



Town Hall 551 Hot Springs Blvd
Pagosa Springs, CO 81147

AGENDA

Town of Pagosa Springs Sanitation General Improvement
District Meeting
Tuesday, October 21, 2025 @5:00 PM

1. REMOTE PARTICIPATION

A zoom link is made available, however, the Town does not and cannot guarantee internet service or online broadcasting. Remote attendance is at the risk of the attendee as the public meeting will continue in person regardless of the Town's broadcast capability.

Join Zoom Meeting By Computer - <https://zoom.us/j/82122959127>
Dial by Phone - 1-669-900-6833 US - Meeting ID: 821 2295 9127

I. CALL MEETING TO ORDER

II. ROLL CALL

III. DISCLOSURES AND/OR CONFLICT OF INTEREST

IV. PUBLIC COMMENT

V. CONSENT AGENDA

- 1. Approval of the October 7, 2025 Meeting Minutes

[Town of Pagosa Springs Sanitation General Improvement District - 07 Oct 2025 - Minutes - Pdf](#)

VI. REPORTS TO BOARD

- 1. Sanitation District Update

[Agenda Brief - PSSGID Update October 21, 2025 - Pdf](#)

VII. NEW BUSINESS

- 1. Capital Projects, Funding Requirements, and Rate Study Update

[Agenda Brief - PSSGID Update on Rate Study for the PSSGID rehabilitation Project and future needs. - Pdf](#)

- 2. Public Hearing of FY 2026 Proposed Budget

VIII. NEXT BOARD MEETING NOVEMBER 6, 2025 AT 5:00 PM

IX. ADJOURNMENT

Shari Pierce
Board President



Town Hall 551 Hot Springs Blvd
Pagosa Springs, CO 81147

MINUTES

Town of Pagosa Springs Sanitation General Improvement
District Meeting
October 7, 2025 @ 5:00 PM

A regular meeting of the Town of Pagosa Springs Sanitation General Improvement District was called to order on October 7, 2025, at 5:00 PM in the Town Hall 551 Hot Springs Blvd.

BOARD PRESENT: Mayor Pierce, Council Member Bergon, Council Member deGraaf, Council Member DeGuise, Council Member Lindner, Council Member Williams, and Council Member Martinez

BOARD ABSENT:

I. CALL MEETING TO ORDER

II. ROLL CALL

III. DISCLOSURES AND/OR CONFLICT OF INTEREST – None

IV. PUBLIC COMMENT – None

V. CONSENT AGENDA

1. Approval of the September 2, 2025 Meeting Minutes

Board Member deGraaf moved to approve the consent agenda, Board Member Lindner seconded.
Carried.

VI. REPORTS TO BOARD

1. Sanitation District Update

a. PSSGID Agenda Brief

Staff has reviewed and made final comments on McCabe Creek crossing construction plans. RFP for McCabe Creek crossing is open, and multiple jobs walks have been performed with potential bidders. Deadline for submittal has been extended to ensure TOPS purchasing policy guidelines have been met and also providing additional time to ask and answer questions on the project.

VII. NEW BUSINESS

1. FY 2026 Proposed Budget Presentation

Town Manager Harris presented the 2026 proposed sanitation district budget. A budget work session will follow this meeting. Public hearings are set for October 21 and November 6th, with adoption scheduled for November 6th. Board Member deGraaf said every gallon of I&I (intrusion and infiltration) that is reduced by improvements and repairs helps the PAWSD system.

VIII. NEXT BOARD MEETING OCTOBER 21, 2025 AT 5:00 PM

IX. ADJOURNMENT – Board President Pierce adjourned the meeting at 6:12 pm.

Town of Pagosa Springs Sanitation General Improvement District
October 7, 2025



AGENDA BRIEF

MEETING: Town of Pagosa Springs Sanitation General Improvement District
 Special - 21 Oct 2025
FROM: Karl Johnson, Public Works Director

PROJECT:	PSSGID Update October 21, 2025
ACTION:	Council information

PURPOSE/BACKGROUND:

- On Monday October 13, 2025 approximately 50' of the hanging sewer main at the 1st Street vehicular bridge departed for a journey to Navajo Reservoir during a flooding event. This event did result an SSO event. Staff has installed a temporary emergency bypass and monitors frequently on a daily basis. Initial discussion for a long term solution (installation of the 1st St lift station in association with the Pedestrian Bridge) and a long term temporary bypass solution that offer redundancy, remote monitoring and controls.
- During the five day rain event the PSSGID took in and pumped an extraordinary amount of water into the collection system. Example are on 10/11/25 over 900,000 gallons, on 10/13/25 over 1,100,000 gallons, and 10/14/25 over 1,200,000 gallons was pumped respectively. The PS1 & PS2 system has a maximum designed capacity of 1,000,000 gallons.
- Staff has performed initial assessments to facilities and structures inspecting for damage related to the flooding event.
- Staff received and reviewed Capital Projects and Funding Requirements with Roaring Fork after request to update.
- RFP for McCabe Creek crossing is closed, and multiple jobs walks have been performed with potential bidders. Deadline for submittal has been extended to ensure TOPS purchasing policy guidelines have been met and also providing additional time to ask and answer questions on the project.
- Staff received a shipment of three submersible pumps for PS1 & PS2. Two were accepted and one sent back because of shipment damage for warranty inspection. Currently PS2 is running at normal operations with two pump trains.
- Staff has removed the rental by pass pump for PS 2, and will assisted pump contractor Velocity (Water Technology Group) with pick up of the rental equipment week of 10/6.
- Staff and Roaring Fork are reviewing available documentation. Staff has initiated conversations with CDPHE to resurrect the process to construct a new WWTP at the lagoon property.
- Staff has been video inspection of mainlines for the CDOT Hwy 160 project for pre-construction existing conditions, and assisting in locating existing service lines along the CDOT Hwy 160 project. Staff has re-inspected the 100, 200, and 300 blocks of Hwy 160 to verify installation of new taps and service lines are to PSSGID standards. Inspection passed and no additional excavation was needed before paving operations start.
- Staff decommissioning of septic systems on Goodman Property. Final stages of this project has been push out to end of September with PS1 and PS2 pump service needs.
- Staff has received the results of water samples from old lagoon that was affected by a 2019 SSO event that wasn't mitigated. Sample results are well below action limit for extensive remediation limits, and has begun to drain and fill in lagoon.
- Staff has been working on lagoon property clean up and grading.
- Scheduling still pending with LPEA, but locates have been called in for project. KOA LS upgrades are 95% complete. All pumps, piping, and new controls installed and functioning. Electrical power supply upgrades application has finally been sent by LPEA for completion.
- As time permits, staff is conducting grease trap inspections at various restaurants within the sanitary district.
- Staff is continuing to perform jetting in troublesome areas within the District.

