  
My Commission Expires August 27, 2023

STATE OF COLORADO ) ss  
COUNTY OF MESA )  
This plot was acknowledged before me by Peter R. Hodges  
on this 20th day of September, 2022.

This plot was acknowledged before me by V. R. Hodges  
on this 2nd day of December, 2022.

My commission expires: August 27, 2023  
Witness my hand and seal: Janika D. Harris

JANIKA D. HARRIS  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID #20074032761  
My Commission Expires August 27, 2023

**BOARD OF COUNTY COMMISSIONER'S CERTIFICATE:**  
Accepted this 24th day of April, 2022 A.D. by the Board of County Commissioners of the County of Mesa, State of Colorado.

Jan Kaulbach  
Chairperson

**CLERK AND RECORDER'S CERTIFICATE**  
STATE OF COLORADO ) ss  
COUNTY OF MESA )

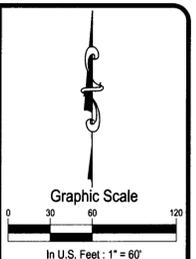
I certify that this instrument was filed in my office at 2:35 o'clock P.M. on the 26 day of April, 2022 A.D. and was recorded at Reception No. 3062436  
Drover No. H-3-10, Fees \$10.00 + \$3.00

By: Bobbie Swanson Clerk and Recorder  
Kathleen Swanson Deputy

- NOTES:**
- Basis of Bearings: Bearings shown hereon are based on a bearing of S00°32'44" W, between an 2" Iron Pipe and 3.25" Brass Cap, CWI/16 Section 2, BLM 1952 MCSM #11915, as shown hereon.
  - This map has been prepared pursuant to client request for a Subdivision Plat to create a Public Purpose Parcel.
  - Date of field survey: November 2020 and January 2022.
  - Units of linear measurements are displayed in US Survey Feet.
  - SGM is not responsible for any changes made to this document after it leaves our possession. Any copy, facsimile, etc., of this document must be compared to the original signed, sealed and dated document to insure the accuracy of the information shown on any such copy, and to insure that no such changes have been made.
  - Any subsurface utilities not shown, were not marked by appropriate utility companies at the time of this survey and therefore may not be shown hereon. Client/contractor must contact specific utility companies to verify both the location and depth of respective utilities. Additional surveying work may be required to show any such subsurface utility locations on this drawing. SGM will not be responsible for protection of subsurface utilities.
  - Property descriptions shown hereon are based on The Warranty Deed filed at Book 2329, page 459, Rec. No. 1800514 and the Land Survey Plat filed at Book 1, page 26, Rec. No. 95593.
  - Fences shown hereon, if any, have been shown for general reference and do not necessarily depict limits of ownership.
  - This survey is based on the Mesa County Local Coordinate System, zone "GVA" Grand Valley Area (MCLCS-GVA).
  - In addition to the documents listed in the provide Title Commitment referenced hereon, other documents used during the preparation of this Plat are as follows: The BLM Dependent Resurvey of Township 11 South, Range 98 West of the 6th P.M. of Section 2, Dated October, 30, 1953. The Colorado State Highway Department, Federal Aid Project No. F 001-1(1) with a revised date of January 26, 1950. Land Survey Plat Deposit No. 3586-06.
  - The property shown hereon is subject to all easements, rights-of-way, building setbacks or other restrictions of record, as such items may affect this property. This survey does not represent a title search by this surveyor to determine ownership or to discover easements or other encumbrances of record. All information pertaining to ownership, easement and other encumbrances of record has been taken from the title insurance commitment issued by Westcor Land Title Insurance Company, Commitment No. MS22003015-4(Amended), having an effective date of February 6, 2022.

**SURVEYOR'S CERTIFICATE:**  
I, Shawn Binion, a duly registered land surveyor in the State of Colorado, do hereby certify that this plot is a true, correct and complete plat of the "Hodges Subdivision a Public Purpose Subdivision" as laid out, plotted and shown hereon; that such plot was made from an accurate survey of said property by me and under my direct supervision and shows the location and dimensions of the lots of said subdivision.

IN WITNESS WHEREOF I have set my hand and seal this 12th day of August, A.D. 2022.  
Shawn Binion  
Professional Land Surveyor, PLS No. 38200



**SGM**  
118 West Sixth Street, Suite 200  
Glenwood Springs, CO 81601  
970.945.1004 www.sgm-inc.com

2021-0163  
Hodges Subdivision  
a Public Purpose Subdivision  
Mesa County, Colorado

Date	By	Revision
7/17/22	SB	1
7/27/22	SB	2
5/9/22	AS	3
6/3/22	AS	4
8/11/22	SB	5

Job No. 2020-401-01  
Drawn by: HS  
Date: 2/28/2022  
Approved: PLS: SB  
File: Pallade-Plunge-Special-Purpose-Plat

Situated in Lot 18 and NE1/4 SW1/4 Section 2, Township 11 South, Range 98 West of the 6th P.M.  
Title: Hodges Subdivision a Public Purpose Subdivision  
Sheet No. 1

21-02001-02026-401-Pallade-Plunge-Special-Purpose-Subdivision-Plat-Exhibit-A-2022-11-14-AM-By: Shawn Binion



## PALISADE BOARD OF TRUSTEES Agenda Item Cover Sheet

**Meeting Date:** May 23, 2023  
**Presented By:** Brian Rusche, Community Development Director  
**Department:** Community Development  
**Re:** Electric Vehicle Charging Stations Grant

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**SUBJECT:** RESOLUTION 2023-10 SUPPORTING A COORDINATED GRANT APPLICATION WITH MESA COUNTY FOR ELECTRIC VEHICLE CHARGING AND FUELING INFRASTRUCTURE AND APPROVING A MEMORANDUM OF AGREEMENT

**SUMMARY:** Mesa County is applying for a grant from the US Department of Transportation under the Charging and Fueling Infrastructure Discretionary Grant Program. The goal of this program is to facilitate broad public access to a national charging and alternative fuel infrastructure network.

According to the Palisade Game Plan, “Palisade is bordered on the north side by I-70, a central interstate corridor connecting the east and west coasts” (page 116). Palisade has been identified as a key stop along I-70 for those that own electric vehicles, especially given our location adjacent to De Beque Canyon, and the additional charging stations will likely bring additional revenue to the Town from purchases made during a recharging stop.

The Town of Palisade currently has two (2) electric vehicle (EV) charging stations owned by the Town. These were acquired through a grant and installed in 2015. Staff has identified four (4) locations throughout Town as opportunities for EV charging stations (see attached map).

A partnership with Mesa County would allow for the acquisition of current technology for EV charging stations, at a reduced cost (80% federal and 20% local). Mesa County is consulting with Schneider Electric who, based on the identified locations and potential demand, has identified four (4) Level-2 Dual Port chargers at 9.6kW and five (5) Level-3 (DCFC) Dual Port chargers at 180kW for placement in Palisade. This will allow a total of 18 vehicles to charge simultaneously, compared to the 1 vehicle that can do so now.

The total projected cost of the project is \$12.9 million, requiring a 20% local share of \$2.6 million. Palisade’s share is \$428,402, or 3.3% of the total project. The actual amount necessary for the project will depend on the grant award and the procurement of the equipment. It is anticipated that an Xcel Energy infrastructure allowance would reduce the costs below this amount. This project would need to be included in the 2024 budget or supplemental appropriation, depending on the timing of the grant award.

Mesa County will act as the procurement and fiscal agent, with representation of Palisade on the technical team advising the Project Manager.

