

Stonegate Village Metropolitan District Treatment Plant Rehabilitation

Public Hearing April 16, 2014

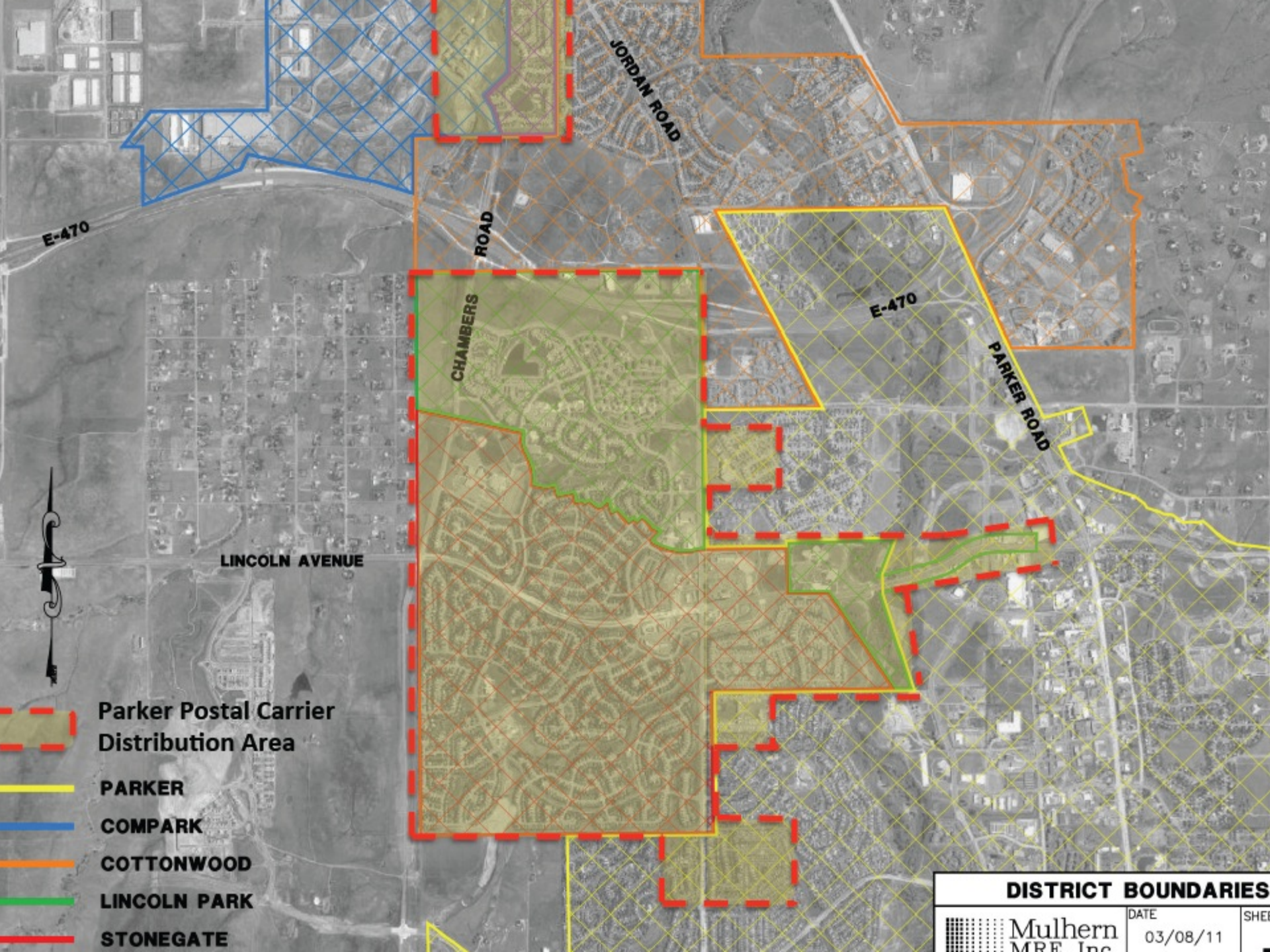
Presentation Overview

- * Notification Documentation
- * Why are we Upgrading Stonegate's Wastewater Plant?
- * Options Considered
- * Selected Option
- * Project Costs
- * Financing Costs
- * Proposed Rates