- Continue engineering design of the worst of the worst Category 5 inspected areas.
- Staff is prepared RFQ documents for engineering and design for sewer main replacements.
- Staff is preparing RFQ documents for installation contractors for sewer main replacements.
- Staff has been meeting to discuss a manhole replacement on S 5th St near the Geothermal building. Project site review is scheduled for week of August 4th.
- Staff is working with the Fleet Division to accommodate failing service vehicle.
- Staff has been locating per 811 requests.
- Staff has been working on replacement project budget and the 2026 operations budget.
- Staff is in planning to schedule 5 new sewer taps in the next few months for new construction.
- Staff has been working with Roaring Fork Engineers to refine the Capital Improvement budget for the PSSGID revitalization and replacement project.
- Staff has purchased equipment and piping to start Category 4 repairs, and is developing a tentative schedule for Spring and Summer 2025.
- Staff has been working with Davis Engineering and Developer of Eagle Mountain project to ensure new sewer line needs for the project are installed before Hwy 160 paving. Sewer service for this project has been installed and inspected, costs of install will be passed along to Developer.

TOWN COUNCIL GOALS & OBJECTIVES:

2025 Goal #1: Develop a long-term strategy to provide essential sanitation and treatment services that are financially viable, future oriented, and maximize the existing assets and partnerships in a community of our size with limited resources.



AGENDA BRIEF

MEETING: Town of Pagosa Springs Sanitation General Improvement District
Special - 21 Oct 2025

FROM: Karl Johnson, Public Works Director

PROJECT: PSSGID Update on Rate Study for the PSSGID rehabilitation Project and future needs.

ACTION: Council information.

PURPOSE/BACKGROUND:

In 2023 the PSSGID contracted with Roaring Fork Engineering to complete a whole system analysis and provide a Rate Study addressing the most urgent system rehabilitation needs. During this analysis and the time since its completion staff and Roaring Fork have refined the list of needs and future obligation with regard to the PSSGID's 25% share of the PAWSD Vista WWTP and the failing clay piping (VCP) collection system.

The following is a prioritized list of PSSGID system needs over the next 15 to 20 years that was represented in the original 2023 study. The following underlined item has been removed or edited in the updates report.

1. Category 4 and 5 collection system piping replacement.
2. Vista WWTP upgrades to meet Reg 85 requirements.
3. Complete old sewer lagoon clean up and file final paper work with State Health Department.
4. 1st St Lift station.
5. Complete upgrades to Category 3, 2, and 1 VCP and Manhole rehabilitation.
6. 100% New San Juan WWTP to meet Reg 31 requirements.
7. Pipeline reversal project.

There are a few key differences in why the rates are now much more than what we had laid in 2023.

1. The lift station overflow vaults were not included in the 2023 study.
2. The Category 3 pipeline projects over 30 years were not included in 2023.
3. The cost for the WWTF was originally \$40 million in 2023, and it was assumed that the Town would only pay 25% because the split with PAWSD would remain the same as it is now. This new study assumes the Town takes on the whole cost on their own.
4. Lastly, we had assumed a low interest loan from SRF at 3.85% for the Category 4 and 5s, but the bond was at 5.5% which changed the debt payment requirement assumptions.

You can see that the rates jump next year and again in 2030 to cover large increase in debt. We assumed that these projects would be funded using bonds or other forms of debt at 5.5% interest rate. Lastly, because the existing debt is paid off in 2036, there is a point where the rates do not increase by much at all after 2031.

ATTACHMENTS:

- [Preliminary Engineering Report 240829](#)
- [Capital and Funding Requirements 251016](#)

FISCAL IMPACT:

Total rehabilitation, replacement and construction projects funding needed between \$80 to \$100,000,000.

TOWN COUNCIL GOALS & OBJECTIVES:

2024 Goal #1: Develop a long-term strategy to provide essential sanitation and treatment services that are financially viable, future oriented, and maximize the existing assets and partnerships in a community of our size with limited resources.



TO: Karl Johnson
Public Works Director
Pagosa Springs Sanitation General Improvement District

FROM: Maggie McHugh, PE
Project Manager

CC: David Harris
Town Manager
Town of Pagosa Springs

DATE: August 28, 2024

RE: Funding Alternatives and Impact to Rates

RATE STUDY AND FUNDING UPDATES

PROJECT BACKGROUND

The GID is currently evaluating funding options to finance major collection system improvement projects, and planning for future financing of major WWTF projects. The projects identified in this evaluation include:

1. Category 4 and 5 collection pipe replacement projects
2. New 1st Street Lift Station
3. Lagoon Clean-Up
4. Vista Plant Upgrades (Reg 85)
5. New San Juan WWTF (Reg 31)
6. Pipeline Reversal Project

These six projects encompass the next 15-20 years of work planned within the GID. Cost estimates for each project are summarized in Table 1 and separated into phases depending on certainty and estimated year of completion.

The currently adopted rate structure assumed a loan would be pursued to fix the Category 4 and 5's in the collection system. At the time those rates were developed, the scope of work to complete Category 4 and 5 work was estimated to cost approximately \$6,000,000 at 3.85% interest rate and \$1,500,000 of principal forgiveness and grant money. This resulted in an assumed \$240,000 debt service payment each year starting in 2026. Upon field investigation it was discovered that more Category 4 and 5s exist within the system than what was previously assumed in a 2020 system evaluation used for the rate study development. With new field information, updated scope and cost to fix the Category 4 and 5s within the system was developed and costs are summarized in Table 1. The currently planned \$240,000 of debt service will be evaluated in determining recommendations and assessing overall impact to customers.

The first three projects identified must be completed as part of maintenance and operations of the GID collection system. Their execution is largely independent of future decisions about GID operations and



regulatory drivers, although both projects are influenced by regulatory agencies and current reporting to the CDPHE on how spills and overflows are being prevented within the system.

The next three projects are heavily influenced by regulations, working relationships with PAWSD, and nuance in how existing and future WWTF and related infrastructure (e.g. Pump Station 1 and 2) will be operated and maintained. As such, it is important to note that changes in assumed operations and shared responsibilities between the entities can greatly impact the required funding and rate increases to complete these projects.

Table 1. Summary of projects, costs, and planned timeline of execution.

Project	Estimated Cost	Planned Year
Short -Term Projects (0-5 years)		
Category 4 and 5 Sewer Replacement	\$14,800,000 ³	2025-2027
Lagoon Clean-Up	\$750,000	2025
1 st Street Lift Station	\$3,000,000	2026
Reg 85 Nutrient Upgrades	\$2,500,000 ¹	2026-2027
Long-Term Projects (5-10 years)		
San Juan River WWTF	\$40,000,000 ²	2029
Pipeline Reversal Project	\$15,000,000 ²	2031

Notes:

- Shows anticipated GID cost, assuming 25/75 split under current working agreement. This cost estimate was shared with GID from PAWSD.
- Shows overall project cost. GID and PAWSD cost sharing details to be determined at a later date. Estimate of project cost is a rough estimate and will be updated upon further PAWSD analysis.
- The cost estimate assumes a remaining number of Category 4 and 5 collection system replacement remains. This number is subject to change depending on future findings during videoing of the system.

PROJECT NARRATIVES AND FUNDING RECOMMENDATIONS

The identified short-term projects are to be executed within the next 5 years. Three of the projects are to be executed by the GID independently, while the three other projects all assume PAWSD coordination and partnership. Background information and key assumptions for each project are summarized below.

