

**Town of Sedgwick  
Record of Proceedings  
October 9th, 2023**

**Members Present:** Roger Munson, Darrin Tobin, Traci Sanchez, Dale Jones, Peggy Owens

**Employees Present:** Heather Moore

**Call to Order:** The Town Board met in regular session. A quorum was verified, and the meeting was called to order at 6:00 pm by Mayor Danny Smith

**Roll Call Mayor Danny Smith Here**

|               |      |                 |           |
|---------------|------|-----------------|-----------|
| Traci Sanchez | Here | Juan De La Hoya | Absent    |
| Peggy Owens   | Here | Roger Munson    | Here/Late |
| Dale Jones    | Here | Darrin Tobin    | Here/Late |

**Approval of Agenda**

**Motion: Approval of Agenda**

Peggy Owens made a motion to approve the agenda with corrections; Dale Jones seconded, all in favor; none opposed, motion carried.

**Approval of Minutes**

- With two spelling corrections

**Motion: Approve the minutes**

Traci Sanchez made a motion to approve the minutes with the corrections; Peggy Owens seconded, all in favor; none opposed, motion carried.

**Bills (Published in Julesburg Advocate)**

- Handed out new checks printed list for the board since a few bills came in late.

**Motion: Bills Roll Call Vote**

Dale Jones made a motion to pay the bills, Traci Sanchez seconded. (Roll Call: All Voted for, None Against) motion carried.

**Public Comments – reminded they will have 3mins.**

- None

**Clerk's Office**

- This last month has been getting ready for Budget Prep.
- Danny will represent our Town at the Truck-N-Treat in Ovid.
- Flowers were ordered to be sent for Alan Otsuka's Funeral.
- We don't have a resolution for bulk water for trucks that need tanks filled. The Board directed the clerk to Work with Alan Coyne to add a system to our fill station at the park. (onsite meter with pay option)

**Maintenance**

- Put a cap on the hole in the sidewalk in front of the Sedgwick Inn.
- Fixed the leak in the bathroom of the Community Center and the mold that was starting to develop.
- Finishing up mowing for the year.

## Mayors Report

- I have worked the Rodeo arena a few times. Other than that, I don't have much this month for you.

## Board of Trustees

- **Traci Sanches**
  - When the discussion opens for hiring the new maintenance employee, I will be stepping out of the building so there isn't a conflict of interest since the person being discussed is my spouse.

## New Business

- **Rhonda Graham – Monthly Updates**
  - Was not able to make it to night but sent the Clerk an email requesting the Town to match last year's contribution to the Chamber Bucks of \$1500.00.
  - She is also working with the Prop123, Housing plans. And reduced the Towns new housing amount from 3 to 1 per year.

### Motion:

Dale Jones made a motion to contribute \$1500.00 for this year's Chamber Bucks', Traci Sanchez seconded. (All Voted for, None Against) motion carried.

- **High Plainz Strains Cultivation Renewal**
  - We have had no issues or complaints against this business.

### Motion:

Tracy Sanchez made a motion to renew the cultivation license for High Plainz Strains, Peggy Owens seconded. (All Voted for, None Against) motion carried.

## 6:10pm - Public Hearing Opens - Dannah Koeniger with GMS - on Sewer Project Funding

- **Dannah Koeniger presented. (Attachment to Minutes were provided by GMS)**
  - This meeting is to express the Towns intention to borrow funds for the project in the form of a loan.
  - 1972 was the last time the sewer system was upgraded. This was the actual construction of the current system. And we are to assume that we are seeping into the ground since water is not present in the second lagoon. And there are no current permits for the lift station or the lagoons.
  - We plan to add another lagoon North of Town and upgrade the lift station and add manholes at the end of some of the lines in town. This project is projected to cost 3.4million dollars for the evaporative system.
  - Grants are totaling around 1.3Million to possible 1.5Million.
  - Leaving around 2.1Million that will be covered by the Loan that is a 30 year term. This loan has a principal forgiveness of half that amount. So we are looking at \$1,071,500.00 for the actual Loan amount after the forgiveness. If we do this the Sewer Rates would have to rise another \$19.43. **BUT** the plan is to make a Town Contribution to that loan in the amount of \$800,000.00 from our ColoTrust Sewer CIP account. When that happens, we would ask to have the loan re-amortized, which will eliminate the requirement to raise the Sewer Rates.
    - Note: As part of the original Loan Process we will have to pass a resolution that states the \$19 rate increase in 2025, but we will not have to put into effect once that Contribution has been applied.

