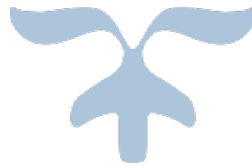




PACKET MODIFICATIONS

December 12, 2024



Addition of Public Meeting Power Point Presentation from December 11th meeting.



CAPITAL IMPROVEMENT PLAN – PHASE 1

Town of Paonia Town Hall

December 11, 2024 – 6:00pm

Agenda

- Purpose of the Meeting
- Who's Here
- Project Background and Process
- Project Engineering
- Project Funding
- Q&A

Project Background

Timeline	Activity
2019	Water Crisis
2020	Asset Inventory
2020/2021	Water System Evaluation and Distribution System Modeling
2022	New Public Works Staff RFP for Engineering Services
2023	Capital Improvement Planning Project Funding and Preliminary Engineering
2024	CIP Phase I Design

One Small Colorado Town Ran Out Of Water. How Did It Happen?

By Luke Runyon · Jul. 2, 2019, 5:43 am



The western Colorado town of Paonia ran out of water for a combined 13 days this winter.

HOW

PROJECT PROCESS



Capital Improvement Planning



Process Needs Report / Preliminary Engineering



Project Design



Funding Applications



Project Bidding



Construction

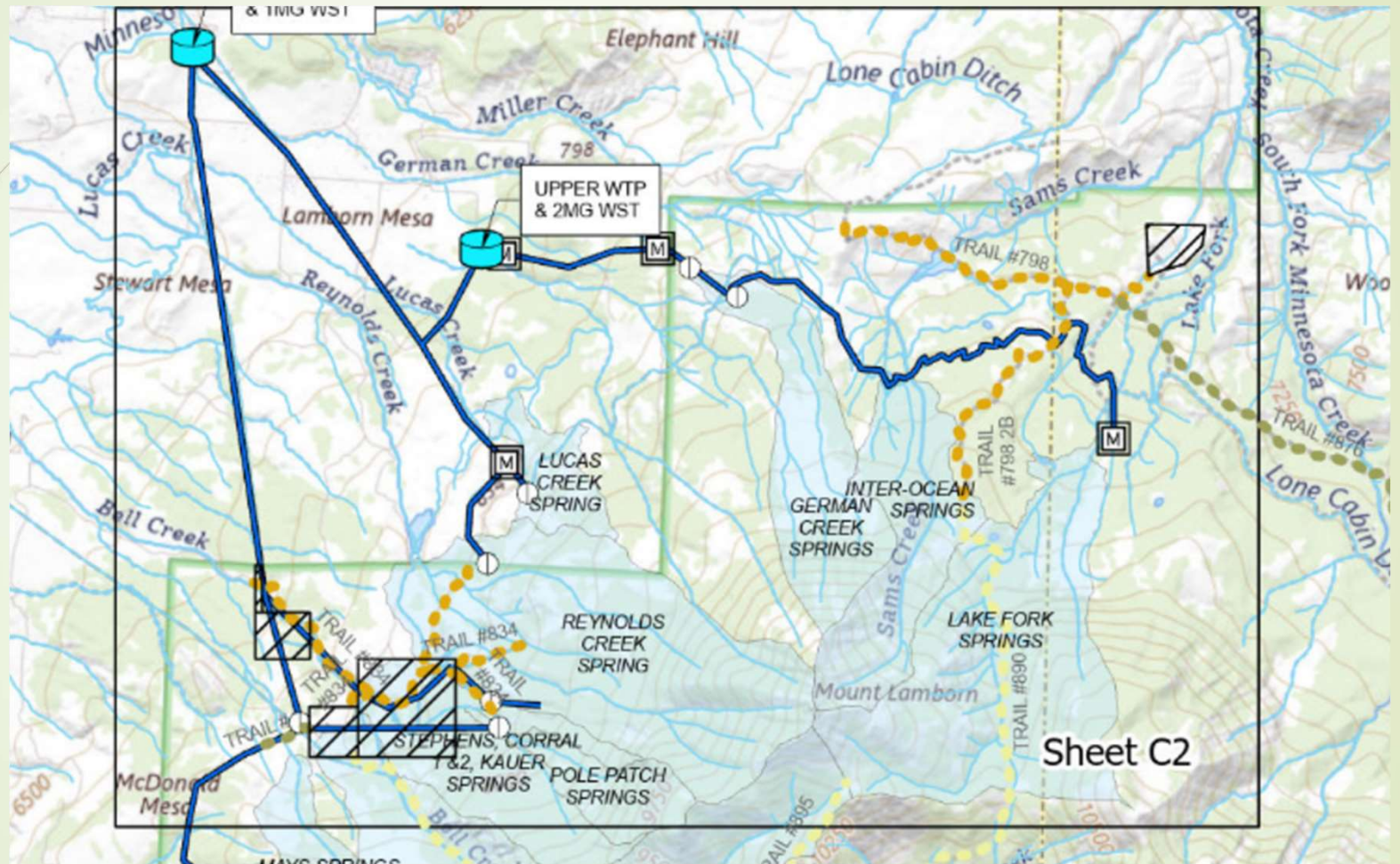
WHAT

Project Description

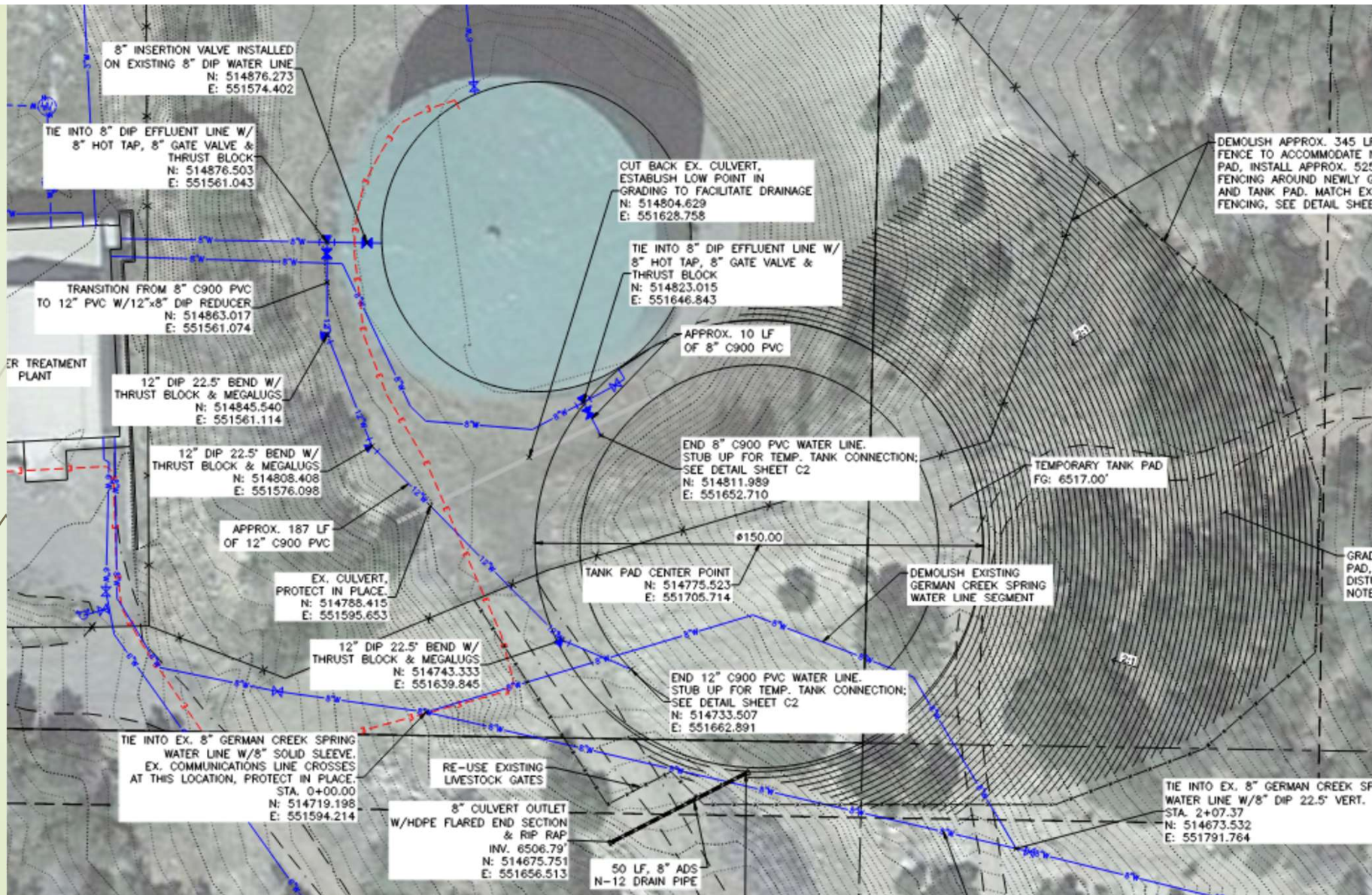
- Raw Water Metering Improvements
- Relining 2-MG Finished Water Storage Tank
- West-Loop Water Line Replacement



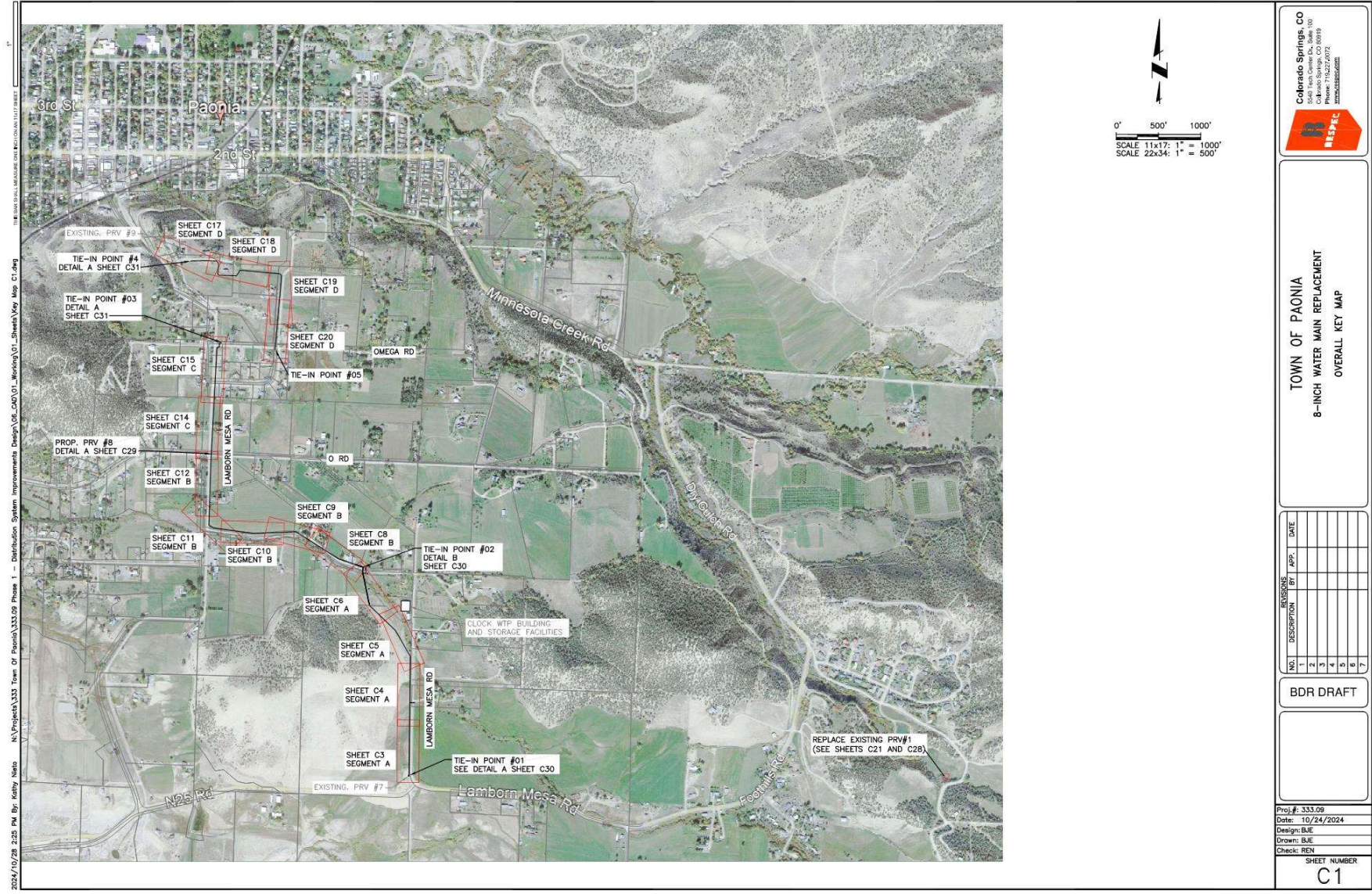
RAW



TANK



PIPELINE



2024/10/28 2:25 PM By: Kathy Nello N:\Projects\333 Town Of Paonia\33309 Phase 1 - Distribution System Improvements Design\06_CAD\01_Working\01_Sheets\Key Map_C1.dwg

Colorado Springs, CO
5540 Tech Center Dr, Suite 100
Colorado Springs, CO 80919
Phone: 719.277.0072
303.541.8865

RESPIC

TOWN OF PAONIA
8-INCH WATER MAIN REPLACEMENT
OVERALL KEY MAP

REVISIONS		APP.	DATE
NO.	DESCRIPTION		
1			
2			
3			
4			
5			
6			
7			

BDR DRAFT

Proj. #: 333.09
Date: 10/24/2024
Design: BLJ
Drawn: BLJ
Check: REN

SHEET NUMBER
C1



RESPECT

TOWN OF PAONIA

WATER SYSTEM CIP — PHASE I

PUBLIC MEETING — DECEMBER 11, 2024



WATER SYSTEM EVALUATION

- System Overview
- Previous Studies
- Water Rights
- Available Data
- Service History
- Water Modeling
- Critical Needs
- Staffing
- Next Steps and Planning

KEY TAKEAWAYS...

STAFFING

INCREASED STAFFING, EXPERIENCE

DATA COLLECTION

SUPPLY, DEMAND, TACKLE UNACCOUNTED FOR WATER

FINANCING

RATE STUDY, CAPITAL REPLACEMENT BUDGETING

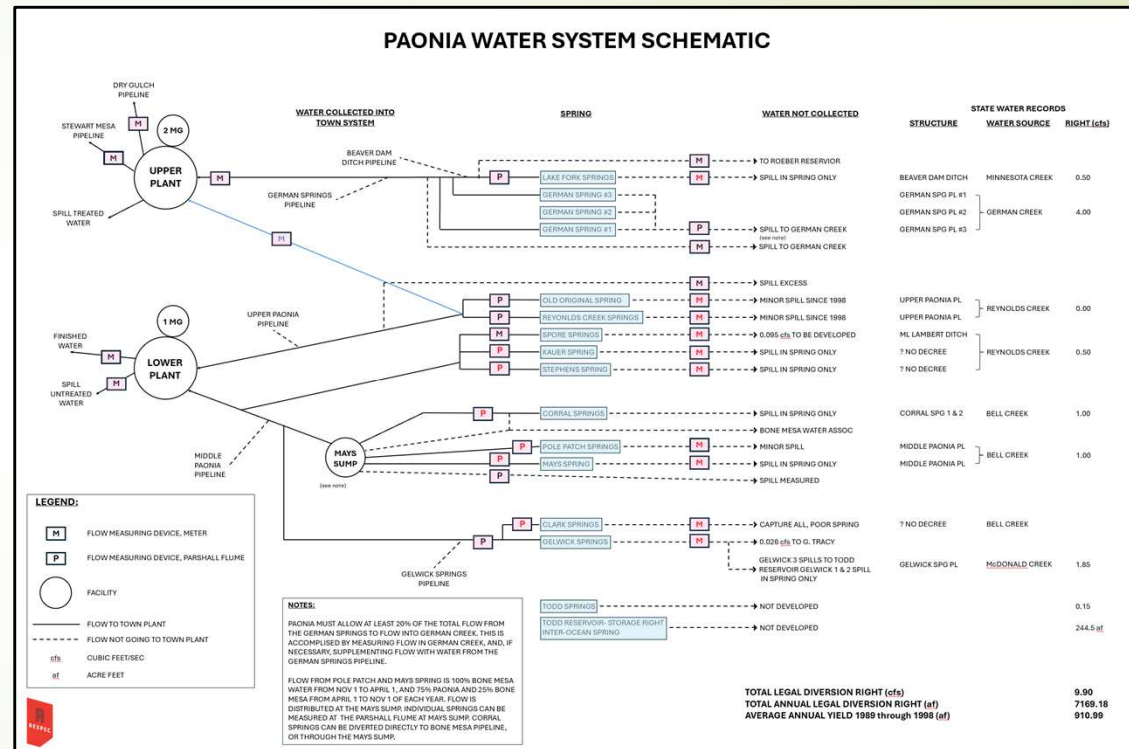
CAPITAL IMPROVEMENTS

RAW, TREATMENT, STORAGE, DISTRIBUTION

Project Need – Raw Water Monitoring



- Water Rights
- Operations
- Source Water Protection
- Planning



NEED

Project Need Finished Water Storage Tank Relining



- Critical infrastructure
- Buffer Supply versus Demand
- Fire Flow
- 1x / 15-20 years
- Future CIP



TOWN OF PAONIA



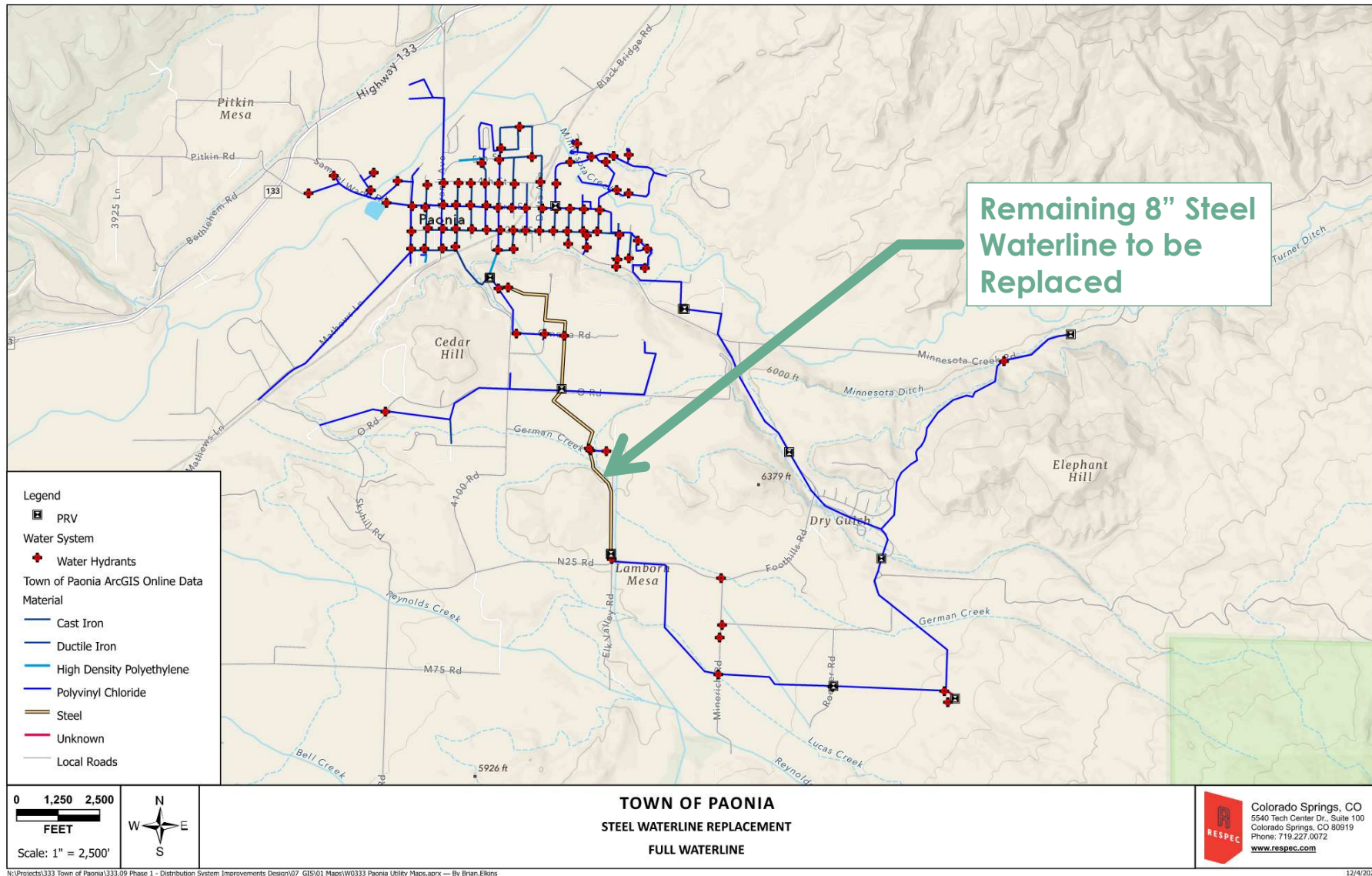
NEED

Project Need West Loop Water Line Replacement

- Critical Water Main
- Aging Infrastructure – Service Risk
- Operational Burden
- Unaccounted for Water
- Designed for the Future



NEED



Project Alternatives

- **Alt 1: Do Nothing – Build Capital Reserves**
 - / Possible delay in near-term capital expenses
 - / ↑ Risk infrastructure failure and service disruption
 - / Increase in overall project costs.
- **Alt 2: Complete Projects Individually**
 - / Prioritize based on need
 - / Likely increase in overall project costs and schedule

Chosen Alternative

- **Alt 3: Complete CIP Phase I Projects Concurrently**
 - / Benefits associated with leveraged funding packages
 - / Reduced management and overhead costs
 - / Addresses immediate critical needs while supporting future CIP efforts.

Environmental Impacts

Environmental Assessment (by RESPEC and Alpine Archeological Consultants)

- Pending approval by the Colorado Department of Public Health and Environment (CDPHE)
- Agency Consultation with USFWS, CPW, NRCS, CDPHE Air Quality Division, USACE
- **Conclusion:** Finding of No Significant Impact (FONSI)

Wetlands and Creeks

- No creeks or wetlands at the raw water monitoring sites or temporary water tank site
- Waterline: German Creek – waterline would be bored under the creek
- Waterline: Two small wetlands at Omega/Lamborn Mesa and O/Lamborn Mesa: isolated (no surface connection to jurisdictional water), confined to man-made ditches so likely non-jurisdictional

Historic Resources

- Cultural resource surveys found a segment of the Historical Lone Cabin Ditch, the historical Mays and Gelwick Collection Boxes, and a prehistoric artifact scatter
- Alpine recommends No Adverse Impacts to historic resources, USFS to review and submit to State Historic Preservation Officer (SHPO)
- Additional environmental resources with no significant impacts from the proposed project: Floodplains, Federally and State Listed Threatened and Endangered Species, Air Quality, Soils and Geological Resources

Land Requirements

- **Raw Water Monitoring:** No additional property required
- **Finished-Water Storage:** 1.404 acres purchased
 - / Temporary storage tank
 - / Future second tank
- **West Waterline Replacement**
 - / Easements currently exist or will be procured
 - / Majority of construction will occur in existing Delta County rights-of-way (ROW)

Project Budget



Item #	Item Description	CIP Phase I Cost Estimate
1	Raw Water Metering Improvements	\$584,200
2	2-MG Tank Relining	\$2,149,500
3	West Loop Waterline Replacement	\$5,352,589
Construction Sub Total		\$8,086,289
20% Contingency		\$1,617,258
Construction Total		\$9,703,547
Design Engineering and Permitting		\$700,000
Construction Engineering and Inspections, CA/CM		\$400,000
Total Project Cost		\$10,803,547

NEED

Project Schedule

TASK	COMPLETION DATE
CDPHE PROJECT NEEDS ASSESSMENT	NOVEMBER 2023
90% DRAWINGS AND SPECIFICATIONS	DECEMBER 2024
PUBLIC MEETING	DECEMBER 2024
SRF LOAN APPLICATION	JANUARY 6, 2025
CDPHE ENGINEERING REVIEW COMPLETE	MAY 2025
100% CONSTRUCTION DOCUMENTS	JUNE 2025
SRF LOAN EXECUTION	JULY 2025
PROJECT BIDDING	AUGUST 2025
BID OPENING	SEPTEMBER 2025
CONSTRUCTION START	OCTOBER 2025
CONSTRUCTION COMPLETE	OCTOBER 2026

HOW

PROJECT FUNDING



Capital Improvement Planning



Process Needs Report / Preliminary Engineering



Project Design



Funding Applications



Project Bidding



Construction

Funding – The Good News

- **Current Estimate of Total Project Cost - \$10.8M**
 - / \$10,000 DWRP Planning Grant – SECURED
 - / \$300,000 DWRP Design and Engineering Grant - SECURED
 - / \$956,000 EIAF Grant (Storage) - SECURED
 - / \$1,000,000 EIAF Grant (Waterline) – APPLICATION PENDING
 - / \$2,000,000 Principal Forgiveness

- **DWRP – Drinking Water Revolving Fund**
- **EIAF – Energy/Mineral Impact Assistance Fund**

Funding – The Not So Good News

- Funding Options for \$10M
 - / Commercial Loan
 - / USDA – Rural Development
 - / ARPA Funds
 - / State Funding – SRF DWRF
- State Revolving Fund
- DWRF – Drinking Water Revolving Fund

Funding – SRF Loan

2.25% Interest				
	Annual Debt Service		Avg Cost / User / Month	
Loan Amount	20-Year Loan	30-Year Loan	20-Year Loan	30-Year Loan
Worst Case	\$607k	\$460k	\$34.52	\$25.48
Better Case	\$406K	\$300k	\$22.56	\$16.65

RATES

Rate Structure and Rate Impacts

2025 ¹	Water Base Rate Residential	Water Base Rate Commercial	Water Usage Charges per 1,000 Gallons	
Paonia In - Town	\$ 44.00	\$ 54.00		
Out of Town	\$ 54.75	\$ 71.50		
In-Town Population: 1,447 approx.			1-1,000 Gallons	\$ 2.83
Out of Town Population Served: 1,482 approx.			1,000 -3,000 Gallons	\$ 2.83
Water Companies Served: 23			3,000 - 10,000 Gallons	\$ 3.97
Out of Town Services: 632			10,000 - 25,000 Gallons	\$ 5.52
Total Population Served: 2,929 approx.			25,000 - 50,000 Gallons	\$ 8.93
CO State Average Monthly In-Town Residential Water Rate for similar sized jurisdictions is \$59.19 (Source: DOLA)			50,000 - 75,000 Gallons	\$ 18.64
			75,000 - 100,000 Gallons	\$ 24.94
			100,000+ Gallons	\$ 26.40

¹ 2025-2029 Water Service Rates Received Board Approval December 10, 2024

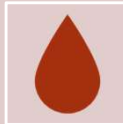
FUTURE

Capital Improvement Planning



Phase I - Outcomes

Secure
Store
Deliver



Phase II/III – Water Smart Grant

A Sustainable
Water Future

TOWN OF PAONIA



Questions

- Town of Paonia customers have priority
- Limit of 3 minutes / person for questions and comments



RESPECT

QUESTIONS?

TOWN OF PAONIA CUSTOMERS HAVE PRIORITY

LIMIT OF 4 MINUTES / PERSON FOR QUESTIONS AND COMMENTS

Implementation Plan

- Staff Organization Chart
- Technical Team(LOGOS?)
 - RESPEC
 - SGM
 - WWE



TOWN OF PAONIA
214 GRAND AVENUE
WEDNESDAY, DECEMBER 11, 2024
SPECIAL TOWN BOARD MEETING AGENDA 6:00 PM
[HTTPS://US02WEB.ZOOM.US/J/85845837377](https://us02web.zoom.us/j/85845837377)
MEETING ID: 858 4583 7377

Roll Call

Approval of Agenda

Actions & Presentations

Public Hearing-

A public hearing to inform citizens and solicit public input regarding the Capital Improvement Plan Phase I Project Needs Assessment.

[Adjournment](#)

AS ADOPTED BY:
TOWN OF PAONIA, COLORADO
RESOLUTION NO. 2017-10 – Amended May 22, 2018

I. RULES OF PROCEDURE

Section 1. Schedule of Meetings. Regular Board of Trustees meetings shall be held on the second and fourth Tuesdays of each month, except on legal holidays, or as re-scheduled or amended and posted on the agenda prior to the scheduled meeting.

Section 2. Officiating Officer. The meetings of the Board of Trustees shall be conducted by the Mayor or, in the Mayor's absence, the Mayor Pro-Tem. The Town Clerk or a designee of the Board shall record the minutes of the meetings.

Section 3. Time of Meetings. Regular meetings of the Board of Trustees shall begin at 6:30 p.m. or as scheduled and posted on the agenda. Board Members shall be called to order by the Mayor. The meetings shall open with the presiding officer leading the Board in the Pledge of Allegiance. The Town Clerk shall then proceed to call the roll, note the absences and announce whether a quorum is present. Regular Meetings are scheduled for three hours, and shall be adjourned at 9:30 p.m., unless a majority of the Board votes in the affirmative to extend the meeting, by a specific amount of time.

Section 4. Schedule of Business. If a quorum is present, the Board of Trustees shall proceed with the business before it, which shall be conducted in the following manner. Note that all provided times are estimated:

(a) Roll Call - (5 minutes)

(b) Approval of Agenda - (5 minutes)

(c) Announcements (5 minutes)

(d) Recognition of Visitors and Guests (10 minutes)

(e) Consent Agenda including Approval of Prior Meeting Minutes (10 minutes)

(f) Mayor's Report (10 minutes)

(g) Staff Reports: (15 minutes)

(1) Town Administrator's Report

(2) Public Works Reports

(3) Police Report

(4) Treasurer Report

(h) Unfinished Business (45 minutes)

(i) New Business (45 minutes)

(j) Disbursements (15 minutes)

(k) Committee Reports (15 minutes)

(l) Adjournment

* This schedule of business is subject to change and amendment.

Section 5. Priority and Order of Business. Questions relative to the priority of business and order shall be decided by the Mayor without debate, subject in all cases to an appeal to the Board of Trustees.

Section 6. Conduct of Board Members. Town Board Members shall treat other Board Members and the public in a civil and polite manner and shall comply with the Standards of Conduct for Elected Officials of the Town. Board Members shall address Town Staff and the Mayor by his/her title, other Board Members by the title of Trustee or the appropriate honorific (i.e.: Mr., Mrs. or Ms.), and members of the public by the appropriate honorific. Subject to the Mayor's discretion, Board Members shall be limited to speaking two times when debating an item on the agenda. Making a motion, asking a question or making a suggestion are not counted as speaking in a debate.

Section 7. Presentations to the Board. Items on the agenda presented by individuals, businesses or other organizations shall be given up to 5 minutes to make a presentation. On certain issues, presenters may be given more time, as determined by the Mayor and Town Staff. After the presentation, Trustees shall be given the opportunity to ask questions.

Section 8. Public Comment. After discussion of an agenda item by the Board of Trustees has concluded, the Mayor shall open the floor for comment from members of the public, who shall be allowed the opportunity to comment or ask questions on the agenda item. Each member of the public wishing to address the Town Board shall be recognized by the presiding officer before speaking. Members of the public shall speak from the podium, stating their name, the address of their residence and any group they are representing prior to making comment or asking a question. Comments shall be directed to the Mayor or presiding officer, not to an individual Trustee or Town employee. Comments or questions should be confined to the agenda item or issue(s) under discussion. The speaker should offer factual information and refrain from obscene language and personal attacks.

Section 9. Unacceptable Behavior. Disruptive behavior shall result in expulsion from the meeting.

Section 10. Posting of Rules of Procedure for Paonia Board of Trustees Meetings. These rules of procedure shall be provided in the Town Hall meeting room for each Board of Trustees meeting so that all attendees know how the meeting will be conducted.

II. CONSENT AGENDA

Section 1. Use of Consent Agenda. The Mayor, working with Town Staff, shall place items on the Consent Agenda. By using a Consent Agenda, the Board has consented to the consideration of certain items as a group under one motion. Should a Consent Agenda be used at a meeting, an appropriate amount of discussion time will be allowed to review any item upon request.

Section 2. General Guidelines. Items for consent are those which usually do not require discussion or explanation prior to action by the Board, are non-controversial and/or similar in content, or are those items which have already been discussed or explained and do not require further discussion or explanation. Such agenda items may include ministerial tasks such as, but not limited to, approval of previous meeting minutes, approval of staff reports, addressing routine correspondence, approval of liquor licenses renewals and approval or extension of other Town licenses. Minor changes in the minutes such as non-material Scribner errors may be made without removing the minutes from the Consent Agenda. Should any Trustee feel there is a material error in the minutes, they should request the minutes be removed from the Consent Agenda for Board discussion.

Section 3. Removal of Item from Consent Agenda. One or more items may be removed from the Consent Agenda by a timely request of any Trustee. A request is timely if made prior to the vote on the Consent Agenda. The request does not require a second or a vote by the Board. An item removed from the Consent Agenda will then be discussed and acted on separately either immediately following the consideration of the Consent Agenda or placed later on the agenda, at the discretion of the Board.

III. EXECUTIVE SESSION

Section 1. An executive session may only be called at a regular or special Board meeting where official action may be taken by the Board, not at a work session of the Board. To convene an executive session, the Board shall announce to the public in the open meeting the topic to be discussed in the executive session, including specific citation to the statute authorizing the Board to meet in an executive session and identifying the particular matter to be discussed "in as much detail as possible without compromising the purpose for which the executive session is authorized." In the event the Board plans to discuss more than one of the authorized topics in the executive session, each should be announced, cited and described. Following the announcement of the intent to convene an executive session, a motion must then be made and seconded. In order to go into executive session, there must be the affirmative vote of two thirds (2/3) of Members of the Board.

Section 2. During executive session, minutes or notes of the deliberations should not be taken. Since meeting minutes are subject to inspection under the Colorado Open Records Act, the keeping of minutes would defeat the private nature of executive session. In addition, the deliberations carried out during executive session should not be discussed outside of that session or with individuals not participating in the session. The contents of an executive session are to remain confidential unless a majority of the Trustees vote to disclose the contents of the executive session.

Section 3. Once the deliberations have taken place in executive session, the Board should reconvene in regular session to take any formal action decided upon during the executive session. If you have questions regarding the wording of the motion or whether any other information should be disclosed on the record, it is essential for you to consult with the Town Attorney on these matters.

IV. SUBJECT TO AMENDMENT

Section 1. Deviations. The Board may deviate from the procedures set forth in this Resolution, if, in its sole discretion, such deviation is necessary under the circumstances.

Section 2. Amendment. The Board may amend these Rules of Procedures Policy from time to time.

CAPITAL IMPROVEMENTS - PHASE ONE

2-MG TANK RELINING — DISTRIBUTION SYSTEM IMPROVEMENTS — RAW WATER MONITORING IMPROVEMENTS

PROJECT NEEDS ASSESSMENT

DRAFT RSI-W0333.23005.001

PREPARED BY

Doug Schwenke, PE
James Starnes, PE
Rebecca Norton, PE

RESPEC

5540 Tech Center Drive, Suite 100
Colorado Springs, Colorado 80919

PREPARED FOR

Town of Paonia
PO Box 460
Paonia, CO 81428

NOVEMBER 2023

Project Number W0333.23005.001





RESPEC



A Division of RESPEC Company, LLC

CONTENTS

1. APPLICANT INFORMATION	1
2. EXECUTIVE SUMMARY	1
3. SYSTEM STRUCTURE AND OPERATION	2
4. PROJECT PURPOSE AND NEED	4
5. EXISTING FACILITY ANALYSIS	5
6. FACILITY PLANNING ANALYSIS	8
7. ASSESSMENT OF ALTERNATIVES	10
8. SELECTED ALTERNATIVE	13
9. PROJECTING WATER FLOWS – NOT USED	19

Attachments

- / Attachment 1 - Engineer's Seal
- / Attachment 2 - Organizational Chart
- / Attachment 3 - Monitoring Plan
- / Attachment 4 - Cross Connection Control Plan
- / Attachment 5 - Water Conservation Plan **(N/A)**
- / Attachment 6 - Written Delegation of Operator Duties – *Provided by the Town*
- / Attachment 7 - Annual Budget
- / Attachment 8 - 20 Year Cash Flow Projection
- / Attachment 9 - Audited Financial Statement
- / Attachment 10 - Documentation of General Liability Insurance
- / Attachment 11 - Additional Water Source Descriptions **(N/A)**
- / Attachment 12 - Existing Water Rights
- / Attachment 13 - Existing Process Flow Diagram **(N/A)**
- / Attachment 14 - Copies of Discharge Permits (residuals)
- / Attachment 15 - Pressure Map – where 20 psi cannot be maintained
- / Attachment 16 - Project Area Map
- / Attachment 17 - Population and Water Demand Projections
- / Attachment 18 - Documentation of Water Rights – see attachment 12.
- / Attachment 19 - Additional Alternatives Description **(N/A)**
- / Attachment 20 - Proposed Process Flow Diagram **(N/A)**
- / Attachment 21 - Green Project Business Case **(N/A)**
- / Attachment 22 - Environmental Checklist
- / Attachment 23 - Documentation of Public Meeting **(Pending)**



Sections of this report are outlined or annotated to match the requirements of the Colorado Department of Health and Environment (CDPHE) requirements for the Project Needs Assessment (PNA) that is uploaded through the Colorado Environmental Online System (CEOS).

1. APPLICANT INFORMATION

Applicant

Town of Paonia
PO. Box 460
Paonia, CO 81428

Consulting Engineer

RESPEC Company, LLC
5540 Tech Center Drive, Ste 100
Colorado Springs, Colorado 80919

Project Name: 2-MG Tank Relining; Distribution System Improvements; Raw Water Monitoring Improvements

Self-Certification

- / **Yes:** Distribution System Improvements and Raw Water Monitoring Improvements
- / **No:** 2-MG Tank Relining

2. EXECUTIVE SUMMARY

The Town of Paonia (Town, Paonia) PWSID# CO0115601 is a community water system in Delta County south of Highway 133. This community not only serves potable water to customers within city limits, it also serves water to around twenty (20) consecutive systems that purchase water from the Town. The distribution system has been in operation since distribution pipes were first installed in 1905 to bring water from the Lamborn Mesa springs into the Town. Having reviewed reports written from 1995 – 2021, the Town has divided Capital Improvement Plan (CIP) projects into Phases. This Project Needs Analysis (PNA) addresses projects identified as Phase 1. The Town of Paonia desires to apply for State Revolving Funds to assist with the capital and engineering costs that will be associated with the proven alternative necessary to update, repair, and/or replace infrastructure in the potable water system. Three projects in this PNA that will be performed concurrently are:

- / **2-MG Tank Relining:** Relining 2-MG finished water storage tank which will require first installing a temporary finished water tank to hold treated water while the 2-MG finished water tank is relined. Once the water can be sent to the temporary tank, relining will occur on the 2-MG tank. Engineering work will be led by SGM Engineering (SGM), with support by RESPEC.
- / **Distribution System Improvements:** Replace 9,400 LF of 8" finished water steel pipe from the intersection of Lamborn Mesa Rd. and Steward Mesa Rd. to the northern end of Cresthaven Rd.



CONTENTS

1. APPLICANT INFORMATION 1

2. EXECUTIVE SUMMARY 1

3. SYSTEM STRUCTURE AND OPERATION 2

4. PROJECT PURPOSE AND NEED 4

5. EXISTING FACILITY ANALYSIS 5

6. FACILITY PLANNING ANALYSIS 8

7. ASSESSMENT OF ALTERNATIVES 10

8. SELECTED ALTERNATIVE 13

9. PROJECTING WATER FLOWS – NOT USED 19

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PO. Box 460
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Consulting Engineer

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5540 Tech Center Drive, Ste 100
Colorado Springs, Colorado 80919

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- / **Distribution System Improvements:** Replace 9,400 LF of 8" finished water steel pipe from the intersection of Lamborn Mesa Rd. and Steward Mesa Rd. to the northern end of Cresthaven Rd.



where the pipe will connect to PRV 9. Work may also include relocating existing pressure reducing valves (PRV) in the impacted pressure zones. Engineering work to be completed by RESPEC.