CATEGORY 4 AND 5 SEWER REPLACEMENT

The highest cost project in the short-term category includes the replacement and repair of Category 4 ad 5 lines in the collection system. Upon videoing of the existing system, it was discovered that there were more Category 4 and 5s present than previously noted in the 2020 system evaluation. Critically, there are several Category 5 sewer replacements that need to be implemented to prevent overflowing at the lift and pump stations during runoff and storm events. Those identified sections include the McCabe Creek Crossing and lines located near McCabe Creek. Collection lines along Pagosa Street (Highway 160) should be completed prior to or in conjunction with the planned CDOT project. The remaining portion of this work is an extrapolated estimate based on the video findings to date. As such, final cost to complete all critical Category 4 and 5s will be finalized once videoing of the system is completed in 2024-2025. Additionally, cost estimates will be updated after the execution of Phase 1A, which will provide current pricing data to extrapolate from.



LAGOON CLEAN-UP

With ongoing Yamaguchi River Park work and improvements along the San Juan River, it was discovered that the old lagoons were not effectively decommissioned and all biosolids were not removed. With this information available now, the only option for the GID is to haul material off-site from a licensed contractor. The GID is working with a contractor to complete this work, and the cost estimate is approximately \$750,000. This project is critical to complete to provide a safe area for recreational users and ensure proper environmental protection of the surrounding community and environment.

1ST ST. LIFT STATION

The 1st Street Lift Station project is also critical to ensure the existing crossing across the San Juan River is replaced with a more robust solution. This project should be completed prior to or in conjunction with ongoing improvements along Pagosa Street (Hwy 160) and upcoming CDOT work. The current pipe across the bridge has reached the end of its useful life and needs replacement to ensure safe passage of sewage across the San Juan River.

REG. 85 VISTA PLANT COST SHARING

The second phase of short-term projects is an assumed cost (25% of total project cost) for regulatory upgrades required at the PAWSD existing Vista wastewater treatment plant. Final cost and schedule will not be known until design is complete. This cost presents unique challenges as lending agencies will not lend money to the GID to pay other Districts for infrastructure they do not own. As such, it is recommended that this cost is paid for using a separate bond request once all cost details are finalized.

FUTURE SAN JUAN RIVER WWTF AND PIPELINE REVERSAL

These two projects are heavily dependent on the PAWSD partnership as they progress their feasibility and design for the San Juan River WWTF and pipeline reversal forward. The final project cost and split of assets will be determined once overall project design and cost estimating are complete. Both projects are currently in the feasibility design phase. As such, the final impact to GID rate payers is highly variable depending on how these large projects are funded, how assets are transferred to different parties, and the long-term plan for the San Juan River WWTF site owned by the Town.

For this evaluation, it is assumed that the cost would be split 25/75 as it currently is for all shared PAWSD and GID assets. However, that assumption is subject to change as more details for both projects and future operations are developed.

RECOMMENDATIONS

Due to the difference in scope, cost, and schedule two funding solutions are being proposed to execute all four projects. The first is a municipal bond and the second is a state/federal funding loan and grant package.

1. Municipal Bonds
 - a. Fast access to funding to complete projects quickly.
 - b. No state or federal permitting required.
 - c. Higher interest rates (close to market 4-6% range).
2. State and Federal Funding Programs



- a. Takes 6-9 months to obtain funds.
- b. Requires necessary environmental permitting (NEPA compliance), as well as CDPHE permitting prior to execution of loan and grant money.
- c. Lower interest rates (3.5-4.75%).

Within the Category 4 and 5 sewer replacement projects, there are several critical sections of pipe that should be replaced as soon as possible. The lagoon clean-up project would not be eligible for state or federal funding as it is considered a maintenance project rather than capital improvement or replacement project investing in a long-term asset. It is recommended a bond is used for a portion of the critical Category 4 and 5 sewer replacement work, and the lagoon clean-up project to ensure funding can be acquired quickly and be used without limitation. The total amount of the bond is recommended at \$4,000,000, which will closely match the existing assumed debt service adopted in the 2024 rate structure. This bond amount is recommended so that there is no short-term impact to user rates, and the maximum amount of critical work (e.g. collection system and lagoon clean-up) is completed as soon as possible.

The upcoming Vista plant upgrade (Reg. 85) costs cannot be paid for using a public loan program (USDA or SRF) as the GID does not own and operate that system. Therefore, it is recommended that a bond is also used to pay for the GID's portion of work. With some uncertainty still surrounding the final amount, and schedule of the PAWSD plant upgrades, it is recommended that a second bond is pursued once final construction costs and GID cost sharing is determined. Currently, it is assumed that the entire portion of GID's project cost is paid one time to PAWSD however, other options including monthly payments to match 25% of the project cost per PAWSD's loan for the entire project can also be explored. The ultimate decision on which route to go will depend on the interest rate and loan terms that PAWSD funds the project for compared to the municipal bond market. Additionally, it is feasible that the GID could ask for one \$6,500,000 bond to have immediate access to funds. This may be the preferred solution if there are bond application efficiencies or advantages from a lender's perspective to only pursue one bond.

All future projects to be completed in conjunction with PAWSD will require large amounts of public funding. The exact funding source may be up to PAWSD depending on final agreements, ownership, consolidation of Districts, and operations. At this point in it is assumed that SWIFIA and SRF programs are pursued together to fund the projects based on total project costs being in the \$50-\$60 million range. With the many available avenues for the GID, it is recommended that short-term decisions are made to address critical infrastructure projects, and more effort is spent working to minimize debt service for Phases 2 and 3 by pursuing grant programs, strategically scheduling projects, and working with PAWSD closely to develop the best funding package available for all Phases of work.

Table 2. Recommended Funding Sources and Project Phasing

Project	Funding Source	Project Cost
Phase 1A: Municipal Bond (2024)		
Cat. 4 and 5 Sewer Replacement	Bond	\$3,250,000
Lagoon Clean-Up	Bond	\$750,000
	Total Request	\$4,000,000
Phase 1B: Municipal Bond for PAWSD WWTF Upgrades (2026-2027)		
Reg 85 PAWSD Upgrades	Bond	\$2,500,000 ¹
	Total Request	\$2,500,000



Phase 2: SRF Funding (2025 – 2026)		
Cat. 4 and 5 Sewer Replacement	SRF	\$11,550,000
1 st St. Lift Station	SRF	\$3,000,000
	Total Request	\$14,550,000
Phase 3: Future SWIFIA and SRF Funding²		
Pipeline Reversal Project	SWIFIA/SRF	\$3,750,000
San Juan River WWTF	SWIFIA/SRF	\$10,000,000
	Total Request	\$13,750,000

- Notes:**
1. Final cost for GID's portion of Reg 85 PAWSD upgrades to be finalized in 2025.
 2. Phase 3 projects assume current cost share split of 25/75 with PAWSD using assumed costs from Table 1.
 3. All cost estimates for Phase 3 projects are in the preliminary conceptual phase.
 4. All other cost estimates are at Class III AACE estimating level.