Notification

Notice May be provided by ANY of the following Means

- * Mailing the notice to each customer
- * Include the notice prominently in a newsletter or other informational billing sent directly to customers
- * Post the Information on the District's Website if there is a link to the Website on the Official website for the division of local government
- * For any district that is a member of the SDA by transmitting the notice to the SDA, which shall post the notice on a publically accessible section of the SDA Website



E-470

JORDAN ROAD

CHAMBERS ROAD

E-470

PARKER ROAD

LINCOLN AVENUE

CHAMBERS

Parker Postal Carrier Distribution Area

PARKER

COMPARK

COTTONWOOD

LINCOLN PARK

STONEGATE

DISTRICT BOUNDARIES

Mulhern
MRE Inc

DATE
03/08/11

SHEET

Existing Plant Issues

- * Operations
 - * Labor intensive
 - * Large dependency on outside services
 - * Limited automatic controls
 - * Difficult to optimize performance due to poorly matched past expansions
 - * Expensive to operate
 - * Numerous Structural issues. Walkways are not structurally sound
 - * Plant Equipment has reached it's end of its useful life and is in poor repair
 - * Cannot Meet Existing Build-out Demand
 - * Past Regulatory Compliance Issues
 - * Existing plant can not meet water quality discharge standards with colder surface water

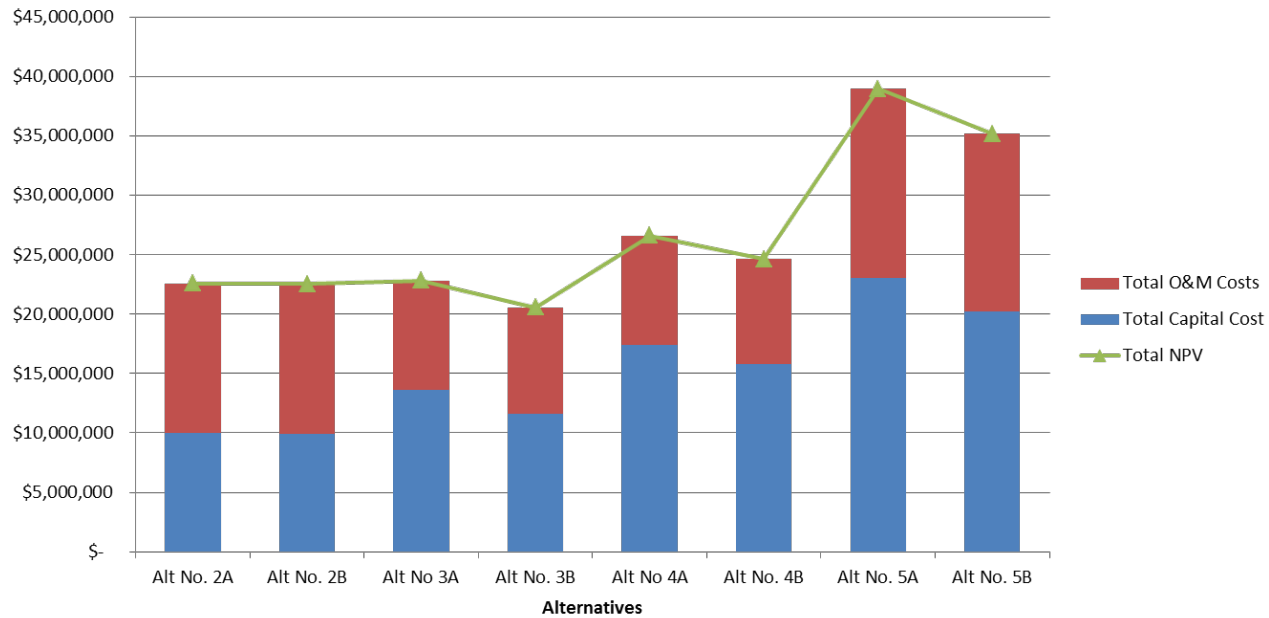
Study Rationale

Why Select One Option of Improvement over another? (Non-economical)