- / **Raw Water Monitoring Improvements:** Rehabilitate springs structures to increase/improve raw water intake as well as install meters on four raw water discharge locations. Engineering work to be completed by RESPEC.

3. SYSTEM STRUCTURE AND OPERATION

3.1 Legal Ownership of System

Town of Paonia
P.O. Box 460
Town of Paonia, CO 81428

3.2 Organizational Chart – Included as Attachment 2.

3.3 Plans

- / Monitoring Plan is **Attachment 3**
- / Cross Connection Control Plan is **Attachment 4**
- / A water conservation plan is not required due to the community size.

3.4 Current Operator in Responsible Charge

Benjamin R. Archuleta,
00095-0496 Class A Water Treatment Operator
00020-1184 Class 4 Water Distribution Operator

3.5 Operator Certification Impacts with Increased treatment – No operator certification changes will occur with source improvement, tank repair, or water line improvements.

3.6 Record Keeping – The Town is in compliance with records retention requirements as outlined in Section 11.36 of Regulation No. 11 – Colorado Primary Drinking Water Regulations. All records pertaining to the operation and water quality of the Town are located at 401 2nd Street, Paonia, Colorado, 81428 and are available to the public during normal working hours.

3.7 Annual Budget – The Town adheres to the following procedures in establishing the budgetary data reflected in the financial statements.

- A. State law for all funds requires budgets. During October, the proposed budget is submitted to the Board of Directors by the budget officer for the fiscal year commencing the following January 1. The budget includes proposed expenditures and means of financing them.
- B. Public hearings are conducted by the Board of Directors to obtain taxpayer comments.
- C. Prior to December 31, the budget is adopted, and appropriations made by formal resolution.
- D. Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the total budget of any fund, or changes in project or department budgets. Budget amounts included in the financial statements are based on the final, legally amended budget.
- E. Budget appropriations lapse at the end of each year.



Accordingly, budget comparisons are of the legally adopted budget. The level of budget control is determined by the resolution appropriating sums of monies. Encumbrances are neither recorded on the books of the Town nor included in the budget. The Board of Directors has the authority to make budget amendments.

A copy of the budget is included in **Attachment 7**.

3.8 Financial Status - as of March 2023

- / Net Income: \$1,043,795
- / Checking/Savings: \$433,574
- / Emergency Reserve: \$458,955 (listed as water reserves in DOLA eval)
- / Total Cash Available: \$533,574
- / Existing State Loan: \$944,192

Rate Structure Water

- / Base Fee:
 - \$40 per month In-Town Residential
 - \$50 per month In-Town Commercial
 - \$50 per month Out-of-Town Residential
 - \$65 per month Out-of-Town Commercial
- / Usage Rate:

0-3000 gallons:	\$2.50/1000 gallons
3001-10,000 gal:	\$3.50/1000 gallons
10,001-25,000 gal:	\$4.50/1000 gallons
25,001 -50,000 gal:	\$7.50/1000 gallons
50,001 – 75,000 gal:	\$15.50/1000 gallons
75,001 – 99,999,999 gal:	\$20.50/1000 gallons

Rate Structure Wastewater

- / Sewer Fee Residential: \$55.00 per month in town limits
- / Sewer Fee Residential: \$60.00 per month outside town limits
- / Sewer Fee Commercial: \$60.00 per month in town limits
- / Sewer Fee Commercial: \$60.00 per month outside town limits
- / Stand by Fee: \$55.00 per month

Bond (Debt Service) requirements for Bond agreements are:

- / Colorado Water Resources & Power Development Authority (WPA) Bond
- / WPA requires water and sewer debt service to be budgeted at 110% of the annual payment.
- / WPA requires between water and sewer a 110% debt ratio.
- / WPA requires 25% between water and sewer expenditures in Available Working Capital (calculated during audit).

Estimated O&M costs, three-year financial plan and 20-year cash flow projection included in **Attachment 8**.

3.9 Audits – Included in **Attachment 9**

3.10 Insurance – Included in **Attachment 10**

4. PROJECT PURPOSE AND NEED

4.1 Health and Compliance – A sanitary survey was performed on Paonia’s water system on April 20, 2023. From this survey, the Town had two significant deficiencies, four violations, and seven observations/recommendations.

The first deficiency is uncontrolled cross contamination at the Lamborn Mesa Upper water treatment plant. This situation could allow contamination to enter the treated drinking water, specifically chemicals from the clean-in-place system backflowing into the treated drinking water. This deficiency will be repaired with the existing operations and maintenance budget. The second deficiency is with the 2-MG treated water storage tank. A pipe flapper that is assumed to be to the overflow pipe for the tank does not seal. This deficiency will be corrected with the proposed 2-MG tank relining stated in this PNA.

Three of the four violations are tied to the Backflow Prevention on Cross Contamination requirements for drinking water systems. Those three violations will not be addressed with the work proposed in this PNA. The fourth violation regarded Total Coliform sites not being represented. This will also not be addressed in this PNA.

Of the seven observations listed in the sanitary survey summary letter, only one of these observations will be addressed as a project in this PNA. The 2-MG tank is noted to be in a condition that may allow potential contamination into the tank. With the relining and repairs of the 2-MG tank, this concern will be eliminated.

4.2 Existing Facility Limitations – Town of Paonia is currently under a tap moratorium. This self-imposed moratorium was implemented in response to a critical 2019 water supply issue. Language written into the tap moratorium requires confidence in the water system’s ability to serve additional users. The Town’s efforts since 2019 have yielded a phased capital improvement plan to ensure the water system, including raw water, treatment, storage, and distribution are sufficiently robust to confidently support growth. The following details existing water system facilities’ limitations that necessitate the proposed projects.

- / **Raw Water Sources** – Paonia currently collects water from spring systems flowing from Mt. Lamborn and Landsend Peak. This has been a consistent source of water for the Town since the establishment of the drinking water system. Problems that are seen in the spring system are many. Several of the springs do not have a successful containment of the spring and much of the water bypasses their respective collection boxes. Many of the pipes from the collection boxes do not have metering which prevents the Town from understanding the potential of source water available. Much of the piping from collections to the Upper Lamborn water treatment plant and the lower Clock water treatment plant was laid without a vision for the future of those lines. Those lines were constructed to carry water to treatment but not designed for long-term success.

It is especially important to improve the collection of the spring water and piping to the water treatment plants to provide the Town as much spring water as possible in drought years. Missing the collection of any of the spring water available to the Town through their designated water rights during a drought puts the Town in a situation where they may not have ample water to serve the residents and the paying water companies.

- / **Treatment** – Paonia’s raw water sources are classified as surface water or groundwater under the direct influence of surface water (GWUDI). Because of the GWUDI classification, both the Upper Lamborn and Clock water treatment plants employ filtration membranes to remove particulates from the raw water before the water is disinfected and sent to distribution. The Upper Lamborn water treatment plant (WTP) is the only plant currently in operation. The Clock WTP has sat idle since 2014 except for the water emergency that occurred in February 2019. This plant remains idle due to the repairs that are needed for the 1-MG tank that receives Clock WTP treated water before distribution.



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At the sanitary survey performed in April 2023, it was recommended that the Clock water treatment plant be fully inspected and operated to note any repairs required before putting into service for actual water treatment to be sent to distribution.

/ Finished Water Storage

- The Clock 1-MG finished water storage tank is not adequately sealed from outside animals and insects and is not in service.
- The Lamborn 2-MG finished water storage tank must be relined and repaired.
- Additional storage has been recommended in previous engineering reports.

/ Distribution:

- From the Lamborn 2-MG finished-water storage tank, water is distributed into town via two 8-inch pipelines. The routing of these pipelines is referred to as the east and west loops. Along the west loop, an 8-inch steel line section and is proposed to be replaced with a 12" pipe size in this PNA. This line is critical to the overall distribution system. However, sections of this pipe are not adequately buried and has been a consistent source of leaks.
- Other distribution pipelines in the system range from 0.75-12" with materials consisting of steel, cast iron, ductile iron, PVC, or HDPE. Many of the pipelines in the town are insufficiently sized, aging, and may not be buried at a sufficient depth to prevent freezing.

4.3 Operations and Maintenance (O&M) Issues – Several sections of older pipe are beginning to deteriorate. Leaks are being fixed as detected. Storage could be improved if the 1-MG Clock tank was repaired, and the lower Clock water treatment plant was operational. Excessive O&M issues related to aging infrastructure are a cost and labor burden and have been a hurdle to more proactive efforts to make system improvements.

5. EXISTING FACILITY ANALYSIS

5.1 Existing Source Water

5.1.1 Raw Water Supply: Raw source water is collected from a series of 32 springs located on the northern slope of Mt. Lamborn. The springs collection system is comprised of a conglomerate of infiltration galleries, springs collection boxes, PVC and steel gravity collection pipes, overflow boxes, and monitoring locations. All springs used by the Town of Paonia have been classified as Groundwater under the direct influence of surface water (GWUDI) and therefore require surface water type treatment to convert the raw water into potable water. Because of the existing topography on Mt. Lamborn, a portion of the springs can only be collected and treated at the Upper Lamborn water treatment plant, while another portion can only be collected and treated at the lower clock water treatment plant. A small portion of these springs can be collected and treated at both water treatment plants (see **Figure 1** below).

Of note, only a fraction of the raw water can currently be monitored reliably for volume using existing measuring flumes. As noted in later sections, four additional monitoring locations have been recommended by the Town, its engineer, and the Division 4, District 59 water commissioner. There is also concern about the vulnerability of the springs to surface contamination, drought conditions, and impacts on water quality due to wildfires. Raw water storage has been one improvement considered by the town to decrease drought impacts on the surface water springs, though these potential alternatives have not been explored in this PNA but are being evaluated in a subsequent hydrogeology study being commissioned by the Town and may be included in a later water system improvement phase.

These spring sites are owned and maintained by the Town of Paonia and provide raw source water which is treated and converted to potable water for domestic use by residential, commercial, and consecutive water systems (water companies) within the Town of Paonia. Surface water rights are also available to the Town at a

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diversion on the North Fork of the Gunnison River but are not often used due to the higher levels of turbidity in the river water. In addition, commercial and residential properties also have access to raw water surface diversions carried throughout town in ditches which can provide irrigation water to customers. These surface water diversions are not part of the Town's raw source water portfolio but are part of another water and ditch company in town. These surface water diversions for irrigation purposes do help alleviate elevated water demands when the surface water is available.

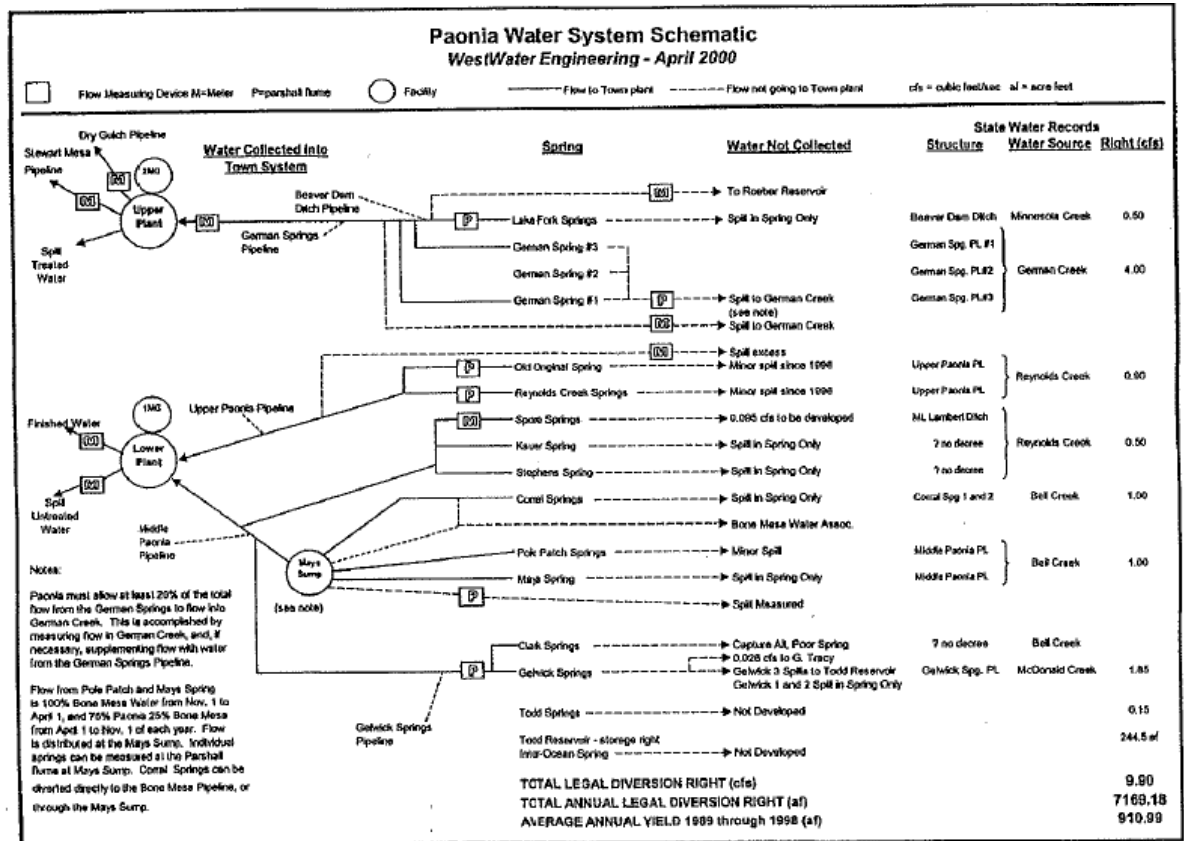


Figure 1. Paonia Water System Schematic

5.1.2 Water Rights –

The Town of Paonia is served by a conglomerate of water rights which has been assembled over the course of almost 140 years. The source of most water rights emanates from a complex network of springs or raw water pipelines at diversions located on Mt. Lamborn Mesa. Source water is collected at a variety of infiltration galleries as described in Section 5.1.1. above. The source of the water which comprises the majority of Paonia's water rights is generally believed to be derived from subsurface flows along the slide rock on Mt. Lamborn Mesa atop the Mancos shale. This source water generally results in a high quality, alluvial well type pre-filtered water that generally does not require much treatment. However, because of the exposure to surface contaminants the Colorado Department of Health and Environment has classified all spring sources as Groundwater Under the Direct Influence of Surface Water (GWUDI) which generally requires more advanced treatment prior to public consumption. Overall, the sources have been collected and serve an upper and lower collections and treatment system as described in Section 5.1.1. Prior to 2023 there have been many attempts to identify and quantify the water rights currently held by the Town. Previous attempts have been conducted by Minion Hydrologic in 1994, the Division 4, District 49 Water Commissioner, JDS-Hydro Consultants, WestWater

Engineering, and most recently, Sherry A Caloia P.C.. A water rights list was most recently compiled by Ms. Caloia in April of 2023 and is included in **Attachment 12**.

Overall, there are 20.82 cfs of described water rights associated with the Town of Paonia. Of these 20.82 cfs of water rights, 9.90 cfs can be confirmed as legal diversion rights to the Town of Paonia. This translates into 7,169.18 AF of total annual legal diversion rights on paper. Of the 9.90 cfs available to the Town, 4.50 cfs can be collected at the upper plant and serve the upper zone while 5.4 cfs can be collected at the lower plant and serve the lower zone. A description of the water rights available to each zone is described in Section 5.2.1.

5.2 Existing Treatment

5.2.1 Overall Treatment Description – The current treatment process consists of the manifolded the Roeber Reservoir, Lake Fork Springs, German Springs, Old Original, and Reynolds Creek Springs into the Lamborn water treatment plant. The springs manifolded into the Clock water treatment plant consist of Old Original, Reynolds Creek, Spore, Kauer, Stephens, Coral, Pole Patch, Mays, Clark, and Gelwick springs. Both plants utilize ultrafiltration membranes for the removal of particulates that impact turbidity and can be a cause of bacterial contamination. After filtration, the water is disinfected and sent to a finished water storage tank and/or pumped to distribution.

The Lamborn water treatment plant has the capacity to treat 600 gpm with filtration being the limiting operation. The Clock water treatment plant has not run consistently since 2014 and would need a thorough inspection of all equipment to determine if repairs are necessary before being placed into operation. No changes to treatment are proposed in this PNA. A discharge permit (COG641134) is in place for backwash discharge of the ultrafiltration membranes at Clock water treatment plant. At the sanitary survey in April 2023, it was noted that there was not a discharge permit on file for the Lamborn water treatment plant and that the Town should reach out to the Permits Division of the Water Quality Control Division with CDPHE to determine if a discharge permit is required for this discharge.

5.2.2 Existing Process Flow Diagram – Included in Attachment 3 Monitoring Plan

5.2.3 Current Compliance Status – The Town of Paonia is not currently on a compliance schedule for any portion of their water treatment system. However, the Town is under a tap moratorium until the system is deemed able to serve its existing customers sufficiently before adding additional strain to the system.

5.2.4 Appropriateness of Treatment Technologies – With the extensive studies and reports and previous alternatives analyses prepared for the Town of Paonia over the last ten years, the projects proposed in this CIP Phase 1 PNA for the 2-MG finished water storage tank relining, 8" steel finished water distribution line replacement, and repairs and metering of several of the springs serving the Town raw water have been deemed the most important and cost appropriate for the Town at this time.

5.2.5 Capacity of Treatment – Both water treatment plants have been upgraded to comply with CDPHE's Design Criteria for Potable Drinking Water Systems and can together treat enough water to supply the Town and consecutive system water companies.

5.2.6 Operational Controls – Existing treatment and distribution is monitored and controlled by SCADA. The specific setpoints, control narrative and upgradeability were not considered in depth for this draft report. Operational controls will likely not be changed, only upgraded, with this Phase 1.

5.2.7 Residuals Management – Per a sanitary survey, membrane backwash is discharged to a small pond and then private property for irrigation. Paonia is expected to contact CDPHE Water Quality and Control Division Permits section to determine if a discharge permit needs to be secured for the Lamborn plant. A discharge permit is already in place for the Clock plant. No other residuals are created that require disposal.

See **Attachment 14** for permit related to discharge from Clock WTP.

5.3 Distribution



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5.3.1 Overall Distribution System Description – With almost 23 miles of gravity distribution piping within the system ranging from 0.75 inches to 12 inches of varying material from steel, cast iron, PVC, DIP, and HDPE, older pipes are in need of repair and/or replacement. Eight pressure reducing valves (PRV) incrementally divide approximately 930 feet of elevation difference within the distribution system into eight distinct pressure zones. An additional ninth PRV is included in the proposed CIP Phase I water distribution system improvements.

The distribution system is fed entirely by a 2-MG finished water storage tank. A 1-MG finished water storage tank located lower in the distribution system has been out of service since 2015. Repair and/or replacement of the 1-MG finished-water storage tank is being considered in future capital improvement phases. The only documented asbestos-cement pipe connects the 1-MG tank to the distribution system and is currently offline. Whether this pipe is reused or replaced is also under consideration in future capital improvement phases.

Previous engineering efforts have inventoried distribution system infrastructure, and the Town has invested in ArcGIS asset management software. A system-wide hydraulic model was developed to support capital improvement planning efforts.

Distribution system losses: Filtered water is metered prior to the 2-MG finished-water storage tank and compared to metered distribution system demand. Unaccounted water has ranged from 15%-30%. The Town has addressed water loss through leak detection and repair. Notable improvement has been made in recent years, which was made possible because of increased public works staffing. The Town continues to follow AWWA protocol for identifying and addressing water losses.

5.3.2 Pressure

The distribution system has been modeled and evaluated under all conditions of flow as required by CDPHE design Criteria from Potable Water Systems. While normal working pressures in the distribution system are above 60 psi and nowhere less than 35 psi, specific hydrants have been identified as providing less than 1000 gpm while maintaining a minimum pressure of 20 psi. **Attachment 15** illustrates distribution system pressures and modeled hydrant flow while maintaining a minimum working pressure of 20 psi.

5.3.3 Meters – Meters are employed for every customer within the distribution system. Finished water is metered prior to the 2-MG finished water storage tank. Some meters have been installed on the springs providing raw water but a more robust raw water metering system including additional meters on the discharge piping of several of the springs would provide Paonia a better understanding of spring production abilities in high run-off years as well as drought years.

6. FACILITY PLANNING ANALYSIS

6.1 Planning Area Description

6.1.1 Project Area Map – A map is included in **Attachment 16**

6.1.2 Urban Growth Boundary – The Town has the ability to annex new customers once the tap moratorium is lifted.

6.1.3 Local and Regional Issues – Paonia sits in the southwest corner of Colorado where the towns and municipalities are separated by miles and often difficult terrain. There is no ability for Paonia to enter into an intergovernmental agreement with any other community due to these difficulties. In fact, Paonia serves water to 24 to 27 other Water Companies are outside the boundaries of the Town which purchase treated water from the Town of Paonia through individual contracts. The communities of Hotchkiss and Crawford are the nearest communities to Paonia which could participate in resource sharing or consolidation. However, both towns are more than 9 miles from Paonia across extreme topographical areas, making connection to each of these communities difficult. In addition, both communities are smaller than the Town of Paonia and would

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probably require resource support from the Town of Paonia rather than vice versa. For instance, the Town of Crawford only has one water source, the Wiley Spring, which provides raw water to its constituents. This consolidation of raw water or treatment sources with either of these nearby communities would probably not benefit, nor would be economically feasible, for the town of Paonia.

The Town of Paonia is drafting a master plan to provide a 20-year planning document to assist in its regional planning efforts. The Town is in a position of projected growth, as described in Section 6.2 below. However, there have been significant deficiencies in the Town's potable water system which keeps the town from supporting additional growth in the future. In fact, the Town currently has a tap moratorium in place until many of these identified deficiencies are addressed. In 2019, the Town experienced a water leak which put the town out of potable water temporarily. Subsequently, the Town has identified a series of improvements which need to be made to its water system to help address these deficiencies and support the existing regional planning efforts. This Capital Improvements Plan (CIP) has been split into phases to help the Town address these deficiencies in the most cost-efficient way possible. The projects included in this Phase 1 represent the highest priority improvements in the CIP as the town looks to incrementally lift its tap moratorium.

As mentioned above, the Town of Paonia has prepared a CIP that it needs to implement to rectify existing deficiencies to the Town's water system. One of these projects includes the repair and relining of the existing Upper Lamborn 2 MG water storage tank, which if left unattended will significantly impact finished water quality at the Town's only functioning water treatment plant. Without the repair to this tank, the Town will not be able to guarantee long term potable water to any of its constituents, making the project the highest priority to its distribution system improvements. In addition, should the Upper Lamborn 2 MG tank go out of service, existing water quantity issues would be exacerbated as the Town would be without its largest equalizing storage tank. Water quantity has been an issue in the past as highlighted by the distribution system water leak in 2019 which temporarily put the town out of water. However, that issue was not so much a product of overall water quantity as the Town has plenty of water rights existing in its existing water rights portfolio as described in Section 5.1.2. above. Repairing the lower clock tank and plant and bringing that facility back into service will help alleviate some of the water quantity delivery issues as it will bring back 5.4 cfs of water rights back into the system once. Work on the lower clock tank is slated for the Phase 2 water improvements. Equalizing storage has been considered for storing un-captured spring spills on Mt. Lamborn for some time, but the costs of building a raw water storage reservoir or tank versus how much water these reservoirs could store makes building a reservoir on the side of Mt. Lamborn cost prohibitive. So, the proposed projects contained in Phase 1 adequately address immediate water quality and quantity issues for the Town of Paonia.

6.2 Population and Water Demand Projections –

The areas around the Town of Paonia have been growing at approximately 1 – 2% per year. If that growth rate were consistent within the Town's jurisdiction, the existing facilities (after upgrades have been completed) would still be within capacity to treat and distribute drinking water to all customers. In the future the Town of Paonia has plans to bring Clock Tower treatment facility and storage tank back online. With both the Lamborn and Clock facilities operational the Town would ensure redundancy in their treatment system to provide drinking water if either of the plants were to undergo an emergency shutdown. The Town currently provides water to 1512 total services.

Using census and regional data, each service is estimated as a single-family equivalent (SFE) representing 2.5 persons. Detailed projections of population and water demand are provided in Attachment 17.

6.3 Source Water Planning

6.3.1 Overall Water Resource Management Description – The Town of Paonia continues to value its water resources as well as provide education to its customers as to the value of the water supply. Resolution 2020-17 was adopted to impose water restrictions throughout the water system whenever needed. In addition, the

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Town has also introduced a self-imposed tap moratorium until identified deficiencies in its potable water distribution system are addressed as a means of managing its water resources.

6.3.2 Water Rights – Existing water rights are likely sufficient to serve a growing community for the next 20 years. As described above in Section 5.1.2, the Town has 4.5 cfs dedicated to the Upper Lamborn Water Treatment Plant, which is available to the Town right now. This capacity alone is sufficient to meet the Town's current water demands. The Town has another 5.4 cfs available at the Lower Clock Tank and Plant once this facility is brought back online. And overall, the Town has secured 20.82 cfs in overall water rights, which is more than enough to meet future Town demands to meet planned growth. However, as suggested by the Town's water attorney, it is always recommended that the Town investigate additional water rights to ensure the future stability of its water rights portfolio.

6.3.3 Source Water Supply Capacity – Source water infrastructure must be improved for the Town to utilize all the source water available to serve its customers. These improvements allude to repairs to the Lower Clock Tank and Water Treatment Plant, repairs to the Town's existing collection system, and improving the Town's ability to measure all identified water rights. Phase 1 and the associated PNA has identified four areas where additional spring monitoring will assist in the understanding of the Town's water rights. In addition, this phase also includes repairs to the most immediate needs of the water collections system. Subsequent alternatives for raw water storage have been evaluated as well as improving the capture of spring water. This PNA will address the latter through improvements of one of spring collection boxes as well as additional metering to determine raw water available to the Town. The Town has also commissioned a hydrogeology study separate from this PNA to help the Town better understand the dynamics of spring performance on Mt. Lamborn. Ultimate outcomes of this separate study are hoped to identify additional projects which could improve the existing water supply capacity of the springs, including raw water storage, spring capture performance, and additional monitoring locations.

7. ASSESSMENT OF ALTERNATIVES

7.1 Alternatives

Alternative 1: Do Nothing

Description:

Because the Town of Paonia is not in a current Enforcement Order or in Violation, the Town has the option of operating status quo and only fixing emergency repairs. In 2022 the Water Fund budget projected \$227,750 in repairs and maintenance. Actual costs were \$270,483.9. The 2023 Water Fund budget allocates 241,752.79 for repairs and maintenance. Larger capital projects would be paid out of the water reserve as they arose.

Total project cost: \$500,000 – 750,000 for increased continued maintenance.

Capital and Operation and Maintenance Costs:

Capital, Operation and Maintenance Costs: There would only be planned repair costs in this alternative which are already budgeted.

Advantages and Disadvantages: The advantage of this alternative is the reduction in near-term capital expenditures. The disadvantage of this alternative is that the Town would be on its heels waiting for lines to break, tank failures, and possible diminishing flowrates from existing springs systems. It is a reactive approach to infrastructure management that increases vulnerability to service interruption. In addition, the Town would be in a position of potentially losing its only functional equalizing potable water storage tank and water plant should the existing 2-MG water tank fail due to neglect. And lastly, this alternative does not address the pending tap moratorium and would not allow the Town to address potential growth



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limitations. This is not a satisfactory alternative given the responsibility to consumers relying on the Town to keep the water system operational.

Alternative 2: Perform each of the proposed projects one at a time - Apply for grants and/or loans on an individual project basis.

Description:

Paonia has invested significant time and money having several water system evaluations written by professional engineering consultants. Alternative capital improvements have been evaluated in many reports. From an evaluation of all the reports and work with engineering consultants, the Town has been able to prioritize projects needed to draft a Capital Improvement Plan. Phase I projects described herein could be further ordered by priority.

Total project cost: \$6,500,000 - \$8,500,000 (with high potential to increase more with inflation).

Capital and Operation and Maintenance Costs:

Capital Costs would likely be higher compared to Alternative 3 as only attacking one project at a time moves other projects into the future where history has shown costs typically increase with inflation. This has been especially true over the past few years (2021-2023).

Other capital-related costs would increase over Alternative 3 including securing funding one project at a time. Combining all Phase I projects into one Project Needs Assessment (PNA) reduces fees for the Town in that much of the information required in a PNA is similar between the projects. Submitting a PNA for each project individually would be a duplication of effort. The cost for general administration, project management and design for executing projects individually would likely be higher as well. Finally, the risk of needing to replace the 2-MG tank increases each year necessary maintenance is delayed. The same is likely true for other capital assets for which full replacement is not proposed in this Phase I Capital Improvement Plan.

Operation and maintenance cost will decrease for Alternative 2 as compared to Alternative 1. Relining the 2-MG tank will ensure system reliability and may also provide more consistent water quality. Replacing the 8" steel finished water pipeline with a new, more robust material will return less leaks and less maintenance. Rebuilding spring collection boxes will reduce future maintenance. In this alternative, The Town's existing 2023 water system repair and maintenance budget of **\$241,742.78** may prove sufficient and will be used for comparison of the three alternatives considered.

Advantages and Disadvantages: The advantage to Alternative 2 as compared to Alternative 1 is that operating the water system becomes safer and more reliable. Alternative 2 is less advantageous than Alternative 3 in that it would cost more to do each project separately than all together and each project is still a much-needed project for Paonia. Performing proposed projects individually also risks a longer schedule, which may further delay lifting of the tap moratorium and delaying allowable growth.

Alternative 3: Complete Phase I Capital Improvement Projects concurrently.

Description:

Recent capital improvement planning efforts identified three major capital projects that should be performed as soon as possible. These projects are identified as CIP Phase I. In Alternative 3, the Town of Paonia would secure funding and proceed with permitting, design and construction of Phase I projects simultaneously. With recent improvements in staffing numbers, The Town of Paonia has the capability and resources to support Alternative 3. Ultimately, the goal would be to design, submit, bid, and construct all three projects outlined in this PNA within 2 years of securing a loan. It is a time and financial savings to package Phase I projects into one State Revolving Fund application. The proposed budget to complete three projects within this package is approximately **\$8,350,000**.

Capital and Operation and Maintenance Costs:

Capital Costs will increase in the near term compared to Alternative 1 but will be slightly less expensive than Alternative 2. The projects that need to be completed in Alternative 3 are the same as the projects that need to be completed in Alternative 2. However, the capital costs should be less than Alternative 2 since all projects will be budgeted for the same fiscal year and would be less impacted by inflation. Alternative 2 is subject to inflation and increase in price for both materials and labor. By combining all three projects into one PNA, the Town of Paonia will only have to apply for funding once for Phase I capital improvements. Alternative 3 saves on costs to apply for additional funding and additional permitting, design, project management and general administration related expenses.

Operation and maintenance costs will decrease for Alternative 3 as compared to Alternative 1 but are estimated roughly equal to Alternative 2. Replacing the 8" steel finished water pipeline with a newer, more robust material will return less leaks and less maintenance. Rebuilding a spring collection box will reduce future maintenance attempting to capture all the spring flow. However, there remains significant infrastructure in need of improvement beyond Phase I efforts. Future phases seek to address additional capital improvement needs; proposed capital improvements have been given priority based on evaluation of significance to maintaining overall system resiliency.

Advantages and Disadvantages: The advantage to Alternative 3 as compared to Alternative 1 is that operating the water system becomes consistent and more reliable. The advantage to Alternative 3 compared to Alternative 2 is that the overall funding and capital cost will be less expensive over an extended period. Alternative 3 allows the Town to apply for all funding through a single PNA as well as begin construction on all three projects when construction costs are equal for all three projects. Another advantage to starting these three improvement projects with the same PNA is engineering continuity. The Town has hired RESPEC to oversee all design work which will establish engineering continuity. This will improve design efficiency as well as reduce design costs. Disadvantages to Alternative 3 would be limited to the capabilities of the Town, engineers, and contractors to manage three improvement projects at the same time. With proper planning and management this disadvantage can be avoided.



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8. SELECTED ALTERNATIVE

Tackling the many capital improvements projects identified in the multitude of water system evaluation reports all at once would be financially impossible. However, implementing no improvements would leave the Town of Paonia in a precarious position waiting for the next failure to serve water to its customers. The chosen Alternative is completing Phase 1 projects concurrently – relining the 2 MG finished water storage tank, replacing the 8-inch steel line along the west loop into Town from silo corner to Omega Road, and, on the raw water side, installing four spring meters and repairing one spring collection box.

8.1 Justification of Selected Alternative – In communication with the Town of Paonia and evaluating all possible alternatives RESPEC and the Town have decided to proceed with Alternative 3. Due to the deterioration of the system, it would be irresponsible to update the system as issues arose. There are already several issues in the distribution line, the Upper Lamborn tank needs to be relined as soon as possible, and raw water metering is critical to long-term planning efforts. By consolidating Phase I projects into a single PNA, the Town is attempting to obtain enough funding to complete the proposed projects concurrently, thereby reducing total project costs and accelerating the Town's overall capital improvement planning efforts.

8.2 Technical Description and Design Parameters

- / **2-MG finished water tank relining**– The entirety of the Town's drinking water is currently supported by a 2-MG welded steel water tank at the top of Roeber Rd, named the Lamborn Tank. This tank is due for interior relining as over time the interior of the tank has been subjected to corrosion due to normal wear and tear. The project will consist of redirecting flow from the Lamborn Water Treatment plant to a temporary finished-water storage tank in the vicinity of the Lamborn water treatment facility. Design and specifications will be provided by SGM engineers with project management provided by the Town of Paonia and RESPEC. Relining the 2-MG tank is relatively straightforward - several companies in the area have the capability to efficiently complete this project. Most of the design work will be in creating a section of land next to the existing tank that can support a temporary tank. Subsequent engineering work will ensure that project specifications facilitate completion of the work and endorse a final product that lasts at least the projected minimum lifespan of the relining product(s).
- / **8" Steel Distribution Line Replacement**– Design and project management for the 8" steel replacement line will be completed by RESPEC. The design will consist of a survey and Subsurface Underground Engineering (SUE) report to be completed by a consulting company chosen by both the Town and RESPEC jointly. The line replacement project will be completed using a design-bid-build format. RESPEC will draft pipe alignment and pipe installation drawing sets to be submitted to the Town at 70% completion before construction begins. The distribution line replacement will occur between the corner of Lamborn Mesa Road and Stewart Mesa Rd. (known by Town administration as Silo corner) and the north end of Cresthaven Rd. The new alignment is anticipated to either follow the existing waterline alignment or to follow along Lamborn Mesa Rd. The proposed water main will extend from PRV 7 to PRV 9.
- / **Raw Water Monitoring Improvements**– RESPEC, in conjunction with Mountain Peaks Controls (Town of Paonia's integrator), will install 4 new monitoring devices at four of the current collection sites. The four monitoring locations to be installed are German Springs/Lake Fork, Old Original, Spor, and Mays/Gillwick. For three out of the four collection sites (German Springs/Lake Fork, Old Original, Spor) a simple monitoring device will be added to the spring or collection line. The fourth monitoring site, Mays/Gillwick collection box, will need to be completely rebuilt. The status of the collection box is that the concrete structure is crumbling and quickly deteriorating. The Mays/Gillwick collection box will be replaced with a concrete collection box similar to the new collection box at Spor. The

Town of Paonia will have to determine how to transport the new collection box up the mountain. Most likely they will perform this operation similar to the Spor collection site.

8.3 Proposed Process Flow Diagram – N/A

8.4 Appropriateness of Treatment Technologies – There will be no improvements made to the treatment facilities as the current facilities meet Regulation 11 maximum contaminant levels for all drinking water contaminants.

8.5 Environmental Impacts

Environmental efforts for each of the proposed capital projects are anticipated as follows:

- / *2-MG finished water tank relining* – This will likely be a Categorical Exclusion as this site is already disturbed. Temporary Tank Facilities may require an Environmental Assessment.
- / *8" Steel Distribution Line Replacement* – an Environmental Assessment will be required.
- / *Raw Water Monitoring Improvements* it is likely that an Environmental Assessment will be required.

8.6 Land Requirements

- / *2-MG finished water tank repair* – This project will be performed on a parcel of land where the tank already exists and is owned by the Town. No additional land will be needed to perform the tank relining.
- / *8" Steel Distribution Line Replacement* – Easements may be required for the replacement of the 8" steel finished water distribution line. The new pipe alignment will likely follow Lamborn Mesa Rd. and stay within the utility easements for the Town of Paonia. There is a possibility that service easements may be required when attaching private service lines to the main pipeline, but the majority of the water line will stay with the Town's utility easements.
- / *Raw Water Monitoring Improvements* – The addition of meters to the existing piping will not require any additional land. The repairs of the spring collection boxes will occur on property already owned by the Town and will not require any additional land purchase. However, the provision of a gravity meter near the junction of Old Original and the Reynolds Spring collection line may require acquisition of a small plot of land in the form of an easement.

8.7 Construction Requirements

- / *2-MG finished water tank relining* – The majority of the construction requirements will be directed towards the 1 MG temporary tank that will be installed to the north of Lamborn Tank. There will need to be some excavation equipment on site to cut into the hill to create a small level landing to place the 1-MG tank unless an alternative location proves viable. Other construction requirements will need to be directed towards the installation of the temporary tank. If the Town can clear a space around the current facilities, then SGM engineers and the chosen contractors will be able to install the temporary tank.
- / *8" Steel Distribution Line Replacement* – The entire 8" steel distribution pipe from Silo corner to the top of Cresthaven Rd. will be abandoned. The new line will need to be trenched from Silo Corner, along Lamborn Mesa Rd., to the top of Cresthaven Rd. Construction requirements will consist of large delivery trucks to haul all pipe and pipe materials to the town, heavy excavation equipment, and potential road closures when the excavation sites encroach on the roadways. Effort will be made to maintain at least one direction of traffic at all times.
- / *Raw Water Monitoring Improvements* – Minimal construction requirements will be needed for the source water improvements. For three out of the four listed monitoring locations the only construction to happen will be the attachment of a small monitoring device and some

telecommunication devices provided and installed by Mountain Peaks Controls. The fourth collection site will require a high activity of construction. The requirements will consist of delivering a prefabricated/precast collection box to the collection site. At the collection site, contractors will have to make any repairs to the collection pipe and install the monitoring device before permanently installing the new fabricated/cast box around the collection pipe. Construction of the new spring box will require the temporary shutdown of springs to the Mays -Gillwick junction box. However, because this junction box serves water to the Lower Clock Tank and Plant site, which is currently out of service, there will be no disruption of service to the Town of Paonia.

8.8 Operational Aspects

- / *2-MG finished water tank relining* – No additional operational aspects needed for the tank repair.
- / *8" Steel Distribution Line Replacement* – The only potential operational addition with this project will be if an additional PRV is installed. The Town already has certified employees to operate on a PRV so it will just need to be added to the Town's operations agenda. Similar maintenance already exists within the Town's distribution so no additional operator training or certification is needed.
- / *Raw Water Monitoring Improvements* – Operational personnel will not change with the addition of the monitoring devices. The goal for the monitoring devices is to connect the data loggers at the monitoring sites to the current SCADA system that exists at the Upper Lamborn Treatment Facility. The Town will have to add the monitoring data collected at the monitoring sites to the current monitoring tasks and update their data logger system.

8.9 Costs - The total estimated cost for Phase 1 capital improvement projects is \$8,350,000. Breakdowns of estimated costs for each project element are provided in the following tables.