IMPACT TO COMMUNITY AND RATES

Using the identified projects, cost estimates, and funding mechanisms the required debt service to fund the proposed bond, and loans was calculated for each phase. Within that calculation there are several critical assumptions which can impact the overall required debt service. The three biggest factors that impact debt service amount are:

1. Interest Rates
2. Grant Money (including principal forgiveness)
3. Program and availability of funding

As such, three debt service payments were calculated for each phase of work to show the range of possible required debt service and corresponding impact to customers. A 30-year loan term is assumed for all debt service terms. The 1st. Lift Station project may not last 30 years prior to replacement but mixed with other assets that will likely last 40-50 years, this justifies the debt service loan term assumption at this time.

For Phase 1A and B the municipal bond system does not issue grant money nor does availability of funding impact the GID's ability to borrow. Therefore, the only impact to bonds is the interest rate, three interest rates were used to calculate potential annual debt service payments. For the SRF Funding varying levels of grant money ranging from none to moderate amount of grant money based on the GID's financial status.

Table 3. Summary of Funding and Impact to Sewer Users.

Phase 1A: Municipal Bond for GID Work		
Interest Rate	Annual Debt Service	Rate Increase³
4.50 %	\$ 243,208.95	None
5.00 %	\$ 257,674.38	None
6.00 %	\$ 287,784.25	None



Phase 1B: Municipal Bond for PAWSD WWTF		
4.50 %	\$ 152,005.59	\$7.93 per month per EU
5.00 %	\$ 161,046.49	\$8.40 per month per EU
6.00 %	\$ 179,865.16	\$9.39 per month per EU
Phase 2: 2025 SRF Funding		
No Grant Money		
Interest Rate	Annual Debt Service	Rate Increase
3.50 %	\$ 784,032.02	\$40.91 per month per EU
4.00 %	\$ 833,567.11	\$43.50 per month per EU
4.75 %	\$ 910,796.25	\$47.53 per month per EU
Moderate Grant Money ¹		
3.50 %	\$ 613,379.79	\$32.01 per month per EU
4.00 %	\$ 632,883.58	\$33.02 per month per EU
4.75 %	\$ 800,241.82	\$41.76 per month per EU
Phase 3: Future SWIFIA and SRF Funding ²		
No Grant Money		
Interest Rate	Annual Debt Service	Rate Increase
4.50 %	\$ 796,379.69	\$26.55 per month per EU
5.00 %	\$ 846,400.47	\$29.16 per month per EU
6.00 %	\$ 950,582.34	\$34.59 per month per EU
Moderate Grant Money ¹		
4.50 %	\$ 652,886.41	\$19.06 per month per EU
5.00 %	\$ 694,372.59	\$21.22 per month per EU
6.00 %	\$ 780,789.64	\$25.73 per month per EU

Notes:

1. Moderate grant money assumes EIAF grant for \$1,000,000, and 10% principal forgiveness. It also assumes that GID receives \$350,000 in design and engineering grant money from the SRF program.
2. SWIFIA and SRF funding would be one financial package for the San Juan WWTF and Pipeline Reversal project. SWIFIA requires 51% matching with non-federal money (e.g. state revolving fund money). Therefore, assumed grant money would only be deducted from the 51% of SRF funds. SWIFIA does not offer grant options currently, but it is subject to change.
3. Rate increases are calculated assuming all former rate study assumptions are remaining the same. Such as annual budget for smaller capital and maintenance projects and number of employees.
4. The number of EUs is assumed to be 1597 for all calculations. Minor growth (10-15 new EUs per year) is assumed per the 2023 Rate Study. Should growth assumptions change (e.g. new development or subdivision is built), additional EUs will reduce the monthly increase in rates.



Under the current rate structure, the existing assumed \$240,000 of debt service can be used to service the proposed \$4,000,000 bond. Under all current assumptions, the cash flow from the GID is projected to remain in the positive with a net increase ranging from \$6,000 to \$250,000 depending on the year. The variability in the cash flow is a product of planned small capital projects within the sewer system (e.g. air scrubber replacement, lift station maintenance and replacement, and other mechanical equipment replacement on regular schedules). The variability is expected and helps build up reserves for larger capital project years in the future, therefore allowing for years where a net loss or break-even cash flow is acceptable.

Assuming a median interest rate and no grant funding, the anticipated rates to cover the debt service outlined in Table 3 are graphed in Figure 1, located in the Appendix. This rate structure assumes all existing budget and growth assumptions from the 2023 rate study. As such, if any growth assumptions were to change (e.g. large development generating large amount of tap fees and additional users), then the rate structure will change with those assumptions. Therefore, it is recommended that each year the rate structure is evaluated using budget to date metrics and an understanding of future projects and growth within the GID service area.

The second municipal bond would require a rate increase and ensure that the GID is operating with positive cash flow. The rate increase is summarized in Table 3. The rate increases are cumulative, so with each execution of a new bond or loan the additional amount listed is added to the previous Phase increase. If one bond at \$6,500,000 is pursued, then the rates would need to increase as described in Table 3 Phase 1B immediately and pending evaluation of 2024 GID cash flow.

Phase 2 will result in a much larger rate increase due to the large capital investment required to fix long-term collection system issues. The rate impacts were calculated assuming the current budget and expenditures remains the same as outlined in the 2023 rate study. One consideration to note that is that in 2036 all existing debt for the GID will be paid off, and that debt service budget line can be used towards new debt. Depending on timing it is likely that if a SWIFIA loan is obtained the program allows for a 5-year delay before making first payment on debt. Therefore, the timing will align with eliminating existing debt, and putting existing debt service budget towards the SWIFIA loan repayment and other debt payments, therefore minimizing rate impact to the users.

FUTURE CONSIDERATIONS AND NEXT STEPS

Based upon this analysis, it is recommended that GID should pursue at a minimum, the \$4.0 million bond to complete the most critical projects. Under the worst-case interest scenario, no impact to rates will occur. All assumptions for bonds need to be verified with a financial specialist.

Outside of the immediate Phase 1A and 1B Municipal Bonds, the future scenarios require further investigation and evaluation as several factors and considerations could potentially reduce the anticipated debt service. Phase 2 will need to be implemented, and the best course of action will likely be to pursue multiple grant programs in conjunction with the SRF program to complete this work. Additional considerations such as completing smaller projects in house or staggering less critical pipeline replacement projects may also be evaluated. In this analysis, there are several key factors which have a high level of uncertainty surrounding them. As such, changes to those factors or current assumptions can have a significant impact to the estimated level of debt service. Those factors include:

1. Consolidation of Districts and Exchange of Assets
 - a. With the current plan to consolidate Districts, there is a larger question of how assets should be combined, exchanged, and sold between the Districts. A financial advisor who



specializes in District consolidation and municipal asset finances should be consulted to understand potential financial implications of consolidation for the GID and Town.

