

Resident Questions (Zoom Chat) July 26, 2022, GW&SD Board Meeting

- Questions from residents
- ✓ Answers by Genesee Water & Sanitation District Manager

- **Was there any cost analysis done to show us why they think option B is a better long-term option?**
- **What information came to this board in the last month that caused them to reject plan A?**
- **Has the question of why Plan A was initially voted down been answered?**
- **Why has the board not provided us with their reasoning on rejecting plan A?**

- ✓ Following bid openings on May 27, 2022, it was apparent that the District would need to increase the loan amount with the Colorado Water Conservation Board, and on May 30th the Genesee Water & Sanitation Board voted in favor of requesting an up to amount of \$5.5 million to ensure coverage of the highest possible cost estimates to complete the expansion project. On June 23rd, the District learned that the CWCB had recommended approval of the increased loan and formal approval would be on their July 20th board agenda. On June 27th, the GW&SD Board President added “DISCUSSION AND POSSIBLE VOTE ON CONSTRUCTION & FINANCING OPTIONS FOR RESERVOIR NO.1” to the June 28th board meeting agenda. At the June 28, 2022, GW&SD Board meeting, a board majority vote resulted in directing the District Manager to immediately inform the engineers, low bidder and CWCB that Plan A has been scrapped and proceed with work to move forward on their Plan B concept. The reasons given by the board were cost and the belief that increased storage was not necessary. Director Russell, staff and residents in attendance at the Board meeting were not in favor of the last-minute decision to rush a vote.

- **Will we lose water storage rights if we do not go with Plan A?**
- **Do we lose our water rights if we do not store the excess?**
- **Do we lose our rights if we do not store them?**
- **What does this do with preservation of our water rights?**

- ✓ The water right in question is a 225-acre-foot CONDITIONAL storage right with an appropriation date in 1971 and original decree in 1975. In 2012 the District Water Court approved the Genesee Reservoir Nos. 1 and 2 as alternate places of storage for the conditional water right, and the District has been working to preserve / perfect the storage right in large part by planning increased storage capacity to finally allow the conditional right to be made absolute. “The Water Court may become more aggressive about cancelling the conditional portion of a water right the older it becomes, so it is wise to make a right absolute as fast as possible.” One of the critical points of this conditional right is that the source is Bear Creek and Cold Springs Gulch, whereas the source water for the other CONDITIONAL storage right (101 acre-feet) which is even more junior is an “Unnamed gulch, tributary to Cold Springs Gulch”, a very small usually dry gulch at the upper end (inlet) of the reservoir.

- **Do I understand correctly a Board that is concerned with costs has approved to spend more money to explore other options that are only marginally different than Plan A?**

- ✓ In June, the Board majority vote directed staff to move forward with actions required for their Plan B concept. After a work session with engineers, staff and two Board members the directive was changed to explore requirements and cost estimation for the Plan B concept and a Plan C that would be some expansion if it could be done for the already approved \$4.2 million loan. The approvals during the July 26th regular board meeting cover essentially a phase 1 engineering and collaborative planning (Preconstruction Process) to determine Plan B reengineering requirements and project cost estimates, along with the low bid GC providing a CM/GC project delivery method to determine a lowest cost to construct the original Plan A.

- **What is the cost difference between Plans A and B?**

- ✓ Plan A

The original cost estimate from 2020 was \$4.2 million. The low bid combined with funds already expended from the loan and grant, and highest estimates of additional costs including contingency, mandatory high hazard dam construction administration, and not likely, but possible 404 permitting indicated a “High” estimate of approximately \$6.2 million, of which \$1.384 million in grant funding would cover. This would require a loan of approximately \$4.8 million worst case scenario, and we are preapproved for \$4.2 million.

- While it is in no way certain, there is optimism among staff, the engineer and general contractor that it is possible the original, fully engineered Plan A can be completed for as low as \$5.1 million. That would be covered or very close to covered with the already CWCB approved loan amount and grant.