Table 1. Estimated Capital Cost: 2-MG Tank Relining

Engineer's Preliminary Opinion of Cost				Date	9/1/2023
Paonia Phase I Water System Improvements - Tank Relining					
W0333.22001.07					
Note: Engineer's Opinion of Probable Construction Cost for 2-MG Tank Relining provided by SGM and qualified as AACE Class 4					
Item #	Item Description	Quantity	Unit	Unit Cost	Amount
Lakefork / German Creek / Beaver Dam Ditch Mag Meters - 2 Total					
1	Mobilization	5%	%	\$81,000	\$81,000
2	Dry Ice Blasting of Wax Lining	1	LS	\$400,000	\$400,000
3	Lead Pretreatment	2	LS	\$34,000	\$68,000
4	Lead Abatement	1	LS	\$325,000	\$325,000
5	Interior Coating	1	LS	\$485,000	\$485,000
6	Exterior Coating	1	LS	\$250,000	\$250,000
7	Misc Metals Repairs	1	LS	\$31,000	\$31,000
8	Vent and Overflow Piping	1	LS	\$43,000	\$43,000
9	Temporary Tank	1	LS	\$300,000	\$300,000
10	Unused				
				Construction Sub Total	\$1,983,000
				10% Contingency	\$198,300.0
				Construction Total	\$2,181,300
				Design Engineering and Permitting - Tank Relining	\$60,000
				Construction Engineering	\$40,000
				Construction Inspections	\$20,000
				Total Project Cost	\$2,301,300
				AACE Class 4 Construction Cost Ranges	\$1,956,105
					\$2,991,690.0
Since the Engineer has no control over the cost of labor, materials or equipment, or over the Contractor's method of determining prices, or over competitive bidding or market conditions, their opinions of probable construction cost provided for herein are made on the basis of their experience and qualifications. These opinions represent their best judgement as a design professional familiar with the construction industry. However, the Engineer cannot and does not guarantee that proposals, bids, or the construction cost will not vary from opinions of probable cost prepared by them.					

Table 2. Estimated Capital Cost: 8-Inch Steel Distribution Line Replacement

Engineer's Preliminary Opinion of Cost				Date	9/1/2023
Paonia Phase I Water System Improvements - Raw Water System Improvements					
W0333.22001.07					
Item #	Item Description	Quantity	Unit	Unit Cost	Amount
General					
1	General Requirements	1	LS	5%	\$180,721
2	Permitting	1	EA	\$15,000	\$15,000
3	Mobilization	1	LS	3%	\$104,838
4	Traffic Control	90	day	\$2,000	\$180,000
5	Clear & Grub Field	2.75	AC	\$5,000	\$13,774
6	Remove Asphalt Planing 2"	16750	SF	\$8	\$134,000
7	Remove Asphalt Full Depth Milling	17000	SF	\$10	\$170,000
8	Dirt Road	6250	SF	\$10	\$62,500
10	Silt Fence	10000	LF	\$3	\$30,000
11	Vehicle Tracking Pad	3	EA	\$5,000	\$15,000
12	Remove, Stockpile and Replace Topsoil	1	LS	\$30,000	\$30,000
13	12-inch Waterline	9398.4	LF	\$75	\$704,880
14	12-inch Mechanical Joint BFV and Valve Box	27	EA	\$4,500	\$121,500
15	12-inch Mechanical Joint Bend w/ Thrust Block	48	EA	\$2,750	\$132,000
16	Air Vacs	4	EA	\$10,000	\$40,000
17	Fire Hydrants	8	EA	\$9,500	\$76,000
19	PRV 8 Replacement	1	LS	\$250,000	\$250,000
20	PRV 9 Improvemets (Bypass)	1	LS	\$25,000	\$25,000
22	Testing/Disinfection	5	EA	\$3,000	\$15,000
24	Aggregate Base Course (Class 6)	510	TN	\$500	\$255,000
26	Hot Mix Asphalt Pavement 2"	297.5	TN	\$1,000	\$297,500
27	Hot Mix Asphalt Pavement Variable Depth	637.5	TN	\$1,000	\$637,500
29	Pavement Marking	1	LS	\$25,000	\$25,000
30	Survey	1	LS	\$25,000	\$25,000
31	Seeding	1	LS	\$15,000	\$15,000
32	Easement Negotiations	119968	SF	\$2	\$239,936
				Construction Sub Total	\$3,795,149
				20% Contingency	\$759,030
				Construction Total	\$4,554,179
				Engineering, Permitting, Bidding	\$455,418
				Bidding, CA/CM	\$227,709
				Total Project Cost	\$5,237,306
Since the Engineer has no control over the cost of labor, materials or equipment, or over the Contractor's method of determining prices, or over competitive bidding or market conditions, their opinions of probable construction cost provided for herein are made on the basis of their experience and qualifications. These opinions represent their best judgement as a design professional familiar with the construction industry. However, the Engineer cannot and does not guarantee that proposals, bids, or the construction cost will not vary from opinions of probable cost prepared by them.					

Table 3. Estimated Capital Cost: Raw Water Metering Improvements

Engineer's Preliminary Opinion of Cost				Date	9/1/2023
Paonia Phase I Water System Improvements - Raw Water System Improvements					
W0333.22001.07					
Item #	Item Description	Quantity	Unit	Unit Cost	Amount
Lakefork / German Creek / Beaver Dam Ditch Mag Meters - 2 Total					
1	Telemetry with Mountain Peaks / SCADA Programming	1	LS	\$10,000	\$10,000
2	Mag Meters - Installed	2	EA	\$10,000	\$20,000
3	RTU / Panel / Stanchion / Solar	1	LS	\$25,000	\$25,000
4	Mobilize Equipment to Site	1	LS	\$15,000	\$15,000
German Creek Meter Site					\$70,000
Spor Spring Meter Site / Flume Site					
5	Telemetry with Mountain Peaks / SCADA Programming	1	LS	\$10,000	\$10,000
6	Mag Meter in Spor Springs Box - Installed	1	EA	\$10,000	\$10,000
7	RTU / Panel / Stanchion / Solar @ Spor Springs Box	1	LS	\$25,000	\$25,000
8	Flume Improvements	1	LS	\$50,000	\$50,000
9	RTU / Panel / Stanchion / Solar @ Flume	1	LS	\$25,000	\$25,000
10	Mobilize Equipment to Site	1	LS	\$30,000	\$30,000
Spor Springs Box / Flume Site					\$150,000
Old Original / Reynolds Spring Junction Meter					
11	Telemetry with Mountain Peaks	1	LS	\$10,000	\$10,000
12	6" x 12" Plastic Fernco Coupling (Installed)	2	EA	\$1,500	\$3,000
13	Cut existing steel 12" pipe	2	EA	\$1,500	\$3,000
14	6'-0" Section of PVC pipe (Installed)	6	LF	\$500	\$3,000
15	Hach FL902 Data Logger (Installed)	1	LS	\$20,000	\$20,000
16	6V Lantern Battery	4	EA	\$50	\$200
17	Hach Flo Tote 3 Submerged Depth/Velocity Sensor	1	EA	\$5,000	\$5,000
18	Hach Communication Cable	1	EA	\$500	\$500
19	1" Electrical Conduit	50	LF	\$20	\$1,000
20	12" Mounting Band	1	EA	\$1,000	\$1,000
21	Solar Panel / Charge Regulator / Battery	1	LS	\$7,500	\$7,500
22	Mobilize Equipment to Site	1	LS	\$10,000	\$10,000
23	Land / Easements	1	LS	\$50,000	\$50,000
Old Original / Reynolds Spring Junction Site					\$114,200
Mays / Gillwick					
24	Telemetry with Mountain Peaks	1	LS	\$10,000	\$10,000
25	Clear and Grub Site	1	LS	\$5,000	\$5,000
26	RTU / Panel / Stanchion / Solar @ Mays-Gillwick Box	1	LS	\$25,000	\$25,000
27	Demo Old Box	1	LS	\$15,000	\$15,000
28	Precast Box	1	LS	\$50,000	\$50,000
29	Set Box / Provide Penetrations	1	LS	\$50,000	\$50,000
30	Provide Weir	1	LS	\$10,000	\$10,000
31	Provide and Install Endpoint Device	1	LS	\$12,500	\$12,500
32	Wire Endpoint to Panel	1	LS	\$5,000	\$5,000
33	Site Piping	1	LS	\$17,500	\$17,500
34	Mobilize Equipment / Materials to Site	1	LS	\$50,000	\$50,000
Mays / Gillwick Box and Measurement Device					\$250,000
				Construction Sub Total	\$584,200
				20% Contingency	\$116,840
				Construction Total	\$701,040
				Engineering, Permitting, Bidding, CA/CM	\$70,104
				Environmental	\$10,000
				Bidding, CA/CM	\$70,104
				Total Project Cost	\$851,248

Since the Engineer has no control over the cost of labor, materials or equipment, or over the Contractor's method of determining prices, or over competitive bidding or market conditions, their opinions of probable construction cost provided for herein are made on the basis of their experience and qualifications. These opinions represent their best judgement as a design professional familiar with the construction industry. However, the Engineer cannot and does not guarantee that proposals, bids, or the construction cost will not vary from opinions of probable cost prepared by them.



RESPEC

8.10 Environmental Checklist- Attachment 22

8.11 Project Implementation

Table 4. Town of Paonia Phase 1 Capital Improvements Draft Schedule

TASK	COMPLETION DATE
CDPHE PROJECT NEEDS ASSESSMENT	NOVEMBER 15, 2023
PUBLIC MEETING	MARCH 15, 2024
60% DRAWINGS AND SPECIFICATIONS	APRIL 5, 2024
CDPHE BASIS OF DESIGN REPORT	APRIL 5, 2024
SRF LOAN APPLICATION	APRIL 5, 2024
FINAL PLANS AND SPECIFICATIONS	OCTOBER 2024
ADVERTISEMENT	NOVEMBER 2024
BID OPENING	DECEMBER 2024
CONSTRUCTION START	FEBRUARY 2025
PROJECT COMPLETE	FEBRUARY 2026

8.11.2 - Public Meeting Information to be added after meeting occurs in March 2024. Public Meeting documents can be found in **Attachment 22**.

9. PROJECTING WATER FLOWS – NOT USED



ATTACHMENT 1

ENGINEER'S SEAL



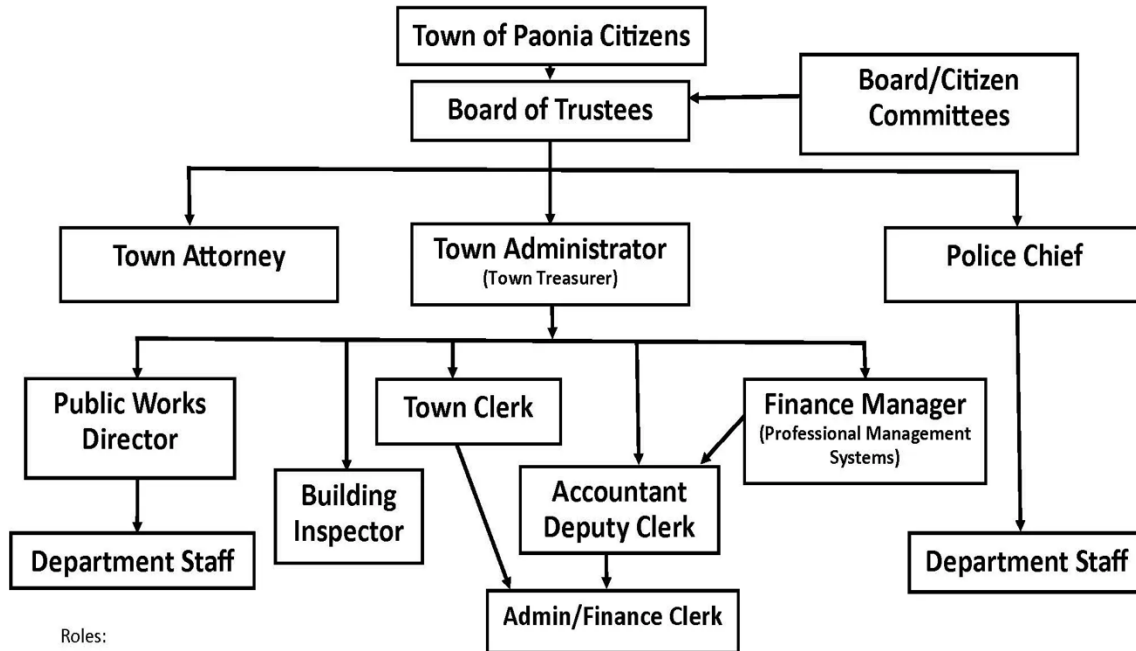
ATTACHMENT 2

ORGANIZATIONAL CHART



Town of Paonia Organization Chart

Approved by the TOP Board of Trustees 5-23-2023



Roles:

- Board sets policies and priorities (the deciders!)
- Committees advise board about policies and priorities—they have no decision making or staff direction authority
- Town Administrator carries out Board direction and supervises Department Heads, except Police Chief
- Department Heads carry out Board policies and priorities at the direction of the Town Administrator and supervise their own staff.
- The Police Chief is a direct report to the Town Board and submits to the Town Administrator in matters pertaining to budget implementation authority.



ATTACHMENT 3

MONITORING PLAN



Public Water System Monitoring Plan

System Name	Town of Paonia
PWSID (Assigned by Department)	CO0115601
County	Delta
School or Daycare	
Describe Changes	Update Administrative Contact

Submittal to the Department

Submit Online (Preferred): wqcdcompliance.com/login

Fax: 303-758-1398

WQCD - B2 - Drinking Water CAS

4300 Cherry Creek Drive South

Denver, CO 80246-1530

Revisions

Water systems are required to submit any changes to the Department within thirty (30) calendar days following the effective date of the change. **If submitting revisions please only submit the individual section(s) that changed.**

Monitoring Schedules

All routine monitoring information, facilities and sample points (with state assigned IDs), system classification, and system source classification is available at wqcdcompliance.com/schedules. Schedules are updated on a weekly basis and should be checked regularly for any changes.

Immediately call **303-692-3308** (or **1-877-518-5608** if after-hours) for:

1. Positive coliform or Positive *E. coli*.
2. Nitrate greater than or equal to 10.0 mg/L.
3. Nitrite greater than or equal to 1.0 mg/L.
4. Surface water high turbidity or inadequate disinfection.
5. Chlorine dioxide greater than or equal to 0.8 mg/L.
6. Chlorite greater than or equal to 1.0 mg/L.

Completed by:
Jeremiah Garcia

Signature: _____

Certification of Accuracy: I hereby certify that the information is true, accurate, and complete to the best of my knowledge and belief. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment.

System Physical Address (Not Mailing) Address: 214 Grand Ave.

City: Paonia **State:** CO **Zip:** 81428

System Phone: 970-527-4101 **System Email:** Jeremiah_ppw@townofpaonia.com

Administrative Contact (AC) Name: Jeremiah Garcia

(The primary contact person for all Department mail or other communications regarding drinking water compliance)

Mailing Address: PO 460

City: Paonia **State:** CO **Zip:** 81428

Phone (970): 822-3083 **E-mail:** Jeremiah_ppw@townofpaonia.com

** If the Administrative Contact is also the Distribution or Treatment Operator and is not the owner or legal representative of the water system (e.g. contract operator), a signed delegation form must be submitted.

(Form can be downloaded at: wqcdcompliance.com/forms) ** Legally

Responsible Water System Owner Name Town of Paonia

(An LLC, corporation, association, municipality, organization, individual, or other legal entity)

Has ownership changed parties through sale, decree, or other legal means? Yes/No

Mailing Address: PO Box 460

City: Paonia **State:** CO **Zip:** 81428

Phone: 970-527-4101 **E-mail:** Paonia@townofpaonia.com

Emergency Contact Name: Cory Heiniger

(Someone the Department can contact in an emergency if the administrative contact is unavailable)

Phone: 970-417-6820 **E-mail:** Coryheiniger_pw@townofpaonia.com

Distribution System (DS) Operator Name: Benny Archuleta

(A certified operator designated by the owner to have ultimate responsibility for decisions regarding operational activities)

Operator ID#: 232 (not the certificate number)

Phone: 970-209-8570 **E-mail:** AimeArchuleta@outlook.com

DS Operator Signature: _____

Treatment Operator Name: **Benny Archuleta.** **Same as DS?**

(A certified operator designated by the owner to have ultimate responsibility for decisions regarding operational activities)

Operator ID#: **232** (not the certificate number)

Phone: **970-209-8570** **E-mail:** **AimeArchuleta@outlook.com**

Treatment Operator Signature: _____

Population Types and Seasons

Completed by: **Jeremiah Garcia**

Signature: _____

Certification of Accuracy: I hereby certify that the information is true, accurate, and complete to the best of my knowledge and belief. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment.

Service Connections provide water through a pipe or constructed conveyance for human consumption which includes drinking, showering, hand-washing, or cooking. Examples of service connections: single family homes, a metered multi-family dwelling unit, a business building, a mobile home trailer, or camp spigot.

Total Number of Service Connections (Residential and Commercial): **1183**

Resident Population is the number of people who live there.

Resident Population: **2499**

Non-Transient Population is the number of same people who have regular opportunity to consume the water for six months or more per calendar year, but do not reside there. These are usually students or employees. Regular opportunity is defined as four or more hours per day, for four or more days per week, for six months or more per year.

Non-Transient Population: **0**

Transient Population is the daily average number of people who have an opportunity to consume the water, but are not residents or non-transients. These are customers, visitors, or seasonal employees

If your transient population varies by season you may specify multiple seasonal populations, otherwise enter January and December for the months.

Average Transients per day in the busiest month is 0

If you need assistance, please call (303) 692-3556 or visit wqcdcompliance.com.

Definitions of the terms used in this form may be found in 5 CCR 1002-11 (Regulation 11) available at wqcdcompliance.com.

Water haulers please follow the instructions in the operational handbook available at wqcdcompliance.com/forms.

Water Sources Definitions

Water Types

Groundwater (GW) - Any water under the surface of the ground being neither “surface water” nor “groundwater under the direct influence of surface water.”

Surface water (SW) - Any water source that is open to the atmosphere and subject to surface runoff.

Groundwater under the direct influence of surface water (GWUDI or GU) - Any water beneath the surface of the ground with significant occurrence of insects or other macro-organisms, algae or large-diameter pathogens such as *Giardia lamblia* or *Cryptosporidium*; or significant and relatively rapid shifts in water characteristics such as turbidity, temperature, conductivity or pH that closely correlate to climatological or surface water conditions.

Purchased water (GWP, SWP or GUP) - Water that you receive (whether or not you purchase it) from another water system or water hauler.

Integration agreement - An agreement between two or more public water systems, one of which is a wholesale/supply system, whose distribution systems are physically connected. The systems agree to operate using a common set of standards that the wholesale system establishes for the purpose of maintaining and protecting drinking water quality. Integrated systems must submit their agreement to the Department for approval.

Availability

Permanent (P) - A primary water facility.

Emergency (E) - A water facility that is used only as the result of extreme circumstances, and is otherwise kept offline. This type of facility is most likely never used. Nitrate and total coliform samples would need to be obtained within 2 days after start-up and the **Department must be notified of start-up within 24-hours.**

Interim (I) - A water facility that is either used as a result of high water demand or out of necessity to maintain water rights. The facility may be used once every few weeks or months or once every few years. Routine Sampling will be required at the Entry Point to the Distribution System.

Seasonal (S) - A water facility that is typically used every year to aid a system in meeting high water demands. While a water system may not know when it will need a seasonal source, it is most often used every year. These also may be referred to as peaking facilities. Routine sampling will be required at the Entry Point to the Distribution System.

Water Source Details

Completed by: **Jeremiah Garcia**

Signature: _____

Ground Water Under the Direct Influence of Surface Water Sources (GWUDI)					
Facility ID (Assigned by Dept)	Name	Availability (P, E, I, or S)	If seasonal, include months anticipated to be in operation	DNR Permit # - Aquifer Name	Well Depth at Completion
003	GERMAN CREEK NO 3	P		-	
004	SPRING NO 4 OLD ORIG	P		-	
005	SPRING NO 5 OLD ORIG	P		-	
006	SPRING NO 6 OLD ORIG	P		-	
007	SPRING NO 7 OLD ORIG	P		-	
008	SPRING NO 8 OLD ORIG	P		-	
009	SPRING NO 9 OLD ORIG	P		-	
010	SPRING NO 10 OLD ORIG	P		-	
011	SPRING NO 11 OLD ORIG	P		-	
012	SPRING NO 12 OLD ORIG	P		-	
013	SPRING NO 13 REYNOLDS	P		-	
014	SPRING NO 14 REYNOLDS	P		-	
015	SPRING NO 15 REYNOLDS	P		-	
016	SPRING NO 16 MERRT METER	P		-	
017	SPRING NO 17 MERRT METER	P		-	
018	SPRING NO 18 MERRT METER	P		-	
019	SPRING NO 19 MERRT METER	P		-	
020	SPRING NO 20 MERRT METER	P		-	
021	SPRING NO 21 MERRT METER	P		-	
022	SPRING NO 22 MERRT METER	P		-	

023	SPRING NO 23 KAUER	P		-	
024	SPRING NO 24 CORRAL 1	P		-	
025	SPRING NO 25 CORRAL 2	P		-	
026	SPRING NO 26 CLARK 1	P		-	
027	SPRING NO 27 CLARK 2	P		-	
028	SPRING NO 28 MAYS	P		-	
029	SPRING NO 29 MAYS	P		-	
030	SPRING NO 30 TODD	P		-	
031	SPRING NO 31 TODD	P		-	
032	SPRING NO 32 TODD	P		-	
033	SPRING NO 33 GILWICK 1	P		-	
034	SPRING NO 34 GILWICK 2	P		-	
035	SPRING NO 35 TODD RES	P		-	
036	SPRING NO 36 POLE PATCH	P		-	
037	SPRING NO 37	P		-	
038	SPRING NO 38	P		-	
039	SPRING NO 39	P		-	
040	LAKE FORK SPRING	P		-	
041	GERMAN CREEK NO 1 LOW	P		-	
042	GERMAN CREEK NO 3 UP	P		-	

Combined Raw Source Sampling Locations

Used when raw sources blend and there is a sample tap that represents multiple blended sources

Facility ID (Assigned by Dept)	Name	Availability (P, E, I, or S)	If seasonal, include months anticipated to be in use	Combining Sources Facility IDs and Names	Treatment Plant it Flows to
SS001	COMBINED RAW SOURCE 001	P			
SS002	COMBINED RAW SOURCE 002	P			

Water Treatment Codes

The codes below are generated by the USEPA for the purpose of standardizing the treatment processes as they are cataloged and tracked within the federal and state database programs. Water systems should have individual process flow diagrams for treatment; from these diagrams, each process should have an associated name. If you struggle to understand the different treatment codes below, please contact the Division's Engineering Section for assistance.

DISINFECTION

GASEOUS CHLORINATION (401)
HYPOCHLORINATION BLEACH (421)
CHLORAMINES (200)
CHLORINE DIOXIDE (220)
ULTRAVIOLET RADIATION (720)
OZONATION (541)
CONTACT TIME PROVIDED (825)

FILTRATION

ANION EXCHANGE (836)
CATION EXCHANGE (835)
FILTRATION, BAG (801)
FILTRATION, BAG - ROUGHING (810)
FILTRATION, CARTRIDGE (341)
FILTRATION, CARTRIDGE - ROUGHING (865)
FILTRATION, MICROFILTRATION (895)
FILTRATION, PRESSURE SAND (344)
FILTRATION, RAPID SAND (345)
FILTRATION, ULTRAFILTRATION (347)
FILTRATION, GREENSAND (343)
NANOFILTRATION (890)
NATURAL OR RIVERBANK FILTRATION (GWUDI) (826)
REVERSE OSMOSIS (640)

PRETREATMENT, COAGULATION AND SEDIMENTATION

AERATION (820)
ACTIVATED CARBON, GRANULATED (121)
ACTIVATED CARBON, POWDERED (125)
COAGULATION (240)
DISSOLVED AIR FLOTATION (880)
FLOCCULATION (360)
HYDRAULIC JET MIXING (831)
IN LINE STATIC MIXING (830)
MICROSCREENING (520)
PERMANGANATE (560)
PRESEDIMENTATION (840)
RAPID MIX (600)
SEDIMENTATION (660)
UPFLOW CLARIFIER (845)

OTHER FORMS OF TREATMENT

ACTIVATED ALUMINS (100)
ALGAE CONTROL (160)
BLENDING (896)
FLUORIDATION (380)
INHIBITOR, SILICATE (449)
INHIBITOR/SEQUESTERING AGENT, PHOSPHATE BASED (815)
PEROXIDE (580)
PH ADJUSTMENT - SUPPRESSION (847)
PH ADJUSTMENT - ELEVATION (848)
REDUCING AGENT (620)

Water Treatment Plant Details

Completed by: **Jeremiah Garcia**

Signature: _____

Treatment Plants				
Facility ID (Assigned by Department)	Plant Name	Availability (P, E, I, or S)	If seasonal, include months anticipated to be in operation	Contributing Sources Facility IDs and Names
001	LAMBORN MESA UPPER WTP	P		GERMAN CREEK NO 1 LOW (041); GERMAN CREEK NO 3 (003); GERMAN CREEK NO 3 UP (042); LAKE FORK SPRING (040); Reynolds (Old Original)(004-012); Reynolds Creek(013- 015)
Treatment Codes (see previous page for codes)				
FILTRATION, CARTRIDGE (341); FILTRATION, ULTRAFILTRATION (347); HYPOCHLORINATION (421); HYPOCHLORINATION, PRE (423); CONTACT TIME PROVIDED (825);				
Provide a Detailed Description of the Water Treatment System (including descriptions of tanks used for disinfection contact time)				
Facility ID (Assigned by Department)	Plant Name	Availability (P, E, I, or S)	If seasonal, include months anticipated to be in operation	Contributing Sources Facility IDs and Names
002	CLOCK YWTP01	P		SPRING NO 10 OLD ORIG (010); SPRING NO 11 OLD ORIG (011); SPRING NO 12 OLD ORIG (012); SPRING NO 13 REYNOLDS (013); SPRING NO 14 REYNOLDS (014); SPRING NO 15 REYNOLDS (015); SPRING NO 16 MERRT METER (016); SPRING NO 17 MERRT METER (017); SPRING NO 18 MERRT METER (018); SPRING NO 19 MERRT METER (019); SPRING NO 20 MERRT METER (020); SPRING NO 21

				MERRT METER (021); SPRING NO 22 MERRT METER (022); SPRING NO 23 KAUER (023); SPRING NO 24 CORRAL 1 (024); SPRING NO 25 CORRAL 2 (025); SPRING NO 26 CLARK 1 (026); SPRING NO 27 CLARK 2 (027); SPRING NO 28 MAYS (028); SPRING NO 29 MAYS (029); SPRING NO 30 TODD (030); SPRING NO 31 TODD (031); SPRING NO 32 TODD (032); SPRING NO 33 GILWICK 1 (033); SPRING NO 34 GILWICK 2 (034); SPRING NO 35 TODD RES (035); SPRING NO 36 POLE PATCH (036); SPRING NO 37 (037); SPRING NO 38 (038); SPRING NO 39 (039); SPRING NO 4 OLD ORIG (004); SPRING NO 5 OLD ORIG (005); SPRING NO 6 OLD ORIG (006); SPRING NO 7 OLD ORIG (007); SPRING NO 8 OLD ORIG (008); SPRING NO 9 OLD ORIG (009);
Treatment Codes (see previous page for codes)				
FILTRATION, CARTRIDGE (341); HYPOCHLORINATION (421); CONTACT TIME PROVIDED (825); FILTRATION, MEMBRANE (MICRO) (895);				
Provide a Detailed Description of the Water Treatment System (including descriptions of tanks used for disinfection contact time)				
Facility ID (Assigned by Department)	Plant Name	Availability (P, E, I, or S)	If seasonal, include months anticipated to be in operation	Contributing Sources Facility IDs and Names
Treatment Codes (see previous page for codes)				

Provide a Detailed Description of the Water Treatment System (including descriptions of tanks used for disinfection contact time)

Distribution System Definitions

Entry point - A location before or at the first customer which is representative of treated (finished) water. The entry point may represent treated water from multiple treatment plants and/or multiple sources. Sometimes the water treatment plant is the first tap.

Distribution system storage facility - Any treated (finished) water storage tank at the treatment plant or in the distribution system that is not considered part of disinfection contact time (i.e. after the entry point).

Booster treatment facilities - Any chemical booster stations after the first customer (such as disinfection or corrosion control chemical booster stations in the distribution system).

Consecutive connection - A master meter connection from your water system to another water system for purposes of supplying drinking water to the other system.

Integration agreement - An agreement between two or more public water systems, one of which is a wholesale/supply system, whose distribution systems are physically connected. The systems agree to operate using a common set of standards that the wholesale system establishes for the purpose of maintaining and protecting drinking water quality. **Integrated systems must submit their agreement to the Department for approval.**

Pump station - A facility used to pump water or increase water pressure. Pump stations are not used for chemical additions or other treatment and do not need to be reported on this form.

Distribution System Details

Completed by: **Jeremiah Garcia**

Signature: _____

Number of Distribution Systems

How many distribution systems does the system have? **1** If more than one, how are the distribution systems operated? (i.e. are they completely independent of each other or does water flow from one to another through operator-controlled valves, etc.):

Entry Points to Distribution System	
<i>Residual Disinfectant, Nitrate, Nitrite, Inorganics, Volatile Organics, Synthetic Organics, Radionuclides, Chlorite, Chlorine Dioxide, and Bromate Must be Collected at All Entry Points</i>	
Facility ID (Assigned by Department)	Facility Name
001	LAMBORN MESA UPPER WTP
002	CLOCK YWTP01

Storage & Other Facilities				
Facility ID (assigned by Department)	Facility Name	After Entry Point (In Distribution)	Contributing Treatment Plants (or Sources)	Tank Volume (gallons)
045	2 MG TANK	No		2 MGL

Booster Treatment Facilities (Post Entry-Point Treatment)		
Facility ID (Assigned by Department)	Facility Name	Treatment Description (use treatment codes)

Consecutive Connections Serving Another Water System			
Receiving System PWS ID and Name	Availability (P, E, I, or S)	Do you supply treated or raw water?	Integrated Agreement? Yes / No
CO0115162 BURGESS WATER COMPANY	P	TREATED	
CO0115286 FOOTHILLS #2 WATER COMPANY	P	TREATED	
CO0115305 GERMAN CREEK WEST WATER ASSOCIATION	P	TREATED	
CO0115340 HAMMOND PIPELINE	P	TREATED	

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CO0115342 HIDDEN VALLEY HOA WATER COMPANY	P	TREATED	
CO0115513 MINNESOTA PIPELINE	P	TREATED	
CO0115552 NORTH FORK TRAILER PARK	P	TREATED	
CO0115716 SOUTH LAMBORN MESA WATER COMPANY	P	TREATED	
CO0115724 STEWART MESA WC	P	TREATED	
CO0115838 WEST PAONIA DOMESTIC WATER COMPANY	P	TREATED	
CO0115841 WESTERN EXTENSION DOMESTIC WATER COMPANY	P	TREATED	
CO0215552 NORTH FORK WATER SERVICE	P	TREATED	

Schematics and Maps

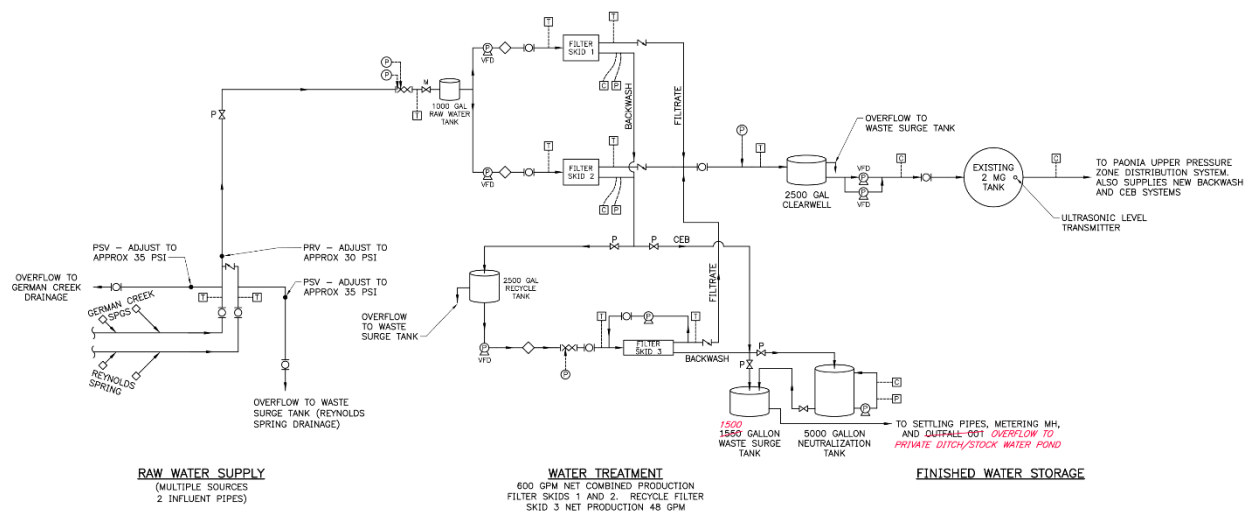
Sketch of Facility Flows

Include a schematic, diagram or sketch depicting how the flow from each source facility is connected to the combined raw source, treatment plant, storage tank, and the distribution system. Indicate all applicable entry point and raw water sample sites.

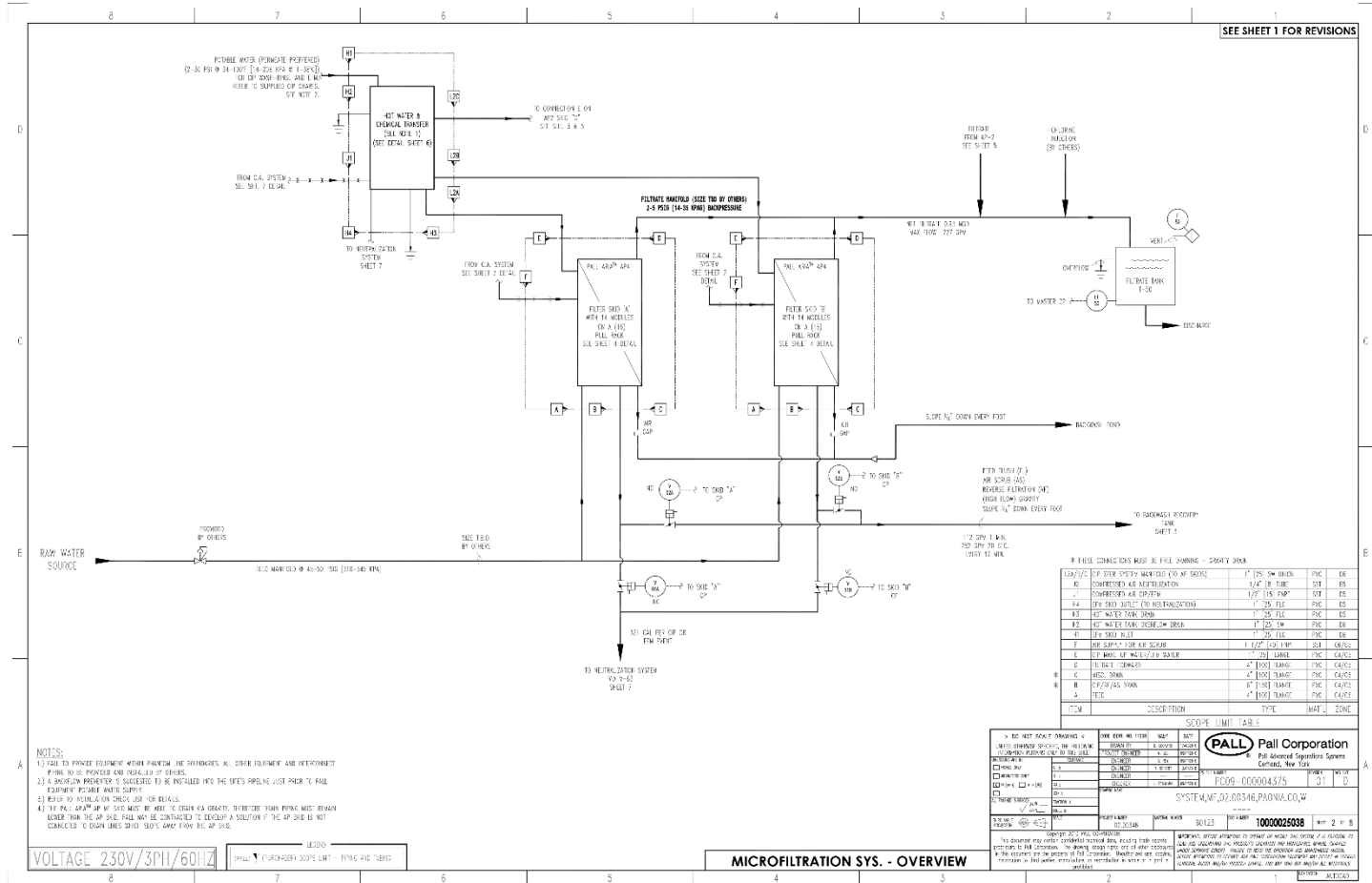
Process Schematic of Water Treatment Plants

Provide a process flow diagram for each treatment plant. Include locations (in the process) of all chemical additions, chemical storage, monitors/meters, piping and physical components of the treatment plant. Designate water flow direction throughout the schematic. All components must be clearly labeled. Indicate all applicable sample sites, and include parameters measured at each site. Lamborn Water Treatment Plant

Lamborn Water Treatment Plant:



CLOCK Water Treatment Plant:

**Map of Distribution System**

Provide a map of the distribution system showing locations of all storage facilities, booster treatment facilities, consecutive connections and entry points as well as all applicable sample sites described below. You may provide this detail all in one map or in several different maps. Clearly indicate if there are multiple distribution systems and if those distribution systems are connected to each other. If applicable, include an evaluation and description of the extent to which zones of influence from each source overlap.

Total Coliform Sample Sites

Attach a map of the distribution system showing locations of all total coliform sample sites. Hand drawn schematics or aerial maps (Google Maps) are acceptable.

Lead and Copper Sample Sites

Attach a map of the distribution system showing locations of all lead and copper sample sites. Hand drawn schematics or aerial maps (Google Maps) are acceptable.

Disinfection Byproducts (TTHM/HAA5 and Chlorite) Sample Sites

Attach a map of the distribution system showing locations of all disinfection byproduct sample

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sites as well as treatment plants and distribution storage tanks. Hand drawn schematics or aerial maps (Google Maps) are acceptable.

Note: The supplier may use one schematic if it includes all of the required elements.

Records Locations

Completed by: **Jeremiah Garcia**

Signature: _____

These records must be made available for inspection for Department staff during site visits.

