



Perry Park Water and Sanitation District
5676 West Red Rock Drive
Larkspur, Colorado 80118
303-681-2050
www.ppwsd.org

November 17, 2021

Douglas County Commissioners
C/O Ms. Lauren Pulver, Public Policy Analyst
100 Third Street
Castle Rock, Colorado 80104

Re: Letter of Interest for Funding to Improve the Waucondah Wastewater Treatment Plant and the Sageport Wastewater Treatment Plant Located in Larkspur Colorado

Dear Commissioners,

The following two projects are for your consideration:

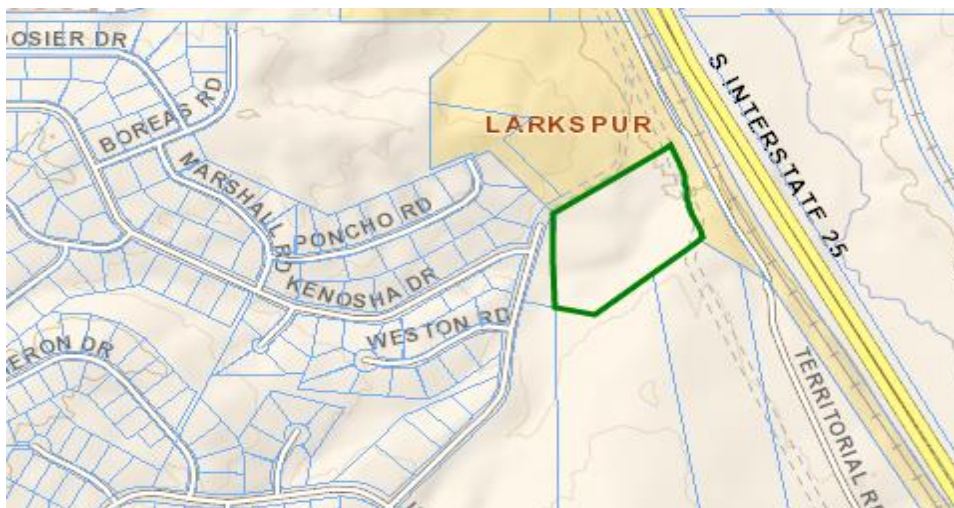
PROJECTS:

Project #1: Sageport Wastewater Treatment Plant (SPWWTP)

Description: The SPWWTP has begun to experience increased Ammonia levels and Total Inorganic Nitrogen (TIN) levels. While the District continues to meet current CDPHE (Colorado Department of Public Health and Environment) regulations, the District would be in violation of the new 2023 CDPHE permit regulation. The District has currently engaged our engineers to complete a study that would provide direction for mechanical equipment additions to meet the new 2023 permit regulation.

The SPWWTP point source discharges into East Plum Creek. This project is listed on the Water Pollution Control Revolving Fund 2021 Intended Use Plan.

Project Location: 501 Tenderfoot Drive, Larkspur, Colorado





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Proposed Timeline: 2022-2023

Population Served by Project: 1,540

Preliminary Estimate: \$3.5 million

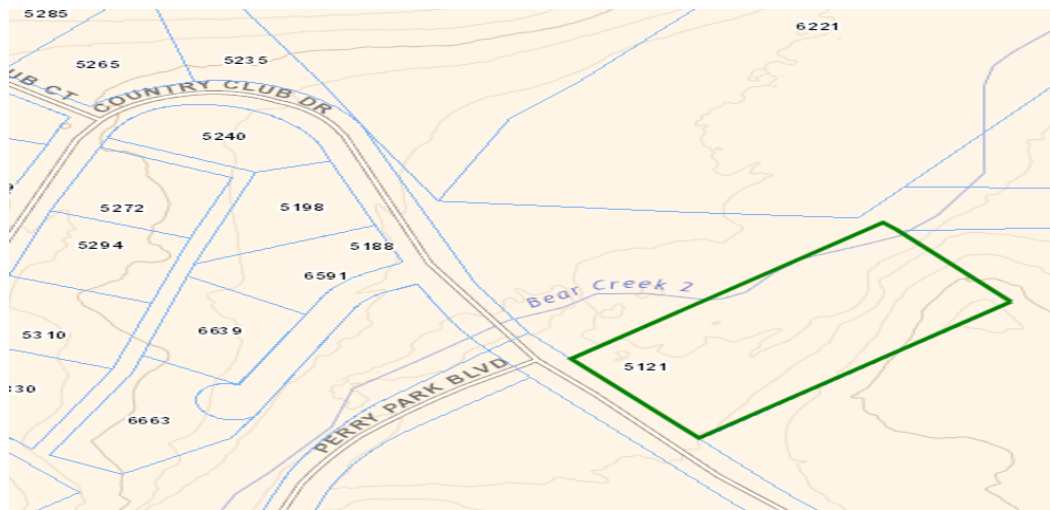
Project #2: Waucondah Wastewater Treatment Plant (WWWTP)

Description: This project began in January of 2020 due to electrical surge outages, mechanical equipment failures and odor and noise complaints from residents. The District's engineering firms were contacted to assess the situation and propose next steps.

