

Round Mountain WSD Needs Help With Wastewater Treatment

(A set of talking points)

These points aim to help our community understand the wastewater challenges we face.

Should you wish to reach out to state and/or federal officials for help with this situation we can't afford to solve alone, please ensure you have name spellings and contact information correct. We have attached a list of our elected state and federal representatives, as well as our July 30, 2021, background document, which many officials' teams have already received. You may wish to refer to some of its details, as well as to the points below. And you will want to confirm figures, dates and descriptions are consistently accurate.

You probably won't want to cite all our points. But please consider including some, directly or in your own words. Note that our "possible solutions" require adjustments to government procedures, funding priorities and possibly legislation. We appreciate your help emphasizing our challenges to our elected representatives who can make that happen.

Our problems

1. The wastewater treatment plant for Round Mountain Water and Sanitation District is 46 years old, built with a technology that cannot meet current environmental standards and receiving considerably more sewage than it can fully process.
2. Regulators have not permitted originally planned expansion of the plant to take place, citing our need to meet both current and expected (in 2027) effluent limits. They have required that we replace our plant with a state-of-the-art facility.
3. For many months of the year, despite best efforts by Round Mountain, the district's critically overloaded lagoons emit unpleasant odors toward our neighbors.
4. Our designed and approved solution is expected to exceed by more than twice the \$6 million of loans and grants the district has secured to build the plant regulators require.
5. During five years of engineering paid for by the district, regulators and newly discovered soil conditions have required several expensive design changes, and estimated construction costs have increased well beyond that amount – to \$13 million or more.
6. The rates the district charges its customers – particularly heavy commercial users – have already risen significantly in recent years and are scheduled to increase annually to support not only wastewater treatment but also overdue water system upgrades.
7. Our 650 wastewater customers cannot afford to both build a new treatment plant and operate its complicated systems – which is estimated to increase annual costs by a third or more. Businesses, many of which produce more wastewater and pay multiples of homeowners' charges, might be hit particularly hard by extreme rate increases.
8. Adding wastewater taps in our community without our ability to properly treat existing, let alone additional, effluent would seem unreasonable. If we can't build the new plant, soon, our construction and real estate sectors might face a building moratorium.
9. Wastewater regulations are expected to tighten and become more costly to follow in coming months and years, even as construction costs continue to climb.

Complicated possible solutions

1. Federal monies, from both the American Rescue Plan of 2021 and a pending Infrastructure bill, are budgeted to fund water and sewer projects. **BUT** Colorado must decide whether a special district, such as Round Mountain, can apply for and receive such funds, which currently we cannot. And we would need them quickly.
2. The USDA Rural Development Program, our source for some \$5 million in funding, suggests we turn down their grant and loan package, and reapply for a larger amount. **BUT** we have no guarantee how much we might get in a new grant/loan package – and whether our customers could afford to pay the loans back.
3. Round Mountain is not unique among rural mountain towns. Many other small communities with aging systems are facing or will soon face similar limits on their abilities to fund required sewerage improvements. The federal and state governments that require changes must help us find ways to fund them. Otherwise, small communities will have to abandon their roles in sewage treatment. Taking over these systems, increased pollution and/or watching communities disappear would likely cost taxpayers much more than funding environmental mandates.

What we have done

1. Since 2015, the district has invested more than \$600,000 dollars in engineering to design an advanced sewage-treatment system. Our USDA representative, while suggesting we spend more to update engineering and cost estimates, says we can expect this will be reimbursed in any new grant/loan funding package.
2. Round Mountain staff worked closely over several years with our regulators and funders to come up with our new system's design and an affordable grant and loan package.
3. The district has increased both water and sewer charges, and resumed charging wastewater customers based on their load to the system, a first step toward funding years of postponed maintenance and improvements.
4. Following an outside rate study, we have implemented a plan for annual, incremental rate increases to avoid surprising customers and busting budgets, while funding urgently needed upgrades and maintenance.
5. We are prepared to increase sewer rates to the percentage of average income required by the USDA for Rural Development funding.
6. While considerably more expensive than we had expected, our design for a new wastewater treatment plant is approved, peer-reviewed and essentially **shovel ready**.
7. The district board has met and shared information with our elected officials, explaining our needs and why we must have help to meet regulators' requirements.
8. The district's board has discussed – but taken no action on – a plan to impose a moratorium on new sewer taps if we haven't secured funding for the new plant by Dec. 31, 2021. That is something all want to avoid.