Type of Record	Location Address	Retain no less than...
Total Coliform (TCR) and Fecal Coliform/ <i>E. coli</i> results AND distribution system residual disinfection monitoring results	214 Grand Ave Paonia, CO 81428	5 years
Revised TCR (RTCR) assessment forms or corrective actions as a result on an assessment, or other available summary documentation of the sanitary defects and corrective actions	214 Grand Ave Paonia, CO 81428	5 years after completion of the assessment or corrective action
Chemical analyses results	214 Grand Ave Paonia, CO 81428	10 years
All lead and copper rule documents and results	214 Grand Ave Paonia, CO 81428	12 years
Violations of Regulation 11, including corrective action	214 Grand Ave Paonia, CO 81428	3 years after corrective action is completed
Sanitary surveys, including any written reports, summaries or correspondences	214 Grand Ave Paonia, CO 81428	10 years
Variances or exemptions granted by the Department	214 Grand Ave Paonia, CO 81428	5 years after expiration
Public notices and consumer confidence reports, including certification	214 Grand Ave Paonia, CO 81428	3 years
Individual rule sampling plans	214 Grand Ave Paonia, CO 81428	10 years
Turbidity monitoring results	214 Grand Ave Paonia, CO 81428	5 years
Recycle flows information • Copy of original recycle notification and information submitted to Department • List of all recycle flows and frequency with which they are returned • Average and maximum backwash flow rate • Average and maximum backwash duration • Typical filter run length and how it is determined • Treatment provided for the recycle flow (including chemicals and doses) • Physical dimensions of the equalization/treatment units • Typical and maximum hydraulic loading rates • Frequency of solids removal	214 Grand Ave Paonia, CO 81428	Indefinitely
Individual filter turbidity monitoring results AND entry point residual	214 Grand Ave Paonia, CO 81428	3 years

disinfection monitoring results		
Disinfection profiling results, including raw data and analysis	214 Grand Ave Paonia, CO 81428	Indefinitely
Disinfection benchmark, including raw data and analysis	214 Grand Ave Paonia, CO 81428	Indefinitely
Source water monitoring for Long Term 2 Surface Water Treatment Rule	214 Grand Ave Paonia, CO 81428	3 years after bin classification
Notification to the Department that system meets criteria to avoid source water monitoring for Long Term 2 Surface Water Treatment Rule	214 Grand Ave Paonia, CO 81428	3 years
Treatment monitoring associated with microbial toolbox options for Long Term 2 Surface Water Treatment Rule	214 Grand Ave Paonia, CO 81428	3 years
Initial distribution system evaluation (IDSE) report submitted for the Stage 2 Disinfectants and Disinfection Byproducts Rule	214 Grand Ave Paonia, CO 81428	10 years after report submitted
Corrective actions taken for the Groundwater Rule	214 Grand Ave Paonia, CO 81428	10 years
Invalidation of fecal indicator-positive groundwater source samples for the Groundwater Rule	214 Grand Ave Paonia, CO 81428	5 years
For consecutive systems, documentation of notification to the wholesale system(s) of total coliform-positive samples	214 Grand Ave Paonia, CO 81428	5 years
For systems conducting compliance monitoring for the Groundwater Rule Department-specified minimum disinfectant residual	214 Grand Ave Paonia, CO 81428	10 years
For systems conducting compliance monitoring for the Groundwater Rule - Lowest daily disinfectant residual, date and any failure to maintain the Department-specified minimum disinfectant residual for a period of more than 4 hours - Department-specified compliance requirements for membrane filtration, date and duration of any failure to meet those requirements for more than 4 hours	214 Grand Ave Paonia, CO 81428	5 years
Storage Tank Rule - for each completed tank inspection, the inspection summary	214 Grand Ave Paonia, CO 81428	10 years
Backflow Prevention and Cross-Connection Control Rule - for Community Water Systems Testing, inspection and maintenance records for backflow prevention assemblies and methods.	214 Grand Ave Paonia, CO 81428	3 years

• Each annual BPCCC program report		
Backflow Prevention and Cross-Connection Control Rule - for Non-Community Water Systems • Testing, inspection and maintenance records for backflow prevention assemblies and methods. • Each annual BPCCC program report	214 Grand Ave Paonia, CO 81428	5 years
Water Hauler Rule • Water Hauler Operational Guide and associated required records	214 Grand Ave Paonia, CO 81428	Indefinitely

Revised Total Coliform and Groundwater Rule - Portal

Completed by: **Jeremiah Garcia**

Signature: _____

Total Coliform Rule

Frequency of sampling:

Our public water system is required to take two total coliform samples per month and an accompanying chlorine residual sample for each total coliform grab. We will grab total coliform and free chlorine residual samples during the first or second week of the month.

Sample Locations:

Our public water system is a residential, commercial, and light industrial community. There are 5 pressure zones in the system and at least 1 regular sampling site per zone. Determining sampling site locations adheres to a regular schedule that ensures all pressure zones are tested at least twice per year.

Sampling locations:

See TCR_Sampling_Schedule_JPG2023

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SDWIS Sample Point ID	Address	TCR Type	Zone	Test month
TCR007	214 Grand Ave	Routine	1	January, July
TCR008	212 Grand Ave	Repeat	1	
TCR009	218 Grand Ave	Repeat	1	
TCR010	401 2nd Street	Routine	1	February, August
TCR011	317 2nd Street	Repeat	1	
TCR012	415 2nd Street	Repeat	1	
TCR016	233 Niagra Ave	Routine	1	March, September
TCR017	9 3rd Street	Repeat	1	
TCR018	231 Niagra Ave	Repeat	1	
TCR019	846 Grand Ave	Routine	1	April, October
TCR020	700 Shady Ln	Repeat	1	
TCR021	640 Grand Ave	Repeat	1	
TCR025	600 Oak Ave	Routine	1	May, November
TCR026	611 Oak Ave	Repeat	1	
TCR027	507 Oak Ave	Repeat	1	
TCR028	394 5th Street	Routine	1	
TCR029	410 5th Street	Repeat	1	
TCR030	376 5th Street	Repeat	1	
TCR034	413 Delta Ave	Routine	1	June, December
TCR013	129 Colorado Ave	Routine	2	
TCR014	1101 2nd Street	Repeat	2	
TCR015	130 Colorado Ave	Repeat	2	
TCR022	224 Dorris Ave	Routine	2	
TCR023	223 Dorris Ave	Repeat	2	
TCR024	202 Dorris Ave	Repeat	2	
TCR031	1221 2nd street	Both Routine and Repeat	2	
TCR032	1221 2nd st	Routine	2	May, November
TCR033	103 Dorris	Both Routine and Repeat	2	March, September
TCR035	1219 2nd St.	Repeat	2	
TCR036	121 Dorris	Repeat	2	
TCR040	403 Vista Drive	Routine	2	Jan, July
TCR001	42244 Foothills Rd	Routine	3	
TCR002	42252 Foothills Rd	Repeat	3	
TCR037	13418 Dry Gulch Rd	Routine	3	February, August
TCR039	42288 Lamborn Mesa Rd.	Routine	4	April, October
TCR004	40526 Stewart Mesa Rd	Routine	5	
TCR005	40600 Stewart Mesa Rd	Repeat	5	
TCR006	40435 Stewart Mesa Rd	Repeat	5	
TCR038	41110 O road	Routine	5	June, December

Repeat Samples:

Our system will collect a minimum of three repeat samples for each total coliform-positive sample found within 24 hours of being notified of the positive result. We will collect at least one repeat sample from the sampling tap where the original total coliform-positive sample was taken, and at least one repeat sample at a tap within five service connections upstream and at least one repeat sample at a tap within five service connections downstream of the original sampling site. An additional (fourth) sample will be collected up or down stream within the five-service connection distance of the original sample point, if required by CDPHE. If access to a sampling location is not possible due to access, if a positive sample is at the end of the distribution system or one tap away from the end of the distribution system, our operator will contact the Colorado Department of Public Health and Environment (CDPHE) for assistance.

If one or more repeat samples in the repeat set is total coliform-positive, our water system will collect repeat samples as outlined in Article 5.1.2.e in the Colorado Department of Public Health and Environment Drinking Water Regulations.

In the event of a total coliform-positive sample, our water system will collect five additional routine samples during the next month the system provides water to the public. These samples may be waived by the CDPHE if a site visit or determination and correction of the problem has been performed and approved in writing by the CDPHE.

Sample Testing:

We use Colorado Department of Public Health Laboratory in Grand Junction, Colorado for our microbiological analysis. After removing any aerators or other attachments, flushing the water line, measuring the chlorine residual, and then washing our hands, we collect our bacteriological sample being careful not to overfill or contaminate the bottle. The sample is immediately mailed to the laboratory for testing. The sample must be delivered to the laboratory within 24 hours. Our sample is usually collected in the first week of the month but never Thursday through Saturday to allow the laboratory time for analysis.

Records Retention:

After reviewing the results of our sampling, we record the information on a sampling form and keep the laboratory slips for a minimum of five years (5) years.

Additional Information:

In the event of a total coliform-positive sample refer to
5 CCR 1003-1,
Colorado Primary Drinking Water Regulations,
Article 5 Microbiological Contaminants

Distribution System Residual Disinfectant Monitoring	
The residual disinfectant must be measured at the same time and the same location as each total coliform bacteria sample. Measurements must be conducted in the field by a certified operator or under the direction of the certified operator and must be written on each total coliform chain of custody when it is submitted to the laboratory.	
Disinfectant used in the distribution system:	Chlorine Measured as Free Chlorine
Residual disinfectant quality assurance/quality control (QA/QC) - explain the exact procedures to be followed to ensure that the field test measurement will be accurate. This may be found in the manufacturer's literature: The supplier will use a handheld pocket colorimeter and follow manufacturers standard operating procedure. Sample site will be disinfected prior to drawing sample. Water will run for 5-15minutes to make sure that a representative sample is gathered from the water main.	

TTHM/HAA5 Stage 2 Disinfection Byproduct Sample Sites - Portal

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Completed by: **Jeremiah Garcia**

Signature: _____

Certification of Accuracy: I hereby certify statements below are true, accurate, and complete to the best of my knowledge and belief. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment.

- The drinking water portal (wqcdcompliance.com/login) is being used to maintain the sites.
- The sites, status, and any additional information is kept up-to-date.
- When site information changes the drinking water portal is updated immediately.

Surface Water Treatment Rule

Completed by: **Jeremiah Garcia**

Signature: _____

Turbidity Monitoring

Describe how and where the supplier will sample turbidity

Turbidity quality assurance/quality control (QA/QC) - explain the exact procedures to be followed to ensure that the test result will be accurate: {}

Describe the system's plan for turbidity monitoring that deviates from this plan due to operational issues (such as filter backwash cycles, start-ups/shut-downs, or filter to waste): {}

Treatment Plant Facility ID (Assigned by Department)	Treatment Plant Facility Name	Filter Type	Grab or Continuous Sampling	Describe Location for Combined Filter Effluent (CFE) Monitoring	Describe Location for Individual Filter Effluent (IFE) Monitoring
001	LAMBORN MESA UPPER WTP	MB			
002	CLOCK YWTP01	MB			

Microbial Inactivation (3-log for Giardia lamblia and 4-log for viruses)

Residual Disinfectant Monitoring

Describe how and where the supplier will sample residual disinfectant

Residual disinfectant quality assurance/quality control (QA/QC) - explain the exact procedures to be followed to ensure that the field test measurement will be accurate. This may be found in the manufacturer's literature: **The supplier will use a hand held pocket colorimeter and following manufacturers standard operating procedure. Sample site will be disinfected prior to drawing sample. Water will run for 5-15minutres to make sure that a representative sample is gathered**

Describe any additional treatment (i.e. Ultraviolet, Ozone, or Chlorine Dioxide) used to assist in microbial inactivation: {}

Facility ID (Assigned by Department)	Facility Name	Grab or Continuous Sampling	Describe Location for Microbial Inactivation Monitoring
001	LAMBORN MESA UPPER WTP		
002	CLOCK YWTP01		

Long Term 2 (LT2) Raw Water Source Monitoring
Must conduct two separate rounds of sampling at each source

Identify where the raw water sample(s) will be collected	Does the raw water sampling site(s) represent more than one source? If so, describe the raw sources that combine
GERMAN CREEK NO 3 (003); SPRING NO 4 OLD ORIG (004); SPRING NO 5 OLD ORIG (005); SPRING NO 6 OLD ORIG (006); SPRING NO 7 OLD ORIG (007); SPRING NO 8 OLD ORIG (008); SPRING NO 9 OLD ORIG (009); SPRING NO 10 OLD ORIG (010); SPRING NO 11 OLD ORIG (011); SPRING NO 12 OLD ORIG (012); SPRING NO 13 REYNOLDS (013); SPRING NO 14 REYNOLDS (014); SPRING NO 15 REYNOLDS (015); SPRING NO 16 MERRT METER (016); SPRING NO 17 MERRT METER (017); SPRING NO 18 MERRT METER (018); SPRING NO 19 MERRT METER (019); SPRING NO 20 MERRT METER (020); SPRING NO 21 MERRT METER (021); SPRING NO 22 MERRT METER (022); SPRING NO 23 KAUER (023); SPRING NO 24 CORRAL 1 (024); SPRING NO 25 CORRAL 2 (025); SPRING NO 26 CLARK 1 (026); SPRING NO 27 CLARK 2 (027); SPRING NO 28 MAYS (028); SPRING NO 29 MAYS (029); SPRING NO 30 TODD (030); SPRING NO 31 TODD (031); SPRING NO 32 TODD (032); SPRING NO 33 GILWICK 1 (033); SPRING NO 34 GILWICK 2 (034); SPRING NO 35 TODD RES (035); SPRING NO 36 POLE PATCH (036); SPRING NO 37 (037); SPRING NO 38 (038); SPRING NO 39 (039); LAKE FORK SPRING	SS001: [] SS002: []

(040); GERMAN CREEK NO 1 LOW (041); GERMAN CREEK NO 3 UP (042); COMBINED RAW SOURCE 001 (SS001); COMBINED RAW SOURCE 002 (SS002);		
Treatment Plant Facility ID (Assigned by Department)	Treatment Plant Facility Name	LT2 Bin Classification
001	LAMBORN MESA UPPER WTP	1
002	CLOCK YWTP01	1

Disinfection Byproduct Precursors (Total Organic Carbon (TOC) and Alkalinity)
Only required for suppliers using conventional filtration

Identify where the <u>raw water</u> TOC and alkalinity sample(s) will be collected		Does the raw water sampling site(s) represent more than one source? If so, describe the raw sources that combine
Treatment Plant Facility ID (Assigned by Department)	Treatment Plant Facility Name	Describe Location for Treated Water TOC Monitoring

Community Lead and Copper Materials Evaluation Summary

Completed by: **Jeremiah Garcia**

Signature: _____

Materials Evaluation Summary by Tier Level

Note: This is not a summary of the lead and copper sample pool. This is a summary of all sites in the distribution system that the supplier believes meets each of the criteria below.

<u>Tier 1 Sites</u> - Single family structures, currently being used as either a residence or place of business	Number of Site Locations
Containing copper pipe with lead solder installed after 1982 and before 1988	59
Are served by a lead service line (no year restriction)	139
Containing lead pipes, goosenecks, or pigtails (no year restriction)	0
<u>Tier 2 Sites</u> - Multiple-family residences and buildings	Number of Site Locations
Containing copper pipe with lead solder installed after 1982 and before 1988	28
Are served by a lead service line (no year restriction)	0
Containing lead pipes, goosenecks, or pigtails (no year restriction)	0
<u>Tier 3 Sites</u> - Single-family structures	Number of Site Locations
Containing copper pipes with lead solder installed before 1983	432
<u>Representative Sample Sites</u> - Structures	Number of Site Locations
With plumbing material typically found throughout the distribution system	272
Describe the representative plumbing material: PEX and PVC	
Additional Information	

Please describe the verification process, if any, that was used to provide the information above: [Assessor](#)

Additional Information - Tier 1

If no Tier 1 sites were indicated above, please provide an explanation: [{Tier 1 Info}](#)

Lead and Copper Sample Sites - Portal

Completed by: **Jeremiah Garcia**

Signature: _____

Certification of Accuracy: I hereby certify statements below are true, accurate, and complete to the best of my knowledge and belief. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment.

- The drinking water portal (wqcdcompliance.com/login) is being used to maintain the sites.
- The sites, status, and any additional information is kept up-to-date.
- When site information changes the drinking water portal is updated immediately.



ATTACHMENT 4

CROSS CONNECTION CONTROL PLAN





APPENDIX A: Backflow Prevention and Cross-connection Control
Town of Paonia BPCCC Program

Purpose

This Backflow Prevention and Cross-connection Control Program outlines how the supplier of water specified below will implement its written BPCCC program and achieve compliance with Regulation 11.

Other potentially applicable backflow prevention and cross-connection control requirements are specified in Article 1-114 and Article 1-114.1 of Title 25 of the Colorado Revised Statutes and in the Colorado Plumbing Code. The department has developed [Safe Drinking Water Program Policy 7](#) to assist public water systems achieve compliance with Regulation 11.

Public Water System Name & PWSID:	Town of Paonia & Co0115601	
Public Water System Owner:	Town of Paonia	
BPCCC Administrative Contact:	Jeremiah Garcia	
Address:	214 Grand Ave Paonia, CO 81428	
Email:	Jeremiah_ppw@townofpaonia.com	
Phone:	9708223083	
Signatures of Owner or Administrative Contact:		
Effective Date	Name	Signature
Initiated 5.1.2017 Updated 4.1.2023	Initiated: Travis Loberg Updated: Jeremiah Garcia	

This BPCCC program will include and specify information regarding how this supplier identifies cross connections, performs surveys, and controls identified cross connections. This BPCCC program also address how this supplier will require that backflow prevention assemblies and methods be tested and inspected annually, how this supplier will track the installation, maintenance, and testing of assemblies and methods and how this supplier will ensure that assemblies are tested by a *Certified Cross-Connection control Technician(Regulation 11.37(1)(b))*.

****This program must be kept on file for review by the department. It can be revised by the department as necessary.

Water Quality Control Division

4300 Cherry Creek Drive South Denver, Colorado 80246

Backflow Prevention and Cross-connection Control Program

(i) Process for conducting surveys.

Mail surveys and visual inspection by Public Works Water staff. Any commercial property that is new construction, has been remodeled, sale has occurred, or a new customer has been established will be inspected by Public Works staff. Annually, Public Works will generate a report through its water billing system for all commercial accounts' addresses with their facility contacts, and "new meter" connection dates. TOP Billing department will make Public Works aware of any Commercial construction permits, as well as any "New Connections" (user change) of Commercial accounts.

(ii) Legal authority to perform a survey of a customer's property to determine whether a cross connection is present unless the supplier controls all non-single-family residential connections to the public water system with the most protective backflow prevention assembly or backflow prevention method.

{ * } Ordinance (attach copy) { } User Agreements (attach copy) { } Other - explain below

See Appendix B - ARTICLE_7. CROSS_CONNECTION_CONTROL, also found in the Town of Paonia's Municipal Code

(iii) Process to select a backflow prevention assembly or backflow prevention method to control a cross connection.

If a Backflow prevention assembly is needed; Consult with certified cross connection control technician and follow the guidance document titled "WQ-DW-Policy-DW007-Backflow Prevention and Cross Connection Control". Certified CCC technicians will recommend an appropriate backflow prevention assembly to Public Works who will approve the assembly. If Backflow prevention method is required, Public works will educate customer of the risks associated with backflow and how to maintain an adequate method.

(iv) Legal authorities install, maintain, test, and inspect backflow prevention assemblies and/or backflow prevention methods and/or require customers to install, maintain, test, and inspect backflow prevention assemblies and/or backflow prevention methods.

{ * } Ordinance (attach copy) { } User Agreements (attach copy) { } Other - explain below

See Appendix B - ARTICLE_7. CROSS_CONNECTION_CONTROL, also found in the Town of Paonia's Municipal Code

(v) Process to track the installation, maintenance, testing, and inspection of all backflow prevention assemblies and backflow prevention methods used to control cross connections.

When uncontrolled cross connections are identified customers will be notified that they must install an appropriate backflow device within 90 days or face service shut-off. Customers must submit evidence that backflow prevention device has been installed, and pass a visual inspection conducted by Public works. Town of Paonia will track the installation and completion of annual inspections in the CDPHE annual tracking sheet, and keep digital copies provided by the certified inspectors. TOP will maintain a redundant system through its Cassell Water tracking and billing software.

(vi) The process the supplier will use to ensure backflow prevention assemblies are tested by a Certified Cross-Connection Control Technician.

- Customers must submit their annual backflow prevention inspection report, conducted by a certified inspector, by June of each calendar year. Otherwise, the Town of Paonia will coordinate with a certified backflow inspector to conduct the inspections on behalf of the customers. The customer is responsible for the cost of inspection and will see that expense reflected in their monthly water bill.
-

Backflow Prevention and Cross-connection Control Program

Department Notification

If we become aware of a suspected or confirmed backflow contamination event, the supplier must notify and consult with the department on any appropriate corrective measures no later than 24 hours after learning of the backflow contamination event. The notification should be made to the **24-hour Environmental Release and Incident Report Hotline at 1-877-518-5608**.

When reporting the event, please have available the as much of the following information as possible:

- Date and time of event;
- Location of event;
- Type of threat or event;
- Public Water System Name and Identification Number;
- Water supplier contact name and phone number;
- Method of discovery (consumer complaint, witness, perpetrator, employee report);
- Response actions taken (water quality parameter testing, isolation of affected water);
- Recovery actions taken;
- Notifications made (customers, law enforcement, news media, etc.);
- Assessment of threat, if possible.

Regulation 11.39(7) requires that we notify the department within 48 hours in any instance the supplier becomes aware of any backflow prevention and cross-connection control violation and any backflow prevention and cross-connection control treatment technique violation specified in Regulation 11.39(6).

Such notifications to the department can be written, verbal, or made by other means. The department can be notified via telephone at 303.692.2000 and contacting the department's Water Quality Control Division's backflow prevention and cross connection control specialist. The department can also be notified via the Drinking Water Portal sent to the attention of the backflow prevention and cross-connection control specialist. The Drinking Water Portal can be found online at: <https://wqcdcompliance.com/login>

Public Notice Requirements

Regulation 11.39(7) requires that suppliers distribute Tier 2 public notice as specified in Regulation 11.33 in any instance the supplier becomes aware of any backflow prevention and cross-connection control treatment technique violation.

Regulation 11.39(7) requires that suppliers distribute Tier 3 public notice as specified in Regulation 11.33 a in any instance the supplier becomes aware of any backflow prevention and cross-connection control violation.

Please contact your department assigned compliance officer with any questions regarding public notice.

Backflow Prevention and Cross-connection Control Program

(i) *Survey Process and Documentation*

Suppliers must survey all non-single-family-residential connections to the public water system to determine if the connection is a cross connection. The supplier must also survey all connections within the supplier's waterworks to determine if there are any cross connections present which could contaminate the public water systems or the facilities water supply system.

The supplier must identify the total number of non-single-family-residential connections to the public water system and connections within the supplier's waterworks. This number is the total number of connections to the public water distribution system that are not considered single - family connections. Acceptable survey process documentation includes the following: How the supplier will select service connections that need a survey; For example: Usage type - commercial, industrial, or multi-family; new or newly acquired connections; and/or questionnaire results.

Single-family means:

- A single dwelling which is occupied by a single family and is supplied by a separate service line;
- A single dwelling comprised of multiple living units where each living unit is supplied by a separate service line.
- If a water supplier has ownership and maintenance responsibilities of a service line up to a point of single-connections such connections may be considered a single-family-residential-connection even if this connection is to a multi-family dwelling unit. It is important to be aware that all other applicable parts of Regulation 11 will also apply to those new acquired waterworks (i.e. distribution system) and that any irrigation or other cross connections that are directly connected to the newly acquired service line would have to be controlled in accordance with Regulation 11.39.

Once the supplier has identified the total number of non-single family residential connections, the supplier must survey the connections to identify cross connections. The supplier must document the process for conducting surveys. Surveys can be performed onsite by a person designated by public water system or can be of a questionnaire type. The supplier's survey process should identify potential service connections and uses that when identified may trigger cross-connection control requirements. The supplier's process should address how the supplier will select individuals to perform the survey including experience and/or training or certification qualifications to perform a survey. Additionally the supplier must survey any waterworks and water supply systems associated with those facilities for cross connections.

If the supplier uses questionnaires, various methods may be used to distribute the questionnaires: email surveys, web-based surveys, written surveys, or telephone surveys. Questionnaires should provide examples of common cross connections to the customer who completes the survey. Questionnaires should ask that the property-owner indicate that the information is accurate to the best of their knowledge. If the supplier does not receive a response to a questionnaire or the results are inconclusive, the supplier is required to perform an onsite survey for cross connections or control the connection with the most protective backflow prevention assembly or method.

The results of surveys should be kept in a manner that allows the supplier to demonstrate that a survey has been performed and if any action was required based on the results of the survey.

It is important that newly constructed and renovated buildings are constructed in accordance with the local plumbing code. The code is intended to protect the internal potable water system and its occupants from contamination that can be introduced via restrooms, kitchens, boilers, irrigation, HVAC systems, etc. It is equally important that the water supplier protect their distribution system from contamination that can be introduced via car washes, auxiliary water sources, fire suppression systems, irrigation and many other sources. Water suppliers need to perform cross connection identification surveys to identify potential cross connections within their distribution system.

***Note to supplier. Describe in this section how the supplier complies with the regulation and its survey requirements

(ii & iv) Legal Authority

The supplier must have a legally-enforceable mechanism that implements its written backflow prevention and cross connection control program as described in 11.39(2). The department recommends that the legally-enforceable mechanisms include specific provisions identifying customer requirements under 11.39(2)(a)(ii, iv) and the associated remedies that the supplier may utilize for failure of customer(s) to comply. If the supplier does not have a legally-enforceable mechanism in place, the department expects the supplier to perform the actions necessary to complete the indicated requirements in the regulation.

***Note to supplier. Provide a copy of the ordinance or user agreement in this section or discuss how the supplier implements the actions necessary to complete the indicated requirements in the regulation. As a reminder suppliers are prohibited from installing or permitting any uncontrolled cross connection to the distribution system or within the supplier's waterworks.

- Installing an uncontrolled cross connection means modifications or additions to waterworks or water supply systems that create a cross connection. The supplier is prohibited from intentionally performing any actions which would result in the creation of a cross connection.
- Permitting an uncontrolled cross connection in the context of Regulation 11.39 means the supplier has allowed their users or customers to continue to have an uncontrolled cross connection past the regulatory-defined timelines. If the regulatory-defined timelines have elapsed and the supplier has not taken any of the following actions; control the cross connection, remove the cross connection or suspends service to the identified connection***, then the supplier is allowing, or permitting, the cross connection to exist and is in violation of Regulation 11.

*** Note to supplier. Before suspension of service can be considered appropriate action the department expects that the supplier will confirm the following:

- The connection downstream of the valve used to suspend the service does not remain pressurized because the customer has access to an alternative source of water or a storage tank onsite
- If the cross connection is to a fire suppression system; suspension of service would not result in the building being inadequately protected from loss of life through fire. If there are service connections at the property separate from the fire suppression system causing the cross connection, a supplier may suspend service to one or all of those other service lines (e.g. domestic or irrigation) as an appropriate action.
- The supplier may receive a department approved alternative compliance schedule for identified cross connections that have not been controlled within 120 days. Department-approval of an alternative compliance schedule means either an email or other written communication from the department. The department has provided in [APPENDIX C - BPCCC Rule 120-Day Cross-connection Control Extension Application](#) for such request.

- Suppliers must specify the process that the water system will use to require the installation, maintenance, testing, and inspection of all backflow prevention assemblies and backflow prevention methods used to control cross connections. Generally, this is specified in one of the following: local government ordinances, user agreements or the public water system assumes full responsibility.

(iii) Identification of Cross Connections and Backflow Prevention Assembly or Backflow Prevention Method Selection

If the supplier discovers an uncontrolled cross connection and believes that a backflow contamination event has not occurred, the supplier must: first determine the type of backflow prevention assembly or backflow prevention method needed to control the cross connection and second install and maintain or require the customer to install and maintain a backflow prevention assembly or backflow prevention method at the uncontrolled cross connection, suspend service to the customer, or remove the cross connection, no later than 120 days after its discovery.

***Note to supplier. Suppliers should include in the written BPCCC program guidelines and criteria used to select the type of backflow prevention assembly or method used to control an identified cross connection. Guidelines and criteria should address examples of cross connections throughout the water systems distribution system along with the corresponding appropriate backflow prevention assembly and or backflow prevention method used to control the identified cross connection. Part 4.3 of SDWP [Policy 7](#) provides various examples of backflow prevention assemblies and methods and when the use of such assemblies and methods may be appropriate.

(v & vi) Tracking & Certified Tester Verification

Suppliers must specify the tracking mechanism it will use to verify the installation, maintenance, testing, and inspection of all backflow prevention assemblies and backflow prevention methods used to control cross connections. This section may include the process the supplier will use to ensure backflow prevention assemblies are tested by a Certified Cross-Connection Control Technician

***Note to supplier. Please provide a tracking spreadsheet or description of program or other method which the supplier is using to verify performance and compliance with Regulation 11.

- i. To be considered adequate, test reports used to document compliance with Regulation 11 must include all of the following:

Assembly or method information:

- Assembly or method type;
- Assembly or method location;
- Assembly make, model and serial number;
- Assembly size;
- Test date; and,
- Test result (pass/fail).

Certified Cross-Connection Control Technician information:

- Certified Cross-Connection Control Technician certification agency;
- Certification number;
- Certification expiration date or statement that certification is current;
- As an alternative to a-c, suppliers may provide documentation of an alternative validation process such as electronic login to reporting software where only current, certified cross-connection control technicians (or their companies) are given a login.



ATTACHMENT 5

WATER CONSERVATION PLAN (N/A)



ATTACHMENT 6

WRITTEN DELEGATION OF OPERATOR DUTIES (PROVIDED BY TOWN)



Delegation Plan for Multiple Tasks and Activities

Items marked with an asterisk (*) are required by Regulation 100.

*Name of Facility	Lamborn / Town of Paonia	*PWSID #, Permit # or Permit Certification #	CO0115601
*Operator in Responsible Charge	Benny Archuleta <i>BA</i>	*Effective date (from)	3/22/23
		*Termination or renewal date (to) - must be within 12 months of effective date	3/21/24

*Task or activity description	*Delegation to [Authorized person(s) or position(s)]	*Operational limits and response (required if not included in written SOP)	Date of training provided by ORC to authorized individual(s)	Authorized person's signature indicating acceptance of task or activity (required if not included in written job description)	Date of acceptance of delegated tasks or activities
Daily Plant Numbers	Jeremiah Garcia Jordan Redden Derek Heiniger	Adjust operating flow of skid 1 & 2 pumps to meet spring feed flow	3/24/2023- Confirmation of daily operation procedure specific to DPN	Benny Archuleta <i>BA</i>	3/24/2023
Chlorine Dosing	Jeremiah Garcia Jordan Redden Derek Heiniger	Refill chlorine dosing tank. Adjust peristaltic pump flow rate.	3/24/2023 Confirmation of daily operation procedure specific to chlorine dosing	Benny Archuleta <i>BA</i>	3/24/2023
Weekly Integrity test	Jeremiah Garcia Jordan Redden Derek Heiniger	Conduct Skid Filter Membrane Integrity test and record TMP and Resistance	3/24/2023 Confirmation of weekly operation procedure specific to IT	Benny Archuleta <i>BA</i>	3/24/2023
Weekly Chlorine Comparison	Jeremiah Garcia Jordan Redden Derek Heiniger	Visually inspect and note chlorine levels. Make adjustments to dosing	3/24/2023 Confirmation of weekly operation	Benny Archuleta <i>BA</i>	3/24/2023

Entry Point Sampling	Jeremiah Garcia Jordan Redden Derek Heiniger	Chlorine Residual is constantly being monitored by a CL17 analyzer. We do a daily grab sample to verify the accuracy of the analyzer.	procedure specific to Chlorine Comparison	Benny Archuleta	3/24/2023
Monthly Operational Reporting	Jeremiah Garcia Jordan Redden Derek Heiniger	Log onto Drinking Water Portal. Download MORs from Fulcrum. Upload data to CDPHE spreadsheet. Upload and submit to state.	3/24/2023 Confirmation of monthly operation procedure specific to MORs	Benny Archuleta	3/24/2023
Backwash set point	Jeremiah Garcia Jordan Redden Derek Heiniger	If Raw water NTU is below 1, Backwash set point 120minutes. Maintain TMP below 1.5PSI. If NTU is above 1 and below 2, set point can be 60-80minutes. If NTU above 3, backwash set point needs to be 60 or below.	3/24/2023 Confirmation of daily operation procedure specific to backwash set point	Benny Archuleta	3/24/2023
Raw Water TDS (Quarterly) compliance test	Jeremiah Garcia Jordan Redden Derek Heiniger	Pull Sample from Raw Water port. Follow lab instructions for submittal and testing.	3/24/2023 Confirmation of quarterly operation procedure specific to Raw water TDS testing	Benny Archuleta	3/24/2023
Ensure Plant redundancy	Jeremiah Garcia Jordan Redden Derek Heiniger	Verify all pumps are in working order, and back up pumps (including	3/24/2023 Confirmation of operation	Benny Archuleta	3/24/2023

Respond to alarms	Jeremiah Garcia Jordan Redden Derek Heiniger	peristaltic pumps). Replace pumps as needed. Do scheduled maintenance. Establish who is on-call during "off hours". Respond to calls, use Splashtop to remotely view SCADA to verify problem. Respond to problem.	procedure specific to ensuring redundancies	Benny Archuleta BT	3/24/2023
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Benny Archuleta



ATTACHMENT 7

ANNUAL BUDGET





Town of Paonia 2023 Budget



Final Version - 12/13/2022
Last updated 12/13/22



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INTRODUCTION



2023 BUDGET MESSAGE

Transmittal Letter

Original Provided October 7, 2022

Updated Final December 12, 2022

Dear Honorable Mayor and Members of the Board of Trustees:

In accordance with the Town of Paonia's policies, we, Corinne Ferguson, Cindy Jones, Matt Laiminger, and Cory Heiniger, present to you the proposed 2023 Budget for the Town of Paonia.

This budget message provides readers with an overview of the regular municipal government services and the projects to be completed in the coming year and how this work is paid for. The narrative tells the story behind the numbers by describing goals, priorities, underlying assumptions, and other factors considered in determining how the Town's available resources are budgeted to be spent. Information is provided to better understand the schedules and supplemental information that comprise the annual budget package.

The Board of Trustees formally adopts a budget and appropriates money to run the Town of Paonia each year. By state law, the governing body must adopt a budget each year and submit a mill levy to the Board of County Commissioners. The Trustee formal budget review began October 13, 2022, and a public hearing on the proposed budget was held during the regular Board meeting on November 8, 2022. The outcome of the hearing provided no additional changes or recommendations.

Budget work sessions included discussions of revenues, sales tax growth assumptions, fees for services, operating expenditures, staffing levels, compensation, capital expenditures, priorities of the community, changes in procedure for preparing the annual budget and capital projects. The Board exercises the most significant degree of flexibility and discretion in one-time spending on capital purchases and capital projects. However, it is important to note that many projects require years of advanced planning and may already have funds committed for design, engineering, and/or matching grant funds. A list of capital projects is included in the budget report. The list includes items that will be classified as fixed assets as well as allowable expenditures for maintenance of assets.

Should readers seek additional information not included in the budget package, it may be requested from the Town Administrator, Clerk or the Finance Director/Treasurer at Town Hall.

BUDGET ASSUMPTIONS AND CHANGES FROM PREVIOUS YEARS

The budget is based on historical trends, current data, and assumptions about the upcoming year. With very few exceptions, we do not know which vendors will be utilized for products and services during 2023. We look back at recent experience and use that data, along with indicators for the future, to estimate costs for many different supplies, utilities, contracted services, repairs, and maintenance. Likewise, the revenue budget is based on limited known data and projections based on several sources for projecting trends.

KNOWN ASSUMPTION PROVIDED BY QUOTE/NEWS NOTIFICATIONS:

Budget assumptions based on historical data are anticipated to remain flat – otherwise defined as stable with minimal change. This is the assumption that the current budget period is a reasonable basis for predicting the future budget period, regardless of any positive or negative factors (external or internal) that may have an effect on the current performance.

VENDOR	PRODUCT/SERVICE	FORMAT	2022	2023	% OF CHANGE
CIRSA	WORKERS COMPENSATION	QUOTE	25,628.00	27,684.00	8.02%
CIRSA	P&C COVERAGE	QUOTE	76,857.33	83,332.41	8.42%

DMEA, and Elevate – no known changes anticipated for 2023. Black Hills Energy has notified the town of their anticipated rate increase. The actual rate of the increase is unknown at this time.

GENERAL FUND 2023 BUDGET HIGHLIGHTS

This budget for 2023 attempts to incorporate the Town's priorities considering needs, studies, and state requirements. The following are the highlights of the 2023 budget. The Town's top priorities are as follows:

1. PRV Vaults
2. IMG (Clock) Treatment Plant
3. Water Rights Attorney
4. Approved 2018 Building Codes
5. Town's Master Plan
6. Staffing and Wage Considerations
7. Sewer-line Rehabilitation (Dorris Avenue)
8. Automatic Trash Cleaning for sewer in-flow
9. Fifth Street Reconfiguration
10. Third Street Reconstruction
11. Public Safety Training
12. Park Bathroom Upgrades
13. Park Playground Upgrades

ORGANIZATION, STAFFING AND BENEFITS

While we work toward 2023 staffing goals, it is important to keep expectations realistic relative to the resources available and services rendered. An updated salary study was conducted for 2023, as was done in 2020, 2021 and 2022, using Colorado Municipal League data. New ranges are being recommended for this 2023 budget. Public Safety increases are being requested to start in November 2022. In addition, the fact that the employment market is currently an employee market, we have budgeted for replacement wages for existing staff. Additionally, we have reviewed the current cost of living in Paonia to ensure the Town salary base will attract potential employees.

Throughout 2021, the Town faced an unusual amount of employee turnover. In 2022, the Board of Trustees voted to separate the position of Town Administrator and Town Clerk. The hiring process has begun for both positions.

At the direction of the Board of Trustees, a substantial percentage of trustee compensation and administrative employee salaries and benefits were adjusted from enterprise funds to the general fund for the 2022 budget. The above-mentioned practice continues in the 2023 budget.

The addition of the following new positions has been included in 2023:

- Public Utilities Assistant –Water and Wastewater department
- (2) Public Works Laborers – Trash department

A modification of duties was proposed for 2022 for the Public Works Director – Operates and supervises the Parks, Streets, and Trash Departments. This modification did not work as proposed, and has reverted to the previous supervision of the park, streets, water, sewer, and trash departments.

Hartford continues to provide life insurance and short-term disability benefits in 2023. Health insurance was provided through Rocky Mountain Health Plans until July of 2021, when the provider changed to United Health Plans. Health Insurance is paid at 90% for employees (except Town Administrator at 100% in 2023) and on a tier basis for dependents and family plans.

The Town also provides the opportunity for employees to purchase and have deducted from their paycheck each pay period the following benefits: Dental Insurance through Delta Dental, Vision Insurance through VSP, and Optional coverages through AFLAC.

ATTORNEY

In 2021, the Town contracted with Attorney Bo James Nerlin for legal service at a fixed price of \$50,000.00 per year, divided into twelve (12) monthly payments. Attorney Nerlin's contract ended December 31, 2021, which he chose not to renew. In January of 2022, the Town contracted with Attorney Jeff Conklin from Karp Neu Hanlon, PC at an hourly rate. He withdrew his contract effective July 2022. Effective October 2022, the Town is now contracting with Attorney Nick Cotton-Baez from Kelly PC at an hourly rate.

MASTER PLAN

The Town continues the process of updating the Master Plan. At twenty-five years old, the current plan no longer effectively leads governmental decisions nor is it acceptable to many organizations that provide grant funding. To-date, the process of updating the plan has required the compilation of data collected for other purposes as well as public input meetings. The Town has budgeted to contract the completion of the master plan process. Staff have secured grant funding to defer the cost with a 50/50 match. The matching funds will come from the Capital Improvement Fund.

SIGN PROJECT IN COLLABORATION WITH THE NORTH FORK CREATIVE COALITION

The Town in conjunction with participating agencies, continued to support the Wayfinding Sign project. The 2023 budget includes \$1,000.00 to continue with the town's obligations to the signage project.

COMPUTERS/AUDIO/VISUAL EQUIPMENT

In September 2022, the town was awarded a grant for \$6,500.00 to upgrade to the current AV (Audio/Visual) system.

HOUSING STRATEGIES PLANNING GRANT

The Town applied and has been awarded the Innovative Housing Strategies Planning Grant Program through the Department of Local Affairs (DOLA). Working toward a stated goal of "Providing Affordable Housing Opportunities for Residents".

TOWN BUILDING CODE

As of January 2021, the Town entered into a month-to-month contract with Colorado Code Consulting (CCC). Administration anticipates an inter-governmental agreement (IGA) with the City of Delta for shared building department services to begin in 2023 following the adoption of the 2018 building codes. The Town has budgeted \$54,668 for building services, whether via IGA, internal or contract.