In 2021, continuing into 2022 the District has and will make improvements to address odor and noise concerns, upgrades to electrical systems, aged equipment replacement, measuring infrastructure improvements and structural repairs. These improvements allow the WWWTP to meet immediate operational needs, allowing for the design of the long term improvements, most notably the redesign for a new and relocated digester, a new generator that will allow all WWWTP components to run in the event of power outages, and improved redundancy.

The WWWTP point source discharges into Plum Creek. This project is listed on the Water Pollution Control Revolving Fund 2021 Intended Use Plan.

Project Location: 5121 Country Club Drive, Larkspur, Colorado



Proposed Timeline: 2022-2023-2024

Population Served by Project: 1,960



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Preliminary Estimate: \$9.0 million

SUMMARY:

The Perry Park Water and Sanitation District appreciates your time and consideration for assisting with funding the two wastewater treatment projects detailed in this letter. Project #1 -The Sageport Wastewater Treatment Plant in the amount of \$3.5 million, and Project #2 -The Waucondah Wastewater Treatment Plant in the amount of \$9.0 million.

If you could assist with funding both projects, that would be extremely helpful for timely project completions. If you are only able to help with funding one project, the Waucondah Wastewater Treatment Plant would be our most pressing need.

For your reference I have attached a letter dated August 9, 2021, written by Gary F. Peterson, President, Board of Directors: Perry Park Water and Sanitation District, addressed to Mr. George Teal, Douglas County Commissioner, requesting the Commissioner's consideration of funding assistance from American Rescue Plan Act funds.

The District looks forward for the opportunity to provide additional information while working through the project funding process.

Sincerely,

Diana Miller
Perry Park Water and Sanitation District
District Manager

Attachment

cc: Gary F. Peterson, President, Board of Directors: Perry Park Water and Sanitation District



Perry Park Water and Sanitation District
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August 9, 2021

Mr. George Teal
Douglas County Commissioner
100 Third Street
Castle Rock, Colorado 80104

George,

Once again, thank you for taking the time to meet with the Perry Park Water & Sanitation District Board of Directors and Staff. Per your request, this letter will serve as the Perry Park Water and Sanitation District's (PPWSD) formal request for **Consideration of Funding** through the American Rescue Plan Act (ARPA) for some of the Water & Sanitation Infrastructure projects that the District has on our immediate priority list.

BACKGROUND:

The Perry Park Water & Sanitation District was established in the late 1960's and provides services to developments within its service boundary. The District currently has approximately 1600 customers (900 on the west side of Hwy. 105 and 700 on the east side of Hwy. 105). Each side of the District is served by its own Water Treatment Plant and Wastewater Treatment Plant. The District currently accesses 85% of its water from wells in the Arapahoe and Denver basins. This water is treated on the East side of the District at the Sageport Water Plant. The water is utilized by residents in Perry Park East and sent to residents in Perry Park on the West side via a one-way pipeline (east to west). The remaining water is drawn from our alluvial wells (renewable water rights) on the west side of the District. It is the District's goal to increase our utilization of renewable water to 30% in an effort to reduce our consumption from non-renewable deep well sources.

Since some of the District's infrastructure is approaching 50 years old, we are currently in the process of replacing and/or updating some of our older facilities and equipment. These projects are necessitated by equipment near the end of its useful life, and due to facilities needing design upgrades to meet ever increasing EPA requirements.

PROJECTS:

The following are two projects for your consideration to assist with funding through the ARPA.

Project #1: Sageport Wastewater Treatment Plant (East side)

This project began in 2018 and was completed in 2019. The work that was completed focused on the influent coming into the plant to prevent overflows, improve the quality of the wastewater and remove flow restrictions in the treatment process. Piping throughout the treatment process was resized to improve flow. A mechanical bar screen was added to remove debris in the wastewater. The influent channel was redesigned, and new



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metering was added. Additionally, an explosion proof building was constructed to house the new equipment. This Wastewater Treatment Plant upgrade was completed at a cost of \$682,191.00 and is currently meeting Colorado Department of Health and Environment (CDPHE) permit regulations.

