

## **Wastewater Treatment Plant (WWTP) Improvements Fact Sheet**

The Niwot Sanitation District's (NSD) existing plant needs to be replaced due to aging equipment and a new discharge permit which requires additional treatment processes to protect the environment and the discharging stream. NSD must obtain a loan to complete the capital construction. To service the debt, NSD must increase the sanitary sewer user rate. Effective immediately, District fees will be raised from \$35.50 to \$99 monthly, billed every other month at \$198.

### **WHY THE NSD BOARD OF DIRECTORS INCREASED THE SEWER USER RATE**

- Given the age of the existing equipment and its inability to meet stringent new effluent limits, significant upgrades are necessary for the WWTP.
- The WWTP must meet new regulations January 1, 2026.
- Fines for non-compliance are up to \$10,000 per day.
- NSD has maintained low rates for its customers for over 30 years due to minimal capital improvements at the plant. During that time, the District prudently built its financial reserves and has over \$9 million.
- Prior to the inflation, labor shortages, and supply chain interruption of 2020, the District's reserves were thought to be adequate for upgrading the plant to meet new regulations.
- Construction costs have risen drastically in recent years and continue to rise, forcing the District to explore additional funding sources.

### **HOW THE NSD BOARD OF DIRECTORS REACHED ITS DECISION**

- JVA, Inc., of Boulder, was hired as the consulting engineering firm to work with the Board in designing the new plant.
- Initially, JVA and the Board pursued funding from Colorado Department of Public Health and Environment (CDPHE) State Revolving Fund (SRF) program, which has a subsidized low interest rate.
- However, in September 2023, the SRF was drastically reduced for 2024. Funds are now earmarked for disadvantaged communities. Niwot does not qualify.
- The Board had approved a smaller rate increase before finding out SRF would not be available. As a result, the public notification of the increase was delayed.
- The Board began exploring alternative funding through the United States Department of Agriculture (USDA) as well as through the private bond market.
- Correspondence was also sent to Representative Joe Neguse and Senators John Hickenlooper and Michael Bennet requesting assistance through federal funding. No responses have been received yet.
- The Board consulted with Hilltop Advisors, a fiduciary and private bond brokerage company, and reached the conclusion that fees would need to be raised from \$35.50 to \$99 monthly, billed every other month at \$198, to cover a 1.25 debt service ratio over a 30-year revenue bond coverage period.
- The Board is progressing with SRF required application steps in case SRF funds are available with a lower interest rate.

# **Niwot SANITATION DISTRICT**

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## **ABOUT NIWOT SANITATION DISTRICT**

- The Niwot Sanitation District owns and operates a Wastewater Treatment Plant and is responsible for the collection and treatment of sewage from the Niwot community.
- Monthly fees currently fund collection system maintenance and repairs, operation of the plant, capital improvement savings, and administration.
- The NSD is not a governmental agency and does not receive additional funding from property taxes as neighboring communities do.
- The monthly fees have been extremely low in comparison to other communities that fund operations and maintenance from sanitary sewer user fees.
- Niwot Sanitation District has minimal opportunities for future tap fees from new connections; therefore, improved infrastructure must be funded with user rates.
- NSD customers can donate to community members who need assistance with user fees. Please contact the office at the number below if interested.

## **ABOUT NSD BOARD of DIRECTORS**

- The District is managed by a board of five elected Niwot community members.
- The Board meets monthly to discuss district strategy, review plant operations and compliance with environmental regulations in accordance with its Discharge Permit issued by the Colorado Department of Public Health and Environment.
- Meeting dates and agendas are posted on the District's website and are open to the public.

## **Contact Information:**

**Niwot Sanitation Office**

**7395 North 95<sup>th</sup> Street**

**Niwot, CO 80504**

**Office Phone: 303-652-2525**

**Website: <https://niwotsd.colorado.gov/>**