- * Option 1 – Emergency improvements
- * Option 2 – Improved reliability but limited operations improvement
- * Option 3 – Long term improvements in operations and reliability. Design will meet known upcoming permit changes and provide operational flexibility to handle changing water sources.
- * Option 4 – New facility – optimize for modern operations
- * Option 5 – Increased capacity – economy of scale if sharing costs

20 Year Net Present Value

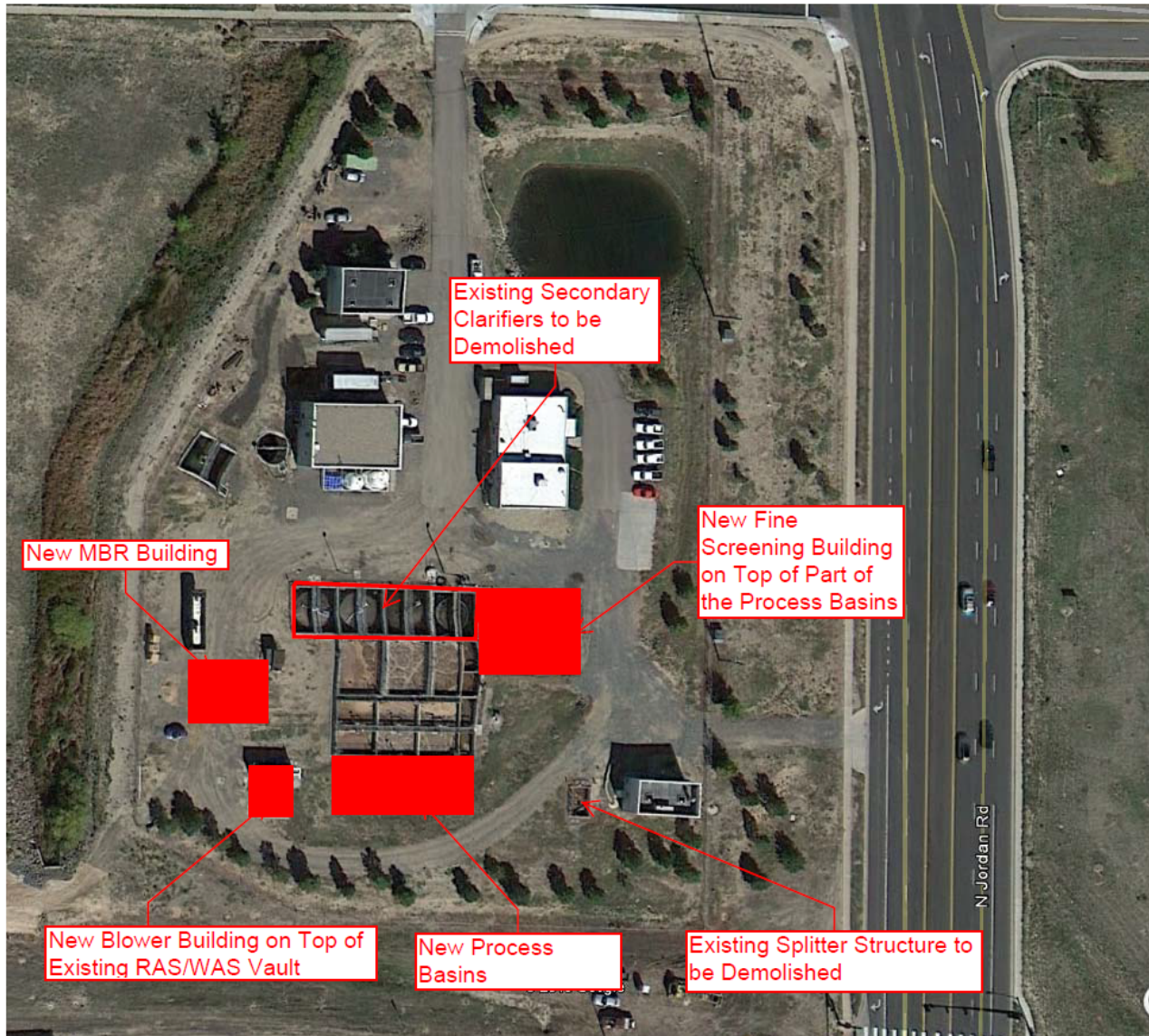
Stonegate WWTF Alternative Evaluation



Summary

- * Alternatives 3 and higher are long term solutions
- * Recommend Option 3 Alternative
 - * NPV cost is competitive
 - * Reduce operational risk
 - * Upcoming permit flexibility
 - * Possible source water change
 - * Possible organic loading change