- We will work with the contractors to mitigate the dust during construction. There will be reconstruction of land that is disturbed.
- There will be archaeologists looking at the system for historical values, site application was submitted, a flood plain evaluation to come soon, and any other required inspections.
- Susan Wolf
  - How is our Marijuana money playing a role in this project? And Who is “They”
    - Danny responded that the money that we move to ColoTrust is mainly from Marijuana money, and that is how we are able to do the \$800,000.00 contribution to the loan to eliminate the rate increase.
    - Dannah explained when we talk about they requiring the rate increase is “The State”. When we had the meeting with Greg Etl to explain that we are below the state average that “They” is DOLA (Department of Local Affairs) and is also an entity of The State.

### Public Hearing Adjourned at 6:48pm

- **Dan Pederson for Preliminary Budget Preparation**
  - The Proposed Budget that was prepared by Dan and was handed out for the board to be used during the discussion with Dan.
  - Dan requested when the funding will happen with the Sewer Project. Clerk will email GMS to get those numbers for the budget.
  - Assessed valuation did drop about \$1000. Page 2 shows your actual business and does not show any added capital improvements, so you can see the Town activities better. I also have not increased the salaries yet. This is something for you to think about.
  - November we will have the actual Public Hearing and anything we want added to the budget in by then.
  - A line item that needs to be removed from this Proposed Budget is the line that has \$230,000 going into the Water and Sewer Fund. This was an old item.
  - Town Hall staff requested to have the old carpet removed and a floor covering laid.
  - Covid Funds have not been spent. We could see if this is something we can gift to the Fire Department.
  - We don't have a separate line item for income or expenses for the Fairgrounds. It would be nice to see our expenses going towards that. And we may plan on \$35,000 for Capital Improvements. And maybe \$5000.00 for general operating expenses.
  - Clerk reminded the Board of one item that was recommended by Greg Etl at that one meeting we had is to look at any regular increase to water and sewer rates. Not large one's but to consider the cost of materials going up every year. So maybe \$1 or \$1.50 something like that.
    - Board discussed considering \$2 for water, \$2 for the Trash services.

### Old Business

- **Resolution 23-4 – Increase of Water and Sewer Tap Fees for New locations.**
  - This was originally looked at for CDOTs location up by the Interstate. This project no longer needs our water use, but it is good to consider continuing with the resolution for any future growth. The Board was in agreement on this matter.

#### Motion:

Roger Munson made a motion to adopt Resolution 23-4 – Increasing the Water and Sewer Tap Fees, Darrin Tobin seconded. (All Voted for, None Against) motion carried.

**7:32pm - Public Hearing Opens - Ordinance 02-2023 - Fairgrounds Zoning and Ordinance 04-2023 - Fairgrounds Re-Zoning**

- This is to discuss amendments to the Sedgwick Zoning Ordinance to add a Fairgrounds District (FG) and Rezone the Fairgrounds from Residential to Fairgrounds District (FG)
  - We had no questions or comments from the public.

**Public Hearing Adjourned at 7:33pm**

**Motion:**

Dale Jones made a motion to adopt Ordinance 02-2023 adding Fairgrounds Zoning District, Peggy Owens seconded. (All Voted for, None Against) motion carried.

**Motion:**

Darrin Tobin made a motion to adopt Ordinance 04-2023 Changing the Sedgwick Rodeo Grounds to Fairgrounds Zoning District, Dale Jones seconded. (All Voted for, None Against) motion carried.

- **Hire another full-time maintenance employee.**

- Tracy Sanchez left the meeting for the evening.
- Danny informed the Board that he had talked with Eddie Sanchez on what he would like to ask for \$17 an hour and this would be full time. He does have a CDL.
- This is a chance for Richard to cross train him since he is planning to retire in 2 or 3 years.
- The Board agreed to the requested wage and set that in 6 months a review will be conducted.