2. Larger federal funding programs
 - a. With a much larger scope project on the horizon for the collection system, federal money becomes more attractive in terms of the up front effort compared to low interest rate and potential grant money access. Programs that fund larger projects such as FEMA Building Resilient Communities Fund (BRIC), and SWIFIA should be explored.
 - b. Additionally, any other available grant funding should be aggressively pursued to minimize rate increases to users during both Phase 2 and 3.
3. Timing of Projects
 - a. The GID is still videoing and analyzing the collection system. Once the system is completed a better understanding of exact cost to replace and repair all Category 4 and 5s can be developed and refined for final Phase 2 numbers.
 - b. All existing debt service is set to mature in 2036, opening approximately \$267,657 of income to put towards new debt. The GID could evaluate completing smaller Category 4 and 5 projects until 2036 then planning on acquiring new debt once the existing debt is paid off. This would need to be considered along with the timeline of consolidation, new WWTF construction, regulatory requirements, and pipeline reversal work.
 - c. The success of Phase 1A of Category 4 and 5 projects will be able to inform future decisions of what is needed within the collection system, and general cost to meet all the needs of the collection system replacement work.

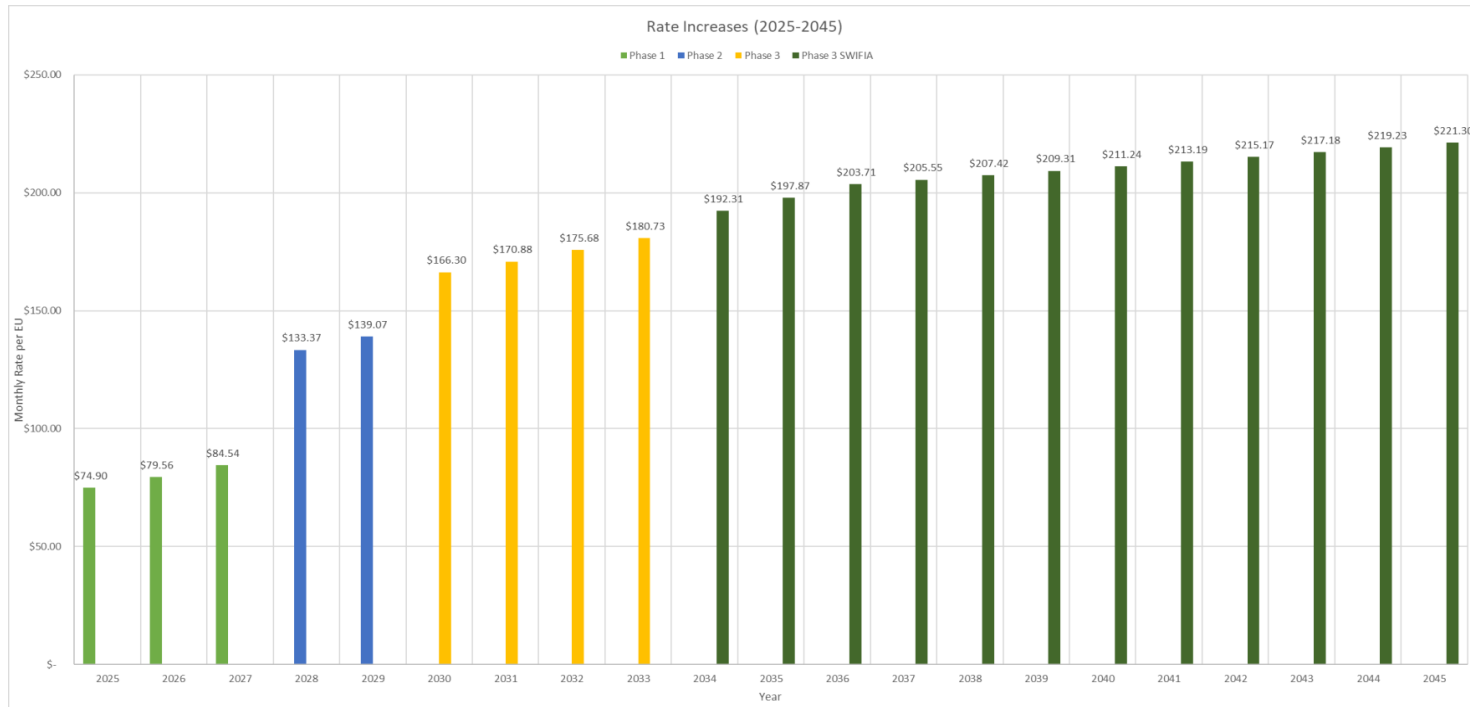


Figure 1. Estimate of GID Rate Structure (no grant funding, and intermediate interest rates) to fund all planned debt service for the GID in 2025-2045. The rate structure shown is cumulative, and the rate builds upon each previous phase.



TO: Karl Johnson
Public Works Director
Pagosa Springs Sanitation General Improvement District

FROM: Maggie McHugh, PE
Project Manager

CC: David Harris
Town Manager
Town of Pagosa Springs

DATE: October 15, 2025

RE: Capital Project Planning and Funding Impacts

CAPITAL PROJECTS AND FUNDING REQUIREMENTS

PROJECT BACKGROUND

The GID is currently evaluating funding options to finance major collection system improvement projects and planning for future financing of major WWTF projects. The projects identified and in need of funding include:

1. Near-Term Category 4 and 5 collection pipe replacement projects
2. New 1st Street Lift Station
3. Lift Station Overflow Vaults
4. Vista Plant Upgrades (Reg 85)
5. New San Juan WWTF (Reg 31)
6. Ongoing Sewer Replacement Projects (Category 3 progression)

Several important factors have changed since the original rate study was completed in 2023.

1. New Projects Added

Two projects not included in the 2023 study have since been added:

- Lift station overflow vaults
- Ongoing sewer replacement projects
 - Progression of Category 3 areas into Categories 4 and 5

2. Updated WWTF Costs and Cost Sharing

- The estimated cost of the new Wastewater Treatment Facility (WWTF) has increased from \$40 million (2023 estimate) to \$50 million.



- In the 2023 study, it was assumed that PAWSD would share 25% of the WWTF cost; however, the current analysis assumes that the GID will cover the full cost.

3. Revised Debt Service and Financing Assumptions

- Debt service assumptions have also changed since 2023. At that time, it was assumed that a loan would be used to fund the Category 4 and 5 collection system improvements, with the following estimated terms:
 - Total project cost: \$6 million
 - Interest rate: 3.85%
 - Principal forgiveness and grants: \$1.5 million

Since 2023, the Town has secured a \$4.5 million bond at a 5.5% interest rate to complete the necessary work. This bond results in annual debt service payments of approximately \$370,000 beginning in 2026, which is \$130,000 higher than the debt service estimated in the 2023 study.

Under these new assumptions and six identified projects, the next 30 years of work for the GID are summarized in **Table 1**. The projects are separated into phases depending on estimated year of completion.

The first three projects identified must be completed as part of maintenance and operations of the GID collection system. Their execution is largely independent of future decisions about GID operations and regulatory drivers, although both projects are influenced by regulatory agencies and current reporting to the CDPHE on how spills and overflows are being prevented within the system.

The next two projects are heavily influenced by regulations, working relationships with PAWSD, and nuance in how existing and future WWTF and related infrastructure (e.g. Pump Station 1 and 2) will be operated and maintained. As such, it is important to note that changes in assumed operations and shared responsibilities between the entities can greatly impact the required funding and rate increases to complete these projects. Finally, the Category 3 Sewer Replacement project includes the GID taking a proactive stance to replace pipes prior to major failure or deterioration. As such over the next 30 years it is estimated that the GID will spend around \$18.7 million in pipeline replacement, repair, and lining.