PUBLIC SAFETY

BACK THE BADGE COUNTY INITIATIVE

In November 2020, the county voted on a ballot question, known as Back the Badge, requesting a 0.8% county sales tax increase which directly funds the Law Enforcement Agencies in Delta County. This measure passed and the Town began receiving a 0.8% increase in sales tax revenue in 2021. Fiscal year 2022 will mark the first full year of sales tax collected from the successful Back the Badge Campaign.

The purpose of this tax increase of eight tenths of one percent (0.8% of \$0.008 per dollar) of taxable transactions is to fund the urgent and critical public safety needs of the town effective January 1, 2021. This will continue for ten (10) years through December 31, 2030. For additional information, see Resolution 2020-14 Supporting Delta County Law Enforcement and the Back the Badge Sales Tax Initiative.

TRAINING GRANTS

Police Officer's Standards and Training (POST) provides police departments with reimbursable funding for the training of their officers. They cover training costs, lodging, and travel and meals. This budget includes \$300.00 per officer for non-reimbursed training and \$1,667 per officer for reimbursed training.

VICTIMS ADVOCATE

The Victims Advocate (VA) agreement is between the municipalities of Cedaredge, Hotchkiss, and Paonia. The victim services subcontractors service the Cedaredge Police Department, Hotchkiss Police Department, and the Paonia Police Department.

The purpose is to offer municipalities a consistent approach to victim advocacy by providing two part-time advocates who respond to the needs of domestic violence/sexual assault/death notification and other victim-related crimes. A Victim's Assistance Law Enforcement (VALE) grant of \$18,512.00 was obtained in 2019, \$8,500.00 in 2020, \$20,200.00 in 2021, and \$25,000 in 2022 to cover the cost of this program. The Town continues to provide cell phones for each advocate in 2023. In addition, the Town has contributed additional funds out of the budget to cover any expenses not covered by the VALE grant. In 2020, the town contributed \$5,000.00, 2021 \$1,500.00, 2022 \$1,000.00 and for 2023 the town has budgeted \$500.00 due to the increase in costs coverage of the VALE grant. Town of Paonia does not administer the VALE Grant, administration is handled by Hotchkiss Police Department.

TASER PLAN

In 2017, the Town contracted with Taser International, now known as AXON Enterprise Inc., for a five (5) year Taser plan. The benefits include maintenance, batteries, and cartridges. Additional Tasers can be purchased and added to the plan. The Town updated this service in 2022 and has included the renewal costs at \$3,250.00 per year for another five (5) years.

BODY CAMERA PLAN

In 2019, the Town contracted with AXON Enterprise Inc. for a five (5) year Flex Two Replacement Plan. The plan is for five (5) body cameras and will include maintenance, upgraded cameras annually, docking stations, and 1000 GB of offsite data storage with set purge dates. This plan continues at \$3,670.00 per year.

PUBLIC DEFENDER

A new program at the Office of the Alternate Defense Counsel, that ensures indigent defendants charged with municipal ordinance violations are represented by constitutionally effective counsel, was launched in January 2020. Municipal Courts in Colorado are responsible for providing court-appointed counsel to indigent defendants as the statewide public defender's office and the Office of the Alternate Defense Counsel are only able to provide counsel at the state court level. The Town budgeted \$2,500.00 toward this program in 2021, 2022 and it will continue in 2023.

PARKS

TREE BOARD - ARBOR DAY & TREE CITY USA

Per Article 7 of the Municipal Code, the Tree Board holds the responsibility of maintaining both the Arbor Day tradition, education of responsible and sustainable tree planting, and the annual renewal of the Tree City USA designation. Funds have been allocated to help support the costs associated with these requirements. The Tree Board submitted a budget request for 2022 of \$1,195.00 which includes the planting of a tree for Arbor Day. For 2023, \$1,000.00 has been budgeted for the tree board and Arbor Day.

Arbor Day participation is a requirement for Tree City USA Designation. The Tree City designation is a necessary function for multiple grant and funding opportunities for parks and town-owned property. Participation in Arbor Day includes the planting of a tree in a public space, and an additional requirement for Tree City USA designation is a \$2 contribution per capita. This equates to a minimum budget of \$3000.00 in tree-related expenditures. Tree trimming expenses also count toward the per capita amount and is budgeted out of the Conservation Trust Fund.

COLORADO GRAND CHARTY GRANT FOR RESTROOM RENOVATION

This project will assist in the upgrades to the restrooms in Apple Valley Park and Town Park at a total cost of \$21,500.

OTHER FUNDED PROJECTS IN PARKS are as follows:

Hill stabilization in Apple Valley Park at \$2,000.

Complete walking path and/or removal of park tool shed at Apple Valley Park at \$6,000.

Curbing at Lee's Park (recommended by CIRSA) \$4,000.

Turf improvements at each of the Parks \$4,000.

Stage Improvements at Town Park \$24,750.

Town Park Playground Improvements \$5,000.

STREET, BRIDGE, ALLEYS, STORM DRAINS & STREET CAPITAL IMPROVEMENTS

The Town of Paonia has limited resources in the General Fund, by which streets & alleys are funded. In an effort to increase revenue to improve the street conditions, the Marijuana initiative passed in November 2020. In 2021, an estimated revenue amount was added to the Street Capital Fund of \$25,000.00 from processing applications. In 2022, the operational tax revenue was budgeted under the Street Capital Fund for \$117,000.00. This was based on three (3) stores, twenty-five (25) transactions per day, twenty-six (26) days per month, at \$5.00 per transaction effective January 1, 2021 on the sale of retail and medical marijuana and marijuana products within the Town of Paonia with the resulting tax revenue used for infrastructure repair and improvements, including but not limited to town streets, sidewalks, curb, gutter, drainage, landscaping, lighting, and streetscape amenities, through 2025 and thereafter allocated annually by the Board of Trustees. This 2023 budget reflects \$192,000 in occupational tax and \$9,200 in renewal fees.

In 2023, proposed street projects include:

Resurfacing the Samuel Wade Bridge \$125,000.00.

The Town plans to continue to accumulate funds toward a complete reconstruction of Third Street a few blocks at a time. The engineering estimate for two blocks was \$500,000.00 in 2021. At the end of fiscal year 2022, the Town anticipates having accumulated the \$500,000.00 necessary to begin the reconstruction project. The 2023 budget is \$962,192.

SPECIALTY FUND 2022 BUDGET HIGHLIGHTS

SIDEWALK FUND

In 2022, the Town estimates a total of \$64,103.00 for sidewalk repairs. Due to mobilization costs, the 2022 project was postponed to 2023. The 2023 budget provides for \$94,339.00 for sidewalk repairs.

PASS THROUGH GRANTS

Pass-through grant participation initiated in 2021 and 2022 will continue into 2023. The budget includes the Paonia Skate Park and Lone Cabin & Turner Ditch Wildlife Rehabilitation efforts.

CONSERVATION TRUST FUND

In 2019, conservation trust funds were used for tree trimming in the Town Park. In 2020, conservation trust funds were used to improve the Town Park Playground. In 2021, conservation trust funds were slated for Poulos Park upgrades and bike racks in Town Park. However, these items were paid for from the park budget. In 2022, the balance was expected to be \$25,582.00, which was slated to be used for tree trimming (included in the per capita calculation for Tree City USA requirements), Town Park playground shelter pad, and Town Park playground upgrade (from wood chips to pea gravel). In 2023, the balance is estimated to be \$30,846.00 to be used for tree trimming (included in the per capita calculation for Tree City USA requirements) and Town Park playground upgrade (from wood chips to pea gravel).

CAPITAL IMPROVEMENTS

The 2023 Budget recommends a capital improvement budget of \$307,350.00 in new projects, plus a Grant from DOLA for the Master Plan of \$25,000, in addition to the projects not completed in the 2022 Budget, which provides for \$628,369 to be included in the 2023 budget:

Paonia Airport \$61,844.00 (This is supported by Cell Phone Tower Rent, which began in 2014.)
 Master Plan Update at \$50,000.00
 Town Hall Upgrades at \$75,000.00
 Public Safety at \$55,000.00
 Public Works Projects and Equipment \$372,875.00
 Transfer to Street Capital \$346,000.00
 Total Capital Improvements \$960,719.00

ENTERPRISE FUNDS 2021 BUDGET HIGHLIGHTS

A Cost-of-Service Analysis and recommendation was prepared by Rural Community Assistance Corporation (RCAC) in November 2021. During the Budget work sessions, the Board of Trustees elected to incorporate Scenario #6 as presented in the Paonia Drinking Water Cost-of-Service Analysis. The amount of revenue from water usage fees predicted by the RCAC analysis was not achieved in 2022. Therefore, the Town will increase rates in 2023 to obtain appropriate revenue to cover estimated expenditures.

A Cost-of-Service Analysis and recommendation was also prepared by Rural Community Assistance Corporation (RCAC) for Sewer and was presented to the Board of Trustees on November 29, 2022. The recommendations supported the rate increase included in this budget.

WATER

Water base rates were increased in:

- 2022 (15.63%). In addition, the tier structure for usage was modified.
- 2021 (6.67%),
- 2020 (8.89%), and
- 2017 (2%).

A water base rate increase of \$3.00 has been approved for 2023. This is an 8.11% increase and is as follows:

- In-Town Residential + Stand-By base rate will increase \$3.00/mo (from \$37.00 to \$40.00/mo).
- Out-of-Town Residential + Stand-By base rate will increase \$3.00/mo (from \$47.00 to \$50.00/mo).
- In-Town Commercial + Stand-By base rate will increase \$3.00/mo (from \$57.00 to \$60.00/mo).
- Out-of-Town Commercial + Stand-By base rate will increase \$3.00/mo (from \$62.00 to \$65.00/mo).

2023 Usage Rates Tiers will be increased per 1,000 Gallons for In-Town Residential – Out of Town Residential – Out of Town Commercial – In-Town Commercial as follows:

USAGE 2022		Proposed 2023	
0-1,000	Gallons	\$0.00	\$2.50 Per 1,000 Gallons
0-3,000	Gallons	\$2.40	\$2.50 Per 1,000 Gallons
3,000-10,000	Gallons	\$3.30	\$3.50 Per 1,000 Gallons
10,000-25,000	Gallons	\$4.20	\$4.50 Per 1,000 Gallons
25,000-50,000	Gallons	\$5.50	\$7.50 Per 1,000 Gallons
50,000-75,000	Gallons	\$10.00	\$15.50 Per 1,000 Gallons

75,000-100,000	Gallons	\$11.00	\$20.50	Per 1,000 Gallons
100,001-99,999,999	Gallons	\$12.00	\$20.50	Per 1,000 Gallons

For additional information on the rate increase, refer to Resolution 2022-15 Water Rates and Charges.

Water funding priorities include:

Staffing – Three (3) Full-time plant operators

Debt Service - \$216,340.00

Legal Services – Total \$41,000.00 (Includes: Engineering \$21,000 + Water Attorney \$10,000.00)

Repair & Maintenance Priorities:

General Maintenance \$151,253.00

Spring Repair \$63,500

Pressure Reducer Vault & Valve Repair \$27,000.00

Total \$241,753.00

Bond (Debt Service) requirements for our Bond agreements are as follows:

Colorado Water Resources & Power Development Authority (WPA) Bond

WPA requires water and sewer debt service to be budgeted at 110% of the annual payment.

WPA requires between water and sewer a 110% debt ratio.

WPA requires 25% between water and sewer expenditures in Available Working Capital (calculated during audit).

SEWER (WASTEWATER)

Sewer rates have increases as follows:

2020 by \$4.00

2017 by \$3.00.

In 2023, sewer rates increases have been approved as provided below:

- In-Town Residential base rate will increase \$17.00/mo (from \$38.00 to \$55.00/mo).
- Out-of-Town Residential base rate will increase \$3.00/mo (from \$57.00 to \$60.00/mo).
- In-Town Commercial base rate will increase \$22.00/mo (from \$38.00 to \$60.00/mo).
- Out-of-Town Commercial base rate will increase \$3.00/mo (from \$57.00 to \$60.00/mo).
- Stand-By base rate will increase \$25.00/mo (from \$30.00 to \$55.00/mo).

For additional information on the rate increase, refer to Ordinance 2022-08 Sewer Rates and Charges.

Sewer funding priorities include:

Debt Service – \$108,625.00

Repair & Maintenance Priorities:

General Maintenance \$56,330.00

Plant Maintenance \$46,042.00

Automatic Trash Cleaner \$18,411.00

Total \$120,783.00

Capital Outlay Priorities:

Sewer-line Replacement \$100,000.00

Total \$100,000.00

Future funding priorities include:

Sludge removal \$500,000.00

Nitrification Treatment \$500,000.00

Bond (Debt Service) requirements for our Bond agreements are as follows:

WPA requires water and sewer debt service to be budgeted at 110% of the annual payment.

WPA requires between water and sewer a 110% debt ratio.

WPA requires 25% between water and sewer expenditures in Available Working Capital (calculated during audit).

AMKO Bond (sewer only) requires the equivalent of one payment in a reserve account to cover the last payment.

The Town sold sewer property in 2017. At the time of the sale, it was stated that as a condition set by USDA, these funds must be used for future sewer capital projects. The total as of September 2022 is \$534,660.26.

SOLID WASTE (TRASH)

The history of Solid Waste rate increases are as follows: 2021 - \$3.00-\$23.00 and 2018 - \$1.00.

In 2023, trash rates increases have been approved from \$7.00 to \$15.00 based on type of service.

The trash rate increases for 2023 are as follows:

Single Can - \$8.00 increased from \$17.00 to \$25.00

Standard User - \$7.00 increased from \$23.00 to \$30.00.

Heavy User - \$15.00 increased from \$30.00 to \$45.00.

2-Yard Dumpster - \$10.00 increased from \$50.00 to \$60.00.

3-Yard Dumpster - \$10.00 increased from \$60.00 to \$70.00.

For additional information on the rate increase, refer to Resolution 2022-14 Garbage Rates and Charges.

The replacement of Town Dumpsters totaling \$3,600.00 will be postponed to 2024.

SUMMARY

The following is an explanation of the revenues in the 2023 budget:

FUNDS	2022 BUDGET	2022 EST ACTUAL	2023 BUDGET	REASON FOR CHANGE
ADMINISTRATION	250,434. 2022 over 2021 Increase of \$88,220	250,434.	388,868. 2023 over 2022 Increase of \$138,434	PROPERTY TAX DECREASE OF 2.08% SALES TAX-TOWN INCREASED 548.40% TOTAL REVENUE INCREASE 55.28%
BUILDING	35,288.	63,656.	62,100.	TOTAL REVENUE INCREASE 75.98%
PUBLIC SAFETY	576,561.	576,561.	731,110.	SO AUTO TAX INCREASE 1.01% SALES TAX-TOWN INCREASED 41.31% SALES TAX-CNTY INCREASED 25.65% POLICE FINES DECREASE 24.05% TOTAL REVENUE INCREASE 26.81%
PARKS	184,592.	155,529.	194,270.	SALES TAX-TOWN INCREASE 6.05% SEVERANCE TAX INCREASE 209.62% RENT & ROYALTIES DECREASE 18.19% TOTAL REVENUE DECREASE 5.24%
STREETS (INCLUDES BRIDGE STREET CAPITAL IMPROVEMENT, AND SIDEWALKS)	999,327.	528,015.	2,516,658.	SALES TAX-TOWN DECREASE 29.00% FRANCHISE TAX DECREASED 18.68% RESERVES USED FOR CAPITAL
GRANT PASS THROUGH	460,000.	0.	460,000.	BOTH PASS THROUGH GRANTS ARE BEING CARRIED FORWARD FROM 2021
GENERAL FUND	2,506,202.	1,574,194.	4,353,006.	TOTAL REVENUE INCREASE 73.69%
CONSERVATION TRUST	25,582.	9,273.	30,846.	CONSERVATION TRUST INCREASE 8.62% RESERVES CARRIED FORWARD \$17,232. TOTAL REVENUE INCREASE 11.74%
CAPITAL IMPROVEMENT	733,908.	285,867.	960,719.	SALES TAX-TOWN INCREASE 28.08% ALL RESERVES CARRIED FORWARD TOTAL REVENUE INCREASE 30.90%
SPECIALTY FUNDS	759,490.	295,140.	991,565.	TOTAL REVENUE INCREASE 30.56%
WATER	2,558,533.	1,292,993.	2,844,602.	GRANTS CARRIED FORWARD \$369,232. RESERVES USED FOR MATCHING FUNDS TOTAL REVENUE DECREASE 11.18%
SEWER	542,256.	542,256.	790,420.	TOTAL REVENUE INCREASE 45.77%
SOLID WASTE	283,100.	249,150.	332,835.	TOTAL REVENUE INCREASE 17.57%
ENTERPRISE FUNDS	3,383,889.	2,084,399.	4,007,857.	TOTAL REVENUE DECREASE 18.44%
TOTAL BUDGET	6,586,075.	3,876,319.	7,871,196.	TOTAL BUDGET INCREASE 19.51%

MOVING FORWARD

It is challenging to know how the changing economic factors and fiscal outlook for Paonia will be in the coming years. Looking to the future, the Town needs to ensure that it can handle any unforeseen negative financial situations.

- Moving forward into 2023 and beyond, the following security measures need to be maintained or worked into the budget document in the future:
- The continued allocation of 1% of the Town's 3% sales tax toward the Capital Improvement Plan.
 - Increase dwindling reserves to cover at least three (3) months' worth of expenses (in future years six (6) months' worth of expenses would be reserved). Excess reserves are needed for any future grant opportunities as matching funds.
 - Investigate the possibility of allocating funds for Capital Equipment Replacement Fund (CERF) funding from revenues; and
 - Investigate other possible revenue opportunities.
 - Investigate grant opportunities.

These are bold ambitions and, as such, it will take several years to achieve these financial goals. But, by committing to them, the Town will have measures in place to help responsibly address any negative fiscal situations that may arise in the future.

CONCLUSION

The last several years have been very hectic and unpredictable. Fiscally, the Town of Paonia has sustained its services offered to its citizens. This 2023 budget puts forth an implementation plan that actively addresses the desires of this Board of Trustees. The budgetary 'wish' list exceeds the funds that are available. However, we have built a resilient local economy, developed prudent financial policies, and are working diligently to set aside adequate reserves, which will enable the Town to continue to thrive in uncertain economic times. We have many exciting opportunities and projects before us.

Respectfully,

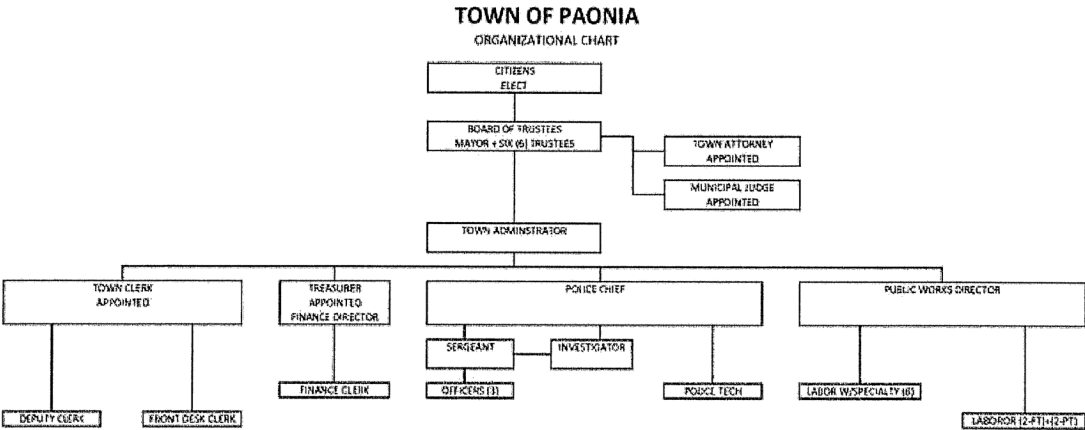
Corinne Ferguson Former Town Administrator/Clerk	Cindy Jones Finance Director/Treasurer
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In cooperation with:

Cory Heiniger Public Works Director	Matt Laiminger Police Chief
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Organization Chart

Please find below the current organization chart for the entire entity (Town of Paonia).



ELECTED OFFICIALS

Mary Bachran, Mayor
 Thomas Markle, Mayor Pro-Tem
 Dave Knutson, Trustee
 Paige Smith, Trustee
 John Valentine, Trustee
 Rick Stelter, Trustee
 Dave Weber, Trustee

APPOINTED OFFICIALS

TBD, Clerk

 Cindy Jones, Treasurer

 Julie Huffman, Judge

 Nick Cotton-Baez, Town Attorney

EXEMPT OFFICIALS

TBD, Town Administrator

 Cory Heiniger, Public Works Director

 Matt Laiminger, Chief of Police

Advisory Committees

Finance Review: Dave Weber, Paige Smith or Mary Bachran

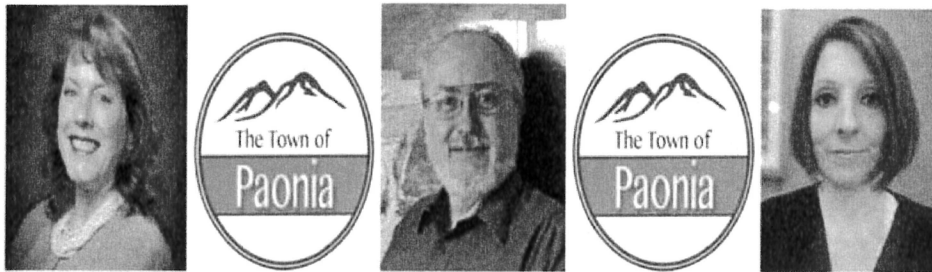
 Planning Commission: Mary Bachran, Dave Knutson, Monica Foguth, Steve Clissett, Lyn Howe

 Zoning Board of Adjustments & Appeals: Suzanne Watson, Gia Fanelli, Steve Clissett, Zuzana Tauvinkl, Ian Oeser

 Tree Board: John Valentine, Paula Martin, Jeff Thompson, Greg Hottinger, Moriah Woohulerie

 Advisory Water Committee: David Weber, Thomas Markle, Philip Ceriani, Kayla Rosen

Town Adminstrators : 2014 to 2022



Town Administrator History

In 2006, the Town Administrator position was a dual Administrator/Public Works Director position held by John Norris. Upon retirement, the Town Board of Trustees contracted an ORC (operator in responsible charge) for water and sewer treatment plant monitoring and sampling.

A dual position Public Works Director/Police Chief was instituted, and the Board attempted to fill the administrator position as a lone position.

After an unsuccessful attempt to fill the position, the Board made the determination to strike the position from the Town budget, with the department heads and Mayor attending to town administrator responsibilities.

The Board also approved and contributed to continuing education for then Town Clerk – who, upon completion, would become the Town Administrator.

In 2013, the Board began discussion of re-instituting the administrator position and hired an interim administrator to conduct the hiring process.

In November 2014, a town administrator from another community in Colorado was hired and worked for the town until August 2016.

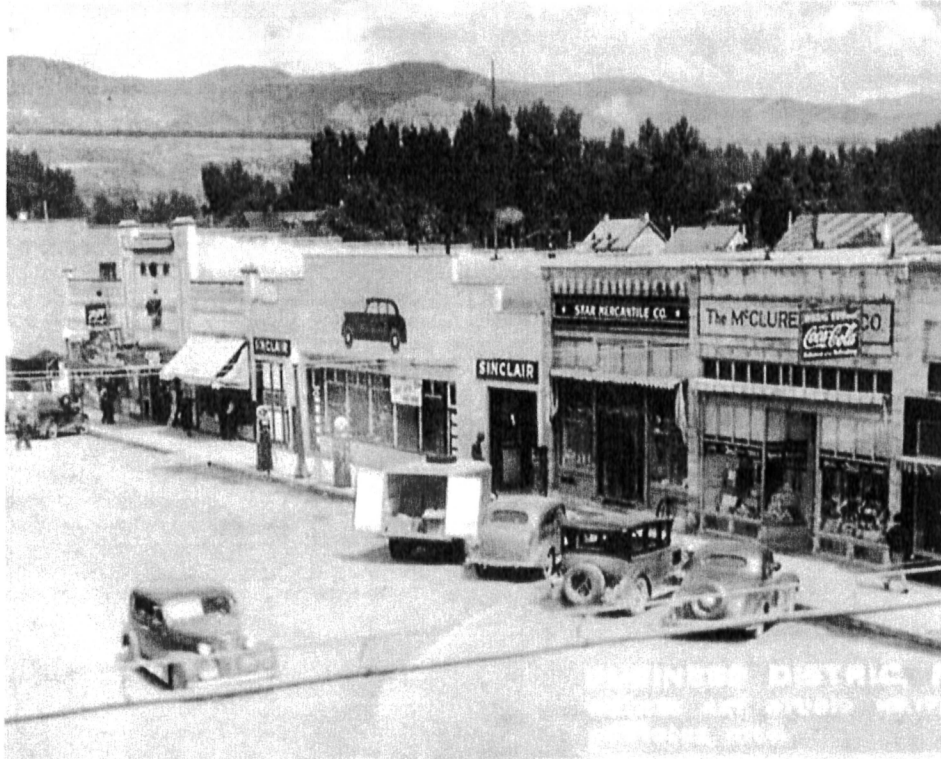
Another interim administrator was hired to complete the hiring process.

The town's next administrator – coming from another state, began working for the town from February 2017 to September 2019.

In October of 2019, the Board made the decision to add an interim administrator title and duties to the then Town Clerk. In May 2020, the Board of Trustees created and made final with annual contract renewal a Town Administrator/Clerk position.

In June of 2022, the Board made the decision to end the above-mentioned contract as of December 2022. The Board assigned the Personnel Committee to proceed with the hiring process for a new administrator. At this time, the pay range was increased for the Administrator position. It was agreed that the Administrator/Clerk would remain with the town, resuming the Town Clerk position.

History of Paonia



History

The area was first explored in 1853 by Captain John W. Gunnison of the United States Army. Gunnison was on an expedition to locate a suitable pass through the Rocky Mountains for the Topographical Engineers.

The Valley was inhabited by Ute Indians until 1880, when the Ute Indian Reservation was closed by the federal government.

Following the closure of the reservation, the site itself was settled in 1880 by Samuel Wade and William Clark, who had accompanied Enos Hotchkiss to the area from Ohio. The town was officially incorporated in 1902. The peony roots that Samuel Wade brought with him to Colorado in 1881 inspired him to submit the Latin name for peony, "Paeonia", as a town name. The post office wouldn't allow the extra vowel, so Paeonia became Paonia. Significant industries include ranching, mining and orchard farming.

Cattle came first, but in 1893, sheep were introduced to the valley. Cowboys organized a secret society called the Cattle Growers Protective Association. When sheep appeared on a cattle range, if legal persuasion failed,

sheep were stampeded over bluffs or massacred.

Vast reserves of coal lay buried in the area. The advent of the railroad made the shipping of coal economical and today, 2022, coal mining is still one of our major industries with only one mine remaining employing around 300 people.

Paonia is naturally air-conditioned by warm air flowing up the valley at night and cool air from the mountains during the day, resulting in optimal conditions for growing cherries, apricots, grapes, peaches, plums, pears, nectarines, and apples.

Town Attractions



Paonia is a unique town, settled by farmers, ranchers and miners, now home to artists and outdoor lovers as well. It consistently ranks as one of the "coolest" Colorado mountain towns, and that's saying something!

Named (although misspelled) for the vast array of peonie flowers in the area, Paonia is still a lush landscape that produces an abundance of fruit and vegetables. Fishing, hiking and river floating are all popular in this small town.

Paonia is a focal point of back roads and trails leading into the forest, attracting hunters, hikers bicyclists and cross-country skiers. Hunters outfit themselves in Paonia before setting out to get their elk, deer, and bear. Few places offer such a wonderful combination of climate, scenery, lifestyle and recreation.

The art scene is alive and well in Paonia. The North Fork Valley is a "Certified Colorado Creative District," and home to many creatives, including painters, jewelers, dancers, actors, musicians and other artisans.

Finally, if you ask almost anyone who lives in Paonia what they like best about this town, you will hear that they love the community. You are sure to get a wave from local drivers the moment you pull into town. There is nothing quite like the feeling of camaraderie in Paonia.

Paonia Cherry Days Festival

Paonia celebrates its "Cherry Days" festival annually during the week of July 4. 2022, marked the 76th annual Paonia Cherry Days festival Red, White & Blue. It features parades, family and class reunions, games, arts and crafts, and musical performances. Paonia Cherry Days is one of the longest running outdoor festivals in Colorado. Started by the Paonia Lions Club in 1946, the festival continues to be run by community volunteers.



Top of the Rockies BMW Rally

Paonia hosts an annual rally for motorcycle enthusiasts, who descend upon the town in mid-summer and stay for several days. 2022 marked the 50th annual Top of the Rockies Rally.

The BMW Motorcycle Club of Colorado and the town of Paonia bring you the 50th annual Top O’The Rockies Rally! The Top O’ The Rockies Rally is sponsored by the BMW Motorcycle Club of Colorado and is their premium annual event. The rally is headquartered at the town park in the small mountain town of Paonia, Colorado just a mile off of CO-133, part of the West Elk Scenic Byway. Paonia is a great central base from which to launch whatever type of motorcycle adventure one chooses, as there is tremendous riding for all persuasions in a concentrated area.



Pickin’ in the Park

Pickin' Productions presents Pickin' in the Park every August.

Pickin' Productions goal is to feature some of the very best National (and sometimes International) acts, both established and up and coming, along with strong regional & National openers.

The shows starts at 6pm, and goes well into the evening. Good times and lots of dancing is guaranteed.



Mountain Harvest Festival

Mountain Harvest Festival is an annual celebration of local music, art, farms, food and spirits. In 2022, organized by the nonprofit organization North Fork Valley Creative Coalition (<https://northforkcreative.org/>).

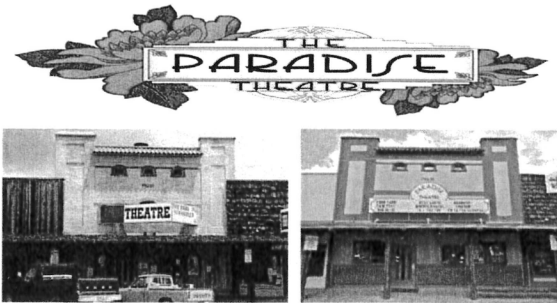
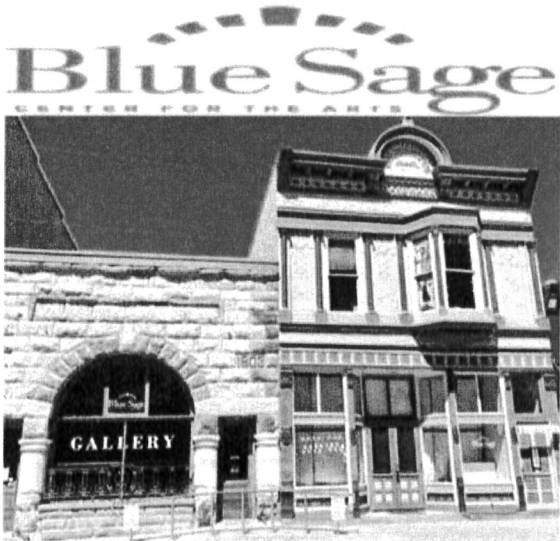
Our mission is to celebrate and serve our local communities by showcasing the bounty of the North Fork Valley. We do that by organizing the Mountain Harvest Festival and also supporting enhanced arts and agricultural educational opportunities in the Valley.

Held in the charming town of Paonia, visitors enjoy the music of the North Fork Valley, browse local arts and crafts and participate in the fun activities like the Great Chili Cookoff, Farm Tours and a Pub Crawl. Mountain Harvest Festival is small town Americana at its best.



The Blue Sage Center for the Arts and The Paradise Theatre

Host: concerts, movies, meetings, art exhibits, recitals, community theatre, and classes.



EV Charging Station



The Colorado Energy Office (CEO) and Regional Air Quality Council (RAQC) provide grants through the Charge Ahead Colorado program to support PEV and EVSE adoption by individual drivers and fleets. Both CEO and RAQC grants will fund 80% of the cost of EVSE, up to \$6,000 for a fleet-only Level 2 station, \$9,000 for a dual port Level 2 station, up to \$30,000 for a direct current (DC) fast charging EVSE, and up to \$50,000 for a charging station capable of 100kW or higher charging. Eligible DC fast EVSE must have both CHAdeMO and SAE CCS J1772 connectors and be capable of providing at least 50 kilowatts to one vehicle.

PEV owners must pay an annual fee of \$50, in addition to other registration fees, for a PEV decal. Fees contribute to the Highway Users Tax Fund and the Electric Vehicle Grant

Fund, which provides grants for EVSE.

On August 30, 2019 the Town of Paonia entered into a Parking Space Rental Agreement with Atlasta Solar Center (ASC) which took advantage of the above mentioned grant opportunity allowing them to install a charging station at 236 Main Avenue.

Paonia River Park

The River Park, located near the entrance to the Town of Paonia off of Grand Ave, was once an in-stream gravel pit and is currently the one of two public river access point in 30 miles of the North Fork of the Gunnison River. The restoration project restored the river to a single meandering channel. Aquatic habitat was improved along the river banks, thousands of willows were planted, fish retention pools were installed, and the floodplain was rehabilitated with new vegetation to control flood erosion. The park is more welcoming than ever to wildlife and human visitors.



North Fork Valley Museums



Location: 700 Shady Lane in Paonia, near entrance to Paonia River Park.

The Paonia Museum is really two museums -- the 1904 Parks home with vintage displays and photographs, and the historic Bowie Schoolhouse complete with the original desks. Those wishing to do research or thumb through books related to local history are welcome to spend time in the museum's reference library where they will find photo albums, yearbooks, oral history transcripts and tapes, and files of obituaries. Docents can assist with genealogical research. A nice selection of books focusing on local and Colorado history is available in the Museum bookstore.

ARBOL Farmers Market

The Arbol Farmers Market was established in 2020 as an initiative to increase food security and to support our local farmers in the North Fork Valley. Originally, the venue was set at a small farm on Lamborn Mesa. The 2020 market season was a success and the weekly event outgrew its space. In 2021, the Arbol Farmers Market was relocated to Paonia Town Park.

The Arbol Farmers Market at Paonia Town Park (located between 4th and 5th Sts. on North Fork Ave.) is a weekly farmers market every Tuesday evening from 5-8 pm, May 18th through October 12th. Offering local organically produced vegetables, fruits, herbs, meats, dairy products, eggs, preserved foods, baked goods, flowers, artisan crafts, and more. SNAP Benefits are available with additional Double Up Bucks.

Enjoy a community meal prepared by The Learning Council by donation. Markets will also showcase live music and wine tasting. Bring the whole family to this farmers market in the shade!



ECONOMIC OUTLOOK SOURCES

United States Economic Forecast Q2 2022, The Colorado Economic and Fiscal Outlook as provided by the State of Colorado, Colorado Legislative Council Staff Economic & Revenue Forecast June 2022, Governor's Office of State Planning and Budgeting on March 2022, as well as the Delta County Economic Update for Second Quarter 2021:

National

NATIONAL ECONOMIC OUTLOOK

The U.S. economy continues to rebound in 2022, but faces greater headwinds than previously expected due to inflationary pressures and the impact of the monetary policy response on aggregate demand. Broad-based price growth includes energy and food prices, the cost of shelter, and growing services inflation as companies pass higher input prices onto consumers. Aggregate household finances remain strong as wage growth continues at a rapid pace in 2022, but the magnitude of labor market tightness, i.e. when job openings outnumber unemployed workers, shrinks in 2023 and 2024 largely due to reduced labor demand in the face of headwinds to the business environment.

While many do not believe the US economy is currently in recession - due to strength in a number of sectors and the extremely tight labor market - we expect that a broad downturn in the economy is on its way. Given the greater-than-expected weakness seen in Q2 2022 GDP data, we are downgrading our Q3 2022 forecast from 0.5 percent (QoQ, SAAR) to zero percent. This downgrade is associated with our expectation that consumption will continue to soften in the third quarter due to rapidly rising interest rates and elevated inflation. Furthermore, we expect both residential and nonresidential investment to contract, and private inventory expansion to continue to slow.

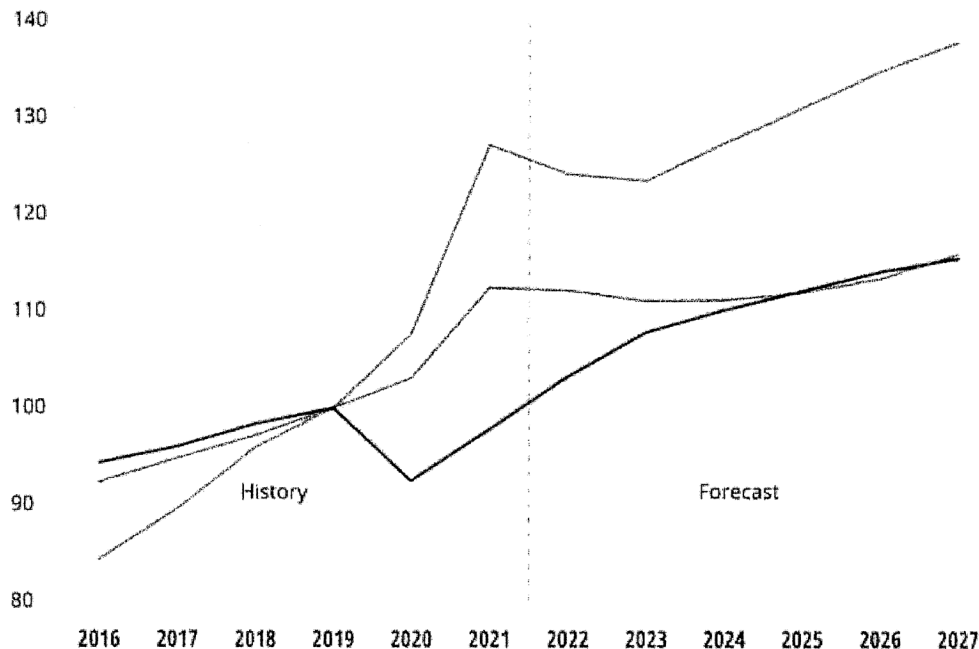
UNITED STATE ECONOMIC FORECAST Q2 2022

CONSUMER SPENDING INDEX 2019 = 100

FIGURE 2

Consumer spending, index, 2019 = 100

— Durables — Nondurables — Services



Source: Deloitte analysis.

Deloitte Insights | deloitte.com/insights

CONSUMER SPENDING GROWTH

FIGURE 3

Consumer spending growth

	History						Forecast					
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Real consumer spending	2.5	2.4	2.9	2.2	-3.8	7.9	2.9	1.7	1.5	1.5	1.6	1.7
Real consumer spending, durable goods	5.4	6.3	7.0	4.3	7.7	18.1	-2.4	-0.6	3.2	2.9	2.9	2.2
Real consumer spending, nondurable goods	2.5	2.7	2.5	2.9	3.1	9.1	-0.2	-1.0	0.1	0.7	1.3	2.3
Real consumer spending, services	2.0	1.8	2.4	1.7	-7.5	5.8	5.6	4.4	2.1	1.8	1.8	1.2
Net household wealth (US\$ trillion)	95	103	104	117	131.3	150	159	162	162	163	163	164
Unemployment rate (percent)	4.9	4.4	3.9	3.7	8.1	5.4	3.7	3.6	3.6	3.6	3.6	3.7
Consumer Price Index	1.3	2.1	2.4	1.8	1.2	4.7	7.4	2.6	1.9	2.2	2.3	2.3

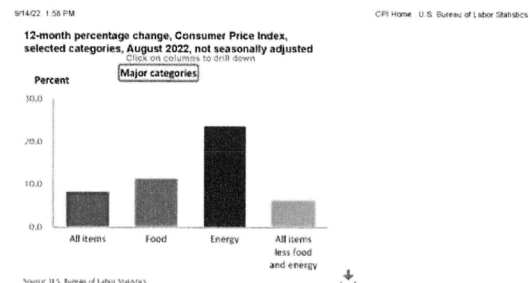
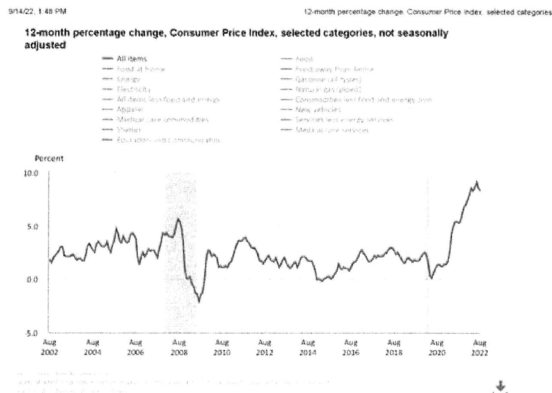
Source: Deloitte analysis.