**Motion:**


Dale Jones made a motion to hire Eddie Sanchez at \$17 an hour with a review in 6 months, Roger Munson seconded. (All Voted for, None Against) motion carried.

**Meeting Adjourned:**

**Motion:**

At 7:41pm, Dale Jones made a motion to adjourn, Darrin Tobin seconded, all were in favor, motion carried.

  
 \_\_\_\_\_  
 Mayor

  
 \_\_\_\_\_  
 Attest: Town Clerk



5-page attachment prepared by GMS Engineering.

## TOWN OF SEDGWICK

### PUBLIC HEARING ON WASTEWATER TREATMENT FACILITY IMPROVEMENTS

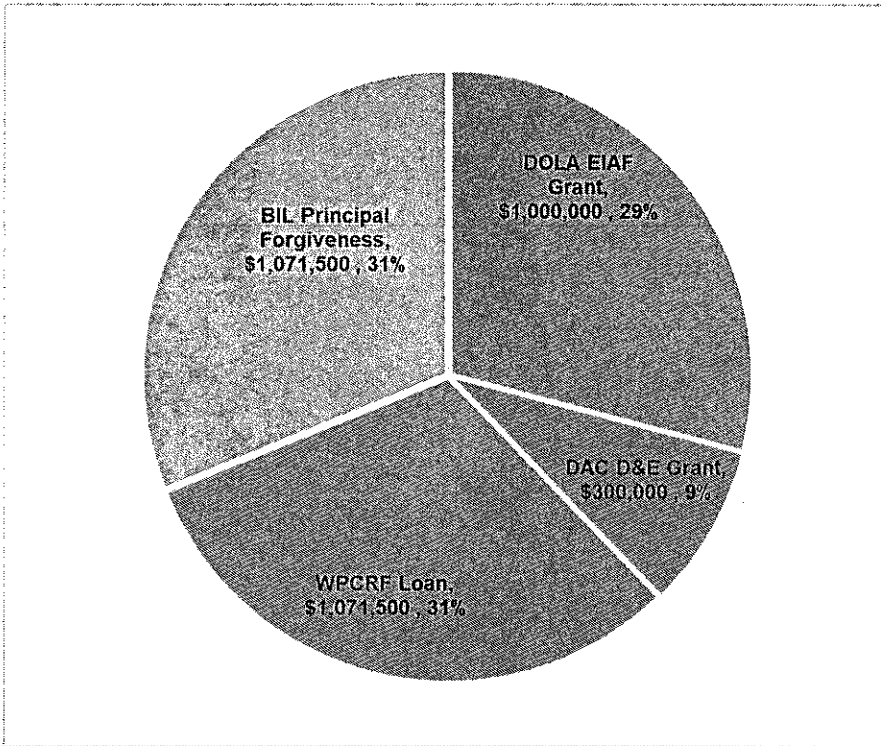
October 9, 2023

- The Town of Sedgwick owns and operates a wastewater collection system and a wastewater treatment facility (WWTF) providing service to 103 active customers. The Town's wastewater system consists of the collection system, lift station and two lagoons that serve as the Town's WWTF.
- Most components of the Town's existing wastewater treatment system have not been replaced or upgraded since the original construction in 1972. Wastewater is conveyed through a gravity-fed collection system to a lift station. The lift station pumps the wastewater through a force main to two lagoons. The lagoons serve as the WWTF which is seeping into the groundwater as there is no surface discharge, as designed. The following improvements are recommended to address the system's needs:
  - Collection system spot repairs and manhole installation on dead-end lines
  - Upgrades to the existing lift station.
  - Modification to the two existing wastewater treatment lagoons to repurpose them as stabilization lagoons in the new non-discharging evaporative lagoon system.
  - A new transfer lift station and force main to pump water treated from the two stabilization lagoons to the new non-discharging evaporative lagoon.
  - A new evaporative lagoon with approximately 5.6 acres of water surface area.
- The proposed improvements will be beneficial to the protection of public health, and will upgrade the WWTF to meet current wastewater treatment standards and regulatory requirements. The estimated cost for the project is \$3,443,000.
- Two Proposed project financing scenarios:

- Total project cost: \$3,443,000
- Design and Engineering Grant through the State Revolving Fund (SRF): \$300,000
- Department of Local Affairs (DOLA) Energy Impact Assistance Fund (EIAF) award of \$1,000,000
- Bipartisan Infrastructure Law (BIL) Principal Forgiveness: \$1,071,500
- Water Pollution Control Revolving Fund Program (WPCRF) Loan: \$1,071,500

➤ Summary:

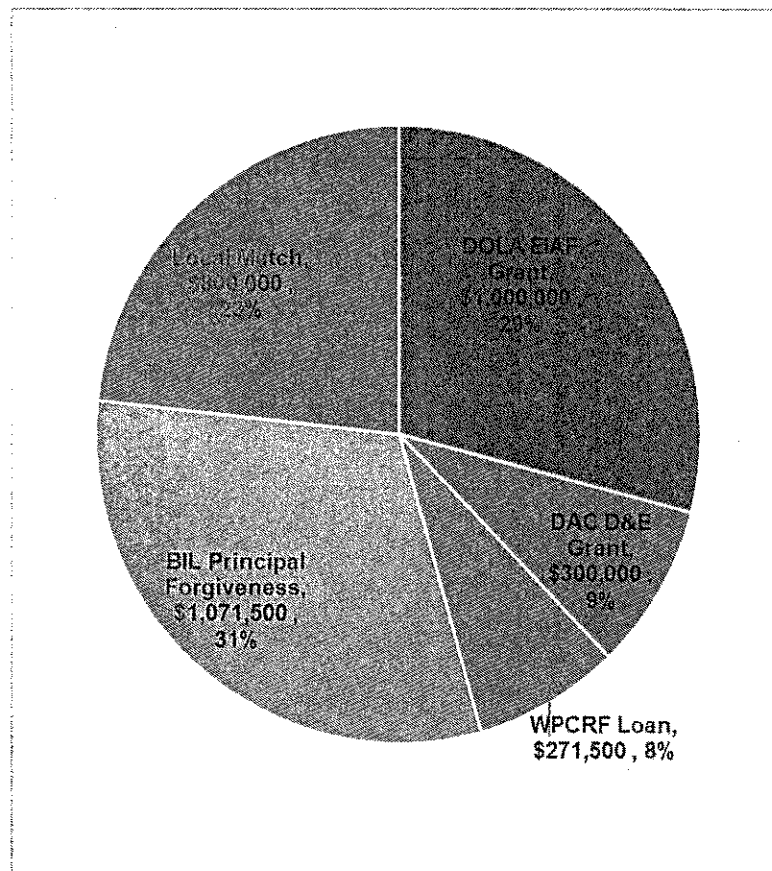
|                                   |                     |
|-----------------------------------|---------------------|
| Design and Engineering Grant..... | \$ 300,000          |
| DOLA EIAF Grant .....             | \$ 1,000,000        |
| WPCRF Loan .....                  | \$ 1,071,500        |
| BIL Principal Forgiveness .....   | \$ 1,071,500        |
| <b>Total.....</b>                 | <b>\$ 3,443,000</b> |



- Total project cost: \$3,443,000
- Design and Engineering Grant through the State Revolving Fund (SRF): \$300,000
- Department of Local Affairs (DOLA) Energy Impact Assistance Fund (EIAF) award of \$1,000,000
- Bipartisan Infrastructure Law (BIL) Principal Forgiveness: \$1,071,500
- Water Pollution Control Revolving Fund Program (WPCRF) Loan: \$271,500
- Local Match: \$800,000, completed as a loan prepayment to maximize the principal forgiveness

➤ Summary:

|                                   |                     |
|-----------------------------------|---------------------|
| Design and Engineering Grant..... | \$ 300,000          |
| DOLA EIAF Grant .....             | \$ 1,000,000        |
| WPCRF Loan .....                  | \$ 271,500          |
| BIL Principal Forgiveness .....   | \$ 1,071,500        |
| Local Match .....                 | \$ 800,000          |
| <b>Total.....</b>                 | <b>\$ 3,443,000</b> |



The table below reflects two funding scenarios; one with a local match and one without.