Table 1. Summary of projects, costs, and planned timeline of execution.

Project	Estimated Cost	Planned Year
Short -Term Projects (0-5 years)		
Category 4 and 5 Sewer Replacement	\$14,800,000 ⁵	2025-2030
Lift Station Overflow Vaults	\$1,000,000	2026-2027
1 st Street Lift Station	\$3,000,000	2026
Reg 85 Nutrient Upgrades	\$2,000,000 ¹	2027-2030
Long-Term Projects (5-30 years)		
San Juan River WWTF	\$50,000,000 ²	2030-2033
Sewer Replacement Projects	\$18,700,000 ³	2031-2061

Notes:



1. Estimate is the anticipated GID cost, assuming 25/75 split under current working agreement. This cost estimate was shared with GID from PAWSD. It is assumed this debt is continually repaid even after the San Juan WWTF comes online as the GID would still owe the PAWSD \$2 million.
2. Shows overall project cost for a new WWTF assuming Town pays for the entire WWTF. At the time that the San Juan WWTF comes online it assumed the treatment cost to PAWSD ceases.
3. The cost estimate assumes that every 10 years the Category 3s become Category 4s which must be repaired, lined, or replaced. The cost estimate assumes current cost per linear foot of \$1,100 increasing at a 5% inflation rate over the next 20 years, for 11,700 linear feet total. Rather than taking on more debt, it is assumed that the 18,700,000 is spread out evenly over 30 years which equates to \$600,000 starting in 2031 for replacement.
4. All estimates are AACE Level 4 Feasibility.
5. A \$4,500,000 bond with a 30-year interest rate of 5.5% has already been taken out to fund the first portion of these replacements. Thus, the remaining balance is \$10,300,000, and it is assumed the same interest rate and return are used for future debt servicing.

PROJECT NARRATIVES AND FUNDING REQUIREMENTS

The identified short-term projects are to be executed within the next 5 years. With the long-term projects being executed over the next 5 to 30 years. The WWTF project will be completed within the next 10 years and a large debt service will be taken out to fund that work. Background information and key assumptions for each project are summarized below.

SEWER REPLACEMENT PROJECTS (CATEGORY 3, 4, AND 5)

The highest cost project in the short-term category includes the replacement and repair of Category 4 and 5 lines in the collection system. Upon videoing of the existing system, it was discovered that there were more Category 4 and 5s present than previously noted in the 2020 system evaluation. Critically, there are several Category 5 sewer replacements that need to be implemented to prevent overflowing at the lift and pump stations during runoff and storm events. Those identified sections include the McCabe Creek Crossing and lines located near McCabe Creek. The remaining portion of this work is an extrapolated estimate based on the video findings to date. As such, final cost to complete all critical Category 4 and 5s is still subject to change when the additional videoing of un-videoed segments is completed.

The categories for all the pipe conditions are defined by RG and Associates as follows:

1. **Category 5 - Emergency:** Extensive structural deficiencies, and combination of light to extensive physical pipe defects.
2. **Category 4 - Poor:** Moderate structural deficiencies and extensive breaks, root growth/intrusion or deterioration OR a combination of light to extensive physical pipe defects
3. **Category 3 - Moderation:** Moderate structural deficiencies with moderate cracks, sags, breaks, root growth, infiltration, or deterioration OR extensive offset joints or debris, or combination of light to moderate physical pipe defects.

Pipe deteriorates over time and as such it is assumed that current Category 3 pipes will continue to deteriorate at the rate of 5.7% of the total linear footage of the system every 10 years. This is how the cost for replacing Category 3s progressing to Category 4s and 5s was determined. Category 3 projects are planned for over 20-30 years depending on the rate of deterioration. The GID plans to begin to monitor and proactively replace pipe as it's condition degrades. At this planned rate for Category 3 replacements, it would be sustainable for the GID to replace or repair sewer pipe without taking on debt and self fund the work.



LIFT STATION OVERFLOW VAULT

The PSSGID received a Notice of Violation from the CDPHE regarding a series of overflow events at the lift stations and within the collection system in a 4-year period. As part of the response to the violation, the GID is required to install overflow basins at each lift station to prevent future overflow and spill events. The cost for these buried vaults was determined to be approximately \$300,000 per vault pending site conditions and work to be done. An overall cost of \$1 million was estimated to account for unknown site conditions at each lift station.

1ST ST. LIFT STATION

The 1st Street Lift Station project is also critical to ensure the existing crossing across the San Juan River is replaced with a more robust solution. This project should be completed prior to or in conjunction with ongoing improvements along Pagosa Street (Hwy 160) and upcoming CDOT work. The current pipe across the bridge has reached the end of its useful life and needs replacement to ensure safe passage of sewage across the San Juan River.

REG. 85 VISTA PLANT COST SHARING

The second phase of short-term projects is an assumed cost (25% of total project cost) for regulatory upgrades required at the PAWSD existing Vista wastewater treatment plant. Final cost and schedule will not be known until design is complete. This cost presents unique challenges as lending agencies will not lend money to the GID to pay other Districts for infrastructure they do not own. As such, it is recommended that this cost is paid for using bond money, or on an annual debt payment basis to PAWSD.

FUTURE SAN JUAN RIVER WWTF

The future San Juan River WWTF project includes a new WWTF at the old lagoon site for the GID. The final project cost and split of assets will be determined once overall project design and cost estimating are complete. As such, the final impact to GID rate payers is highly variable depending on how these large projects are funded, how assets are transferred to different parties, and the long-term plan for the San Juan River WWTF site owned by the Town.

The total debt service is unknown at this time as there will likely be a need for a large debt service payment on top of the existing \$4,500,000 bond. Given the GID's past success with grants, obtaining grant money for this work is likely but not guaranteed. As such all cost estimates assume no grant money awarded. If the full \$50,000,000 cost is not reduced by grants or in-kind matches, then the annual loan payment could be up to \$3.4 million per year for the New San Juan River WWTF (assuming 3.5% interest over 30 years). While not likely, this is currently the worst-case scenario for debt repayment resulting in a need for a large annual source of revenue to pay the loan. The cost estimates assume the Town pays the entire cost of the WWTF.

IMPACT TO RATES

Assuming that all identified projects will be self-funded by the District through a combination of debt service and available reserves, significant rate adjustments will be required over the next several years to maintain financial stability and meet debt coverage requirements.



FUNDING SOURCES AND DEBT SERVICE

It is assumed that bonds or similar debt service structures will be procured to fund all future capital improvement projects, with a 30-year term and an interest rate of 5.5%. Except for the sewer replacement projects which will be ongoing and funded on an annual preventative maintenance schedule. The table below summarizes the anticipated bond amounts and associated monthly payments for each project.