- ✓ Plan B

Currently there is no professional cost estimate for this plan. The District has learned that the existing dam will still be classified as high hazard even with no expansion. This will require additional engineering and extensive outlet structure upgrades included in Plan A. There is also concern that if the Plan B concept were the final decision, and if it required substantial reengineering, the schedule could be pushed well into the future. This would likely require having to put the new project back out to bid which would not only raise costs, but there may be no interest from contractors to bid on the project.

- While there is no accurate cost estimate for Plan B at this point, it is known that the remaining \$1,048,647 in grant funds is forfeited for anything but the original 46 acre-foot plan.

- **Seems like value engineering should have been done earlier as part of the feasibility study.**

- ✓ Value engineering has been done throughout the entire process, including working closely with the State Engineers through the design process. The value engineering now hopefully underway is a change in project delivery method made possible with the current team (engineer & low bidder) to bring the cost of Plan A down by approximately \$1 million from the high estimate.

- **What is the recommendation from staff?**

- ✓ The District Manager and District Superintendent have remained strong proponents of Plan A, the plan selected and approved by the Board following extensive research and expenditures, now three years in the process.

- **Is it possible to have the Genesee residents vote on this issue instead of the board deciding?**
- ✓ This may have made sense three-ish years ago prior to full board approval, following an extensive feasibility study and a miracle financing accomplishment. Timing on this project is as important as the decision.
- **\$3.42 a month is what we are talking about? Is this confirmed?**
- **Someone please confirm the \$3.42 per month figure. Where did that come from?**
- **Was the \$3.42/month figure confirmed?**
- ✓ The \$3.42 per month number discussed is the additional amount rates would need to be increased by 2024 to cover the annual loan payment if it were increased from the current \$2.858 million to the CWCB approved \$4.2 million. The \$4.2 million loan along with \$1.384 million grant would fund the “Lowest” probable cost estimate to complete Plan A. Each additional \$1 million of loan required would cost residents approximately \$2.50 per month.
- **We are not in a water shortage in Genesee, we have never been in a water shortage in Genesee!**
- ✓ Genesee has of course been in a water shortage and Bear Creek has run dry! Genesee and the Town of Morrison have raw water reservoirs today because of the 2002 drought in the Bear Creek watershed. The only water available for Genesee was wastewater treatment plant discharge from Evergreen, and due to diurnal wastewater flows Genesee operators were only able to pump and treat water when available in the creek. Morrison was not as fortunate and had to use port-a-potties and truckloads of bottled water. Had rain events not happened in the watershed above Evergreen late that season Genesee would have been in the same position.
- **Population growing? How many empty lots are in Genesee?**
- ✓ The GW&SD’s original Service Plan has approximately 138 remaining equivalent residential units (EQR’s) to serve, and the plan does not preclude the District from providing service to additional units beyond or outside of the plan. As far as population growth upstream and down, the concern is obviously the oversubscribed surface water and potential loss of very expensive and valuable water rights.
- **I think I heard we sell water to Lookout Mountain and Idledale, why would we not want the ability to help our neighboring communities without possibly shorting our own community?**
- ✓ Idledale has been in trouble for a very long time, and they approached Genesee more than once to explore possibilities, but no further talks have happened due to cost and Genesee’s priority to protect water rights. Genesee has provided EMERGENCY water service to our neighbors on Lookout Mountain Water District on several occasions. The current cost to them is \$35/1,000 gallons and again has been for emergency service only. Genesee also has an “Emergency Fire Interconnect” with Riva Chase/Forest Hills to provide water and water pressure for them to fight fires.

- **What does one major fire do to the storage reserve?**
 - ✓ I will leave that for the firefighting experts, but one single fire hydrant can flow 1,200 to 1,500 gallons per minute. Our finished water storage could be drained in just hours due to firefighting or a water main break, and loss of access to the raw water storage on Hwy 74 due to damage, loss of electricity, etc., could leave the District dry very quickly.

- **How many households does Genesee serve? How much water does each resident use?**
 - ✓ Genesee's population served is approximately 3,920 and there are 1,433 service accounts for billing. 4,000 gallons per month is the average usage per equivalent residential unit (EQR).