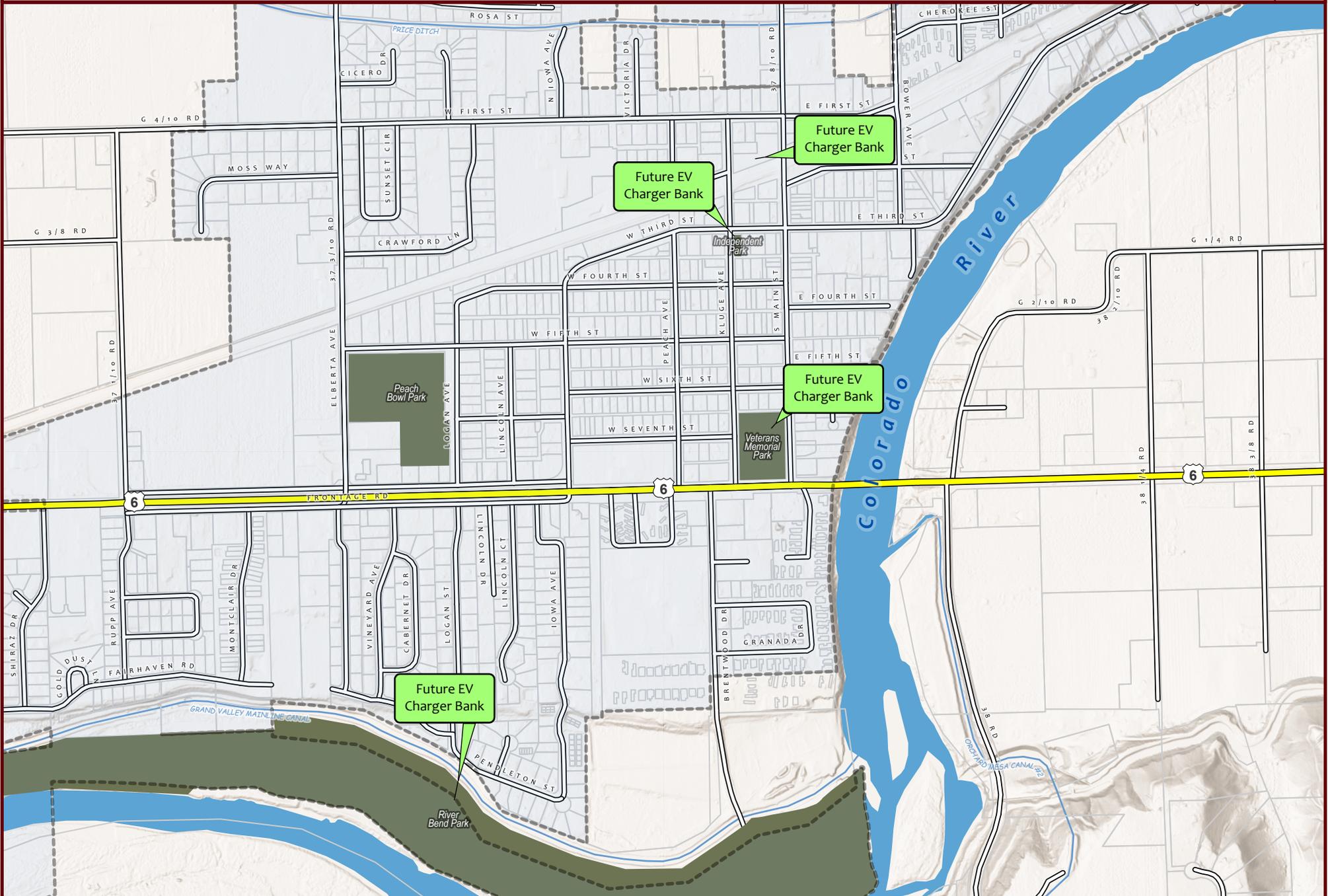
**PALISADE GAME PLAN REFERENCE:**

Chapter 5 – Transportation (page 116)

- Strategy 5.4A – Continue exploring and identifying available federal and state funding to construct and maintain future multi-modal transportation networks (page 132)

**BOARD DIRECTION:** Adopt Resolution 2023-10.

# Future EV Charging in Palisade



 Town of Palisade  
 Parks



**TOWN OF PALISADE, COLORADO  
RESOLUTION NO. 2023-10**

**A RESOLUTION OF THE BOARD OF TRUSTEES FOR THE TOWN OF  
PALISADE, COLORADO SUPPORTING A COORDINATED GRANT  
APPLICATION WITH MESA COUNTY FOR ELECTRIC VEHICLE  
CHARGING AND FUELING INFRASTRUCTURE AND APPROVING A  
MEMORANDUM OF AGREEMENT**

**WHEREAS**, Mesa County, Colorado, a political subdivision of the State of Colorado (hereinafter referred to as County), is applying for a Charging and Fueling Infrastructure Discretionary Grant from the U.S. Department of Transportation; and

**WHEREAS**, both the County and the Town of Palisade have an interest in strategically deploying electric vehicle (EV) charging infrastructure located on public roads or in other publicly accessible locations. Both parties recognize that cooperative planning and spending can maximize the community's resources that are available for these improvements; and

**WHEREAS**, if the Grant is awarded, the Town of Palisade will provide staff support to a technical team that will report to the Mesa County Facilities Department (the Project Manager) and will provide the matching funds required by the grant in an amount not to exceed \$428,402; and

**WHEREAS**, the Town of Palisade, through its participation in this coordinated grant, will receive four (4) Level-2 Dual Port chargers and five (5) Level-3 Dual Port chargers and associated infrastructure, the final location and construction of which will be determined through the administration and procurement terms of the grant, with the County acting at the fiscal agent; and

**WHEREAS**, the Board of Trustees of the Town of Palisade supports the Grant application and approves of the Memorandum of Agreement and Palisade's contribution of its share of matching funds.

**NOW THEREFORE, BE IT RESOLVED THAT THE BOARD OF TRUSTEES  
FOR THE TOWN OF PALISADE, COLORADO THAT:**

Section 1: The foregoing recitals are incorporated herein as if set forth in full.

Section 2: The Board of Trustees hereby approves the Memorandum of Agreement for the Grant attached hereto as Exhibit A and incorporated herein by this reference.

**RESOLVED, APPROVED, and ADOPTED this 23<sup>rd</sup> day of May, 2023.**

TOWN OF PALISADE, COLORADO

\_\_\_\_\_  
Greg Mikolai, Mayor

ATTEST:

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Keli Frasier, Town Clerk

**MEMORANDUM OF AGREEMENT  
BETWEEN TOWN OF PALISADE  
AND COUNTY OF MESA, COLORADO**

**FY 2023 U.S. DEPARTMENT OF TRANSPORTATION CHARGING AND FUELING  
INFRASTRUCTURE DISCRETIONARY GRANT**

The parties to this Memorandum of Agreement ("AGREEMENT") are Mesa County, Colorado, a political subdivision of the State of Colorado, acting through the Board of County Commissioners of Mesa County, Colorado (hereinafter referred to as COUNTY) and the Town of Palisade, Colorado, a Colorado Municipality, acting through the Board of Trustees of the Town of Palisade, Colorado; (hereinafter collectively referred to as MUNICIPALITY).

**WHEREAS**, the COUNTY and MUNICIPALITY find that the performance of this AGREEMENT is in the best interest of all parties and that the undertaking will benefit the public; and

**WHEREAS**, this AGREEMENT is only in effect if funds for the FY 2023 Charging and Fueling Infrastructure Grant are awarded; and

**WHEREAS**, the COUNTY has agreed to serve as the fiscal agent for the FY 2023 Charging and Fueling Infrastructure Grant.

**NOW THEREFORE**, the COUNTY and MUNICIPALITY agree as follows:

I. Introduction

Both the COUNTY and MUNICIPALITY ("PARTIES") have an interest in strategically deploying electric vehicle (EV) charging infrastructure located on public roads or in other publicly assessable locations. The PARTIES recognize that cooperative planning and spending can maximize the community's resources that are available for improvements and strive to partner on the FY 2023 Charging and Fueling Infrastructure (CFI) Grant (Grant).

II. Purpose

The purpose of this AGREEMENT is to establish the lines of communications and responsibility for the various work items necessary to complete the Grant. This AGREEMENT also establishes the intention of the MUNICIPALITY to provide matching funds for the Grant if awarded.

The Grant will accelerate an electrified and alternative fuel transportation system that is convenient, affordable, reliable, equitable, accessible and

safe. It will also help put the U.S. on a path to a nationwide network of at least 500,000 EV chargers by 2030.

The goals of the CFI Program are to:

- 1) supplement, not supplant, necessary private sector investment;
- 2) complement existing Federal programs;
- 3) facilitate broad public access to a national charging and alternative fuel infrastructure network to accelerate adoption of zero emissions vehicles;
- 4) implement Justice403 objectives, lower transportation costs, and increase economic opportunity;
- 5) advance job quality, workforce development, and workforce equity; and
- 6) reduce greenhouse gas and vehicle-related emissions.

If the Grant is awarded, the agreement is in effect until the completion of the Grant.

### III. Procedure

- A) If the Grant is awarded, the PARTIES will include funds in their 2023/2024 budget for the local match of the Grant as shown below:

#### **Project Budget**

	Financial Contribution	% of Total Project Cost
<b>Federal Share</b>	<b>\$10,345,153.00</b>	<b>80%</b>
<b>Local Match</b>	<b>\$2,586,288.00</b>	<b>20%</b>
Mesa County	\$2,157,886.00	83%
Town of Palisade	\$428,402.00	17%
<b>Total Project Cost</b>	<b>\$12,931,441</b>	<b>100%</b>

- B) The PARTIES agree that the spirit of this Agreement is for all PARTIES to continue funding the Project until it is completed. However, all expenditures of funds by any of the PARTIES are subject to annual appropriations pursuant to Colorado law.
- C) The PARTIES will co-manage the Grant. A Technical Team will consist of staff designated respectively by the PARTIES and other community stakeholders. The Project Manager for the Grant will be the COUNTY Facilities Department. The PARTIES will perform their respective public relations coordinated through the Project Manager.
- D) Payments to the vendor(s) selected will be through the COUNTY Facilities Department.

#### IV. Administration

- A) Nothing in this AGREEMENT will be construed as limiting or affecting in any way the authority or legal responsibility of the COUNTY and/or the MUNICIPALITIES, or as binding either Party to perform beyond the respective authority of each, or as requiring either Party to assume or expend any sum in the excess of appropriations available.
- B) This AGREEMENT shall become effective when signed by the PARTIES hereto. The PARTIES may amend the AGREEMENT by mutual written attachment as the need arises. Any Party may terminate this AGREEMENT after 30 days' notice in writing to the Project Manager with the intention to do so and fulfillment of all outstanding legal and financial obligations.
- C) This AGREEMENT creates no rights to any third party.
- D) The COUNTY will advertise, receive proposals, and will award necessary work upon recommendation of the Technical Team. The COUNTY shall include all the terms and conditions regarding bonding, insurance, and indemnification provisions as part of the COUNTY'S contract with the selected consultant.
- E) The person signing this AGREEMENT hereby warrants that he or she has the legal authority to execute this AGREEMENT on behalf of his or her respected Party, and that such binding authority has been granted by proper order, resolution, ordinance, or other authorization of the entity.