TOWN OF SEDGWICK  
RECOMMENDED WASTEWATER SYSTEM IMPROVEMENTS  
POTENTIAL PROJECT FINANCING SCENARIO

| Component  | No Local Match | Local Match \$800,000 - but after project completion |
|--|----------------|--|
| Project Cost <sup>1)</sup>                               | \$3,443,000    | \$3,443,000  |
| DOLA EIAF Grant <sup>2)</sup>                            | \$1,000,000    | \$1,000,000  |
| DAC D&E Grant <sup>3)</sup>                              | \$300,000      | \$300,000  |
| WPCRF Loan <sup>4)</sup>                                 | \$1,071,500    | \$271,500  |
| BIL Principal Forgiveness <sup>5)</sup>                  | \$1,071,500    | \$1,071,500  |
| Local Match <sup>6)</sup>                                | \$0            | \$800,000  |
| Annual Debt Service <sup>7)</sup>                        | \$43,051       | \$10,908   |
| Current O&M Expense (customer/mo) <sup>8)</sup>          | \$28.98        | \$28.98  |
| New Debt Service (customer/mo) <sup>9)</sup>             | \$23.45        | \$5.94   |
| Added Reserve Requirement (customer/mo) <sup>10)</sup>   | \$2.34         | \$0.59   |
| Needed Average Monthly Bill (customer/mo) <sup>11)</sup> | \$54.78        | \$35.52  |
| Current Average Revenue (customer/mo)                    | \$35.35        | \$35.35  |
| Estimated Required Rate Increase                         | \$19.43        | \$0.17   |

- 1) Total estimated project cost.
- 2) DOLA Energy Mineral Impact Assistance Fund (EIAF), awarded \$1,000,000
- 3) Design and Engineering Grant in the amount of \$300,000
- 4) Water Pollution Control Revolving Fund (WPCRF) Loan
- 5) Bipartisan Infrastructure Law (BIL) principal forgiveness (grant)
- 6) Local Match
- 7) Estimated Annual Debt Service based on a 1.25% interest rate for 30 years
- 8) Based on 2020 sewer operating expense of \$35,824 divided by 103 active accounts and 12 months.
- 9) Debt Service is for all customers active and inactive, 153 customers. This is the combined annual debt service divided by 12 months and 153 customers.
- 10) Required 10% reserve requirement on debt service.
- 11) The total of monthly expenses, new debt service, and reserve requirement.

- If the Town does not provide a local match after project completion, a rate increase of \$19.43 per customer per month would be needed. This would be the worst-case scenario, but needs to be considered for this public hearing.
- If the Town provides a local match in the amount of \$800,000 after project completion for a loan prepayment, the needed rate increase would only be \$0.17 per customer per month.
- The timing of the transfer of funds is critical for the water and sewer fund to maintain enterprise status for the purpose of the water fund.



- Construction/Environmental Impacts
  - Short-term construction impacts will consist of noise and added traffic.
  - Existing vegetation may be disturbed during construction activities. Best management practices will mitigate any potential of erosion or sedimentation and will reestablish vegetation.
  - Ambient air particulate levels may increase due to earthwork activities. To mitigate this, water will be applied on the roads during construction as needed.
  - An archeologist has been hired to meet the requirements of the State Historic Preservation Office.
  - The floodplain evaluation is underway and will be incorporated into the EA.
  - There are no other environmental impacts identified at this time.
  
- Wastewater System Improvements project schedule
  - Submit EIAF funding application..... April 2023
  - Submission of site application..... June 2023
  - Award of EIAF grant ..... July 2023
  - Project Needs Assessment Approval..... October 2023
  - Loan Application Submission..... January 2024
  - Loan Approval ..... March 2024
  - All funding under contract ..... May 2024
  - Advertise project to bid ..... May 2024
  - Bid opening ..... June 2024
  - Project award..... June 2024
  - Initiate construction..... August 2024
  - Completion of construction ..... March 2025