Proposed Facility



Estimated Project Costs

SUMMARY		
NON-LOAN REIMBURSEMENT COSTS		
MOLTZ PRECONSTRUCTION SERVICES	\$	121,286
DESIGN COSTS (BMcD Design fees, P1 Precon, Plan review fees)	\$	813,527
TOTAL PRECONSTRUCTION COSTS	\$	934,813
LOAN REIMBURSEMENT COSTS		
MOLTZ GUARANTEED MAXIMUM PRICE	\$	11,856,968
OWNER COSTS (Management fees, contingency, FF&E, Utility fees, Materials testing, BMcD CA Services)	\$	1,255,363
TOTAL LOAN COSTS	\$	13,112,331

History of Net Pledged Revenues and Pro-Forma Debt Service Coverage

					Unaudited
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Gross Pledged Revenues					
Sewer charges	\$1,317,225	\$1,302,378	\$1,322,738	\$1,566,850	\$1,556,793
Other operating revenue	--	9,579	64	2,653	27,435
Interest income	2,085	342	954	3,905	2,236
Total	1,319,310	1,312,299	1,323,756	1,573,408	1,586,464
Operation & Maintenance Expenses					
Operating Expenses	2,045,690	2,001,770	1,985,609	1,979,502	2,348,530
Less: depreciation	(590,679)	(595,474)	(599,104)	(597,118)	(606,962)
Total	1,455,011	1,406,296	1,386,505	1,382,384	1,741,568
Net Pledged Revenues	(218,984)	(93,997)	(62,749)	191,024	(155,104)
Estimated Maximum Annual Debt Service Requirements	\$767,406	\$767,406	\$767,406	\$767,406	\$767,406

Debt Service Requirements - 2014 Bonds(1)

<u>Year</u>	<u>Principal</u>	<u>Interest(2)</u>	<u>Grand Total</u>
2014	\$ 470,000	\$ 294,319	\$ 764,319
2015	270,000	492,756	762,756
2016	280,000	487,356	767,356
2017	285,000	481,756	766,756
2018	290,000	476,056	766,056
2019	295,000	470,256	765,256
2020	300,000	464,356	764,356
2021	310,000	456,856	766,856
2022	315,000	448,331	763,331
2023	325,000	438,881	763,881
2024	335,000	429,131	764,131
2025	345,000	418,244	763,244
2026	360,000	406,600	766,600
2027	370,000	394,000	764,000
2028	385,000	380,588	765,588
2029	400,000	366,150	766,150
2030	415,000	351,150	766,150
2031	430,000	335,588	765,588
2032	450,000	317,313	767,313
2033	465,000	298,188	763,188
2034	485,000	278,425	763,425
2035	510,000	255,994	765,994
2036	535,000	232,406	767,406
2037	555,000	207,663	762,663
2038	585,000	181,994	766,994
2039	610,000	154,938	764,938
2040	640,000	126,725	766,725
2041	670,000	97,125	767,125
2042	700,000	66,138	766,138
2043	<u>730,000</u>	<u>33,763</u>	<u>763,763</u>
Total	\$13,115,000	\$9,843,046	\$22,958,046

Existing and Proposed Rates and Revenues

Existing Rates and Associated Revenues

- * \$2.00 per 1,000 gallons
- * Base Fee \$21.44 per month per SFE
- * \$521,248 Usage Fee
- * \$836,160 Base Fee

**Total Income 2013 Projected
\$1,357,408**

Proposed Rates and Associated Revenue

- * \$6.46 per 1,000 gallons
- * Base Fee \$21.64 per month per SFE
- * \$1,684,000 Usage Fee
- * \$844,147 Base Fee

Total Income \$2,528,147

Rate Comparison

Total Cost for 7,000 gallons average monthly use:

* Castle Rock	\$55.43
* Parker Water and Sanitation*	\$69.16
* Pinery Water and Wastewater*	\$40.90
* ACWWA*	\$51.24

Proposed Stonegate Wastewater Rate* \$66.87 *Discharges
to Cherry Creek

Questions