**IN WITNESS WHEREOF**, the following authorized representatives have caused this document to be executed as of the date of the last signature shown below.

MESA COUNTY

\_\_\_\_\_  
Janet Rowland, Chair  
Mesa County Board of Commissioners

\_\_\_\_\_  
ATTEST: Bobbie Gross, Clerk & Recorder  
Date: \_\_\_\_\_

TOWN OF PALISADE

\_\_\_\_\_  
Greg Mikolai, Mayor  
Palisade Board of Trustees

\_\_\_\_\_  
ATTEST: Keli Fraiser, Town Clerk  
Date: \_\_\_\_\_



## Board of Trustees Work Session Packet

### Sewer Consolidation to Clifton

May 23, 2023

#### Outline:

1. *Presenter: Attorney Jim Neu* - The Town needs to take action in improving the sewer lagoons to meet CDPHE 2027 water quality standards.
2. *Presenter: Engineer Bret Guillory* - Hired to prepare the PER, the Preliminary Engineering Study that concluded consolidation to Clifton Sanitation District best option. Study does show route and alignment of pipe.
3. *Presenter: Manager Janet Hawkinson* - Grant/Loan funding provided by USDA with 2.25% interest – extremely low, usually 4% interest. USDA process takes over 1 year to complete application. Letter of Conditions given to town January 2023. Board accepted.
4. *Presenter: Ty Leydig, RCAC Regional Field Manager & Greg Mueller, Finance Director* - *Sewer Rate Study* to pay loan and on-going maintenance of wastewater treatment and distribution.

*\*the last time TOP increased sewer rates was 2012 to \$35.37. If Town would have increased rates yearly with average inflation at 2.59%, the base rates would be \$46.86 today. Fruita base rates are \$51.00 today. The proposed sewer rate increase with this project is \$45.25 first year.*

#### 5. Next Steps

- accept rate increase and complete USDA loan contract
- sign USDA owner/ engineer contract
- sign legal contract for local attorney and bond counsel for easements

\*packet material organized per above outline.



## Palisade Wastewater Consolidation to Clifton Sanitation Project

### Project Timeline:

1. Fall 2020 – Spring 2021: Town works with Clifton Sanitation District on IGA. Signed May 5, 2021 for project and future wastewater treatment services.
2. January – May 2020: Town hired JUB Engineering for sewer study – options and costs for alternatives for wastewater treatment to be in compliance with new CDPHE water quality standards for 2027
3. Spring 2020: Town decides on consolidation to Clifton. Research financial options for the \$24m project.
4. Spring 2021: Town starts to apply for USDA Grant/Loan program
5. Summer 2021: Hired JUB Engineering to perform preliminary engineering report for consolidation to Clifton – multi month project and part of the USDA application
6. Spring 2021 – January 2023 – town completes USDA application and accepts letter of conditions from USDA loan/grant – year long process
7. April 2023: RCAC completes sewer rate study with USDA loan/grant amount – this under USDA application – need to determine new rates
8. May 2023: Board review rates
  - Board action to agree/or disagree to move forward with consolidation project and rate increase
9. June 2023:
  - continue with USDA loan process – up to 6 months
  - hire land acquisition attorney
  - sign engineering design contract
  - begin sewer rate increase to users for fall 2023

## **Agenda Item 1:**

### Town of Palisade - Wastewater Facility Consolidation to Clifton Regional Treatment Plant

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#### *Current and Pending Regulations that Require Palisade Wastewater Treatment Plant Lagoons to come in compliance with new regulations by 2027:*

- The existing Town of Palisade WWTP lagoon system influents has routinely exceeded the permit limits for BOD5, and effluent limits are periodically exceeded as well based on CDPHE reports. This has occurred over the past 10 years and longer. The Town is currently operating under an administratively extended permit with CDPHE.
- Violations and fines can be given to the Town for not updating lagoons to meet current discharge requirements. Many various ways to try and meet discharge, with consolidation to Clifton being best for long term compliance and cost. (see report done in 2020 by town)
- The Town's lagoon system is not capable of meeting current permit limits for ammonia without some other form of treatment. The town currently has a diffuser that allows dilution of the lagoon effluent with the Colorado River. It is not minimizing ammonia, phosphorus, nitrogen, chlorophyll discharge into the river.
- CDPHE Water Quality Control Division (WQCD) Colorado Nutrient Management Plan and 10-year water quality roadmap were developed in 2017 with a goal to reduce point and nonpoint sources of nutrients based on EPA guidance memos. This is Regulation 31.
- CDPHE is currently evaluating how nutrient limits will be incorporated in Regulation 31 to meet projected water quality standards. CDPHE is also considering an implementation schedule for Reg 31 that is currently planned for 2027.
- Regulation 37 which deals with implementation of effluent limits for specific river basins, the Colorado River basin in this case, identifies Basin Hearings be held at scheduled intervals to evaluate effluent limits within the basin. The Colorado Basin Hearing is to be held in two years. It is anticipated that effluent limits within the basin will be more stringent than current limits because of this hearing.
- New nutrient effluent criteria are anticipated to be restrictive beyond the abilities of a typical wastewater lagoon system to meet water quality-based effluent limitations of Regs 85 and 31.
- Palisade WWTP discharge is in the part of the Colorado River that is listed as an endangered fish habitat that places compliance at a higher level within the EPA and CDPHE.

## **Agenda Item 2:**

### **Alternatives to Address Upcoming Regulations**

- A sewer study was completed in 2020 examining available alternatives to bring the plant into compliance and meet increasingly stringent nutrient requirements, including constructing a new WWTP and consolidation with Clifton Sanitation District.
- The sewer study found that based on a 50 year present value of the improvements it was more economical (over 60% savings) over the long run to construct a sewer line conveying wastewater to the nearby Clifton Sanitation District than to construct and maintain a new WWTP.
- Staff need to be certified to operate lagoons and WWTP. It is more and more difficult to hire and keep qualified staff and keep them up to date on training and certifications. Consolidation assists with this problem.
- The Town has pursued a grant/loan through USDA RD. This process is in the final phase of approval with a letter of conditions issued by USDA RD.

**Agenda Item 3:**

- The Current grant/loan is:

Grant: \$5,650,000

Loan: \$16,495,000

Town: \$2,068,000 out of sewer fund.

\*This payment can be paid with other grant funding if it can be obtained.

\*The loan cannot be lowered – it is based on median income for the town 2010 census data (median income 2010 \$46,667).

This is USDA process, and the loan amount cannot be changed or lowered with any other grant funding.

USDA loan calculations determine what a household and business can afford a month. Loan is 2.83% interest over 40 years.

**Agenda Item 4:**

**Professional Rate Study of Consolidation Project Costs Impact**

- Under USDA loan program, RCAC performed rate study that the town would need to use to pay the loan and operate distribution.
- RCAC was paid by a grant from USDA
- This was a 2 year study.
- Rate study includes: capital improvement projects, inflation, sewer line & lift station replacement, inflation, and staffing – for detailed information see summary report in appendix.
  
- The current town sewer fee is:
  - A monthly flat rate & tiered structure – this means users do not pay for what they create
  
  - Base residential rate Palisade 2023:                   \$35.37 a month
  - Compare to Fruita base sewer rate 2023:           \$51.00 a month
  
- New sewer rate with connection to Clifton project – rates change to a EQU structure. This means users pay for what they create in volume:
  - New base residential rate at EQU:           \$45.25 a month 9/2023
  - Increase rates over 5 years:                   \$55.00 a month in 2027
  - Commercial pays for what they are using – EQU - instead of current base rate that is subsidized by residential.

**Example of Commercial Flat Rate vs EQU Rate :**

Existing flat base rate: Palisade High School – 2023 sewer rate: \$46.24

New EQU rate: Palisade High School – EQU sewer rate:     +/- \$1,000

Palisade High School 2023 Water Rate: +/- \$1,000

**Agenda Item 5:**

- To keep USDA loan/grant and move project forward, Board of Trustees needs to take the following actions:
  - increase sewer rates over 5 years with annual increases to pay  
USDA loan and future distribution improvements.
  - Sign engineering contract to start project design.
  - Sign contracts for legal easement acquisition.
  - Complete USDA Loan/Grant

## **Appendix: Supporting Materials for Each Agenda Item**

1. CDPHE 2027 Water Quality Standards
2. Engineer Report and CDPHE Historic Permits
  - PER – Preliminary Engineering Study is a large document and a copy can be obtained in the office
  - Past reports from CDPHE of water quality violations dating back to 2014 – (attached are just a few samples)
3. Letter of Conditions USDA  
(first 3 pages – 23 pages total - full copy upon request)
4. Rates:
  - Town Rate Structure from 2005 – 2023 for sewer & water
  - RCAC full sewer rate study with 3 options
  - Palisade High School Water & Sewer Monthly Rates



# 10-Year Water Quality Roadmap

## Overview

Excess nutrients can degrade the quality of our drinking water, impair recreational boating and fishing experiences, and harm fish and aquatic species. Colorado has been directed by the EPA and the commission to adopt nutrient criteria to protect our streams and lakes. In October 2017, we established a water quality roadmap that outlines our strategy for developing nutrient criteria and other water quality priorities over 10 years from 2017 to 2027.