Unfortunately, despite these upgrades, the Wastewater Treatment Plant has begun to experience higher ammonia levels due to Covid 19, with more people working from home. Additionally, Total Inorganic Nitrogen (TIN) levels are also increasing. While the District continues to meet current CDPHE regulations, the District would be in violation of the new 2023 CDHPE permit regulation. The District has currently engaged our engineers to complete a study that would provide direction for mechanical equipment additions to meet the new 2023 permit regulation. Early feedback from the engineers suggests that the project cost to meet the new regulations could be in the range of \$3.5 million! Since this was an unanticipated expense, the PPWSD could greatly utilize assistance through ARPA funding sources on this time sensitive project need.

Project #2: Waucondah Wastewater Treatment Plant (West side)

This project began in January of 2020 due to electrical surge outages, mechanical equipment failures and malodor complaints from residents. The District's engineering firms were contacted to assess the situation and propose next steps. Three options were proposed. Option #1 was to make basic repairs, improve electrical infrastructure and add only currently necessary new equipment (band-aid approach) at approximately \$3.3 million. Option #2 focused on immediate repairs, electrical upgrades and more extensive equipment replacement at a cost of \$8.2 million. Option #3 recommended building a new plant at a cost of \$13 million. All of these estimated costs have increased dramatically, since Covid has challenged equipment manufacturing and current supply chains.

To effectively manage costs, the District Board approved a hybrid plan of options #1 and #2 at a current cost of approximately \$6 million. The project has been divided into two phases. Phase 1 included managing malodor concerns, upgrading electrical systems and replacing some existing equipment to meet immediate operational needs. This work has been completed at a cost of \$350,000.00. Phase 2 is currently being designed and will require CDHPE approval over the next 12 – 18 months. Completion is anticipated for late 2023 or early 2024.

As discussed in Project #1, the District's engineers have expressed concerns related to future CDHPE permit regulations. CDHPE currently has the Waucondah Plant on an administrative extension. As Phase 2 plans are designed by our engineers and approved by CDHPE, it is highly likely that CDHPE will require the inclusion of additional equipment to meet future wastewater permit regulations. The additional equipment could increase the cost of the project by \$3 million, for a total cost of \$9 million.

The PPWSD has not yet identified funding sources for this project. As the District begins the financing search process, it would be of great assistance if the District could access partial funding through ARPA for this upcoming project. The District would ask for your consideration of funding 50% (\$4.5 million) of the total project cost (\$9 million).



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ARPA FUNDING:

It is the understanding of the Perry Park Water & Sanitation District that the available ARPA funds through Douglas County need to be utilized between now and December of 2024. The two wastewater treatment projects described above would meet your timing requirements. The District has a potable water project in the future, but has not included it for consideration, since it is not shovel ready and would be outside the required timeline. Perhaps we can visit that project opportunity at some time in the future.

The PPWSD is also aware that the Douglas County Commissioners would like to make the ARPA funds a perpetual funding program throughout the County. To assist the County Commissioners in this effort, the PPWSD would be looking at a 10-year loan repayment timeline. Many water project bonds are structured over 30 years, which limits the availability of the funds being repurposed for other uses in the near future. Our 10 year loan period would help create an increased churn of funds coming back to Douglas County, for future project needs within the County.

It should be noted that the two projects we are asking you to consider for funding are both heavily impacted by Covid 19 issues that make meeting the CDHPE wastewater permit regulations extremely challenging.

SUMMATION:

The Perry Park Water & Sanitation District appreciates your time and consideration for assisting with funding the two wastewater treatment projects we have detailed. Project #1 -The Sageport Wastewater Treatment Plant in the amount of \$3.5 million, and Project #2 -The Waucondah Wastewater Treatment Plant in the amount of \$4.5 million. If you could assist with funding both projects, that would be extremely helpful for timely project completions. If you are only able to help with funding one project, the Waucondah Wastewater Treatment Plant at \$4.5 million would be our most pressing need.

Hopefully the information provided in this letter gives you enough data to begin your review process. As you move deeper into the decision-making process and need supporting documentation for the work and costs of the projects described, please let us know and our engineers will supply the appropriate documents to assist your decision. If you have any immediate questions regarding this request, please contact our District Manager, Diana Miller for assistance. Thanks again for your consideration to assist with funding our wastewater treatment projects through the ARPA program!

Best Regards,

Gary F. Peterson
President, Board of Directors: Perry Park Water & Sanitation District