Deloitte Insights | deloitte.com/insights

12-month percentage change, Consumer Price Index, selected categories

The Consumer Price Index for All Urban Consumers (CPI-U) rose 0.1 percent in August on a seasonally adjusted basis after being unchanged in July, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index increased 8.3 percent before seasonal adjustment.

The all items index increased 8.3 percent for the 12 months ending August, a smaller figure than the 8.5- percent increase for the period ending July. The all items less food and energy index rose 6.3 percent over the last 12 months. The energy index increased 23.8 percent for the 12 months ending August, a smaller increase than the 32.9-percent increase for the period ending July. The food index increased 11.4 percent over the last year, the largest 12-month increase since the period ending May 1979.



COLORADO

COLORADO ECONOMIC OUTLOOK

Colorado's job growth is expected to remain strong in 2022, exceeding 2021 growth. Job growth slows in the outyears, but continues to outpace the nation, as Colorado's unemployment rate is expected to settle at 3.3 percent, while the rate is projected to increase to 3.7 percent nationally by 2024. The inflation rate is expected to face additional upward pressure from shelter and service prices relative to the nation as a whole. Real retail sales growth remains positive in 2022 at a pace slightly higher than the U.S., but then similar to the country as a whole, turns negative in 2023 in the face of rising inflation.

COLORADO OUTLOOK - SALES AND USE TAX

Sales Tax

Following sales tax revenue collections of \$3.4 billion and 6.9 percent growth in FY 2020- 21, revenue is forecast to grow by 17.7 percent to \$4.0 billion in FY 2021-22, spurred by strong retail sales spending. Compared to the March forecast, this is an upward revision of \$111.4 million following above-expectation collections. FY 2022-23 and FY 2023-24 are also revised upward by \$103.7 million and \$144.2 million to \$4.2 billion and \$4.4 billion, respectively. The out-year upward revisions are largely due to the increased collections in FY 2021-22 elevating the base and inflation driving nominal growth over the forecast period, with real growth expected to be negative in FY 2022-23. Sales tax growth is largely predicated upon nominal state retail sales growth which grew by 16.5 percent in calendar year 2021 and is forecast to grow by 9.7 percent in 2022, 4.1 percent in 2023, and 3.8 percent in 2024.

This forecast also takes into account policy adjustments due to recent legislative action that are not fully incorporated into the broader sales tax base trend. These adjustments are forecast to result in a sales tax revenue reduction of \$27.6 million in FY 2021-22, a reduction of \$22.4 million in FY 2022-23, and an increase of \$21.3 million in FY 2023-24. The most significant change since the last forecast came with the passage of H.B. 22-1406, Qualified Retailer Retain Sales Tax, which allows certain businesses in the food services sector to deduct up to \$70,000 from net taxable sales for up to five locations each month. This deduction is allowed over the first quarter of FY 2022-23 and will result in an estimated sales tax revenue reduction of \$39.3 million.

While sales tax growth in FY 2021-22 of 17.7 percent is expected to come in well above forecast inflation levels, the forecast growth in FY 2022-23 is 5.1 percent, which is below inflation expectations (6.8 percent on a fiscal year basis). This means that while nominal sales tax growth in FY 2022-23 is forecast to be robust, it is a product of inflation, and real sales tax growth is forecast to be negative for the fiscal year. This is illustrated in Figure 39, depicting forecast sales tax growth falling below forecast inflation in FY 2022-23. Real sales tax revenue has been growing throughout FY 2019-20 and FY 2020-21, and growth is expected remain higher than the inflation rate in FY 2021-22. In FY 2023-24, sales tax revenue is forecast to rebound to slightly positive real growth above inflation expectations.

After historic sales tax revenue over the course of FY 2021-22, revenue growth is expected to weaken in the forecast out-years, slightly below the five-year average of 5.2 percent. With nominal consumer spending and retail sales expected to come down from current levels, nominal sales tax growth in the out-years will largely be a product of inflation with negative to flat real growth.

Use Tax

Use tax revenue increased 1.8 percent to \$214.2 million in FY 2020-21 and is forecast to increase by an additional 9.9 percent in FY 2021-22 to \$235.3 million. This is a slight downward revision of \$3.8 million from the March forecast following below-expectation collections. It is expected that use taxes will increase to \$254.4 million in FY 2022-23 and grow to \$263.2 million in FY 2023-24. These projections are revised upward from the March forecast by \$8.4 million and \$11.1 million respectively, primarily because of an elevated oil price forecast creating an expectation for higher levels of capital investment in the oil and gas industry. An increase in capital investment within this industry has historically led to growth in use tax collections. Near-term, positive expectations for residential construction also marginally drove the upward revision. These projections continue to assume that sales and use tax revenue have largely leveled off to their new equilibrium relationship after the change created by H.B. 19-1240, which codified the state's sales tax rules in response to the South Dakota v. Wayfair ruling.

SALES AND USE TAX REVENUE FORECAST

SALES AND USE TAX REVENUE FORECAST						
FISCAL YEAR	SALES (REVENUE)		USE REVENUE		TOTAL REVENUE	
	(MILLIONS)	GROWTH	(MILLIONS)	GROWTH	(MILLIONS)	GROWTH
FY 2020-21 (ACTUAL)	\$3,418.10	6.90%	\$214.20	1.80%	\$3,632.30	6.60%
FY 2021-22	\$4,023.90	17.70%	\$235.30	9.90%	\$4,259.20	17.30%
FY 2022-23	\$4,230.40	5.10%	\$254.40	8.10%	\$4,686.10	4.50%
FY 2023-24	\$4,422.90	4.60%	\$263.20	3.50%	\$4,686.10	4.50%

MARIJUANA SALES

After a 27.4 percent increase to \$245.5 million in FY 2019-20, the 15 percent special sales tax on marijuana retail sales increased by another 17.4 percent to \$288.2 million in FY 2020-21. Revenue is expected to decline by 10.9 percent in FY 2021-22 and resume slower growth in FY 2022-23 and FY 2023-24.

Total marijuana tax revenue grew 22.2 percent in FY 2020-21 as a result of a spike in sales during the height of the pandemic. Revenue has continued at historically high levels, but has fallen from the levels seen over the course of FY 2020-21 due to significantly lower prices and slowing growth in the quantity of marijuana sold. As a result, total marijuana revenue is expected to fall by 13.3 percent in FY 21-22, followed by an additional 2.6 percent reduction in FY 2022-23, and slow growth at 2.3 percent in FY 2023-24. These drags on marijuana revenue in FY 2021-22 and FY 2022-23 are driven both by the retail marijuana special sales tax and the wholesale (excise) marijuana tax by means of lower prices throughout the rest of the calendar year.

COLORADO OUTLOOK - MINERAL LEASE - SEPTEMBER 2021

Federal Mineral Lease (FML) revenue increased by 30.9 percent to \$82.0 million in FY 2020-21 and is expected to increase by an additional 59.9 percent in FY 2021-22 to \$131.2 million due to continued oil and gas price growth throughout the fiscal year. This is an upward revision of \$14.8 million from the March forecast following above-expectation payments during the interim as oil and gas prices have remained at elevated levels. While FML revenue is expected to tick downward over the forecast period, FY 2022-23 and FY 2023-24 are revised upward from March primarily as a product of above-average oil and gas price expectations over the course of 2022 and 2023.

COLORADO OUTLOOK - SEVERANCE - SEPTEMBER 2021

	SEVERANCE TAX REVENUE			
	ACTUAL	FORECAST	FORECAST	FORECAST
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
OIL & GAS	\$0.60	\$295.50	\$214.90	\$155.00
COAL	\$1.90	\$2.90	\$2.60	\$2.30
MOLY & METALS	\$2.20	\$2.50	\$2.30	\$2.10
INTEREST	\$10.00	\$9.40	\$9.70	\$9.70
TOTAL	\$14.70	\$310.30	\$229.50	\$169.10
CHANGE	-88.80%	2011.20%	-26.10%	-26.30%

Following the lowest severance tax revenue collections since 1990 in FY 2020-21 of \$14.7 million, collections have rebounded in FY 2021-22 and are expected to reach \$310.4 million. The upward shift in revenue is primarily due to increased oil and gas prices over the past 12 months, coupled with increased production. This substantial revision to the March forecast comes after \$184.3 million was collected in April – the highest monthly payment in recent history and likely the result of underestimated tax liability earlier in the fiscal year given lower oil and gas price expectations. This shift comes after demand fell sharply during the height of the pandemic in FY 2020-21, which led to lower prices and depressed production. Severance tax revenue for FY 2022-23 and FY 2023-24 is also revised upward on higher oil and gas prices to \$229.4 million and \$169.1 million, respectively, despite the slight drag from increased ad valorem credits discussed in more detail below.

Oil and gas severance tax revenue, which accounts for 97 to 98 percent of overall collections throughout the forecast period, is primarily dependent on production levels multiplied by price. West Texas Intermediate (WTI) oil prices are expected to remain above or near \$100 per barrel for the remainder of 2022 and stay above \$90 per barrel in 2023. These sustained high oil and gas prices through much of the forecast period will also spur increases in production, though these effects have been slow to materialize thus far. These joint effects are expected to drive severance tax revenue above average levels. More details on price and production can be found in the energy section of the economic outlook.

Finally, the increased price levels will lead to increased ad valorem credit claims by taxpayers, which are based on local property tax assessments on the value of oil and gas production. Oil and gas taxpayers can use the credit to reduce their severance tax liability by up to 87.5 percent of the real property taxes they most recently paid to their local governments, school districts, and special districts. That said, there is a one-to-two-year lag between when the production is valued by county assessors and when the credit is applied against state severance taxes. Thus, increased ad valorem credit claims are expected throughout the forecast out-years, but net revenue is still expected to remain above average in FY 2022-23 due to an elevated price forecast. In FY 2023-24, revenue returns closer to average levels as prices are expected to drop from current highs and ad valorem credit claims will have a greater, overall net negative effect on revenue.

DELTA COUNTY

DELTA COUNTY ECONOMIC OUTLOOK - Economic Summary

- The 2021 yearly average of employment is 13,599. This is better than 2020's 13,273, and close to 2019's 13,765. Overall, Delta County is now very close to the level of employment that existed in 2019.
- Two new standard of living measures were recently released for Delta County 2020 data. Median household income increased from \$51,525 to \$53,553. This is important because median household income for the United States fell from \$69,560 to \$67,521, which means Delta County did better than the nation.
- Poverty estimates were also released, showing that poverty numbers inched lower. The poverty estimate was 14.6% in 2018, down from 15.1% in 2019, and dropping to 12.1% in 2020.
- The U.S. inflation rate in February hit 7.9%. This is the highest inflation rate since 1982. Before Russia's invasion of Ukraine, a 3.5-4% inflation forecast by year end was a reasonable way to view inflation dynamics for the coming year. However, the RussiaUkraine crisis has changed the inflation forecast and has much larger implications for the world and U.S. economy, bringing with it significant macroeconomic and financial risks

DELTA COUNTY - EMPLOYMENT

Figure 4
Delta County and Colorado Unemployment Rates

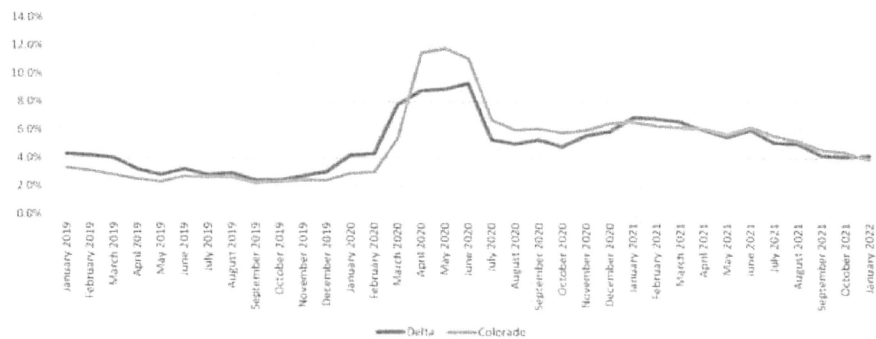


Figure 5
Number of Unemployed Delta County

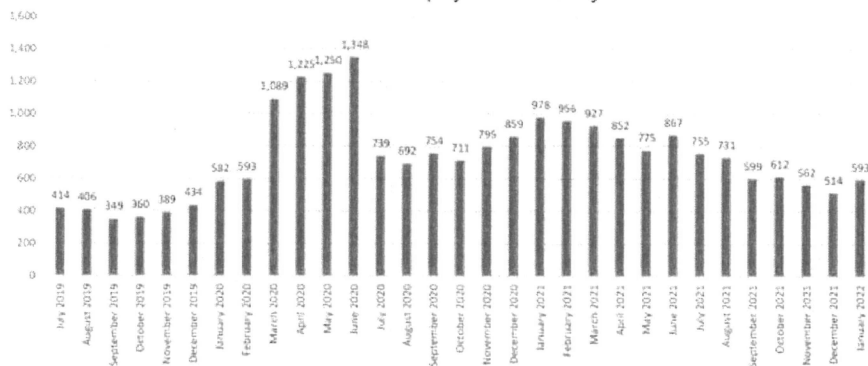
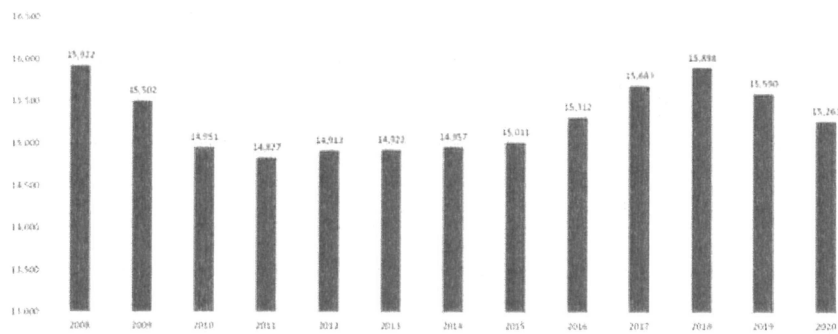


Figure 6
Total Full and Part Time Jobs (BEA)



DELTA COUNTY - LOCAL REAL ESTATE

LOCAL REAL ESTATE

	Q4 2021	Q4 2020	% change since last year
Real Estate			
Inventory of Homes for Sale (3 month avg)	100	133	-25.25%
New Residential listings (3 month total)	108	123	-12.20%
Sold Residential Listings (3 month total)	136	176	-22.73%
Median Sales Price	\$343,933	\$309,425	11.15%
Average Sales Price	\$378,921	\$356,060	6.42%
Days on Market	87.00	109.67	-20.67%
Months Supply of Inventory	2.03	2.73	-25.61%
Foreclosures			
Foreclosure Filings	6	3	100.00%
Foreclosure Sales	3	2	50.00%
Mortgage Rates			
15 Year Mortgage Rate	2.34%	2.29%	0.05%
30 Year Mortgage Rate	3.08%	2.76%	0.32%

SOURCES IN ORDER OF LISTING: Real Estate Data: Colorado Association of Realtors, Building Permits and Valuation: City of Delta and Orchard City totals; Foreclosure Filings and Sales: Delta County; Mortgage rates: Freddie Mac.

Local Real Estate Indicators

The Delta County real estate market continues to be tight, with inventory falling by 5% from last year, and median prices rising by 11.15%. Days on market have fallen by 20.67%, and months supply of inventory by 25.61%. All data points show a very tight housing market with limited inventory. The Federal Reserve is raising the Federal Funds rate and reducing their purchases of 10 year treasury bonds, with the goal of raising interest rates. The hope is to slow what has become one of the strongest housing markets in recent history.

Figure 12
Median and Average Home Values



OIL * GAS * COAL

Figure 17:
Oil/Gas Drilling Permits and Oil/Gas Jobs

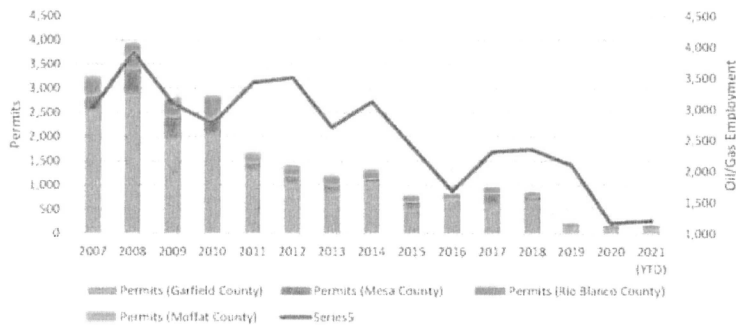
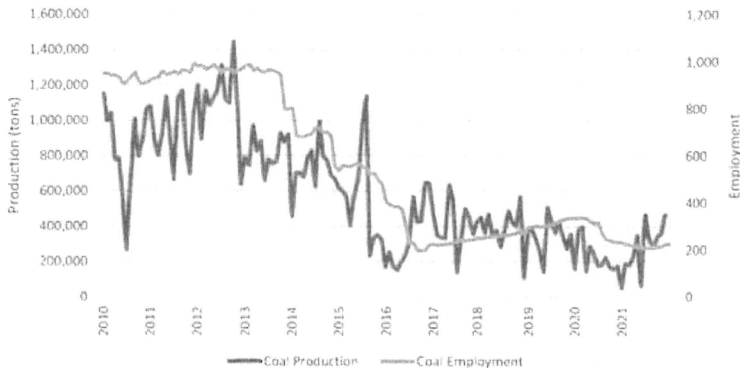


Figure 18:
Delta/Gunnison Coal Production and Employment



Western Slope Oil, Gas, and Coal

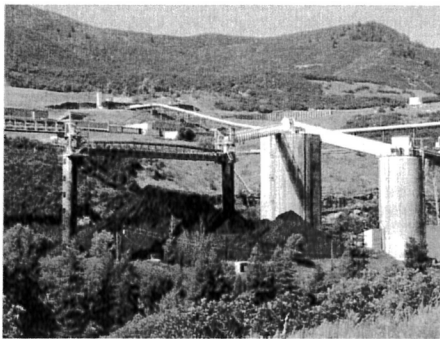
The Energy Information Agency (EIA) reports that in February, the natural gas spot price at Henry Hub averaged \$4.69/MMBtu, while Brent crude oil averaged \$97 per barrel. There is much uncertainty in energy markets currently due to Russia's invasion of Ukraine. EIA forecasts Brent crude oil to average \$117 per barrel in March, and \$102 per barrel for the second half of 2022. U.S. retail gasoline prices averaged \$3.52 in February, while Gasbuddy.com shows that the average gas price as of March 14th in Mesa County ranged between \$3.83 and \$4.05.

How rising oil and gas prices affects the Piceance Basin remains to be seen. In the past when oil, and specifically natural gas prices rise the region would see rig activity pick up, but there are still two rigs operating in the Piceance as of March 14th. There was an uptick in jobs and wages in this industry but for employment and wages to really pick up rig activity will have to increase.

Comparing 2020 to 2021, West Elk Mine production has increased by 22%, while mining jobs have fallen by 24%.

COAL MINING

Coal mining in Colorado dates back to 1864. Colorado coal is mostly bituminous and sub-bituminous, and is characterized as a high heat content, low sulfur, low to medium ash, and low mercury coal. Coal provides the fuel to generate about 68 percent of Colorado's electricity. It currently provides the 'base-load' fuel source for most of today's



electrical needs. At current growth and consumption rates Colorado’s mineable coal could supply its economy for over 259 years. However, growing world demand for energy over the next 25 years is predicted to increase fossil fuel consumption by 60 percent, so Colorado coal may be in higher demand to other states and foreign exports. Currently, Colorado mines ship coal to 24 other states and to Mexico and Europe.

West Elk is an underground mining complex located in Gunnison County, Colorado. Located in the West Elk Mountains just east of the town of Paonia, the West Elk mine is one of the largest coal mines in Colorado. It covers more than 20 square miles of the Gunnison National Forest next to the West Elk Wilderness Area.

West Elk employs some 254 people as of 2021 and is the last coal mine still operating in Colorado’s North Fork Valley.

Raw coal from West Elk mine is shipping via the Union Pacific railroad. The loadout facility can load an 11,000-ton train in less than three hours.

Production:

COMMODITY	UNITS	2021	2020	2019	2018	2017	2016	2015
Thermal Coal	M tons	3.3	2.5	4.1	4.8	4.9	4.0	5.1

Reserves at December 31, 2021:

CATAGORY	TONAGE	COMMODITY
Proven	46.9 M tons	Thermal
Coal		
Probable	5.0 M tons	Thermal
Coal		
Proven & Probable	51.9 M tons	Thermal Coal

SOLAR ENERGY

The solar energy sector in Colorado has created new opportunities in electricity generation, research and development and manufacturing.

SOLAR ENERGY INTERNATIONAL is located southwest of Paonia, Colorado.

SEI’s Purpose
Our purpose is to empower students, alumni, and partners to expand a diverse, inclusive, well-trained and educated solar workforce and spread the knowledge of how to safely deploy industry-leading technology. Our aim is to mitigate climate change, promote sustainable economic growth, and support energy independence.

SEI’s Solar Professional Certificate Program (SPCP) is the industry’s most comprehensive training program. With custom program tracks, SPCP prepares professionals with foundational solar skills and technical theory in the solar industry segment of their choice. The SPCP is designed for individuals who want to distinguish themselves among employers and clients who care about quality, skilled solar design, installation, operations, and maintenance. All SPCP tracks are a combination of hands-on, safety, and technical skills training.



Broadband

Broadband has emerged as a critical component of economic development. Economic research shows the introduction of broadband services boosts employment growth, reduces unemployment rates, and helps attract and retain high value-added firms and workers. These positive impacts are particularly large in rural or isolated areas.

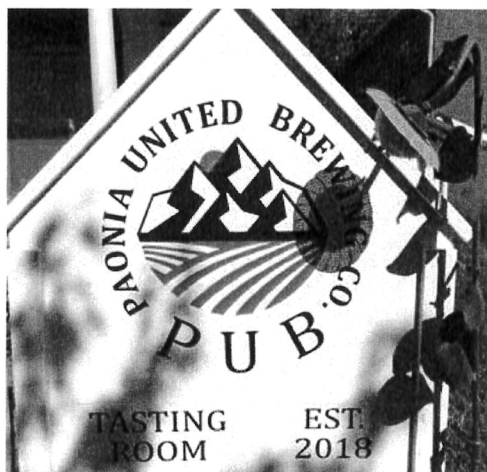
Broadband access allows many rural communities the potential to attract remote workers and location-neutral businesses that can help diversify the economic base, but there are many other benefits, including public safety and health care. Many rural areas of the state would benefit greatly from tele-medicine and remote health care monitoring that have the promise to reduce health care costs while improving outcomes. Broadband availability to schools and educators across the state, especially in rural areas, is also a critical need that has been addressed over the past decade by the state.

[illegible]

Brewing

Paonia is home to **Paonia** ([https://en.wikipedia.org/wiki/Revolution_Brewing_\(Colorado\)](https://en.wikipedia.org/wiki/Revolution_Brewing_(Colorado))) United Brewing Co. and Chrysalis Brewery. Paonia United Brewing Company is dedicated to making and serving high quality, small batch craft beer in the Town of Paonia to be enjoyed by local patrons and visitors of the North Fork Valley.

Chrysalis Brewery grows their own barley and rely heavily on surrounding orchards and farms to source the best ingredients available to create an "Origin Beer" which is unique and unlike any other beer in the state. Their beers and flavors started from the ground up right here in the North Fork Valley.



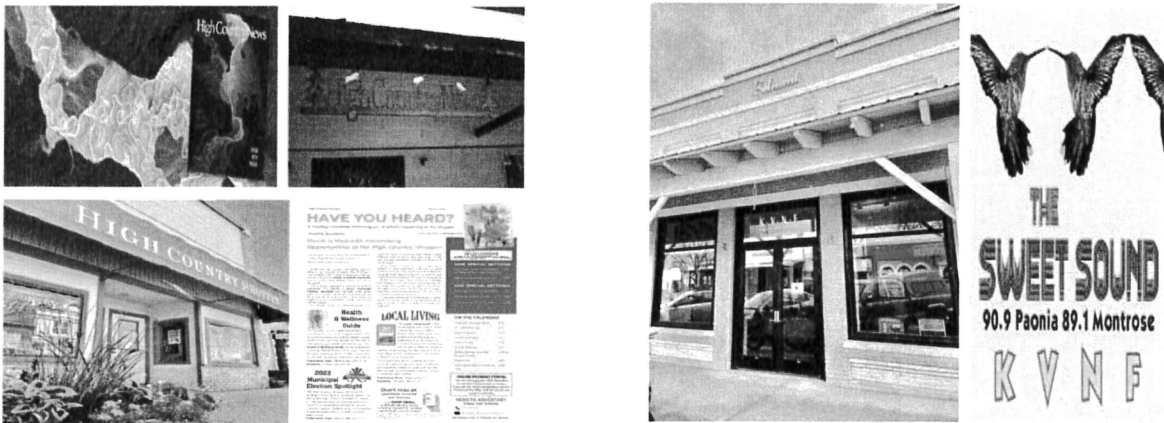
Media

The publishing sector includes any firm that issues print or electronic copies of original works for which they own a copyright, excluding internet firms. Products include software, newspapers, periodicals, books, directories, databases, calendars, and greeting cards. The types of products produced by the publishing industry has diversified to include an increasing amount of electronic and internet-based products, such as audio, downloadable files, digital books, and mobile device applications.

High Country News is a nonprofit 501(c)3 independent media organization that covers the important issues and stories that define the American West. Our mission is to inform and inspire people – through in-depth journalism – to act on behalf of the West's diverse natural and human communities. Our print and online magazine has more than 36,000 subscribers, including policymakers, educators, public land managers, environmental professionals, outdoor enthusiasts and thousands of other “people who care about the West.” Our website attracts nearly 400,000 sessions each month, and our online archives (<https://www.hcn.org/issues>) are unusually deep, from the first issue in 1970 to today.

Paonia is served by a section in the *Delta County Independent*. Now owned by Wick Communications the same company that owns the Montrose Daily Press. The area is also served by the monthly *North Fork Merchant Herald* founded in 1996 by the Hotchkiss Community Chamber of Commerce, was taken private by Raven Rumours Press in 1999 published in nearby Hotchkiss and *The High Country Shopper*, is published in Paonia.

Community radio station KVNF (<https://en.wikipedia.org/wiki/KVNF>) was founded in Paonia and continues to have studios in downtown Paonia. KVNF Community Radio has been serving the western slope of Colorado since 1979 with news programs from National Public Radio, alternative news programming, local news and current affairs and an eclectic mix of musical genres with an emphasis on independent recording artists. It's a rural service network providing public radio programming for the Western Slope region of Colorado. Starting with 10 watts of power in a garage on a mesa overlooking the town of Paonia, KVNF has grown to serve parts of 6 rural counties with two transmitters and five translators and thousands of watts of power.



HISTORY OF FUNDING

There are 2 types of grant programs available to municipalities:

- project-specific grants: one-time funding based on a particular project
- allocation-based grants: annual grants based on criteria such as population, road length and other municipal information

Municipalities may want to use more than one type of provincial grant program to fund a single project. This is known as grant stacking, and is subject to specific conditions.

Some project specific grant programs require their funding to be approved prior to applying for allocation-based funding. It is the responsibility of the municipality to understand the requirements of the grant, including additional approvals, reporting, applications, as well as cost-sharing requirements or limits.



FUNDING HISTORY

TOWN OF PAONIA - GRANT / PRINIPAL FORGIVENESS / BOND HISTORY - 2014-2021

AGENCY	BEG	END	PURPOSE	AMOUNT	MATCH	RETURNED	NET AMOUNT RECEIVED	AWARDED AMOUNT PENDING	APPLIED AWAITING AWARD	DENIED
CWCB	2014	2014	ZMG	337,984.00			337,984.00			
DOLA	2014	2018	ZMG+IMG+DIST	1,000,000.00	500,000.00		1,000,000.00			
WPA	2014	2015	ZMG	847,920.00			847,920.00			
DOLA	2014	2016	TM	94,872.46			94,872.46			
WPA	2015	2019	ZMG+DIST	3,000,000.00			3,000,000.00			
DOLA	2015	2015	IMG	200,000.00			200,000.00			
BOETTCHER	2017	2020	SPACE TO CREATE	35,000.00			35,000.00			
DOLA REDI	2018	2018	FEASIBILITY STUDY	12,500.00			12,500.00			
DOLA	2018	2019	MARKET SURVEY	14,161.61			14,161.61			
CCI	2018	2019	MARKET SURVEY/PREDEVELOPMENT	50,000.00		45,000.00	5,000.00			
USDOT	2018	2018	Street Rehabilitation	19,800,000.00	10.0%					19,800,000.00
CML	2018	2018	Repair/Replace Samuel Wade Bridge	2,000,000.00	20.0%					2,000,000.00
GOCO	2018	NA	Parks, trails planning	57,000.00	10.0%					57,000.00
GOCO	2018	NA	Poulos Park Renovation	26,250.00	10.0%					26,250.00
CDOT	2018	NA	Safe Routes to Schools, Streets & Sidewalks	485,000.00	20.0%					485,000.00
NEA Our Town	2018	2019	Grand Avenue Creative Corridor Planning	95,000.00	95,000 Cash/In-kind					95,000.00
CDPHE	2019	2019	STORM DRAIN/SEWER	89,462.00			89,462.00			
DOLA	2019	2019	MARIJUANA ENFORCEMENT	6,117.00			6,117.00			
DOLA	2019	2020	MARIJUANA ENFORCEMENT	8,473.76			8,473.76			
AARP	2019	2019	POULOS PARK	10,000.00			10,000.00			
COLOGRANT	2019	2019	ELLEN HANSON SMITH CENTER	15,000.00			15,000.00			
Delta County	2019	2020	Town Park - Teen Center roof repair playground upgrades	50,000.00	None					
NEA	2019	2019	NEA Leadership Institute							
Region 10	2019	2019	Wayfinding	5,000.00	None					
CRC/AmeriCorp VISTA	2019	2020	VISTA Volunteer for Town Planning & Creative District	3,175.00						
NF Rotary/West Elk Community Fund	2019	2019	Poulos Park	2,000.00	None		\$2000.00			
DOLA	2020	2021	ADMINISTRATIVE-WATER SYSTEM ANALYSIS	14,000.00	14,000.00			14,000.00		
GOCO	2020		PARK MASTER PLANNING	66,830.00	10,000.00			66,830.00		
DOLA	2020		TIER 1-ASSET INVENTORY	48,629.00	48,629.00			48,629.00		
DOLA	2020	2021	COVID RELIEF FUND	125,232.27				125,232.27		
DOLA-REDI	2020		ECONOMIC SURVEY-DIVERSIFICATION PLAN	35,000.00					35,000.00	
CDOT	2020		REVITALIZING DOWNTOWN	46,342.00	10% IN-KIND				46,342.00	
CPW	2020		PASS THROUGH W/RED FEATHER BOWMAN	5,000.00	1,250 IN-KIND					5,000.00
COURTOWN	2021		PASS THROUGH W/ PARADISE	50,000.00	50,000/PARADISE				50,000.00	
DOLA	2021		AMERICAN RESCUE PLAN FUNDS	369,232.00			184,616.00		184,616.00	
				29,005,181.10		45,000.00	5,678,490.83	254,691.27	131,342.00	22,468,250.00

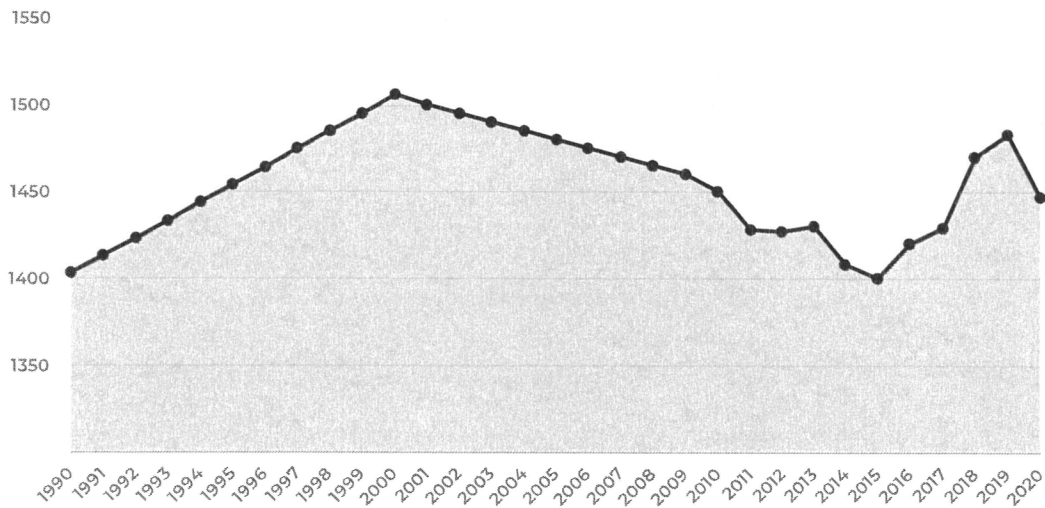
Population Overview



TOTAL POPULATION
1,447

▼ 2.4%
vs. 2019

GROWTH RANK
184 out of **360**
Municipalities in Colorado



* Data Source: U.S. Census Bureau American Community Survey 5-year Data and the 2020, 2010, 2000, and 1990 Decennial Censuses

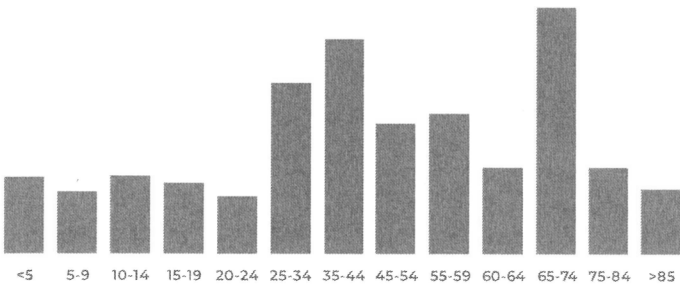


DAYTIME POPULATION
1,530

Daytime population represents the effect of persons coming into or leaving a community for work, entertainment, shopping, etc. during the typical workday. An increased daytime population puts greater demand on host community services which directly impacts operational costs.

* Data Source: American Community Survey 5-year estimates

POPULATION BY AGE GROUP



Aging affects the needs and lifestyle choices of residents. Municipalities must adjust and plan services accordingly.

* Data Source: American Community Survey 5-year estimates

Household Analysis

TOTAL HOUSEHOLDS

746

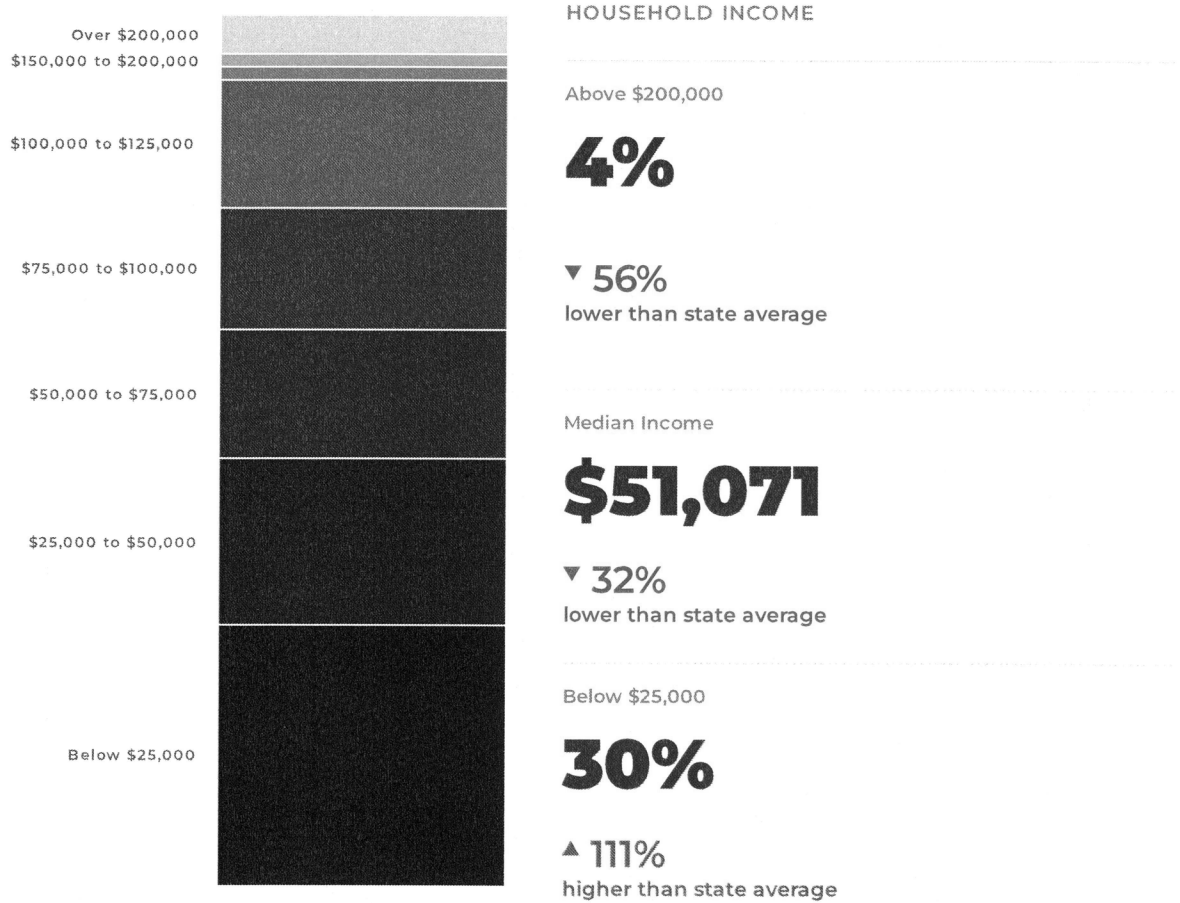
Municipalities must consider the dynamics of household types to plan for and provide services effectively. Household type also has a general correlation to income levels which affect the municipal tax base.



* Data Source: American Community Survey 5-year estimates

Economic Analysis

Household income is a key data point in evaluating a community's wealth and spending power. Pay levels and earnings typically vary by geographic regions and should be looked at in context of the overall cost of living.