### Focus areas

#### Criteria Development:

The Water Quality Control Commission plans to adopt water quality criteria for nutrients (nitrogen, phosphorus, and chlorophyll *a*), cadmium, temperature, arsenic, ammonia, and selenium during rulemaking hearings through 2027

#### Evidence Development:

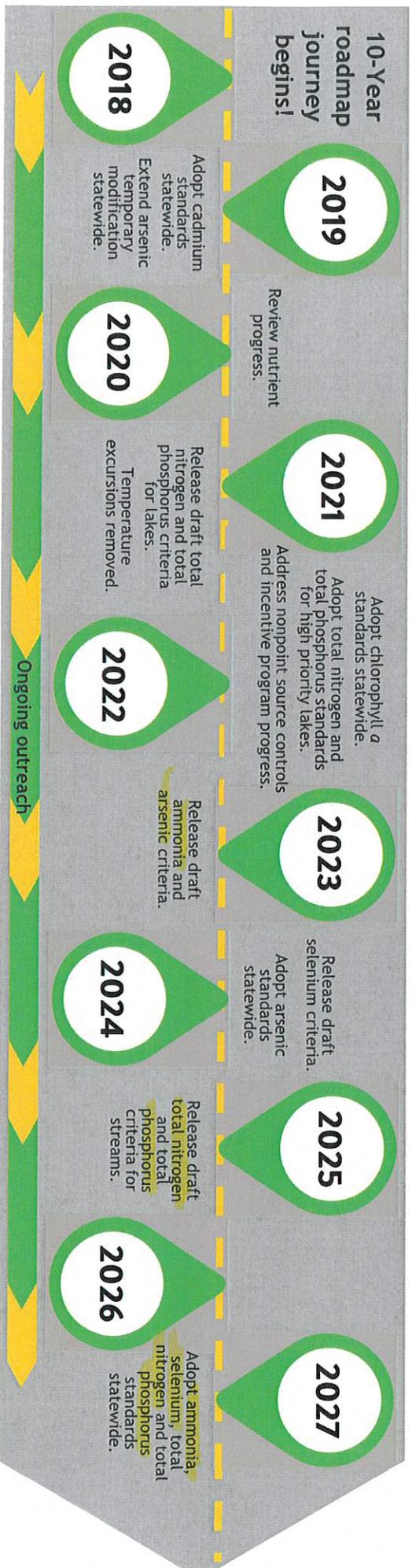
The Water Quality Control Division and stakeholders will undertake technical work and develop scientific evidence needed to support adoption of water quality criteria by the commission.

#### Criteria Implementation:

The water quality criteria adopted by the commission are implemented as water quality standards in the river basins statewide (Regulations 32-38). The standards are translated into permits that allow the discharge of acceptable levels of pollutants. Sometimes permit limits result in water treatment being needed to address permit requirements. Nonpoint sources, like agricultural runoff, can also release nutrients, so we will consider how to decrease nutrients in waterways from nonpoint sources as well.

#### Outreach:

There are several ways stakeholders can participate in shaping the efforts that will happen over 10 years from 2017 to 2027.



CDPHE\_nutrients@state.co.us



www.colorado.gov/cdphe/WQ-10-Year-Roadmap



# 10-Year Water Quality Roadmap

## Overview

### Rulemaking hearings

#### 2019: Regulations 31-38

- Cadmium standards adopted statewide.

#### 2021: Regulations 31-38

- Delete temperature excursions.

#### 2022: Regulations 31-38 & 85

- Chlorophyll *a* standards adopted statewide.
- Total nitrogen and total phosphorus standards adopted for lakes above dischargers, lakes with swim beaches, and lakes that are classified as direct use water supply.
- Address nonpoint source controls for nutrients.

#### 2024: Regulations 31-38

- Arsenic standards adopted statewide.

#### 2027: Regulations 31-38

- Ammonia and selenium standards adopted statewide.
- Total nitrogen and total phosphorus standards adopted for remaining waters statewide.

### Criteria Development

The commission adopts water quality criteria during rulemaking hearings. Over 10 years from 2017 to 2027, the commission plans to adopt these criteria into multiple regulations at the same time. Statewide criteria are adopted in Regulation 31 and implemented into river basins in Regulations 32 to 38.

### Evidence Development

We will work with stakeholders to evaluate federal criteria, examine appropriate data, and ultimately, draft appropriate criteria to protect Colorado's waters. We plan to release draft criteria as quickly as possible to allow the regulated community time to consider impacts of implementation on their facilities. The following are the major evidence development milestones through 2027:

- 2019 - Draft cadmium criteria.
- 2021 - Draft total nitrogen and total phosphorus criteria for lakes.
- 2023 - Draft ammonia and arsenic criteria.
- 2024 - Draft selenium criteria.
- 2025 - Draft total nitrogen and total phosphorus criteria for streams.

### Criteria Implementation

Water quality treatment to address discharge permit conditions for nutrients, ammonia, temperature, arsenic, and selenium can be challenging from both a technological and financial perspective. Over 10 years, we will develop information on the technological and financial feasibility of meeting the new water quality criteria. Additionally, we plan to examine what information would be required to modify the statewide standards on a site-specific basis.

### Work Group Efforts and Outreach

We are committed to an extensive stakeholder process throughout the 10-year water quality roadmap.

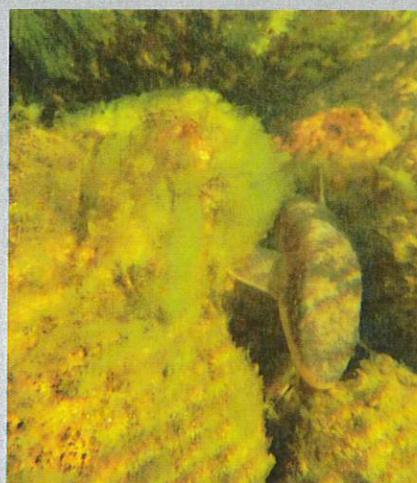
- Quarterly roadmap work group meeting information is available on our website: [www.colorado.gov/cdphe/WQ-10-Year-Roadmap](http://www.colorado.gov/cdphe/WQ-10-Year-Roadmap)
- Technical advisory committees will target members representing the EPA, Colorado Parks and Wildlife, non-profit organizations, academia, and industry while ensuring that all regions of the state are included.
- Annual updates on roadmap progress will be given to the commission and Colorado's Water Quality Forum.





# 10-Year Water Quality Roadmap

## Stream Nutrients Fact Sheet



### What are Nitrogen and Phosphorus?

Nitrogen and phosphorus are essential nutrients in stream ecosystems and are necessary for the growth of algae and aquatic plants that provide food and habitat for fish and smaller aquatic organisms. High levels of nutrients in streams can cause excessive growth of algae and aquatic plants. Aquatic plant overgrowth, including floating algae (phytoplankton) and attached benthic algae (periphyton), can be harmful to fish and other aquatic organisms by altering stream habitat, disrupting food sources, reducing dissolved oxygen in the water after the plants die, and can interfere with recreation including fishing, swimming, and boating.

Chlorophyll *a* is a common measure of algal biomass and productivity and is used to evaluate the stream's algal response to nitrogen and phosphorus.

### Current Criteria

Nutrient criteria for rivers and streams adopted in Regulation 31 in 2012 were developed to protect aquatic life. Total phosphorus (TP) and total nitrogen (TN) criteria were based on a stressor-response relationship derived from the response of the macroinvertebrate community to nutrient concentrations. Additionally, technology-based standards were adopted in Regulation 85.

Chlorophyll *a* criteria were adopted for protection of the recreational use in rivers and streams. The numeric criteria for chlorophyll *a* of 150 mg/m<sup>2</sup> represents a "nuisance threshold", below which recreation remains desirable in streams. Although the chlorophyll *a* standard will not be implemented in discharge permits, the standard will be used to assess nutrient impairment and determine the need for a total maximum daily load (TMDL) to reduce nutrient loading.

Since 2012, phosphorus and chlorophyll *a* standards have been adopted statewide to protect headwaters above most dischargers. Stream nitrogen standards have not yet been applied.

Numeric criteria for total phosphorus, total nitrogen, and chlorophyll *a* for rivers and streams. See Regulation 31.17.

Parameter	Cold Streams	Warm Streams
<b>Total Phosphorus</b>	110 µg/L <sup>(1)</sup>	170 µg/L <sup>(1)</sup>
<b>Total Nitrogen</b>	1,250 µg/L <sup>(1)</sup>	2,010 µg/L <sup>(1)</sup>
<b>Chlorophyll <i>a</i></b>	150 mg/m <sup>2(2)</sup>	150 mg/m <sup>2(2)</sup>

<sup>(1)</sup>Criteria frequency: annual median, not to be exceeded more than once in five years.

<sup>(2)</sup>Summer (July 1 - September 30) maximum attached algae, not to exceed.