Table 2. Summary of expected bonds and monthly payments

Project	Estimated Total Bond	Estimated Annual Payment
Short -Term Projects (0-5 years)		
Category 4 and 5 Sewer Replacement	\$10,300,000 ¹	\$701,787
Lift Station Overflow Vaults	\$1,000,000	\$68,135
1 st Street Lift Station	\$3,000,000	\$204,404
Reg 85 Nutrient Upgrades	\$2,000,000	\$136,269
Long-Term Projects (5-30 years)		
San Juan River WWTF	\$50,000,000	\$3,406,734
Sewer Replacement Projects	\$18,700,000	\$600,000 ²

Notes:

1. Construction has begun on Category 4 and 5 Sewer Replacements and a bond of \$4.5 million has been taken out to fund this project. To reflect this, the future project cost for this project has been reduced by \$4.5 million.
2. This cost is not debt repayment and includes an investment made each year to replace soon to be Category 4 or 5 sections of pipeline.

Using this information an annual debt service of \$4.8 million is estimated. Most of that debt is related to the new WWTF. Since loan providers often assess existing financials on how they can support new debt service, it will likely be strategic to group projects together under one debt service to minimize reporting and applications. Due to the large amount of money having a debt service reserve to cover these costs is close to impossible. This will need to be discussed, and an alternative solution determined with the debt service provider. Additionally, the high level of debt service highlights the need for additional sources of revenue including grants as they become available.

PROPOSED RATES

To fund the projected debt service payments, customer rates will need to increase significantly over the next several years. Rate modeling indicates that maintaining a sufficient Capital Reserve Fund while meeting debt coverage requirements will require two significant rate increases in 2026, 2027 and 2030, which coincides with the initiation of the short-term and long-term projects identified in **Table 1**.

Table 3 summarizes the rate impacts over the next 5 years to customers. After the final jump in 2030 rates will stabilize as debt service payments are unchanged each year. Furthermore, some existing debt will be paid off in 2036 providing more revenue to be used. This results in the rates increasing 3 to 1.5 % from 2031 and forward.



Table 3. Summary of impact to rates.

Year	Monthly Fee Increase (%)	Monthly Payment
2025	7%	\$71.16
2026	35%	\$96.07
2027	30%	\$124.89
2028	4%	\$129.88
2029	4%	\$135.08
2030	125%	\$303.92
2031	3%	313.04

The rate increases were calculated to ensure that the GID can meet its debt service payment obligations while maintaining a Capital Reserve Fund balance of \$500,000 for emergency repairs or replacements. Although the Capital Reserve Fund will be somewhat depleted as debt service payments begin, the proposed rates will help the District rebuild this fund. No debt service reserve is included in the rate study due to the high amount of debt required for the GID. Alternative conditions with debt service providers will need to be negotiated. Additionally, the operational impact from a new San Juan WWTF is assumed to be approximately treatment cost paid to PAWSD currently.