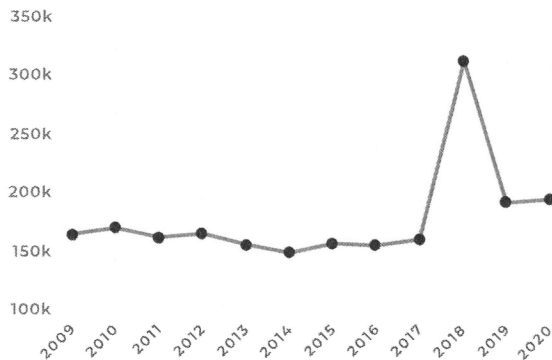


* Data Source: American Community Survey 5-year estimates

Housing Overview

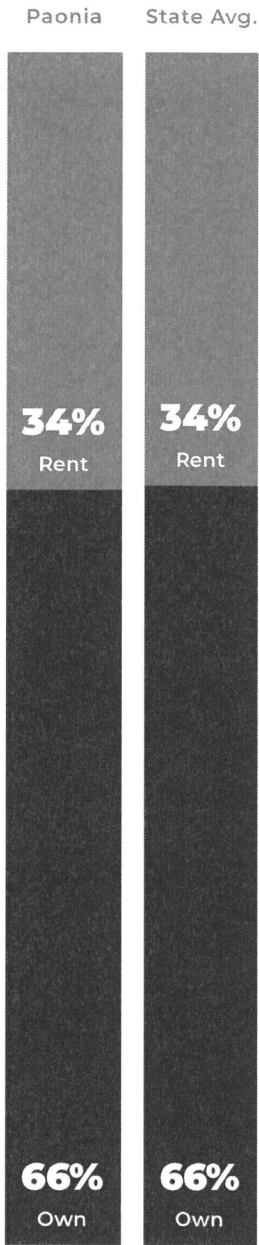


2020 MEDIAN HOME VALUE
\$193,800

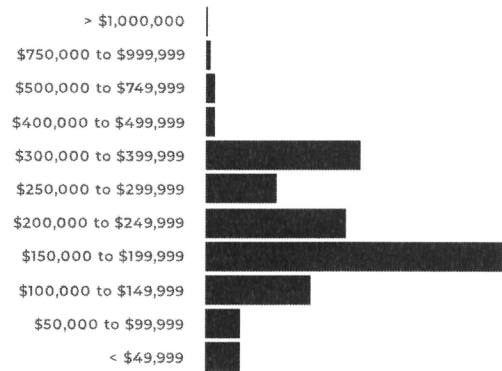


** Data Source: 2020 US Census Bureau
(<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.*

HOME OWNERS VS RENTERS



HOME VALUE DISTRIBUTION

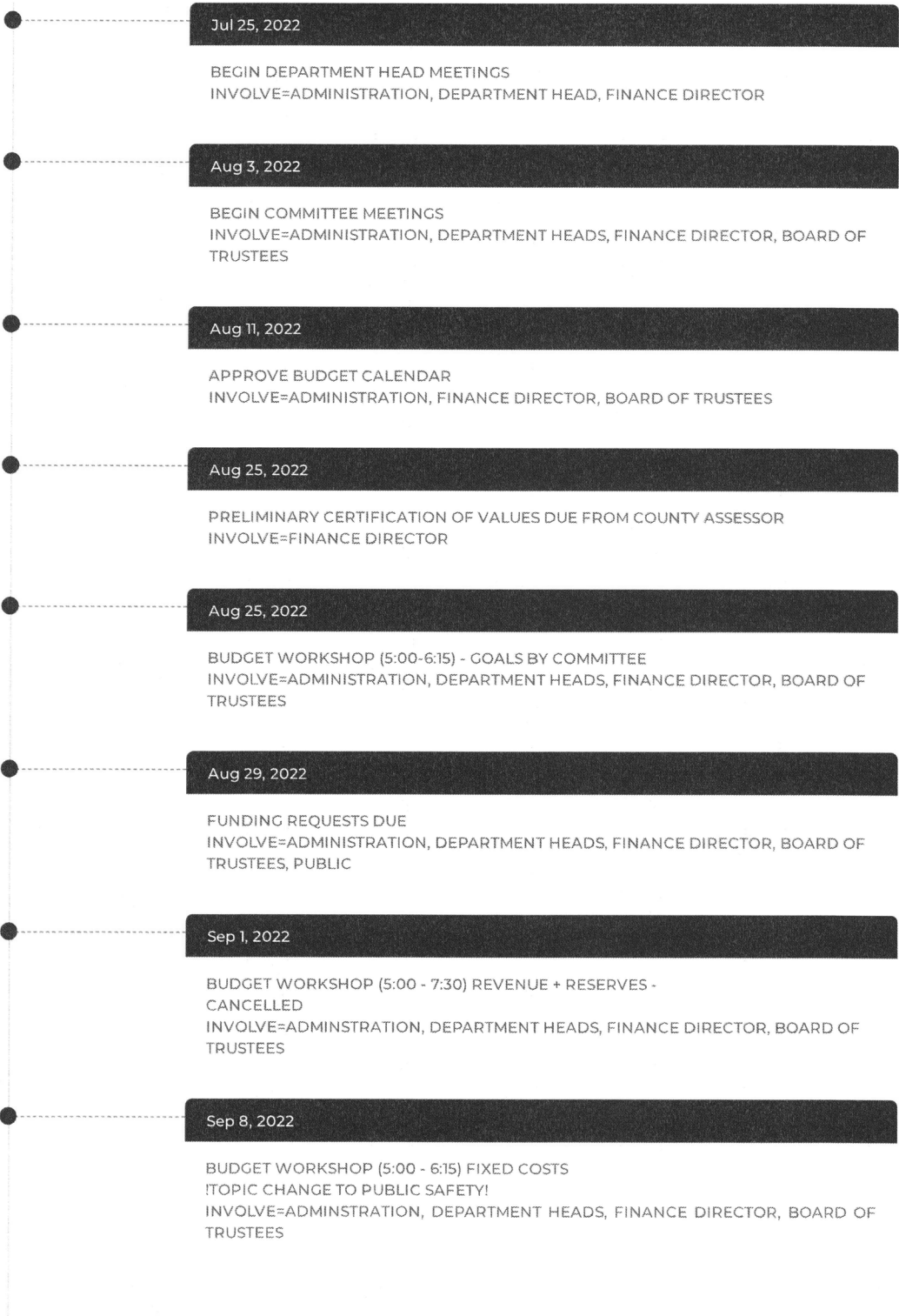


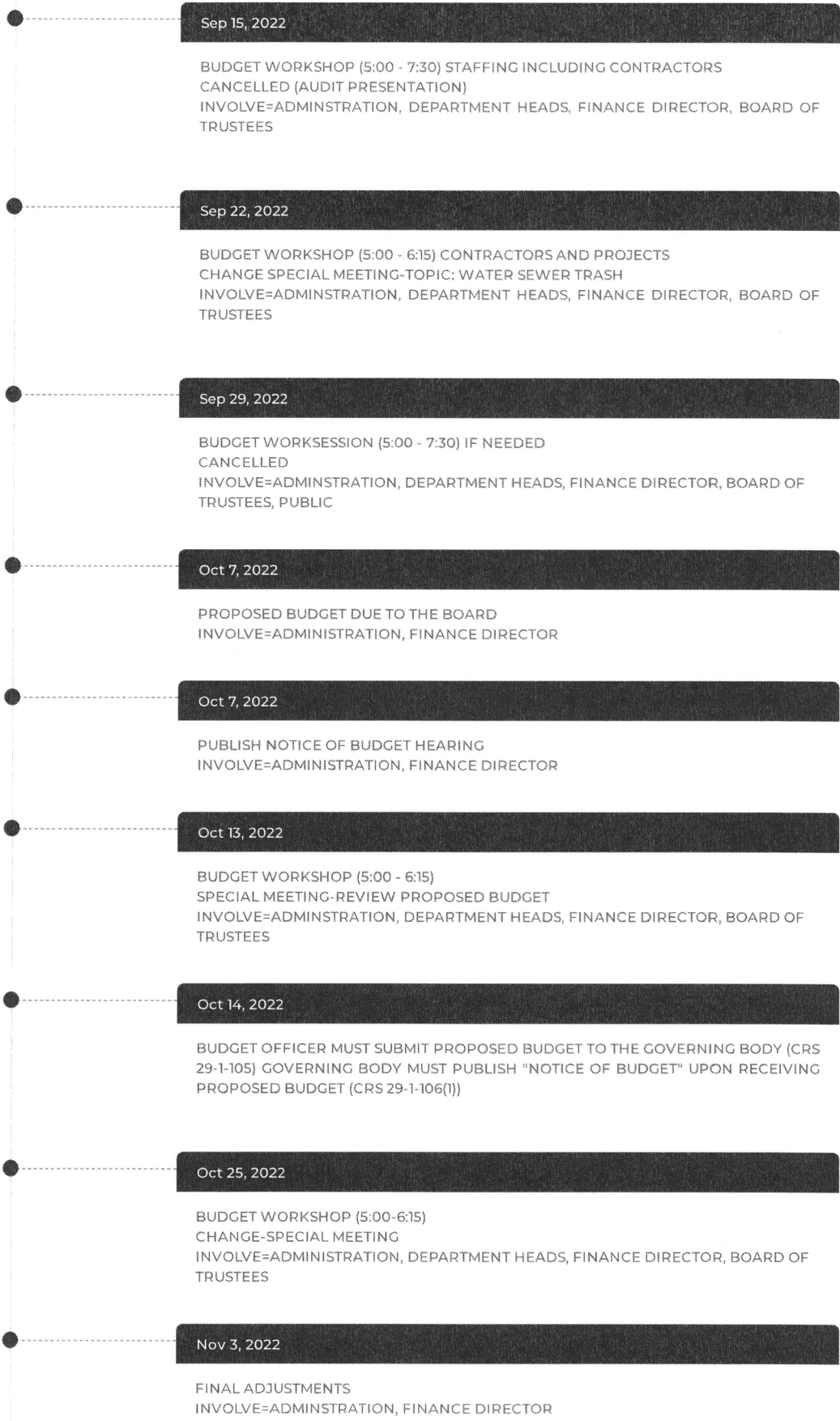
** Data Source: 2020 US Census Bureau
(<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.*

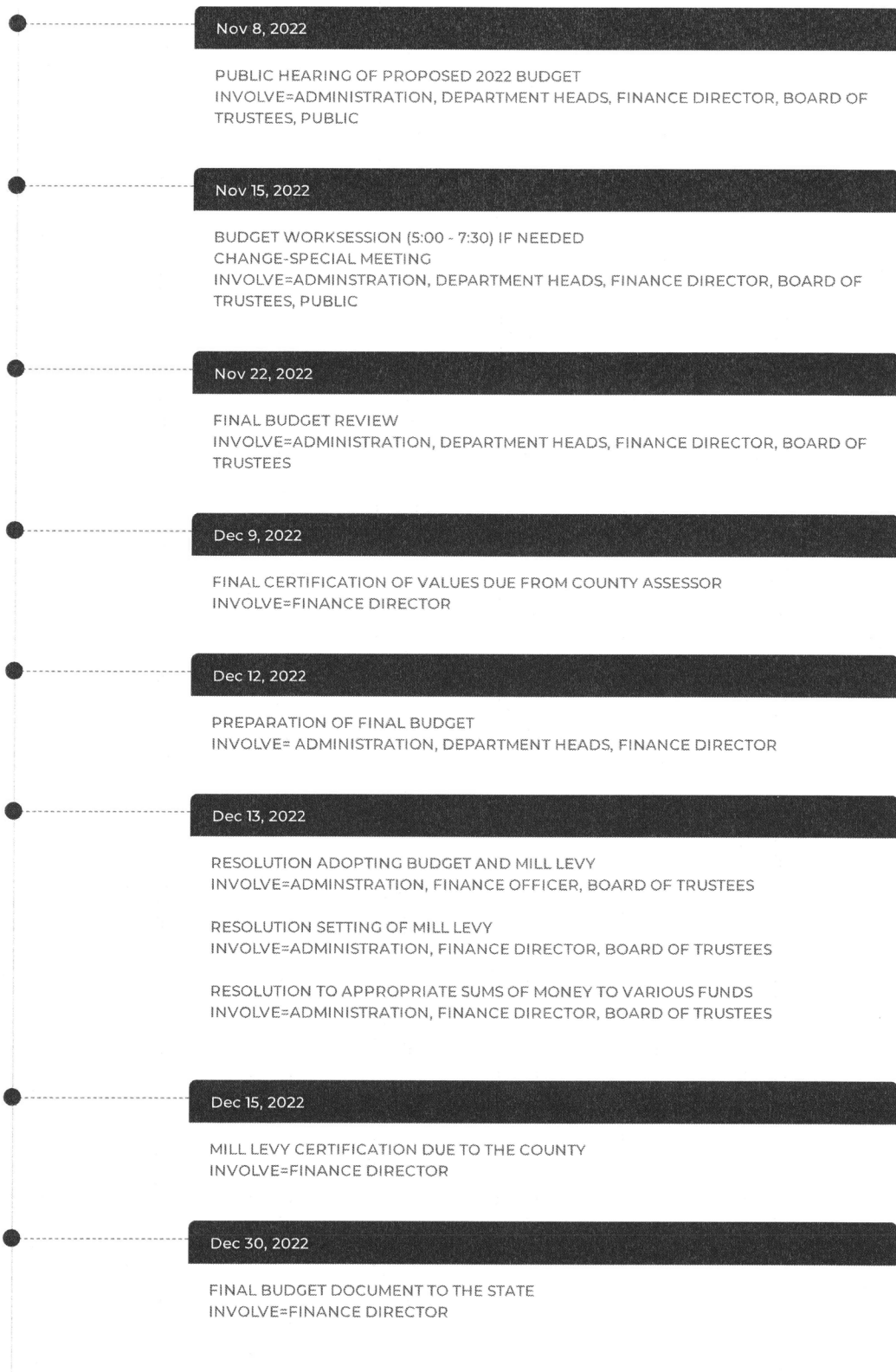
** Data Source: 2020 US Census Bureau
(<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.*

Budget Timeline

The annual budget process includes considerable staff participation from all departments and Board of Trustees direction concerning key policy areas. The public has the opportunity to participate with comments, concerns or budget requests during public work sessions and a public hearing prior to adoption of the budget. The budget process spans a great portion of the year. The following summarizes the 2021 budget schedule:







BUDGET PROCESS

The mission of the budget process is to help the Board of Trustees make informed choices for the provision of services, acquisition and development of capital assets, and to promote citizen participation in the decision process.

The development of the budget is an on-going process that takes place throughout the entire year.

There are four principle elements to the budget process.

- 1. Development of broad long term goals that provide overall direction for the Town and serve as a basis for decision-making.
- 2. Development of specific policies and strategies to assist the Town in achieving its goals.
- 3. Development of a financial plan and budget that allocates resources necessary to implement the specific policies and strategies to achieve long term goals.
- 4. Ongoing assessment of performance and progress that has been made towards achievement of the Town's goals.

MUNICIPAL CODE

The Board of Trustees and staff adheres to the following legal requirements pursuant to the Paonia Colorado - Municipal Code Chapter 4 - Revenue and Finance

Chapter 4 - REVENUE AND FINANCE

ARTICLE 1. - GENERAL PROVISIONS

- Sec. 4-1-10. - Fiscal year established.
 - (a) The fiscal year of the Town shall commence on the first day of the calendar year.
 - (b) The Board of Trustees shall, within the last quarter of each fiscal year, pass the ordinances required known as the annual appropriation bill for the next fiscal year.

(Ord. No. III, § 1, 1910; Ord. No. 2014-04, § 1, 1-13-2015)

- Sec. 4-1-20. - Property exempt from taxation.
 - (a) The same amount and kind of property, real and personal, shall be exempt from assessment and taxation for Town purposes as are now or may hereafter be exempt from assessment and taxation for County purposes under the general law; and all kinds of property within the Town limits that are subject to assessment and taxation for County purposes shall be subject to assessment for Town purposes.
 - (b) When the equalization of the value of property within the Town limits has been made in each year by the County Commissioners, as required by law, it shall be the duty of the Town Treasurer to correct the duplicate return therefrom made to the Board by the County Assessor of such property in accordance with changes in valuation of the same adopted by the County Commissioners. The Board of Trustees shall, by resolution, levy upon the real and personal property described in such annual return such sum as may be required for any purpose for which it may be authorized to levy, and it shall also specify therein the rate of taxation as fixed by it for Town purposes upon all property within the limits of the Town. The Town Clerk shall then certify a copy of the resolutions to the County Clerk, who shall proceed to extend the Town taxes upon the tax list of the current year as required by law.

(Ord. No. III, §§ 2, 3, 1910; Ord. No. 2014-04, § 1, 1-13-2015)

ARTICLE 2. - GENERAL AND SPECIAL FUNDS

- Sec. 4-2-10. - Custody and management of funds.

Moneys in the funds created in this Chapter shall be in the custody of and managed by the Town Treasurer. The Town Treasurer shall maintain accounting records and account for all of said moneys as provided by law. Moneys in the funds of the Town shall be invested or deposited by the Town Treasurer in accordance with the provisions of law. All income from the assets of any fund shall become a part of the fund from which derived and shall be used for the purpose for which such fund was created; provided that, except as otherwise provided in this Code or by other ordinances or laws, the Board of Trustees may transfer out of any fund any amount at any time to be used for such purpose as the Board of Trustees may direct.

(Ord. No. 2014-04, § 1, 1-13-2015)

- Sec. 4-2-20. - General Fund created.

There is hereby created a fund, to be known as the General Fund, which shall consist of the following:

- (1) All cash balances of the Town not specifically belonging to any existing special fund of the Town.
- (2) All fixed assets of the Town (to be separately designated in an account known as the General Fund Fixed Assets) not specifically belonging to any existing special fund of the Town.

(Ord. No. 2014-04, § 1, 1-13-2015)

- Sec. 4-2-30. - Capital Improvement Fund created.

There is hereby created a special fund, to be known as the Capital Improvement Fund, and the funds therein shall be used only for the purposes allowed by law.

(Ord. No. 2014-04, § 1, 1-13-2015)

- Sec. 4-2-40. - Conservation Trust Fund created.

There is hereby created a special fund, to be known as the Conservation Trust Fund, and the funds therein shall be used only for the purposes allowed by law.

(Ord. No. 2014-04, § 1, 1-13-2015)

- Sec. 4-2-50. - Sales Tax Capital Improvement Fund created.

Pursuant to Section 29-2-111, C.R.S., there is hereby created a Sales Tax Capital Improvement Fund for the deposit of all revenues derived from the imposition of the additional one percent (1%) sales tax as provided in this Chapter. All monies deposited with said fund shall be used solely to provide for capital improvements to the Town.

(Ord. No. 92-02, § 7, 1992; Ord. No. 2014-04, § 1, 1-13-2015)

- Sec. 4-2-60. - Sewer Enterprise Fund created.

There is hereby created a special fund, to be known as the Sewer Enterprise Fund, and the funds therein shall be used only for the purposes allowed by law. For provisions regarding the Water and Sewer Activity Enterprise, see Chapter 13 (https://library.municode.com/co/paonia/codes/municipal_code?nodeId=CH13MUUT), Article 4 of this Code.

(Ord. No. 2014-04, § 1, 1-13-2015)

- Sec. 4-2-70. - Water Enterprise Fund created.

There is hereby created a special fund, to be known as the Water Enterprise Fund, and the funds therein shall be used only for the purposes allowed by law. For provisions regarding the Water and Sewer Activity Enterprise, see Chapter 13 (https://library.municode.com/co/paonia/codes/municipal_code?nodeId=CH13MUUT), Article 4 of this Code.

(Ord. No. 2014-04, § 1, 1-13-2015)

- Sec. 4-2-80. - Sidewalk replacement fund created.

There is hereby created a special fund, to be known as the Sidewalk Replacement Fund, and the funds therein shall be used only for the purposes allowed by law.

(Ord. No. 2014-09, § 2(F), 1-13-2015)

ARTICLE 3. - SALES TAX

- Sec. 4-3-10. - Purpose.

The purpose of this Article is to impose an additional one percent (1%) sales tax on the sale of tangible personal property at retail, and the furnishing of services as provided in Section 29-2-105(1)(d), C.R.S., upon every retailer in the Town.

(Ord. No. 369, § 1, 1977; Ord. No. 2014-04, § 1, 1-13-2015; Ord. No. 2018-02
(https://library.municode.com/co/paonia/ordinances/municipal_code?nodeId=911147), 4-24-18)

- Sec. 4-3-20. - Definitions.

For the purposes of this Article, the definitions of words herein contained shall be as defined in Section 39-26-102, C.R.S., and said definitions are incorporated herein by this reference.

(Ord. No. 369, § 2, 1977; Ord. No. 92-02, § 2, 1992; Ord. No. 2014-04, § 1, 1-13-2015; Ord. No. 2018-02
(https://library.municode.com/co/paonia/ordinances/municipal_code?nodeId=911147), 4-24-18)

◦ Sec. 4-3-30. - Schedule of sales tax.

(a) There is hereby imposed on all sales of tangible personal property at retail and the furnishing of services as provided in Section 39-26-104, C.R.S., a sales tax of three percent (3%). The tangible personal property and services taxable pursuant to this Article shall be the same as the tangible personal property and services taxable pursuant to Section 39-26-104, C.R.S., and subject to the same exemptions as those specified in Section 39-26-701, et seq., C.R.S., except the exemption allowed by Section 39-26-709, C.R.S., for purchases of machinery or machine tools, the exemption of sales and purchases of machine tools, the exemption of sales and purchases of those items in Section 39-26-715, C.R.S., and the types of exemptions for sales of food specified in Sections 29-2-105(6) and (7), C.R.S. The imposition of the tax on individual sales shall be in accordance with schedules set forth in the rules and regulations promulgated by the Department of Revenue or by separate ordinance of the Town. If any vendor, during any reporting period, shall collect as a tax an amount in excess of two percent (3%) of his or her total taxable sales, he or she shall remit to the Director of Revenue the full amount of the tax herein imposed and also such excess.

(b) The collection, administration and enforcement of this sales tax shall be performed by the Director of Revenue of the State in the same manner as the collection, administration and enforcement of the state sales tax. The provisions of Article 26, Title 39, C.R.S., Article 21, Title 39, C.R.S., and Article 2, Title 29, C.R.S., and all rules and regulations promulgated by the Director of Revenue shall govern the collection, administration and enforcement of the sales tax imposed by this Article.

(Ord. No. 369, § 5, 1977; Ord. No. 92-02, § 5, 1992; Ord. No. 92-03, § 2, 1992; Ord. No. 2014-04, § 1, 1-13-2015; Ord. No. 2018-02 (https://library.municode.com/co/paonia/ordinances/municipal_code?nodeId=911147), 4-24-18)

◦ Sec. 4-3-40. - Distribution of sales tax.

(a) Two percent (2%) of the three percent (3%) sales tax shall be added to the General Fund.

(b) One percent (1%) of the three percent (3%) sales tax shall be added to the Capital Improvement Fund, to be used for any capital improvements within the Town.

(Ord. No. 371, §§ 1, 2, 1977; Ord. No. 92-02, § 1, 1992; Ord. No. 2014-04, § 1, 1-13-2015; Ord. No. 2018-02 (https://library.municode.com/co/paonia/ordinances/municipal_code?nodeId=911147), 4-24-18)

◦ Sec. 4-3-50. - General provisions.

(a) For the purpose of collection, administration and enforcement of this Article by the Executive Director of Revenue, the provisions of Title 39, Article 26, C.R.S., shall be deemed applicable and incorporated into this Article.

(b) The amount subject to tax under this Article shall not include the state sales and use tax imposed by Title 39, Article 26, C.R.S.

(c) For the purpose of this Article, all retail sales shall be considered consummated at the place of business of the retailer, unless the tangible personal property sold is delivered by the retailer or his or her agent to a destination outside the Town or to a common carrier for delivery to a destination outside the limits of the Town.

(d) The gross receipts from sales shall include delivery charges when such charges are subject to the state sales and use tax imposed by Article 26, Title 39, C.R.S., regardless of the places to which delivery is made.

(e) In the event a retailer has no permanent place of business in the Town or has more than one (1) place of business, the place at which the retail sales are consummated for the purpose of this sales tax shall be determined by the provisions of Title 39, Article 26, C.R.S., and by rules and regulations promulgated by the Department of Revenue.

(Ord. No. 369, § 4, 1977; Ord. No. 92-02, § 4, 1992; Ord. No. 2014-04, § 1, 1-13-2015; Ord. No. 2018-02 (https://library.municode.com/co/paonia/ordinances/municipal_code?nodeId=911147), 4-24-18)

◦ Sec. 4-3-60. - Exemptions.

(a) All sales of personal property on which a specific ownership tax has been paid or is payable shall be exempt from the Town sales tax when such sales meet both of the following conditions:

(1) The purchaser is a nonresident of, or has his or her principal place of business outside of the Town; and

(2) Such personal property is registered or required to be registered outside the limits of the Town under state laws.

(b) In the event the maximum limitation provided for by state statute, is to be exceeded in the Town by a proposed county sale or use tax, such limitation shall be exceeded by a stated rate in the Town.

(Ord. No. 369, § 4, 1977; Ord. No. 92-02, § 4, 1992; Ord. No. 2014-04, § 1, 1-13-2015; Ord. No. 2018-02 (https://library.municode.com/co/paonia/ordinances/municipal_code?nodeId=911147), 4-24-18)

- Sec. 4-3-70. - Non-applicability of sales tax.

This sales tax shall not apply to the sale of construction and building materials, as the term is used in Section 29-2-109, C.R.S., if such materials are picked up by the purchaser and if the purchaser of such materials presents to the retailer a building permit or other documentation acceptable to the Town evidencing that a local use tax has been paid or is required to be paid.

(Ord. No. 92-02, § 4, 1992; Ord. No. 2014-04, § 1, 1-13-2015; Ord. No. 2018-02
(https://library.municode.com/co/paonia/ordinances/municipal_code?nodeId=911147), 4-24-18)

- Sec. 4-3-80. - Credit.

This sales tax shall not apply to the sale of tangible personal property at retail or the furnishing of services if the transaction was previously subjected to a sale or use tax lawfully imposed on the purchaser or user by another statutory or home rule municipality equal to or in excess of three percent (3%). A credit shall be granted against the Town's sales tax with respect to such transaction equal in amount to the lawfully imposed local sales or use tax previously paid by the purchaser or user to the previous statutory or home rule municipality. The amount of the credit shall not exceed three percent (3%).

(Ord. No. 92-02, § 4, 1992; Ord. No. 92-03, § 1, 1992; Ord. No. 2014-04, § 1, 1-13-2015; Ord. No. 2018-02
(https://library.municode.com/co/paonia/ordinances/municipal_code?nodeId=911147), 4-24-18)

- Sec. 4-3-90. - Amendments.

The Board of Trustees may amend, alter or change this Article, except as to the rate of tax herein imposed, subsequent to adoption by a majority vote of the Board of Trustees. Such amendment, alteration or change need not be submitted to the electors of the Town for their approval.

(Ord. No. 369, § 6, 1977; Ord. No. 92-02, § 6, 1992; Ord. No. 2014-04, § 1, 1-13-2015; Ord. No. 2018-02
(https://library.municode.com/co/paonia/ordinances/municipal_code?nodeId=911147), 4-24-18)

ARTICLE 4. - UNCLAIMED PERSONAL PROPERTY

- Sec. 4-4-10. - Notice to owner.

Any personal property held by the Police Department in the course of its law enforcement duties and under circumstances supporting a reasonable belief that such property was abandoned, lost, stolen or otherwise illegally possessed, including property left in abandoned vehicles, unclaimed property obtained by a search and seizure and unclaimed property used as evidence in any criminal trial, shall be retained in custody by the Chief of Police, who shall make reasonable inquiry and effort to identify and notify the owner or person entitled to possession thereof and shall return the property after such owner or person provides reasonable and satisfactory proof of ownership or right to possession and reimburses the Police Department for all expenses of such recovery and custody.

(Ord. No. 83-119, 1983; Ord. No. 2014-04, § 1, 1-13-2015)

- Sec. 4-4-20. - Sale of unclaimed property.

If the identity or location of the owner or person entitled to possession of the property has not been ascertained within six (6) months after the Police Department obtains possession of the property described in Section 4-4-10 (https://library.municode.com/co/paonia/codes/municipal_code?nodeId=CH4REFL_ART4UNPEPR_S4-4-10NOOW) above, the Chief of Police shall effectuate the sale of such property for cash to the highest bidder at public auction, prior notice of which, including time, place and brief description of such property, shall be published at least once in a newspaper designated as a newspaper of general circulation in the Town.

(Ord. No. 83-119, 1983; Ord. No. 2014-04, § 1, 1-13-2015)

- Sec. 4-4-30. - Distribution of proceeds.

Proceeds from the sale of property at public auction shall be deposited in the General Fund of the Town.

(Ord. No. 83-119, 1983; Ord. No. 2014-04, § 1, 1-13-2015)

- Sec. 4-4-40. - Disposition of illegal property.

Pursuant to Section 4-4-10 (https://library.municode.com/co/paonia/codes/municipal_code?nodeId=CH4REFL_ART4UNPEPR_S4-4-10NOOW) above, any items of personal property, the possession of which is declared illegal under any federal or State statute or this Code, or which is property consisting of burglar tools of any description, explosives, armored or bulletproof clothing, dangerous weapons, gambling apparatus, beer, wine, spirituous liquors, fermented malt beverages, soiled, bloody or unsanitary clothing, solids or liquids of unknown or uncertain composition, drugs, hallucinogenic substances, hypodermic syringes, needles or any other property which reasonably might result in injury to the health or safety of the public, or which might be subject to unlawful use, and when said items are no longer needed as evidence, shall be destroyed in an appropriate and efficient manner. A record of the items so destroyed and a record of the time, place and manner of destruction shall be kept by the Chief of Police. An exception to this Section shall be the destruction of narcotic drugs, the disposal of which is provided for in Section 12-22-316, C.R.S.

(Ord. No. 83-119, 1983; Ord. No. 2014-04, § 1, 1-13-2015)

- Sec. 4-4-50. - Property held for prosecution purposes.

In the event that the Town Attorney, District Attorney or other person charged with the duty of prosecuting violations of the Town, state or federal laws requests that any of the lost, abandoned or recovered stolen property be held by the Chief of Police because it is required in a criminal prosecution, the Chief of Police shall retain custody and shall not sell the same until written notice is received that the property is no longer needed for prosecution purposes.

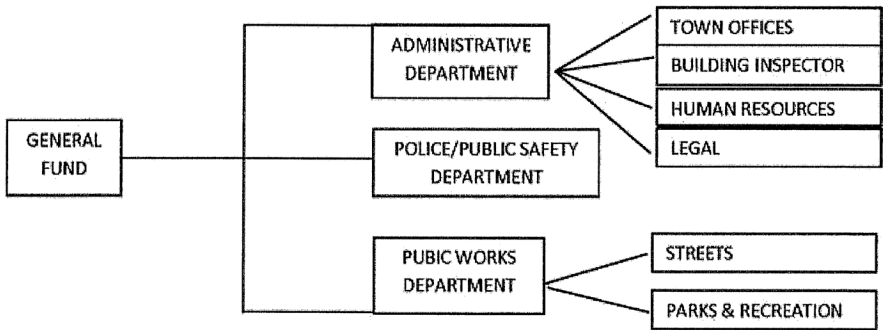
(Ord. No. 83-119, 1983; Ord. No. 2014-04, § 1, 1-13-2015)

Budget Guide

The Annual Budget is an operational and financial plan designed to account for the provision of a number of services to the community and provide accountability for the appropriation of taxpayer funds. The focus of the budget is on programs and services provided by the Town.

The Annual Budget is broken down by fund and within each fund by functional area (department) and/or program. Departments include broad categories such as Administrative. Programs describe a specific area of the Department such as Building Inspector.

Each FUND contains a summary of all fund expenditures, each DEPARTMENT contains a summary of the program expenditures and each PROGRAM contains a summary of the program expenses, a narrative on the purpose of the program, goal and objectives, and line item budget information.



FUND TYPES

Governmental Funds

General Fund: The General Fund is the Town's major operating fund. All revenues, by law or administrative control, that are not in otherwise designated funds are deposited in the General Fund. The General Fund is used to provide for Administration, Community Development, General Government, Public Safety, and Parks and Recreation services. The primary source of revenue for the General Fund is taxes.

Space to Create Fund: The Space to Create Fund is used to account for monies received by the Town from Grants specifically designated for the Space to Create Campaign. As of 2022, this fund has been closed.

Conservation Trust Fund: The Conservation Trust Fund is used to account for monies received by the Town from lottery proceeds. These funds are restricted to use in the acquisition, development and maintenance of new park and conservation sites or for capital improvements and maintenance of any existing public site for recreational purposes.

Capital Improvement Fund: The Capital Improvement Fund is funded by 1% of the 2% town sales tax and used to account for capital projects or capital purchases.

Sidewalk Fund: The Sidewalk Fund is funded by a \$3.00 fee assessed monthly to in-town residents only, via utility billing, and will be used to repair and replace existing sidewalks.

Enterprise Funds

Enterprise funds are defined as being government-owned businesses authorized to issue their own revenue bonds and receiving under ten percent of its annual revenue in grants from all Colorado state and local governments. These are self-sustaining funds. Revenues are generated from fees and expenses disbursed from the same fund. Funds are not intermingled with other enterprise funds.

Water Fund: The Town operates two water treatment facilities. The upper system, known as the 2-Million Gallon (2MG) water treatment plant, services mostly the out-of-town water companies and the northeast end of town. The lower system, known as the 1-Million Gallon (1MG) water treatment plant, services mostly Town proper. The primary sources of revenue are charges for service for operational expenses. This fund is used to account for the revenues and expenses associated with the water treatment and delivery system. Repayment of loans for the upper and lower (2MG/1MG) water treatment facilities are included in this fund.

Sewer Fund: The Town operates a wastewater treatment and collection system. This fund is used to account for the revenues and expenses associated with the wastewater system. The sewer system is funded by revenues received from charges for service. Repayment of loans for the Wastewater Treatment facility is included in this fund.

Trash Fund: The Trash fund is technically part of the Sewer Enterprise fund, however to keep appropriations and expenses from intermingling, the Town budgets these funds separately. The Trash Fund is used to account for revenues and expenses associated with the collection of trash. Charges for the service are the only revenue source.

BASIS OF BUDGET AND ACCOUNTING

Formal budget accounting is used as a management control tool by the Town. An annual operating budget is adopted each year through passage of an annual budget resolution. The basis of accounting used to prepare the governmental and proprietary fund type budget is the same method as used for financial statement purposes (GAAP) except that non-cash transactions such as depreciation and amortization, are excluded from the budget when fund reserves are adequate to cover such expenditures. Expenditure appropriations are adopted by the Board of Trustees and may not be exceeded on a total fund basis, unless a supplementary appropriation resolution is approved by the Board of Trustees. The Board of Trustees must also approve transfers of appropriated funds from one department to another department by resolution. The Finance Committee is authorized to transfer budgeted amounts from one program to another within a department.

The modified accrual basis of accounting is used by all governmental fund types. Principal and interest on general long-term debt are recorded as fund liabilities when due. Revenues susceptible to accrual are property taxes, sales taxes, franchise fees, licenses, interest revenue and charges for services. Fines and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash. The accrual basis of accounting is utilized by enterprise fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Principal and interest on enterprise long-term debt are recorded as fund liabilities when due.

FINANCIAL POLICIES

The Town is accountable to its citizens for the use of public funds. Resources need to be used wisely to ensure adequate funding for current and long term needs of the community. Financial policies are developed in order to provide the resources necessary to accomplish the Town's goals while maintaining fiscal stability. These policies should be reviewed and updated annually to ensure their applicability toward achievement of the Town's goals.

Balanced Operating Budget

The Town is required to adopt a balanced budget where operating revenues are equal to, or exceed, operating expenditures. Any increase in expenses, decrease in revenues, or combination of the two that would result in a budget imbalance will require budget revision, rather than spending un-appropriated surpluses or designated reserves to support ongoing operations. Any year end operating surpluses will revert to un-appropriated balances for use in maintaining reserve levels set by policy and the balance will be available for capital projects and/or "one-time only" expenditures.

Reserve Policies

Operating Reserves - An operating reserve will be maintained in the General Fund and Enterprise Funds in an amount equal to 25% to 50% of the current year's expenditures, excluding transfers. This reserve may be used to provide a temporary source of funds to offset unanticipated reductions in revenues or short term increase in expenditures. Revenue shortfalls or ongoing increases in operational expenses need to be addressed quickly in order to avoid negative impacts on the Town's fiscal stability. Operating reserves also provide a source of funds to provide for adequate cash flow needs of the Town. Operating reserves should be replaced as soon as possible after use.

Other Reserves - Reserves in other funds will be established in amounts required by law, bond and loan documents, or as deemed appropriate by the Board of Trustees.

Emergency Reserves - An emergency reserve in the amount of 3% of the Fiscal Year Spending Limit, excluding debt service, as required by TABOR (Article X, Section 20 of the Colorado Constitution) will be maintained. Emergency reserves are limited in use and cannot be used to offset a downturn in economic conditions, revenue shortfalls, and increases in salaries and benefits.

Capital Policies

A one-year Capital Improvement Plan is prepared and updated on an annual basis. Revenue sources for each project will be identified in the Plan as well as ongoing operating requirements for each capital investment. The town will be moving toward creating and maintaining a five-year Capital Improvement Plan in the coming year.

Debt Policies

Although a portion of the Town's capital investments are funded from grants, general tax revenues, and user fees, the Town may borrow funds to finance capital improvements. The issuance of bonds or other securities generates financial resources to fund capital projects and also obligates future revenue for repayment of the bonds. Debt service is the annual payment of principal and interest on these borrowed funds.

Pursuant to the Colorado Revised Statue, the Town of Paonia may borrow money and issue securities for short-term notes, general obligation bonds, revenue bonds, industrial development revenue bonds, bonds for special or local improvement districts and any other like securities. There is no limitation on the amount of bonds or other securities the Town may issue except as may be stated in the documents related to issuance of debt and subject to voter approval in the case of general obligation debt.

The issuance of debt may limit the Town's flexibility to respond to changing service priorities and revenue flows and therefore should be managed prudently in order to maintain a sound fiscal position and protect credit quality.

The amount of debt that the Town has at any given time will be a function of its ability to service that debt through the operating budget or a dedicated revenue source without diminishing the resources necessary for other non-capital priorities and the desire to maintain a high-quality credit rating while sustaining overall financial health. Yet, at the same time, the Town recognizes that in order to meet its mission and strategic objectives, investment in the form of capital is often necessary and such investment may necessitate the incurrence of debt.

Revenue Policies

Property Taxes - Statutory and Constitutional Limitations - Due to imposition of limitations on the mill levy and tax revenues through statutory and constitutional requirements, the mill levy has been reduced by a temporary tax credit over the last 10 years. In 2013 the town approved a ballot issue removing the Town from the statutory property tax revenue limitations of CRS 29-1-301, et seq. (the "5.5%" limit), allowing the town to earn the entire mill levy of 8.322%. Approval by the voters is required for an increase in the mill levy. Property tax revenues increase as a result of growth in the Town from new construction and annexations.

One-time Revenues - On-going revenues should equal or exceed on-going expenditures. To the extent feasible, one time revenues will be applied toward one time expenditures and not used to finance ongoing programs.

Charges for Services - Charges for services shall be reviewed on an annual basis and may be adjusted periodically in order to offset the cost of providing those services.

Diversification of Revenues - The Town shall continue to diversify its revenue sources in order to encourage financial stability and avoid becoming overly reliant on a specific segment of the Town's revenue base.

Expenditure Policies

Personnel Costs - Salaries - Town of Paonia employee compensation will be comparable to other governmental entities with similar characteristics to Paonia including population, services provided, and economic conditions. In addition, positions with similar duties and responsibilities in the private sector in the relevant recruiting area will be taken into account. Salary and pay range adjustments are based on a ratio of increases in the market and individual employee performance.

Performance Measurements - The Board of Trustees and staff will identify areas where the measurement of performance will provide them and the public with useful information about the effectiveness and efficiency of the Town's use of resources. The purpose of performance measures is to provide data to improve quality of services and/or provide services in a more cost effective manner.

Contingency Policies

Unanticipated Expenses, Revenue Shortfalls - Maintain a contingency fund equal to 50% of current year's General Fund expenditures, excluding transfers, for contingency to be used to offset unanticipated expenses or shortfalls in revenue.

Use of Contingency Funds - Use of contingency funds for unanticipated expenses are to be approved by the Board of Trustees.