# 10-Year Water Quality Roadmap

## Ammonia Fact Sheet



Comparison of 1999 and 2013 EPA recommended ammonia criteria, expressed as total ammonia nitrogen (mg TAN/L).

Criterion Duration	1999 Criteria	2013 Criteria
(mg TAN/L at pH 7 and 20° C)		
<b>Acute</b> (1-hour average)	<b>24</b>	<b>17</b>
<b>Chronic</b> (30-day rolling average)	<b>4.5*</b>	<b>1.9*</b>

\*Not to exceed 2.5 times chronic criterion magnitude or 4.8 mg TAN/L (at pH 7, 20°C) as a 4-day average within the 30-day period.

### OUTREACH

As part of the 10-year water quality roadmap, the division is committed to an extensive and transparent stakeholder process. A technical advisory committee representing a wide variety of stakeholder perspectives will be formed to participate in criteria development. Updates regarding ammonia criteria revision efforts will be provided at the quarterly roadmap workgroup meetings.

### More Information:

[www.colorado.gov/cdphe/WQ-10-Year-Roadmap](http://www.colorado.gov/cdphe/WQ-10-Year-Roadmap)

### What is Ammonia?

Ammonia is a form of inorganic nitrogen. Unionized ammonia ( $\text{NH}_3$ ) and ionized ammonium ( $\text{NH}_4$ ) together form total ammonia.  $\text{NH}_3$  is directly toxic to fish and other organisms in the aquatic environment.  $\text{NH}_4$  is less toxic to aquatic life as compared to  $\text{NH}_3$ , but as the pH and temperature of the water increase, the fraction of unionized ammonia increases. Two common ways ammonia enters waterbodies is through direct discharges from municipal wastewater treatment plants and runoff that carries fertilizers and animal wastes from agricultural and urban lands.

### Current Criteria

Colorado's current ammonia standards were adopted by the Water Quality Control Commission in 2005 to protect aquatic organisms from immediate effects of ammonia pollution, including mortality (acute), and longer term effects on reproduction, growth, and survival (chronic). The standards are based on EPA's 1999 recommended criteria. At the time, salmonids and early life stages of fish were thought to be the most sensitive aquatic organisms to ammonia. New toxicity studies show that mussels and snails are more sensitive to ammonia. Preliminary reports indicate that ammonia-sensitive mussels and snails inhabit Colorado waterways and protective criteria are needed.

### Revising Criteria

In 2013 EPA updated its recommended ammonia criteria to reflect freshwater mussel and snail sensitivity to ammonia. The new criteria are more stringent than Colorado's current standards. Ammonia standards are implemented in discharge permits, and the new criteria would result in lower levels of ammonia allowed to be discharged into Colorado waterways from permitted point sources.

### Implementing Criteria

With a more defined roll-out of standards through 2027, the division expects that stakeholders will use this time to plan and develop strategies that can be implemented without delay once the standards become effective. Although improving ammonia treatment at wastewater treatment plants requires planning and can be expensive, the division is developing resources to help facilities better understand ammonia treatment technologies and guidance on the regulatory options for facilities unable to meet the new limits.

The division is also updating criteria for nutrients, selenium, arsenic, and cadmium as part of the 10-year roadmap. The longer planning horizon recognizes confounding treatment challenges of other roadmap parameters and the need for adequate time to address complex criteria development and involvement by stakeholders.

### TIMELINE





# 10-Year Water Quality Roadmap

## Stream Nutrients Fact Sheet



### Revising Criteria

There are concerns that Colorado's current stream nutrients criteria are not sufficiently protective. The development of nutrient criteria for streams using algal community responses has become increasingly common, and a multi-assemblage approach (algae, macroinvertebrates, and fish) has been encouraged by EPA. Using the algal assemblage approach will include developing a relationship between TN and TP concentrations and the response of the algal community using quantifiable and relevant ecological endpoints such as diversity, abundance, and biomass. Efforts are currently underway to evaluate the suitability of existing algal datasets and fill data gaps where needed to ensure a robust dataset is used to develop nutrient standards.

While it is not expected that the chlorophyll *a* criteria will be revised prior to 2022, the division will review the information upon which these values were based, and may propose revisions if warranted.

### Implementing Criteria

With a more defined roll-out of standards through 2027, the division expects that stakeholders will use this time to plan and develop strategies that can be implemented without delay once the standards become effective. The division is developing resources to help facilities better understand nutrient removal technologies and guidance on the regulatory options for facilities unable to meet the new limits.

The division is also updating criteria for ammonia, lake nutrients, selenium, arsenic, and cadmium as part of the 10-year roadmap. The longer planning horizon recognizes confounding treatment challenges of other roadmap parameters and the need for adequate time to address complex criteria development and involvement by stakeholders.



### OUTREACH

As part of the 10-year water quality roadmap, the division is committed to an extensive and transparent stakeholder process. A technical advisory committee representing a wide variety of stakeholder perspectives will be formed to participate in criteria development. Updates regarding stream nutrient criteria revision efforts will be provided at the quarterly roadmap workgroup meetings.

### TIMELINE

**2022**

Adopt chlorophyll *a* standards for the remaining waters statewide

**2024**

Form stream nutrients technical advisory committee

**2025**

Release draft stream nutrients criteria

**2027**

Rulemaking hearing to adopt stream nutrients, ammonia, and selenium criteria

# STATE OF COLORADO

John W. Hickenlooper, Governor  
Larry Wolk, MD, MSPH  
Executive Director and Chief Medical Officer

Dedicated to protecting and improving the health and environment of the people of Colorado

4300 Cherry Creek Dr. S.  
Denver, Colorado 80246-1530  
Phone (303) 692-2000  
Located in Glendale, Colorado  
[www.colorado.gov/cdphe](http://www.colorado.gov/cdphe)



Colorado Department  
of Public Health  
and Environment

CDPS Number CO0000012  
Town of Palisade  
Frank Watt  
PO Box 128  
Palisade, CO 81526

March 5, 2014

**RE: COMPLIANCE ADVISORY – REPORTED EFFLUENT VIOLATION PALISADE WWTF,  
CO0000012**

Dear Sir or Madam:

The Town of Palisade is subject to the Colorado Discharge Permit System, Permit No. CO0000012 (the “Permit”). The Permit authorizes the Town of Palisade to discharge treated wastewater subject to the specific effluent limitations and other conditions of the Permit. Section 61.8, 5 CCR 1002-61, requires a permittee to comply with all of the terms and conditions of the permit.

The self-monitoring data provided on the Discharge Monitoring Report(s) for the above-referenced facility indicates noncompliance with the discharge permit condition(s) as indicated in the attached Effluent Violation Report.

It is imperative that the necessary steps be taken to maintain compliance with permit conditions at all times. **Within fourteen (14) days from the date of this letter**, please submit to the Water Quality Control Division a written response explaining the cause of the non-compliance and outlining the actions and measures you have taken or will be taking to abate the non-compliance.

This Compliance Advisory is intended to advise you of alleged violations of the Colorado Water Quality Control Act, its implementing regulations and permits so that appropriate steps can be taken to avoid or mitigate formal enforcement action or to correct our records (if applicable). This Compliance Advisory does not constitute a Notice of Violation or Cease and Desist Order and is not subject to appeal. The issuance of this Compliance Advisory does not limit or preclude the Division from pursuing its enforcement options concerning the above violation(s). The Division will evaluate the facts associated with the above-described violation(s) and if a formal enforcement action is deemed necessary, you may be issued a Notice of Violation / Cease and Desist Order that may include the assessment of penalties. To ensure that all pertinent information is available for our evaluation, and incorporated into the administrative record for this matter, you are encouraged to respond and provide any additional information which you feel should be considered by the Division. Any information that you wish to provide should reach this office by no later than fourteen (14) days from the date of this letter. We appreciate your cooperation and timely action on this matter.

Frank Watt, PW Dir  
Town of Palisade, CO0000012  
March 5, 2014  
Page 2

Please address all correspondence to the following address:

Colorado Department of Public Health and Environment  
WQCD-B2-CWE  
ATTN: Aly Moores  
4300 Cherry Creek Drive South  
Denver, Colorado 80246-1530

If you have any questions regarding this matter, please contact me at 303-692-3163 or [alysia.moores@state.co.us](mailto:alysia.moores@state.co.us)

Regards,

A handwritten signature in blue ink that reads "Aly Moores". The signature is written in a cursive, flowing style.