20-yr Cash Flow Summary Table																					
10/15/2025																					
Assumptions: See report for detailed assumptions Utilizing a loan allows for all Category 4 and 5 collection system replacement work to be completed.																					
Pagosa Views Development		Pagosa Views EU Schedule			5-Yr Assumed Rate Changes and Growth			10-Yr Assumed Rate Changes and Growth			15-Yr Assumed Rate Changes and Growth										
Does the Pagosa Views Phase 1 Development Happen?	No	Phase 1	57	Capital Investment Fee	\$7,500.00	Capital Investment Fee	\$10,000.00	Capital Investment Fee	\$12,500.00												
Does the Pagosa Views Phase 2 Development Happen?	No	Phase 2	142	% User Pay	100%	% User Pay	90%	% User Pay	90%												
Does the Pagosa Views Phase 3 Development Happen?	No	Phase 3	195	EUs Sold	1597	EUs Sold	1672	EUs Sold	1707												
Does the Pagosa Views Phase 4 Development Happen?	No	Phase 4	102	Annual Short-term EU Growth	15	Annual Short-term EU Growth	7	Annual Short-term EU Growth	5												
EU Fee Increase		7.0%	35.0%	30.0%	4.0%	4.0%	125.0%	3.0%	3.0%	1.5%	1.5%	1.5%	1.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%		
EU User Fee	\$53.50	\$66.50	\$71.16	\$96.07	\$124.89	\$129.88	\$135.08	\$303.92	\$313.04	\$322.43	\$327.27	\$332.18	\$337.16	\$342.22	\$343.93	\$345.65	\$347.38	\$349.11	\$350.86	\$352.61	
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	
Operating Revenues:																					
Collections	\$1,274,406	\$1,097,139	\$1,376,519	\$1,892,884	\$2,483,229	\$2,605,937	\$2,721,521	\$6,148,952	\$6,333,420	\$6,523,423	\$6,743,018	\$6,844,163	\$6,946,825	\$7,051,028	\$7,086,283	\$7,121,714	\$7,157,323	\$7,193,109	\$7,229,075	\$7,265,220	
Property and Other Tax	\$50,713	\$62,088	\$63,951	\$65,869	\$67,845	\$69,881	\$71,977	\$74,136	\$76,360	\$78,651	\$81,011	\$83,441	\$85,944	\$88,523	\$91,178	\$93,914	\$96,731	\$99,633	\$102,622	\$105,701	
Interest and Capital Credit	\$68,400	\$52,600	\$54,178	\$55,803	\$57,477	\$59,202	\$60,978	\$62,807	\$64,691	\$66,632	\$68,631	\$70,690	\$72,811	\$74,995	\$77,245	\$79,562	\$81,949	\$84,408	\$86,940	\$89,548	
Total Op. Revenue	\$1,393,519	\$1,211,827	\$1,494,648	\$2,014,557	\$2,608,552	\$2,735,019	\$2,854,476	\$6,285,895	\$6,474,472	\$6,668,706	\$6,892,659	\$6,998,294	\$7,105,580	\$7,214,545	\$7,254,706	\$7,295,190	\$7,336,003	\$7,377,150	\$7,418,637	\$7,460,469	
Provisional Revenue:																					
Capital Investment Fees	\$245,000	\$77,925	\$112,500	\$112,500	\$112,500	\$112,500	\$70,000	\$70,000	\$112,500	\$112,500	\$112,500	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	
Additional Collections (late, review)	\$28,600	\$28,968	\$28,968	\$28,968	\$28,968	\$28,968	\$28,968	\$28,968	\$28,968	\$28,968	\$28,968	\$28,968	\$28,968	\$28,968	\$28,968	\$28,968	\$28,968	\$28,968	\$28,968	\$28,968	
Total Provisional Revenue	\$273,600	\$106,893	\$141,468	\$141,468	\$141,468	\$141,468	\$98,968	\$98,968	\$141,468	\$141,468	\$141,468	\$98,968	\$98,968	\$98,968	\$98,968	\$98,968	\$98,968	\$98,968	\$98,968	\$98,968	
External Funding																					
Transfer from General Fund	\$9,500																				
Federal/State Grants	\$48,183																				
Total External Assistance	\$57,683	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Revenues	\$1,724,802	\$1,318,720	\$1,636,116	\$2,156,025	\$2,750,020	\$2,876,487	\$2,953,444	\$6,384,863	\$6,615,940	\$6,810,174	\$7,034,127	\$7,097,262	\$7,204,548	\$7,313,513	\$7,353,674	\$7,394,158	\$7,434,971	\$7,476,118	\$7,517,605	\$7,559,437	
Operating Expenditures:																					
Personnel	\$236,755	\$330,063	\$339,965	\$350,164	\$360,669	\$371,489	\$382,633	\$394,112	\$405,936	\$418,114	\$430,657	\$443,577	\$456,884	\$470,591	\$484,709	\$499,250	\$514,227	\$529,654	\$545,544	\$561,910	
Commodities	\$25,548	\$25,435	\$26,707	\$28,042	\$29,444	\$30,916	\$32,462	\$34,085	\$35,790	\$37,579	\$39,458	\$41,431	\$43,502	\$45,678	\$47,961	\$50,360	\$52,878	\$55,521	\$58,297	\$61,212	
Property Services	\$532,875	\$386,342	\$264,032	\$271,953	\$280,112	\$288,515	\$297,171	\$306,086	\$315,268	\$324,726	\$334,468	\$344,502	\$354,837	\$365,482	\$376,447	\$387,740	\$399,372	\$411,354	\$423,694	\$436,405	
PAWSD Treatment/WWTF Operations	\$225,000	\$220,000	\$226,600	\$233,398	\$240,400	\$247,612	\$255,040	\$262,692	\$270,572	\$278,689	\$287,050	\$295,662	\$304,531	\$313,667	\$323,077	\$332,770	\$342,753	\$353,035	\$363,626	\$374,535	
Purchased Services	\$140,363	\$56,520	\$59,346	\$62,313	\$65,429	\$68,700	\$72,135	\$75,742	\$79,529	\$83,506	\$87,681	\$92,065	\$96,668	\$101,502	\$106,577	\$111,906	\$117,501	\$123,376	\$129,545	\$136,022	
Existing Debt Service	\$287,657	\$287,657	\$287,657	\$287,657	\$287,657	\$287,657	\$287,657	\$287,657	\$287,657	\$287,657	\$287,657	\$287,657	\$287,657	\$287,657	\$287,657	\$287,657	\$287,657	\$287,657	\$287,657	\$287,657	
Inter-Transfer Funds	\$58,855	\$40,606	\$41,824	\$20,600	\$21,218	\$21,855	\$22,510	\$23,185	\$23,881	\$24,597	\$25,335	\$26,095	\$26,878	\$27,685	\$28,515	\$29,371	\$30,251	\$31,154	\$32,081	\$33,031	
Total Operating Ex.	\$1,507,053	\$1,346,623	\$1,246,131	\$1,254,127	\$1,284,929	\$1,296,744	\$1,329,609	\$1,363,560	\$1,395,352	\$1,431,490	\$1,468,826	\$1,414,687	\$1,454,549	\$1,495,741	\$1,363,369	\$1,407,361	\$1,452,827	\$1,499,819	\$1,548,392	\$1,598,600	
Capital Debt Service:																					
New Debt Service - Collection System - Bond at 5.5%			\$306,606	\$306,606	\$306,606	\$306,606	\$306,606	\$306,606	\$306,606	\$306,606	\$306,606	\$306,606	\$306,606	\$306,606	\$306,606	\$306,606	\$306,606	\$306,606	\$306,606	\$306,606	
Remaining Category 4 and 5 Sewer Replacement				\$701,787	\$701,787	\$701,787	\$701,787	\$701,787	\$701,787	\$701,787	\$701,787	\$701,787	\$701,787	\$701,787	\$701,787	\$701,787	\$701,787	\$701,787	\$701,787	\$701,787	
Lift Station Overflow Vaults				\$68,135	\$68,135	\$68,135	\$68,135	\$68,135	\$68,135	\$68,135	\$68,135	\$68,135	\$68,135	\$68,135	\$68,135	\$68,135	\$68,135	\$68,135	\$68,135	\$68,135	
1st Street Lift Station				\$204,404	\$204,404	\$204,404	\$204,404	\$204,404	\$204,404	\$204,404	\$204,404	\$204,404	\$204,404	\$204,404	\$204,404	\$204,404	\$204,404	\$204,404	\$204,404	\$204,404	
Reg 85 Nutrient Upgrades				\$136,269	\$136,269	\$136,269	\$136,269	\$136,269	\$136,269	\$136,269	\$136,269	\$136,269	\$136,269	\$136,269	\$136,269	\$136,269	\$136,269	\$136,269	\$136,269	\$136,269	
San Juan River WWTF							\$3,406,734	\$3,406,734	\$3,406,734	\$3,406,734	\$3,406,734	\$3,406,734	\$3,406,734	\$3,406,734	\$3,406,734	\$3,406,734	\$3,406,734	\$3,406,734	\$3,406,734	\$3,406,734	
Capital Expenditures																					
Sewer Replacement Projects									\$600,000	\$642,000	\$674,100	\$707,805	\$743,195	\$780,355	\$819,373	\$860,341	\$903,358	\$948,526	\$995,953	\$1,045,750	
Collection System Maintenance			\$30,000	\$32,100	\$34,347	\$36,751	\$37,854	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	
Lift Station Improvements and Maintenance			\$22,400	\$123,500	\$20,960	\$21,000	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510	\$23,185	\$23,881	\$24,597	\$25,335	\$26,095	\$26,878	\$27,685	\$28,515	\$29,371	
Unplanned Projects	\$162,000	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765	\$34,778	\$35,822	\$36,896	\$38,003	\$39,143	\$40,317	\$41,527	\$42,773	\$44,056	\$45,378	\$46,739	\$48,141	\$49,585	\$51,064	
Total Capital Ex.	\$162,000	\$0	\$82,400	\$186,500	\$87,134	\$90,533	\$91,619	\$65,378	\$67,340	\$69,360	\$71,441	\$73,584	\$75,791	\$78,065	\$80,407	\$82,819	\$85,304	\$87,863	\$90,499	\$93,214	
Total Expenditures	\$1,669,053	\$1,346,623	\$1,635,137	\$2,019,772	\$2,789,264	\$2,804,479	\$2,838,430	\$6,252,873	\$6,886,627	\$6,966,785	\$7,038,302	\$7,020,011	\$7,097,471	\$7,178,097	\$7,087,084	\$7,174,457	\$7,265,424	\$7,360,144	\$7,458,778	\$7,561,500	
Net Income	\$55,749	-\$27,903	\$979	\$136,253	-\$39,244	\$72,009	\$115,014	\$131,990	-\$270,687	-\$156,611	-\$4,175	\$77,251	\$107,077	\$135,417	\$266,590	\$219,702	\$169,547	\$115,974	\$58,826	-\$2,063	
Capital Reserve Balance	\$420,273	\$392,370	\$393,349	\$529,601	\$490,357	\$562,366	\$677,380	\$809,370	\$538,682	\$382,072	\$377,897	\$455,147	\$562,224	\$697,641	\$964,231	\$1,183,933	\$1,353,479	\$1,469,454	\$1,528,280	\$1,526,217	
Reserve:Expenditures Cost Ratio	0.28	0.29	0.32	0.42	0.38	0.43	0.51	0.59	0.39	0.27	0.26	0.32	0.39	0.47	0.71	0.84	0.93	0.98	0.99	0.95	
Operating Reserves																					