Aly Moores  
Enforcement Specialist  
Clean Water Compliance & Enforcement  
Water Quality Control Division

cc: MS-3 Electronic File

Enclosure: Effluent Violation Summary

Report #: CAEVRBX003  
 Created Date: 2/10/11  
 Approved By:

Colorado Department of Public Health and Environment  
 Water Quality Control Division  
**Effluent Violations Report**

Date of Report: 2/24/14

\*\*\* Query Name: DMR Violations \*\*\*

Major/Minor (Enter "Major" or "Minor") (Enter \* to select all) Major;  
 Minor  
 Parameter Description: (Optional)  
 Parameter Code: (Optional)  
 NPDES ID: (Optional) CO0000001; CO0000012; CO0020150;  
 CO0020311; CO0021075; CO0021121; CO0021156; CO0021571;  
 CO0021695; CO0039691; CO0040835; CO0046124; CO0046795;  
 CO0048135  
 Matching NPDES ID (CO%): (Optional) CO%  
 Enter Monitoring Period End Date(End): 12/31/2013  
 Enter Monitoring Period End Date(Start): 10/01/2013  
 Outfall (i.e., 001): (Optional)  
 Limit Set Designator (i.e., A): (Optional)  
 SIC Code Final Tr. (Optional)

<b>Permit #</b>	CO0000012
<b>Facility Name</b>	PALISADE WWTF
<b>Permit Name</b>	Palisade Town of
<b>Permit Status</b>	Major/Minor Ind. County SIC Code
Effective	Minor Mesa 4952

Outfall	Mon Pd Start Date	Mon Pd End Date	DMR Recd Date	Parameter	Rptd Value	UOM	Limit Value	Stat Base Desc	% Exceed	Sample Type / Freq	RNC Res Code	NODI Code
001A	11/1/13	11/30/13	12/13/13	00310 - BOD, 5-day, 20 deg. C	= 36	mg/L	30	30DA AVG	20	GRAB/ Monthly		

**Colorado Department of Public Health and Environment**  
**Water Quality Control Division (WQCD)**  
**Public Notice No. CO-7-2013**

Denver, Colorado

July 19, 2013

This notice states that the CDPHE intends to issue, deny, modify, revoke and reissue, terminate or reissue, Colorado Discharge Permit System permits, pursuant to the Clean Water Act, and the Colorado Water Quality Control Act. All permits are subject to the U.S. Environmental Protection Agency (EPA) review. WQCD has made tentative determinations in conjunction with EPA that limitations and conditions imposed in these permits implement all applicable statutes and regulations and water-quality standards. Written comments or written requests for a public meeting on the tentative determination are to be submitted to WQCD by **August 19, 2013**. Also, written comments must be received by this date from any person who believes the proposed actions have the potential to cause material injury to a water right. Additional information is available at the County Clerk and Recorder's office of the county in which the proposed discharge is to occur or at the WQCD's office (contact Loretta Houk, 303-692-3531): The mailing address for written public comments is – CDPHE, WQCD-P-B2, 4300 Cherry Creek Drive South, Denver, Colorado 80246-1530. The website to view the public notice and drafts can be located at <http://www.coloradowaterpermits.com>

CO0000008, 1601 Wewatta Office Building, 1601 Wewatta Office Building Garage Wastewater Facility, 1601 Wewatta Street, Denver, CO, Denver County, Action – Issuance – New, Discharge – to the South Platte River, Drafter – JoAnna Beck

CO0000010, Town of Rangely, Rangely WWTF, 407 Bronco Road, Rangely, CO, Rio Blanco County, Action – Issuance – New, Discharge – to the White River, Drafter – Alexander Stafford

CO0000011, Loma Linda Sanitation District, Loma Linda Sanitation District WWTF, 2 Miles south of Hwy 160 on Highway 172, La Plata County, Action – Issuance – New, Discharge – Cottonwood Gulch, Drafter – Eric Oppelt

CO0000012, Palisade Town of, Palisade WWTF, Brentwood Drive, Mesa County, Action – Issuance – New, Discharge – the Colorado River, Drafter – Jon Erickson

CO0000671, Holcim (US) Inc., Portland Plant, 3500 Hwy 120, Florence, CO, Fremont County, Action – Modification – Amendment, Discharge - to the Arkansas River, Drafter – Lori Mulsoff

CO0026468, MacArthur Apartments, LLC, Lightner Creek Campground, 1567 County Road 207, Durango, CO, La Plata County, Action – Issuance – Renewal, Discharge – to Lightner Creek, Drafter – Susan Applegate

CO0032638, Chevron Mining Inc, Edna Mine, 26990 Colorado Hwy 131, Oak Creek, CO, Routt County, Action – Termination, Discharge – to Trout Creek, Contact – Loretta Houk

CO0046507, Parker WSD, Parker North Water Reclamation Facility, Douglas County, Action – Modification – Amendment, Discharge to Cherry Creek and to Sulfur Gulch, Drafter – JoAnna Beck

COA-932030, Ribeye Feeders Ltd., 29998 County Road 19, Rocky Ford, CO 81067, Otero County, Action – Issuance – Certification, Discharge – Arkansas River - Drafter – Elizabeth M. Sapio

COA-932078, Dyecrest Dairy, LLC, 1137 N. County Road 1, Fort Collins, CO 80524, Larimer County, Action- Issuance-Certification, Discharge- Timnath Reservoir - Drafter- Chad DeVolin



**Rural Development**

February 2, 2023

Colorado State Office

Denver Federal Center  
P.O. Box 25426  
Denver, CO 80225

Town of Palisade  
PO Box 128  
Palisade, CO 81526

Voice: 800-424-6214  
Fax: 866-587-7607

**SUBJECT:** Letter of Conditions

Project Name: Sewer Combination with Clifton  
CFDA NUMBER – 10.766

RUS Loan 01: \$9,999,000  
RUS Loan 02: \$6,496,000  
RUS Grant: \$5,650,000  
Applicant: \$2,068,000

Dear Hawkinson:

This letter establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan(s) and/or grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA Rural Development (RD), both of which are referred to throughout this letter as the Agency. Any changes in project cost, source of funds, scope of project, or any other significant changes in the project or applicant must be reported to and concurred with by the Agency by written amendment to this letter. This includes any significant changes in the Applicant's financial condition, operation, organizational structure or executive leadership. Any changes made without Agency concurrence shall be cause for discontinuing processing of the application.

This letter does not constitute loan(s) and/or grant approval, nor does it ensure that funds are or will be available for the project. The funding is being processed on the basis of a loan not to exceed \$16,495,000 and/or a grant not to exceed \$5,650,000. The loan (s) and/or grant will be considered approved on the date Form RD 1940-1, "Request for Obligation of Funds" is signed by the Agency approval official.

The applicant will ensure projects are completed in a timely, efficient, and economical manner. You must meet all conditions set forth under Section III – Requirements Prior to Advertising for Bids within 1 year of this letter.

If you do not meet the conditions of this letter, the Agency reserves the right to withdraw Agency funding.

If you agree to meet the conditions set forth in this letter and desire further

consideration be given to your application, please complete and return the following forms within 7 days:

Form RD 1942-46, “Letter of Intent to Meet Conditions”  
Form RD 1940-1, “Request for Obligation of Funds”

All parties may access information and regulations referenced in this letter at our website located at <https://www.rd.usda.gov/programs-services/water-environmental-programs/water-waste-disposal-loan-grant-program>.

The conditions are as follows:

### **SECTION I - PROJECT SCOPE**

1. **Project Description** – Funds will be used to allow the Town of Palisade to abandon their existing lagoon system and install a sewer transfer line/lift station in order to transfer all waste to Clifton Sanitation District to be treated.

Facilities will be designed and constructed in accordance with sound engineering practices and must meet the requirements of Federal, State, and local agencies. The proposed facility design must be based on the Preliminary Engineering Report (PER), prepared by J-U-B Engineers, Inc. dated 5/9/2022, as concurred with by the Agency.

2. **Project Funding** – The Agency is offering the following funding for your project:

RUS Loan 01 -	\$9,999,000
RUS Loan 02 -	\$6,496,000
RUS Grant -	\$5,650,000

This offer is based upon the following additional funding being obtained.

Applicant Contribution - \$2,068,000

TOTAL PROJECT COST - \$24,213,000

Any changes in funding sources following obligation of Agency funds must be reported to the processing official. Prior to loan closing, any increase in non-Agency funding will be applied first as a reduction to Agency grant funds, up to the total amount of the grant, and then as a reduction to Agency loan funds.

The applicant must certify that they have exhausted all other funding avenues and have no pending funding considerations from any other sources. Further, the applicant must certify that they do not intend to apply anywhere else for funding for this project. If, after obligation of Agency funds, other funding becomes available, the Agency reserves the right to deobligate any

and all funding for this project and to re-underwrite. This may result in the offering of a different funding package to for this project.

Prior to advertisement for construction bids, you must provide evidence of applicant contributions and other funding sources. This evidence should include a copy of the commitment letter. Agency funds will not be used to pre-finance funds committed to the project from other sources.

3. **Project Budget** – Funding from all sources has been budgeted for the estimated expenditures as follows:

<b><u>Project Costs:</u></b>	<b><u>Total Budgeted:</u></b>
Development	\$11,977,949
Contingency	\$1,669,899
Engineering Fees	\$2,062,050
Includes:	
Construction Admin	\$501,000
Design	\$1,003,000
Resident Project Representation (Inspection)	\$501,000
Interest - Interim	\$1,113,014
Land and Rights-of-Way	\$372,960
Legal Fees - Local Attorney	\$350,000
Legal Fees - Bond Counsel	\$200,000
Other (SUE Investigation & CSD Investment Fee)	\$6,467,128
 TOTAL	 \$24,213,000

Project feasibility and funding will be reassessed if there is a significant change in project costs after bids are received. Obligated loan and/or grant funds not needed to complete the proposed project will be deobligated. Any reduction will be applied to Agency grant funds first. If actual project costs exceed the project cost estimates, an additional contribution by the Owner may be necessary. An “Amended Letter of Conditions” will be issued for any changes to the total project budget.

4. **Project Timeline** – To ensure that the project proceeds in a timely manner, key processing milestones have been established in accordance with the PER or other Agency approved documentation. **Projects should be completed and Agency funds fully disbursed within three years of obligation.** By agreeing to the terms herein, you agree to comply with the milestones identified below. If, for any reason, one or more of the milestones cannot be met, you must notify the Agency in writing at least 30 days prior to the referenced date. Should your final completion date become more than three years after obligation the written request will follow the procedures outlined in Section VI of this letter, including the submission of not less than 90 days prior to the benchmark. The correspondence must contain a valid explanation as to why the milestone cannot be met and include a proposed revised project completion schedule. If the Agency agrees to the modification, a written confirmation will be issued. The Agency reserves

# Town of Palisade

## Summary of Rate Study Findings

April 3, 2023

### Introduction

The Town of Palisade ('Town') is planning to build a conveyance line with lift station to connect their existing sewage collection system to Clifton Sanitation District's Wastewater Treatment Facility (CSD). The Town is currently considering taking on a financing package offered by USDA Rural Development that consists of two loans totaling \$16,495,000, a grant of \$5,650,000, and contributing \$2,068,000 themselves to meet the total project cost. It is planned for the purposes of this study that the new system would be completed and debt payments commence in 2026. The purpose of this Rate Study is to inform the Town regarding the affordability of the proposed financing package, and recommend various rate options to meet their revenue goals if the project is completed as proposed.

### Methodology

This study is guided by the following three principles: Sustainability, Fairness, and Justifiability. Rates should cover the costs to the system to allow it to provide services now, and in the foreseeable future. The staff & board should stay aware of the changes to existing laws, community growth and demand which will require more water rights or further treatment, and therefore keep their capital replacement plan up to date. Rates should be fair to all rate payers. No single rate payer or group of rate payers should be singled out for different rates without logic & justification. The Town should not charge more for services than the cost to provide the service and save appropriately for future expenses, nor should customers be charged more for the sewer service than the reasonable cost to provide that service now and into the future. Unreasonably low rates for current customers will require unreasonably high rates for future customers, which should be avoided. To keep up with inflation, all scenarios considered in this study included an annual increase to the base rate year over year.

The following assumptions were made for these financial projections were made based on information provided by District staff:

- A growth factor of 1.2% annually
- An inflation factor of 5.0%

*This study, made available at no charge to the Town, has been supported under a grant by the United States Department of Health and Human Services.*

*Disclaimer: The recommendations contained in this study are based on financial information provided to RCAC by the Town. Although every effort was made to assure the reliability of this information, no warranty is expressed or implied as to the correctness, accuracy or completeness of the information contained herein. Any opinions, findings, and conclusions or recommendations expressed in this material are solely the responsibility of the authors and do not necessarily represent the official views of HHS or USDA Rural Utilities Service. For accounting advice, a CPA should be consulted. For legal advice, the Town should seek the advice of their attorney.*

## Current Rates

The current rate structure is a monthly flat rate + tiered structure, as follows:

Residential – single unit	\$35.37
Residential – single unit with Lift Station	\$46.24
Mobile Home Park – each unit	\$35.37
Residential – multi unit: first unit	\$35.37 for first unit + \$24.76 for each additional unit
Residential – multi unit with Lift Station	\$46.24 for first unit + \$32.24 for each additional unit
Commercial – single <i>or</i> multi unit	\$46.24 with 8k gal included \$0.61 per 1k gallons for 8k-20k gal \$0.92 per 1k gallons for 20k-40k gal \$1.61 per 1k gallons for 40k+ gal

## Budget

A five-year budget forecast is shown below. When the new project comes online and payments commence, it is expected that the annual expenses will rise to ~\$1.45M in 2026. The major factors for this change were modeled as:

- added O&M expenses for the Town’s responsibility of O&M for the new conveyance line,
- the sewage treatment fee expected to be charged by CSD,
- the decommissioning of the Town’s existing Treatment enterprise and associated expenses, and
- the new debt service and debt reserve payments requirement by the two RUS loans.

### 5-year Budget Forecast

	2023	2024	2025	2026	2027
<b>Total Operation and Maintenance Expenses:</b>	135,531	142,308	149,423	477,070	496,803
<b>Total General and Administrative Expenses:</b>	489,974	503,671	501,195	972,647	977,185
<b>TOTAL EXPENSES</b>	<b>625,505</b>	<b>645,979</b>	<b>650,618</b>	<b>1,449,717</b>	<b>1,473,988</b>

Note that as a result of the Infrastructure Capital Improvement Plan (ICIP) created in this study, an annual contribution to a capital reserve fund for the Town’s collection enterprise is recommended according to the following 5-year schedule. Full funding of this reserve fund is included in the General & Administrative Expenses line shown above.

### 5-year Capital Reserve Contribution Recommendation

	2023	2024	2025	2026	2027
<b>Recommended Contribution Amount</b>	210,662	210,662	193,813	190,670	190,670

## Scenario 1: Existing Structure (flat + tiered) with full capital reserve saving

This scenario utilizes the same rate structure as the existing rate structure but increases the \$35.37 base residential rate to \$70.50 and all other classes according to the same percentage increase in 2023, followed by a 5% increase to all rates annually for 5 years.

One recommended change to the structure is to charge additional residential units at the same rate as the base residential unit, as described in Scenario 1.

### Scenario 1: Rates 2023-2027

	2023	2024	2025	2026	2027
Residential – single unit	\$ 70.50	\$ 74.03	\$ 77.73	\$ 81.61	\$ 85.69
Residential – single unit with Lift Station	\$ 81.37	\$ 85.44	\$ 89.71	\$ 94.20	\$ 98.91
Mobile Home Park – each unit	\$ 70.50	\$ 74.03	\$ 77.73	\$ 81.61	\$ 85.69
Residential – multi unit – each unit	\$ 70.50	\$ 74.03	\$ 77.73	\$ 81.61	\$ 85.69
Residential – multi unit with Lift Station – each unit	\$ 81.37	\$ 85.44	\$ 89.71	\$ 94.20	\$ 98.91
Commercial – single or multi unit, <8k gal	\$ 81.37	\$ 85.44	\$ 89.71	\$ 94.20	\$ 98.91
Rate per 1,000 gal, 8-20k gal	\$ 1.22	\$ 1.28	\$ 1.34	\$ 1.41	\$ 1.48
Rate per 1,000 gal, 20-40k gal	\$ 1.82	\$ 1.92	\$ 2.01	\$ 2.11	\$ 2.22
Rate per 1,000 gal, 40k+ gal	\$ 3.19	\$ 3.35	\$ 3.52	\$ 3.70	\$ 3.88

Under this structure, the 5-year financial projection and affordability is as follows:

Results of the new rates	2023	2024	2025	2026	2027	5 Years
TOTAL EXPENSES	\$625,505	\$645,979	\$650,618	\$1,449,717	\$1,473,988	\$4,845,807
TOTAL REVENUE	\$1,221,270	\$1,281,747	\$1,345,281	\$1,412,025	\$1,482,143	\$6,742,465
NET LOSS OR GAIN: (Short/Over to Reserves)	\$595,765	\$635,769	\$694,662	-\$37,692	\$8,155	\$1,896,659
NET CASH FLOW (Contribution to Reserves)	\$807,426	\$847,430	\$889,474	\$216,725	\$262,572	\$3,023,628
Affordability assuming MHI of \$53571 for residential meters.	1.58%	1.66%	1.74%	1.83%	1.92%	

The impact of Scenario 2 would be:

- Affordability rising to 1.92% by 2027 (1.5-4% is the recommended range)
- By 2027, captial reserve savings would be fully funded
- \$3.02M saved into reserves over 5 years, to fund the \$2.068M down payment

## Scenario 2: Clifton EQU Structure with minimal increases to break even

This scenario utilizes CSD's EQU Schedule and converts existing Palisade sewer customers to be charged according to their schedule, as shown below. The EQU rates are set according to the same principle as Scenario 1 – increasing rates one-time in 2023 to \$45.25 followed by an annual 5% increase to 1.0 EQU, only high enough to break even on cash flow, but not fulling funding the capital reserve recommendation.

### A. Hotels and Motels:

- a. No restaurants or kitchens  $0.36 \times$  number of rooms E.Q.U.
- b. With kitchenettes  $0.43 \times$  number of rooms E.Q.U.
- c. With restaurants - use above then add restaurants from below
- d. Bed & Breakfast -  $0.36 \times$  number of rooms E.Q.U.

### B. Restaurants:

- a. 12-hour or more operation  $0.21 \times$  number of seats E.Q.U.
- b. less than 12 hours of operation  $0.14 \times$  number of seats E.Q.U.
- c. Bar, no food  $0.04 \times$  number of seats E.Q.U.

### C. Specialty Foods: No fried foods, dishwashers, garbage disposals, grease traps, (business must use paper service for its customers)

- a. Open less than 12 hours per day –  $0.075 \times$  number of seats E.Q.U.
- b. Open 12-hours or more  $.10 \times$  number of seats E.Q.U.

### D. Fast food take out - (Walk up or drive up)

- a. Open 12 hours or more each day  
 $0.10 \times$  number of employees E.Q.U.
- b. Open less than 12 hours per day  
 $0.06 \times$  number of employees E.Q.U.

### E. Schools:

- a. No food or showers  $0.04 \times$  number of student capacity
- b. Add to a. For cafeterias  $0.02 \times$  number of student capacity
- c. Add to a. For showers  $0.02 \times$  number of student capacity
- d. Boarding schools  $0.27 \times$  number of student capacity

### F. Shopping centers and stores:

$.35 \times$  number of thousand square feet of store space

### G. Travel trailer park (K.O.A., etc.)

$.49 \times$  number of trailer parking spaces

### H. Churches and assembly halls, theaters and arenas

$0.01 \times$  number of seating capacity

### I. Factory, warehouses and offices (not including industrial waste)

$0.05 \times$  number of employees

### J. Hospital

$0.89 \times$  number of bed spaces

### K. Institution - nursing home

$0.36 \times$  number of residences

### L. Laundry - coin operated

$0.90 \times$  number of washing machines

### M. Car Wash - 3.5 x number of bays

N. Where the District Manager deems necessary, the EQU calculation may be utilized for nonresidential users that are not listed above by computing the hydraulic flow expected from the establishment; the EQU shall be computed by dividing the expected flows by 4,000 gallons per month.

### Scenario 2: Rates 2023-2027

	2023	2024	2025	2026	2027
Residential – 1.0 EQU	\$45.25	\$47.51	\$49.89	\$52.38	\$55.00

Under this structure, the 5-year financial projection and affordability is as follows:

Results of the new rates	2023	2024	2025	2026	2027	5 Years
TOTAL EXPENSES	\$699,409	\$723,789	\$732,517	\$1,478,991	\$1,504,743	\$5,139,449
TOTAL REVENUE	\$987,689	\$1,049,174	\$1,114,339	\$1,183,398	\$1,256,577	\$5,591,177
NET LOSS OR GAIN: (Short/Over to Reserves)	\$288,280	\$325,386	\$381,823	-\$295,593	-\$248,166	\$451,728
NET CASH FLOW (Contribution to Reserves)	\$500,096	\$537,202	\$576,768	-\$41,511	\$5,916	\$1,578,471
Affordability Assuming MHI of \$53571 for residential meters	1.01%	1.06%	1.12%	1.17%	1.23%	

The impact of Scenario 3 would be:

- Affordability rising to 1.23% by 2027 (1.5-4% is the recommended range)
- By 2027, cash flow would be about breaking even but lacking reserve contributions
- \$1.58M saved back into reserves over 5 years, to help fund the \$2.068M down payment

### Scenario 3: Clifton EQU Structure with full capital reserve saving – **RECOMMENDATION** by RCAC

This scenario utilizes CSD’s EQU Schedule (shown in Scenario 3 above) and converts existing Palisade sewer customers to be charged according to their schedule, as shown below. The EQU rates are set according to the same principle as Scenario 2 to cover the full recommend capital reserve saving – increasing rates one-time in 2023 to \$54.50 followed by an annual 5% increase to 1.0 EQU.

### Scenario 3: Rates 2023-2027

	2023	2024	2025	2026	2027
Residential 1.0 EQU	\$54.50	\$57.23	\$60.09	\$63.10	\$66.25

Under this structure, the 5-year financial projection and affordability is as follows:

Results of the new rates	2023	2024	2025	2026	2027	5 Years
TOTAL EXPENSES	\$699,409	\$723,789	\$732,517	\$1,478,991	\$1,504,743	\$5,139,449
TOTAL REVENUE	\$1,186,459	\$1,260,358	\$1,338,681	\$1,421,685	\$1,509,643	\$6,716,826
NET LOSS OR GAIN: (Short/Over to Reserves)	\$487,050	\$536,569	\$606,164	-\$57,306	\$4,900	\$1,577,377
NET CASH FLOW (Contribution to Reserves)	\$698,866	\$748,386	\$801,110	\$196,776	\$258,982	\$2,704,120
Affordability Assuming MHI of \$53571 for residential meters	1.22%	1.28%	1.35%	1.41%	1.48%	

The impact of Scenario 4 would be:

- Affordability rising to 1.48% by 2027 (1.5-4% is the recommended range)
- By 2027, captial reserve savings would be fully funded
- \$2.70M saved into reserves over 5 years, to fund the \$2.068M down payment

## Conclusion

Three scenarios were created and evaluated according to the methodology of this rate study, but the final scenario is the recommended option based on the findings.

1. Existing Structure (flat + tiered) with minimal increases to break even
2. Clifton EQU Structure with minimal increases to break even
3. ***Clifton EQU Structure with full capital reserve saving (RECOMMENDATION)***

All scenarios are viable options which will allow the Town to save in the next couple years and cover their bills once the conveyance line project is completed. However, the advantages of Scenario 4 include:

- Full reserve funding
- Small annual increases after an initial 54% increase to make the fees required to achieve full funding more palatable to customers by 2027
- A lower residential bill as compared to the existing flat + tiered structure to help with residential affordability
- Because the Town is charged on an EQU basis from CSD, it is justifiable to charge customers according to the same EQU schedule
- The existing commercial tier structure is based on summertime water usage which may include some agricultural use not applicable to sewer use

No matter which scenario the Town selects to move forward with, there are 3 major takeaways from these findings applicable to all scenarios models:

1. Because the project is not expected to be completed until 2026, upon which payments will begin, **beginning with a substantial increase upfront gives Town ~2.5 years to save, making the \$2.068M down payment much more manageable** within their financial outlook. The Town may be able to save a majority if not all the down payment required by the time the project comes online.
2. Affordability is defined as the percent an average household spends on their sewer bill, according to the MHI. Currently, affordability is very low at 0.78%. Most funders like to see affordability at 1.5-2.5%, with 4.0% being the upper limit, and do not begin offering grant funding until ~1.5% is reached. All scenarios see the 2027 rate rise closer to this rate, while still remaining quite low.
3. In any scenario, **it is recommended that the Town do a close review of each customer account and type of building to ensure each account is characterized and charged accurately** according to either their existing schedule or the EQU schedule.

	Monthly				Tap Fees			
	Water	Water ADU	Sewer	Sewer Adu	Water	Sewer	Labor	Materials
2005	35.26	24.68	15.00	10.50	5500.00	5500.00		606.48
2006	35.26	24.68	15.00	10.50	5500.00	5500.00	lab \$50 hr	700.00
2007	36.14	25.30	15.90	11.13	5500.00	5500.00	lab \$50 hr	700.00
2008	38.94	27.26	18.52	12.96	5500.00	5500.00	lab \$50 hr	700.00
2009	38.94	27.26	18.52	12.96	5500.00	5500.00	lab \$50 hr	700.00
2010	40.10	28.07	25.37	17.76	5500.00	5500.00	lab \$50 hr	700.00
2011	40.10	28.07	30.37	21.26	5500.00	5500.00	lab \$50 hr	700.00
2012	40.10	28.07	35.37	24.76	5500.00	5500.00	lab \$50 hr	700.00
2013	40.10	28.07	35.37	24.76	5500.00	5500.00	lab \$50 hr	700.00
2014	40.10	28.07	35.37	24.76	5500.00	5500.00	lab \$50 hr	700.00
2015	40.10	28.07	35.37	24.76	5500.00	5500.00	lab \$50 hr	700.00
2016	40.10	28.07	35.37	24.76	5500.00	5500.00	lab \$50 hr	700.00
2017	40.10	28.07	35.37	24.76	5500.00	5500.00	lab \$50 hr	700.00
2018	40.10	28.07	35.37	24.76	5500.00	5500.00	lab \$50 hr	700.00
2019	40.10	28.07	35.37	24.76	5500.00	5500.00	lab \$50 hr	700.00
2020	40.10	28.07	35.37	24.76	5500.00	5500.00	lab \$50 hr	700.00
2021	40.10	28.07	35.37	24.76	5500.00	5500.00	lab \$50 hr	850.00
2022	40.10	28.07	35.37	24.76	5500.00	5500.00	lab \$50 hr	850.00
2023	40.10	28.07	35.37	24.76	5500.00	5500.00	lab \$50 hr	850.00

	Yearly			
	Water	Water ADU	Sewer	Sewer Adu
2005	423.12	296.18	180.00	126.00
2006	423.12	296.18	180.00	126.00
2007	433.68	303.58	190.80	133.56
2008	467.28	327.10	222.24	155.57
2009	467.28	327.10	222.24	155.57
2010	481.20	336.84	304.44	213.11
2011	481.20	336.84	364.44	255.11
2012	481.20	336.84	424.44	297.11
2013	481.20	336.84	424.44	297.11
2014	481.20	336.84	424.44	297.11
2015	481.20	336.84	424.44	297.11
2016	481.20	336.84	424.44	297.11
2017	481.20	336.84	424.44	297.11
2018	481.20	336.84	424.44	297.11
2019	481.20	336.84	424.44	297.11
2020	481.20	336.84	424.44	297.11
2021	481.20	336.84	424.44	297.11
2022	481.20	336.84	424.44	297.11

Rates increase by 2.59% per Year

Town of Palisade Rate History

Sewer rates last raised in 2012

Core inflation averaged 2.59% per year between 2012 and 2023 for an inflation total of 32.42% for date range.

Our current 2023 rate adjusted for the yearly inflation of 2.59% would be at \$46.86 for Sewer.

Source: Inflationtool.com