Goals and Objectives

The establishment of goals and objectives is the most critical component of preparing and adopting a budget. These goals and objectives help guide the development of the budget and allocation of resources. Goals and objectives take into account input from the public, elected officials and staff. A summary of the goals and critical issues identified as part of this process are included in the budget transmittal letter.

Resolution 2022-TBD Resolution to Set Mill Levies

Resolution 2022-TBD Resoluton to Adopt Budget Page 1

Resolution 2022-TBD Resoluton to Adopt Budget Page 2

Resolution 2022-TBD Resoluton to Adopt Budget Page 3

TOWN OF PAONIA, COLORADO**RESOLUTION 2022-16**

Resolution to Set Mill Levies

A RESOLUTION LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2022 TO HELP DEFRAY THE COST OF GOVERNMENT FOR THE TOWN OF PAONIA, COLORADO FOR THE 2023 BUDGET YEAR.

WHEREAS the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$146,513; and

WHEREAS the 2023 valuation for assessment for the Town of Paonia, Colorado as certified by the County Assessor(s) is \$17,605,465; and

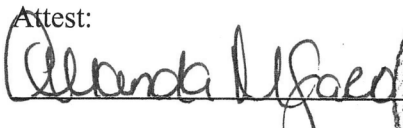
NOW, THEREFORE, be it resolved by the Board of Trustees of the Town of Paonia, Colorado;

That for the purpose of meeting all general operating expenses of the Town of Paonia, Colorado during the 2023 budget year, there is hereby levied a tax of 8.322 mills upon each dollar of the total valuation for assessment of all taxable property within the Town for the year 2022; and

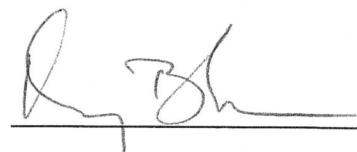
That the Finance Director/Treasurer is hereby authorized and directed to immediately certify to the Board of County Commissioners of Delta County, Colorado, the mill levies for the Town of Paonia, Colorado as herein above determined and set.

Adopted this 13th day of December 2022.

Attest:


Amanda Mojarro, Interim Town Clerk




Mary Bachran, Mayor

TOWN OF PAONIA, COLORADO

RESOLUTION 2022-17
Resolution to Adopt Budget

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE TOWN OF PAONIA, COLORADO, FOR THE CALENDAR YEAR BEGINNING THE FIRST DAY OF JANUARY 2023 AND ENDING THE LAST DAY OF DECEMBER 2023.

WHEREAS the Board of Trustees for the Town of Paonia, Colorado, appointed Cindy Jones, Finance Director/Treasurer to prepare and submit a proposed budget to said governing body at the time; and

WHEREAS, Cindy Jones, Finance Director/Treasurer, has submitted a proposed budget to this governing body on October 13, 2022, for its consideration; and

WHEREAS, upon due and proper notice, published and posted in accordance with the law, said proposed budget was open for inspection by the Public at a designated place, a public hearing was held on November 8, 2022, interested taxpayers were given the opportunity to file or register objection to said proposed budget; and

WHEREAS, the Board of Trustees have made provision therein for the balance on hand and probable revenues equal to or greater than the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, so as not to impair the operations of the Town, and;

NOW, THEREFORE, be it resolved by the Board of Trustees of the Town of Paonia, Colorado;

Section 1. That estimated expenditures for each fund are as follows:

• General Fund	\$3,893,006
• Pass Through Grant Fund	\$ 460,000
• Conservation Trust	\$ 30,846
• Capital Improvement Fund	\$ 960,719
• Enterprise Fund	<u>\$3,928,025</u>
For a total of	\$9,272,596

Section 2. That estimated revenues and prior year surplus for each fund are as follows:

• General Fund	\$3,178,442
• Transfer from Capital	\$ 346,000
• Prior Year Surplus	<u>\$1,409,449</u>
• Total	\$4,933,891
• Pass Through Grant Fund	\$ 460,000
• Prior Year Surplus	<u>\$ 0</u>
• Total	\$ 460,000
• Conservation Trust	\$ 9,265
• Prior Year Surplus	<u>\$ 21,581</u>
• Total	\$ 30,846
• Capital Improvement Fund	\$ 332,350
• Transfer to General	\$ (346,000)
• Prior Year Surplus	<u>\$ 628,369</u>
• Total	\$ 614,719
• Enterprise Fund	\$3,661,142
• Prior Year Surplus	<u>\$2,059,739</u>
• Total	\$5,720,881

For a total of \$11,760,337

- Section 3. That the budget as submitted and herein above summarized by fund, the same is hereby approved and adopted as the Budget of the Town of Paonia, Colorado, for the year 2023.
- Section 4. For the purpose of meeting all expenditures of the General Fund during the 2023 budget year, there is hereby levied a tax of 8.322 mills upon each dollar of the total valuation for assessment of all taxable property within the Town for the year 2022; and
- Section 5. The Finance Officer/Treasurer of the Town of Paonia is hereby authorized and directed to immediately certify to the Board of County Commissioners of Delta County, Colorado, the gross mill levy, and the net mill levy for the Town of Paonia hereinabove determined and set.
- Section 6. For the purpose of paying the necessary expenses and liabilities of the Town of Paonia for the fiscal year beginning January 1, 2023, and for the purpose of appropriating monies to pay the sums set forth in the Budget of the Town, there is hereby appropriated from the surplus and the probable revenue of each fund to each fund for the ensuing year, the sum hereafter set for the following purposes:

GENERAL FUND: For the purpose of paying for General Government, Public Safety, Streets and Highways, Health and Welfare, Culture and Recreation, Inter-fund Transfers, maintaining and improving the sidewalks,

maintaining and improving the streets, and other legal purposes, the sum of \$3,893,006;

PASS-THROUGH-GRANT FUND: For the purpose of Pass-through grants which are those grants that are received by a recipient government to transfer to or spend on behalf of a secondary recipient, the sum of \$460,000;

CONSERVATION TRUST FUND: For the purpose of improving open space and other acceptable uses as determined by the State of Colorado, the sum of \$30,846;

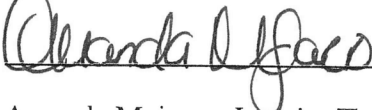
SALES TAX CAPITAL IMPROVEMENT FUND: For the purpose of acquiring, constructing, improving, extending, and maintaining capital facilities of the Town funded by a 1% sales tax, the sum of \$960,719;

ENTERPRISE FUND: For the purpose of maintaining, operating, improving and extending the water and sewer systems, and collection of garbage of the Town the sum of \$3,928,025;

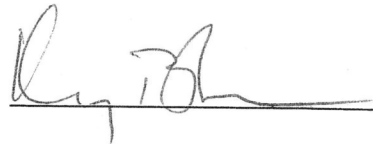
Section 7. That the Budget as hereby approved and adopted, shall be signed by the Board of Trustees and made part of the public records of the Town.

Adopted this 13th day of December 2022

Attest:



Amanda Mojarro, Interim Town Clerk



Mary Bachran, Mayor



BUDGET OVERVIEW

Executive Overview

This Budget provides the framework for providing services and programs to the citizens of Paonia for the year 2023, based on the delivery of core services and priorities identified by the Board of Trustees.

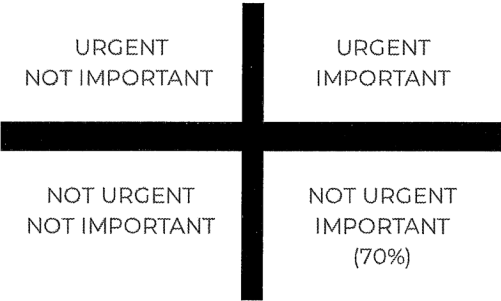
2022 BUDGET SUMMARY KEY

- 10 = ADMINISTRATION
- 12 = BUILDING
- 14 = PUBLIC SAFETY
- 16 = PARKS
- 20 = STREETS
- 22 = STREET CAPITAL
- 24 = BRIDGE
- 26 = SIDEWALKS
- G = GENERAL FUND
- 30 = PASS THROUGH GRANTS
- 32 = SPACE TO CREATE
- 40 = CONSERVATION TRUST
- S = SPECIALTY FUNDS
- 50 = CAPITAL IMPROVEMENT
- C = CAPITAL IMPROVEMENT
- 60 = WATER
- 70 = SEWER
- 80 = TRASH
- E = ENTERPRISE FUNDS
- GT = GRAND TOTAL

Strategic Plan

The graphic below is taken from the DRAFT Master Plan Update for the Town of Paonia. The Master Plan update started in 2020.

In addition, the Mayor, Board of Trustees and staff work together periodically to develop and update a strategic plan that includes a vision, goals and priorities. The Board of Trustees attended a retreat in October 2020 and developed an updated Goal Setting strategies.



COMMUNITY VISION

In the past ten years, there certainly have been notable changes to the Town.

- Domestic and global changes in anchor industries such as coal mining and agriculture have restructured employment opportunities and energy resources.
- Technology upgrades such as broadband internet have opened the door to remote jobs and learning.
- The influx of creative industries and the naming of Paonia as a Certified Colorado Creative District brought not only creative practitioners, also tourists and visitors for events and festivals.
- The recognition of the North Fork Valley for organic produce and the West Elks AVA for fine Colorado wines has opened new markets and new culinary interests in the area.
- Aging infrastructure has taken its toll on Paonia's water system and roads.
- The shifting to an aging demographic due to long-time residents who love their hometown and new retirees looking for a satisfying community to live out their years.

Yet some things do not change. The reasons we come and the reasons we stay in Paonia are deeply rooted in the vision and values we hold in common.

VISION

Paonia is the center of creative opportunity in the North Fork Valley of Western Colorado where individuals, families and businesses thrive.

MISSION

Together, we shall preserve and enhance the unique qualities of this small rural community through thoughtful and deliberate actions, balancing between growth and environmental protection. We will provide adequate services to accommodate a diverse population, protecting and encouraging clean and environmentally sensitive industries and businesses in an effort to diversify the local economy and, encourage economic sustainability in an affordable environment. 2

2 Peterson, Barbara. Envisioning Paonia's Comprehensive Plan: Utilizing diversity to move towards a self-sustaining community, 2012

VALUES

The Town of Paonia, in partnership and communication with residents, businesses, and schools, is dedicated to the betterment of our community and recognizes these overarching values:

1. Sense of community. Providing excellent services, a safe, healthy, welcoming atmosphere contribute to a sense of community and preserve a place where people choose to live.

We value a small town feel and sense of community within and among the diverse groups of people who live in the North Fork Valley. A strong work ethic helped build our town and the historic western buildings built by settler families. The historical service organizations, churches and clubs are important in the tradition of community service (like Rotary, "Friends of" organizations and the American Legion). Our long-running festivals, Cherry Days, and Mountain Harvest Festival celebrate local traditions that help create our small town feel and sense of community. We also respect and recognize the valley was home to the Ute people with their own enduring cultural traditions before the establishment of North Fork Valley settlements. We value the families who have been here five and six generations, as well as newcomers. We recognize the importance of preserving the traditions and heritage of the valley while new cultural traditions are being integrated into the local fabric of the community.

Goals and policies for this community value seek to retain and enhance key aspects of Paonia's small town character and identity as the community grows in the future through a continued commitment to:

- Quality town services
- Livable friendly neighborhoods
- Creativity and innovation
- Agriculture and ranching
- Community events and activities
- A vibrant downtown
- Parks and recreation
- Historic preservation

Providing excellent services and a safe, healthy, welcoming atmosphere contribute to a sense of community and preserve a place where people choose to live.

2. Vibrant and steady economy. Promoting economic vitality while preserving our small town's character. Strategically positioning Paonia for the future. Promoting a steady local economy by supporting agriculture, energy, creative industries, health & wellness, recreation & tourism and our local businesses.

We value the traditions and heritage of the local economy, including the historical economic sectors of agriculture, ranching/herding, mining, local banks, small and downtown businesses, the railroad, hunting, and our systems of bartering and trade. Many people recognize the importance of new and emerging economic sectors, including tourism and recreation, arts and value-added agricultural products, wine making, organic agriculture, health and wellness, new energy resources, service jobs and businesses that utilize the Internet to do business outside the valley. We recognize that the health of our local economy is strongly tied to regional, national and international markets.

Larger shifts in the national economy towards telecommuting mean that workers no longer need to physically commute to an office. With faster internet speed, residents will increasingly be able to pursue job opportunities and careers in industries not currently located in Paonia. Alternatively, home-based entrepreneurs will be able to access customers or clients located around the globe. Goals and policies for this community value seek to promote a more balanced and sustainable economy through support for:

- A diversified economy
- Farming and mining heritage
- Local businesses/manufacturing/services
- Outdoor recreation industry
- Creative industries and innovation
- Tourism
- Home-based entrepreneurs
- A mobile workforce

3. Individualism, diversity and inclusivity. Honoring the diversity of our population and their independent spirit and freedom of expression.

Paonia has been described for its "quirkiness." Coal miners, bohemians, scientists, artists, retirees, entrepreneurs, teachers and healers make up a large part of the population. It is a small town with many churches and nonprofits. Paonia loves a rockin' festival, a family picnic and a quiet float on the river - sometimes all on the same day. Paonia is perceived as a friendly, welcoming community. Neighbors take care of neighbors and nonprofits and churches take care of cultural and social amenities. People will work together on a project that they believe in. Cherry Days and Mountain Harvest Festival are two examples of how the community comes together to put on community events. Paonia also has an "edge" to it. With freedom of expression of individuals and with the diversity of thoughts and ideas, citizens are not hesitant to express themselves. On one hand, this leads to participation and generating inclusive points of view. The community engagement over the years such as Community Heart & Soul and Chamber of Commerce "visioning" exercises, Creative District Wayfinding and affordable housing surveys all gathered a broad range of input from the community.

Trends like increasing housing costs and a lack of affordable childcare make it difficult for many people to reside in Paonia. Looking to the future, residents would like to see Paonia remain a diverse and inclusive community.

Goals and policies for this community value address our commitment to those things that contribute to our community and help make Paonia, Paonia. Goals and Policies for these values may include:

- Diverse housing options
- Updated planning and zoning
- Inclusive governance and community engagement
- Accessible outreach and communications
- Civil discourse
- Accessible community services
- Support for community nonprofits
- Aging in place and in community
- Public safety

4. A healthy natural environment. Respecting and preserving our beautiful landscape, our water resources and a healthy natural environment is valued by most who live and visit Paonia. From the North Fork of the Gunnison River to the Grand Mesa National Forest and the West Elk Wilderness, Paonia's beautiful natural surroundings, and the recreational opportunities they provide, are one of the main reasons residents choose to live in this community. Protecting the scenic values, the agricultural practices and the riparian character of natural areas in and around Paonia through responsible environmental practices is something the community values strongly. Paonia must grow in a way that is protects the natural environment and these valuable resources. Paonia residents must also be aware of the changes to our local environment that could arise as a result of climate change. Goals and policies for this community value should address:

- Source-water protection for domestic and irrigation uses
- Air quality protection
- Dark skies protection
- Preservation of natural habitats and ecosystems
- Conservation of open space, farm and ranch lands
- Sustainable development practices
- Access to and protection of the river corridor
- Community tree and forest management
- Climate adaptation

5. Honoring our history and heritage. Paonia is seen by residents and visitors as an "authentic" community. Whether it is a fifth generation ranching family, a third generation coal miner or a millennial newcomer, the Western story of the founding and the settlement of Paonia is important to the character of the Town. This feeling is derived from a blend of Paonia's historic past as a Western coal town, its ranching and agricultural community, its proximity to the mountains and outdoor recreation, and its welcoming of creative and innovative entrepreneurs.

Goals and policies for this community value seek to retain and enhance key aspects of Paonia's small town character and identity as the community grows in the future through a continued commitment to:

- The legacy of mining, agriculture and ranching
- Traditional community events and activities
- Outdoor recreation including hunting and fishing
- Historic preservation

GOALS & OBJECTIVES

In October 2020, the trustees and staff met to identify four goal areas with subsequent objectives to achieving each goal. The purpose of the meeting was to position the town council to work effectively toward the betterment of the Town. This includes financial solvency, public health and safety concerns, and the general quality of civic life for the people who live here.

Goal Setting Topics:

Administration

- Master Plan - In process - Budgeted to move forward pending securing funding. The town has matching funds available.
- Building - In process - The town is changing the direction of the building department. The town will share a building inspector with the City of Delta.
- Trails - Grants
- Human Resource
- Payroll
- Delegation to Planning Commission
- Monthly meetings/work sessions

Development

- Diversify and expand revenue streams
- Food Trucks
- Air B&B
- Marijuana
- Grant Revenue
- Reserves
- Annexation
- Accessory Dwelling Units
- Small Business Promotion
- One Delta County
- Back the Badge

Operations

- Infrastructure
- Master Plan
- Grants
- Historical Designation
- Town Designation
- Neighborhood Beautification
- Maintenance needs (Schedule for Maintenance)

Service/Amenities

- Improve Core Services
- Events
- Police
- Communication
- Public Relations
- Water
- Sewer
- Trash
- Roads
- Parks
- Planning

2022 STRATEGIC PLAN

A Strategic Planning session including the Board of Trustees and Paonia citizens was held in 2022. Details will follow:

RETREAT 1-GOAL SETTING

- GOAL 1: Administration (Legal, HR, Partnerships, Governance): Review & update the Town's Master Plan.
- Goal 2: Development (Revenues in or out): Diversify and expand revenue streams to support improved services and amenities.
- Goal 3: Operations (Infrastructure / logistics): Evaluate and address infrastructure and maintenance needs for reliably providing safe clean water, safe roads, trash and sewer for town residents.
- Goal 4. Services (Products or services provided): Invest in improving the quality of the town's core services and amenities and ensuring adequate human resources to accomplish this.
- All the goals and Objectives shall be aligned with the stated Vision, Mission and Values. This is a test of prioritizing Actions and Policies and ensuring that they are on track with what matters most to the community.

GOAL SETTING WORK SESSION - FRIDAY OCTOBER 2, 2020

Updated Goal Document - April 7, 2021

Board Participants: Mary Bachran, Bill Bear, Karen Budinger, Tamie Meck, Michelle Pattinson, Mick Johnson, Dave Knutson

Staff Participants: Neil Ferguson, Travis Loberg, Cindy Jones, Amanda Mojarro, Corinne Ferguson.

Facilitator: Sally Kane

Scribe: Elaine Brett

PURPOSE: To position the town council to work effectively towards the betterment of the town. This includes financial solvency, public health and safety concerns, and the general quality of civic life for the people who live here.

GOAL 1

Operations: Evaluate and address infrastructure and maintenance needs for reliably providing safe clean water, safe roads, trash and sewer for town residents

Objective 1 - Immediate needs (early quick wins)

- Inform the community and celebrate work that has been already done.
- Work to change the culture and demonstrate that things really get accomplished in Town.
- Share the regular routine schedule for maintenance staff.
- Complete water analysis study.
- Implement a neighborhood cleanup and neighborhood pride projects
- Communicate the sidewalk and street improvement plan.
- Investigate a regular High-Country Shopper section for Town accomplishments

Objective 2 - Create a strategic 5- and 10-year plan

- Create Downtown Corridor Plan
- Define infrastructure needs/timelines
 1. Water plan
 2. Safe routes to schools' plan
 3. House restoration project with incentives
 4. Drought management plan

GOAL 2

Administration: Review & update the Town's Master Plan.

Objective 1 - Create action steps to finish master plan

- Using data already collected and Parks and Trails Plan Project, produce a draft by year end for the Planning Commission to review and complete.
- Include existing Vision, Mission statements.
- Monitor progress and if needed bring in outside expertise to complete the plan.

Objective 2 - Implement the finished master plan

- Create implementation plan that is mindful of staff and other resources.
- Create communication plan which will promote competency and instill confidence in the Town.

GOAL 3

Development: Diversify and expand revenue streams to support improved services and amenities.

Objective 1 - Identify and prioritize revenue needs

- Align with Goal 3 and 4

Objective 2 - Explore and identify sources of revenue

- Create retail marijuana sales rules and ordinances and implement (If Issues 2C and 2D pass in November).
- Prioritize Back the Badge revenues (if Issue passes in November).
- Use a targeted approach to grant seeking to most effectively use staff and board time and revenue generation.
- Expand town boundaries (annexations) to add population and property tax
 1. Be mindful and respectful of the opinions of those who do not want to annex.

- 2. Assess the increased workload on Town staff in the process.
- 3. Ensure the revenue will cover additional costs.
- Accessory Dwelling Units (ADUs)
 - 1. Explore required zoning changes
 - 2. Consider modified rates for water taps and factor in increased water usage.
 - 3. Investigate other possible fees.
- Develop an economic development and small business promotion stimulation plan with One Delta County.
- Investigate permitting food trucks.
- Investigate registration and fees for short term lodging.
- Pursue bigger revenue sources, e.g., grants, versus many smaller sources.

Objective 3 - Build reserves for future infrastructure improvements and maintenance.

- Examine current fee structures and increase to build reserves.

GOAL 4

Services/Amenities: Invest in improving the quality of town core services and amenities and insure adequate human resources to accomplish this.

Objective 1 - Define the Town as the area to which we provide services, not just Town limits

Objective 2 - Define Town services:

- Police
- Trash
- Water
- Sewer
- Roads
- Parks
- Interface with public. Communication
- Event support

Objective 3 – Prioritize issues

- Use Covey 4-Box to prioritize Urgent/Important and Non-urgent/Important tasks
- Resist temptation to be distracted by Non-urgent/Non-important issues
- Be respectful of staff time and allocate by importance and urgency of issue

OTHER IMPORTANT POINTS:

- Staff has been around a long time. As such, Trustees need to value and respect their input: what will work, why something will not.
- Trustees also need to understand that staff have a lot of balls in the air at any given time and respect their time and opinions.
- Look at ways to inspire community pride: Historic designations for old buildings/homes, awards for best landscaping, neighborhood beautification.
- The Board needs to stay at the 30,000-foot level and let the staff be in the weeds.
- Continue to build trust between staff and Board and citizens. When trust goes up, drama goes down.
- Start planning now if we want things to happen.
- Build confidence in the Town. Get most people to believe it.
- Strive for continuous improvement in competence.

PARKING LOT (To be addressed at a later time.)

What is the Paonia culture and its importance to the community?

Small town sense of community

What makes this a place you want to be?

There is a renaissance of small towns and ex-pats returning home.

Friendly, connected, clean, safe

Is there a Welcome packet? Whose responsibility is this?

2022 PRIORITIES AND ISSUES

The Board of Trustee met with town citizens in 2022. New priorities and issues were discussed. Details will follow.

PAY-FOR-PERFORMANCE COMPENSATION PLAN

The Town's compensation plan for full-time/part-time benefited employees is designed as a financially sustainable plan that will help recruit and retain top talent. Additionally, the compensation plan is market-based, fully aligned with the Town's performance management plan (PMP), and is reflective of an overall pay-for-performance system of total rewards. It is important for the town to recognize employees who help achieve the town's strategic results. The Town's compensation philosophy is as follows:

The Town of Paonia recognizes that, as a service organization, employees are critical to the success of its mission and goals. In a highly competitive and ever-changing environment, we strive to attract and retain individuals who respond quickly, think creatively, and achieve meaningful results.

The town strives to attract and retain a highly skilled workforce that is efficient, productive, and innovative. Rewards are based on behaviors, contributions, and performance that demonstrate a commitment to public service and to the town's core values. Employees are rewarded for taking personal responsibility to develop their skills, provide excellent customer service and develop positive relationships within the community. Employees are expected to continually strive to learn as well as apply problem-solving and customer service skills to further the town's mission.

The total compensation package consists of base pay, comprehensive benefits, recognition and wellness programs as well as development opportunities based on financial conditions and strategic objectives, as compared to other governmental and private employers in the community.

Market Survey Update — the Town has conducted a market analysis update for the last three years to see how the Town's pay practices compare to other municipalities of comparable size FTE and budget size markets. The initial changes were made in 2019 and became effective in 2020 to ensure the town is competitive. Changes to 2021 and 2022 compensation include increases to certain sworn positions based on recent market analysis and updates to the part-time employee pay plan to reflect the State-mandated increase in minimum wage.

Following the performance evaluation due dates scheduled in 2022, employees may receive an increase based on how they met the core values and competencies of the PMP system. Performance increases are not guaranteed. The merit budget is determined and approved by the Board of Trustees on an annual basis according to what other comparable organizations are providing and what the Town can afford for that fiscal year. Unforeseen factors that could impact the local, state or national economy cannot always be predicted.

STAFFING LEVELS

FULL TIME	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Town Administrator	0	0	1	1	1	1	1	1	1	1	1	1
Town Clerk	1	1	1	0	1	1	1	1	X	X	X	1
Deputy Clerk	1	1	1	1	0	0	0	1	1	1	1	1
Assistant Clerk (PD/UT)	0	0	0	0	0	0	0	0	1	1	1	1
Front Desk Assistant	0	0	0	0	0	0	0	0	0	0	0	1
Assistant to Admin	0	0	0	0	0	0	0	0	1	0	0	0
Finance Officer	1	1	1	1	1	1	1	1	1	1	1	1
Finance Clerk	0	0	0	0	0	0	0	0	0	1	1	0
PART TIME												
Assistant	0	0	0	0	1	1	1	0	0	0	0	0
Building Official	1	1	1	1	1	1	1	0	0	0	0	0
Treasurer	0	0	0	0	1	1	1	1	1	1	1	X
Elected Officials	7	7	7	7	7	7	7	7	7	7	7	7
APPOINTED												
Town Attorney	1	1	1	1	1	1	1	1	1	1	1	1
TOTAL	12	12	13	12	14	14	14	13	14	14	14	14

The following table shows the total staffing for all operations of the Police/Public Safety Department.

FULL TIME	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police Chief	1	1	1	1	0	1	1	1	1	1	1	1
Sergeant	1	1	1	1	1	0	0	1	1	1	1	1
Corporal	0	0	0	0	0	0	0	0	0	0	1	1
Investigator	0	1	1	1	0	1	1	0	0	0	0	1
Police Officers	3	2	1	0	1	1	1	2	3	4	3	2
PART TIME												
Municipal Judge	1	1	1	1	1	1	1	1	1	1	1	1
Police Officer	0	0	0	0	0	1	1	1	0	0	0	0
Code Enforcement	1	1	1	1	0	0	0	0	0	0	0	0
TOTAL	7	7	6	5	3	5	5	6	6	7	7	7

The Public Works Department includes staffing for General Fund operations as well as Enterprise Fund operations.

FULL TIME	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Works Director	1	1	1	1	1	1	1	1	1	1	1	1
Public Works Supervisor	0	0	0	0	0	0	0	0	1	1	0	1
Utility Assistant	0	0	0	0	0	0	0	0	1	1	0	0
Laborer with CDL	1	1	1	1	1	1	1	2	2	2	2	2
Laborer	5	5	5	4	3	3	3	3	2	2	3	2
PART TIME												
Laborer	1	1	1	1	0	1	1	1	0	0	0	2
Seasonal Laborer	1	1	0	0	0	0	0	0	0	0	1	0
TOTAL	9	9	8	7	5	6	6	7	7	7	7	11

The Public Utilities Department will be part of the Public Works Department in 2023.

FULL TIME	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Utilities Director	0	0	0	0	0	0	0	0	0	0	1	0
Utility Assistant	0	0	0	0	0	0	0	0	1	1	2	3
TOTAL	0	0	0	0	0	0	0	0	1	1	3	3

2023		ADMIN	BUILDING	LAW	STREETS	PARKS	WATER	SEWER	GARBAGE	
PR RPT DETAIL	RATE	ANNUAL	10-41-03	12-43-03	1-42-02	1-45-02	1-46-02	2-50-03	3-51-03	146
2023 PAYROLL BUDGET SUMMARY & ALLOCATIONS										
PR RPT DETAIL		ANNUAL	ADMIN 10-41-03	BUILDING 12-43-03	LAW 1-42-02	STREETS 1-45-02	PARKS 1-46-02	WATER 2-50-03	SEWER 3-51-03	GARBAGE 3-52-03
WAGES	-	1,179,348.00	108,098.40	3,486.08	379,674.56	108,359.68	53,130.48	234,728.00	145,350.40	146,520.40
INCREASES	-	190,432.00	5,735.60	268.32	63,833.84	18,015.92	11,775.92	42,957.20	19,890.00	27,955.20
WAGE COSTS	-	1,369,780.00	113,834.00	3,754.40	443,508.40	126,375.60	64,906.40	277,685.20	165,240.40	174,475.60
OT	-	20,126.75	103.25	4.00	6,561.95	1,106.60	802.25	5,755.52	4,225.10	1,568.08
DT	-	6,922.50	-	-	3,915.00	285.32	258.02	1,340.87	917.06	206.25
OVERTIME	-	27,049.25	103.25	4.00	10,476.95	1,391.91	1,060.27	7,096.39	5,142.16	1,774.33
ER-FPPA	-	33,479.55	-	-	33,479.55	-	-	-	-	-
ER-D&D	-	11,903.84	-	-	11,903.84	-	-	-	-	-
ER-SOC	-	59,974.68	7,057.71	232.77	2,545.84	7,835.29	4,024.20	17,216.48	10,244.90	10,817.49
ER-MED	-	19,962.66	1,650.59	54.44	6,531.72	1,832.45	941.14	4,026.44	2,395.99	2,529.90
UNEMP	-	3,729.41	312.70	11.26	979.40	379.13	194.72	833.06	495.72	523.43
TAX COSTS	-	129,050.14	9,021.00	298.47	55,440.35	10,046.86	5,160.06	22,075.97	13,136.61	13,870.81
PENSION	-	54,896.40	5,224.18	190.22	10,794.21	5,915.68	3,211.42	14,192.10	8,350.42	7,018.18
PTO	-	16,420.00	3,478.00	121.40	3,815.00	1,983.20	690.40	2,980.00	1,972.00	1,380.00
MISC-CELL PHONE	-	10,980.00	1,078.80	42.00	3,513.60	1,104.00	543.00	1,809.60	1,231.80	1,657.20
CLOTHING	-	1,100.00	-	-	-	170.00	110.00	345.00	163.00	312.00
		83,396.40	9,780.98	353.62	18,122.81	9,172.88	4,554.82	19,326.70	11,717.22	10,367.38
RMHMO	-	217,224.36	20,533.63	740.37	64,519.71	19,373.07	7,993.54	48,363.89	31,505.99	24,194.17
+RMHMO	-	10,836.30	1,029.24	37.42	3,244.42	953.46	396.26	2,432.00	1,585.82	1,157.68
HARTFORD-DIS	-	2,178.00	126.72	4.95	733.59	183.15	110.88	482.13	287.10	249.48
HARTFORD-LIFE	-	559.68	32.56	1.27	188.51	47.06	28.49	123.89	73.78	64.11
		230,798.34	21,722.16	784.01	68,686.23	20,556.74	8,529.17	51,401.91	33,452.68	25,665.44
BENEFIT COSTS	-	314,194.74	31,503.14	1,137.63	86,809.04	29,729.62	13,083.99	70,728.61	45,169.90	36,032.82
TOTAL		1,840,074.13	154,461.39	5,194.50	596,234.74	167,543.99	84,210.71	377,586.17	228,689.07	226,153.56
X		-	-	-	-	-	-	-	-	-
% OF TOTAL PAYROLL			8.39%	0.28%	32.40%	9.11%	4.58%	20.52%	12.43%	12.29%
								ENTERPRISE % OF PAYROLL		45.24%

Payroll by Department

The following table delineates wages, taxes, and benefits by authorized position. Annual salaries are derived by multiplying hourly wages by 2080, the number of regular hours a full-time employee works in a year. Payroll includes minor percentage increases which can be used to increase wages of existing staff and/or filling staff vacancies as they may arise. Budgeted payroll is not a reflection of actual salaries. Wages cannot exceed the budgeted amount and will be determined by the department head.

BENEFITS

Benefits for full-time town staff (after their six (6) month probation) include the following:

- PW Director and Chief receive \$100.00/mo. cell phone allowance, Administrator/Town Clerk and Finance Officer receive \$80.00/mo. Cell phone allowance; all other employees receive a \$25.00/mo. cell phone allowance;
- Paid time off (PTO);
- Health Insurance (up to 2021 with Rocky Mountain Health Plans (RMHMO), currently with United Health Plans) (exception: eligible the first of the month following sixty (60) days);
- \$10,000 Life Insurance (up to 2014 with Kansas City Life, changed to MetLife as of 2015, changed to The Hartford as of 2019);
- In 2020, the Town added Short-Term Disability (with The Hartford).
- In 2014, the Town converted from a 401(a) Money Purchase Plan with Dreyfus to a 457(b) Plan with Mutual of Omaha, now with Empower, as of 2021. The Town contributes 5% of the base salary for Administration and Public Works and 2% contribution of the base salary for Public Safety;
- For Public Works employees, a \$100.00 boot allowance is reimbursed after purchase;
- For Public Works employees, uniform shirts are provided;
- For Public Safety employees, uniforms and duty weapons are provided;

Optional Benefits:

- Dental Insurance (2014 was paid by employees but included with Health Insurance, 2015 are now optional individual plans.) In 2019, the dental insurance provider is Delta Dental.
- Vision Insurance (2014 was paid by employees but included with Health Insurance, 2015 are now optional individual plans.) In 2020, the vision insurance provider is VSP.
- AFLAC
- Supplemental Life Insurance (up to 2014 with Liberty National changed to MetLife as of 2015, changed to The Hartford as of 2019).

2023										
PR RPT DETAIL	RATE	ANNUAL	ADMIN 10-41-03	BUILDING 12-43-03	LAW 1-42-02	STREETS 1-45-02	PARKS 1-46-02	WATER 2-50-03	SEWER 3-51-03	148
TOWN ADMIN		TBD	48%	1%	5%	15%	2%	12%	12%	5%
WAGES	-	50.00	104,000.00	49,920.00	1,040.00	5,200.00	15,600.00	2,080.00	12,480.00	5,200.00
TAXES	-		8,268.00	3,968.64	82.68	413.40	1,240.20	165.36	992.16	413.40
BENEFITS	-		32,964.44	15,822.93	329.64	1,648.22	4,944.67	659.29	3,955.73	1,648.22
TOTAL	-		145,232.44	69,711.57	1,452.32	7,261.62	21,784.87	2,904.65	17,427.89	7,261.62
CLERK		TBD	35%	2%	1%	16%	1%	20%	20%	5%
WAGES	-	35.00	72,800.00	25,480.00	1,456.00	728.00	11,648.00	728.00	14,560.00	3,640.00
TAXES	-		5,787.60	2,025.66	115.75	57.88	926.02	57.88	1,157.52	289.38
BENEFITS	-		23,134.44	8,097.05	462.69	231.34	3,701.51	231.34	4,626.89	1,156.72
TOTAL	-		101,722.04	35,602.71	2,034.44	1,017.22	16,275.53	1,017.22	20,344.41	5,086.10
DEPUTY		MOJARRO	5%		3%	1%	1%	30%	30%	30%
WAGES	-	23.25	48,360.00	2,418.00	-	1,450.80	483.60	483.60	14,508.00	14,508.00
OVERTIME	-	40	465.00	23.25	-	13.95	4.65	4.65	139.50	139.50
TAXES	-		3,844.62	192.23	-	115.34	38.45	38.45	1,153.39	1,153.39
BENEFITS	-		12,892.44	644.62	-	386.77	128.92	128.92	3,867.73	3,867.73
TOTAL	-		65,562.06	3,278.10	-	1,966.86	655.62	655.62	19,668.62	19,668.62
F.OFFICE ASSIST		OPEN	5%	1%	2%	1%	1%	40%	25%	25%
WAGES	-	20.00	33,280.00	1,664.00	332.80	665.60	332.80	332.80	13,312.00	8,320.00
OVERTIME	-	40	400.00	20.00	4.00	8.00	4.00	4.00	160.00	100.00
TAXES	-		2,645.76	132.29	26.46	52.92	26.46	26.46	1,058.30	661.44
BENEFITS	-		11,532.08	576.60	115.32	230.64	115.32	115.32	4,612.83	2,883.02
TOTAL	-		47,857.84	2,392.89	478.58	957.16	478.58	478.58	19,143.14	11,964.46
PW CLERK	2022	1	VETTER	15%	15%	10%	5%	20%	20%	15%
WAGES	-	20.00	41,600.00	6,240.00	-	6,240.00	4,160.00	2,080.00	8,320.00	6,240.00
OVERTIME	-	40	400.00	60.00	-	60.00	40.00	20.00	80.00	60.00
TAXES	-		3,307.20	496.08	-	496.08	330.72	165.36	661.44	496.08
BENEFITS	-		11,749.84	1,762.48	-	1,762.48	1,174.98	587.49	2,349.97	1,762.48
TOTAL	-		57,057.04	8,558.56	-	8,558.56	5,705.70	2,852.85	11,411.41	8,558.56
FINANCE	2012	11	C.JONES	20%	1%	15%	12%	2%	20%	20%
WAGES	-	45.00	92,560.00	18,512.00	925.60	13,884.00	11,107.20	1,851.20	18,512.00	9,256.00
TAXES	-		7,358.52	1,471.70	73.59	1,103.78	883.02	147.17	1,471.70	735.85
BENEFITS	-		22,997.24	4,599.45	229.97	3,449.59	2,759.67	459.94	4,599.45	2,299.72
TOTAL	-		122,915.76	24,583.15	1,229.16	18,437.36	14,749.89	2,458.32	24,583.15	12,291.58
ADMIN										
WAGES			392,600.00	104,234.00	3,754.40	28,168.40	43,331.60	7,555.60	81,692.00	47,164.00
OVERTIME			1,265.00	103.25	4.00	81.95	48.65	28.65	379.50	299.50
TAXES			31,211.70	8,286.60	298.47	2,239.39	3,444.86	600.67	6,494.51	3,749.54
BENEFIT			115,270.48	31,503.14	1,137.63	7,709.04	12,825.07	2,182.32	24,012.60	22,282.79
TOTAL			540,347.18	144,126.99	5,194.50	38,198.78	59,650.19	10,367.24	112,578.61	64,830.93
			0.00	(0.00)	0.00	(0.00)	0.00	0.00	(0.00)	0.00

2023				ADMIN	BUILDING	LAW	STREETS	PARKS	WATER	SEWER	G
PR RPT DETAIL	RATE		ANNUAL	10-41-03	12-43-03	1-42-02	1-45-02	1-46-02	2-50-03	3-51-03	149
CHIEF	2022	1	M.LAIMINGER			100%					
WAGES	-	35.00	72,800.00	-	-	72,800.00	-	-	-	-	-
TAXES	-		10,082.80	-	-	10,082.80	-	-	-	-	-
BENEFITS	-		22,278.56	-	-	22,278.56	-	-	-	-	-
TOTAL	-		105,161.36	-	-	105,161.36	-	-	-	-	-
SERGEANT	2022	1	G.HENDERSON			100%					
WAGES	-	30.00	62,400.00	-	-	62,400.00	-	-	-	-	-
OVERTIME	-	52/20	1,380.00	-	-	1,380.00	-	-	-	-	-
TAXES	-		8,833.53	-	-	8,833.53	-	-	-	-	-
BENEFITS	-		14,188.44	-	-	14,188.44	-	-	-	-	-
TOTAL	-	41.73	86,801.97	-	-	86,801.97	-	-	-	-	-
CORPRAL			OPEN			100%					
WAGES	-	28.00	58,240.00	-	-	58,240.00	-	-	-	-	-
OVERTIME	-	60/30	1,680.00	-	-	1,680.00	-	-	-	-	-
TAXES	-		8,066.24	-	-	8,066.24	-	-	-	-	-
BENEFITS	-		7,141.04	-	-	7,141.04	-	-	-	-	-
TOTAL	-	36.12	75,127.28	-	-	75,127.28	-	-	-	-	-
INVESTIGATOR	2008	15	P.HINYARD			100%					
WAGES	-	31.00	64,480.00	-	-	64,480.00	-	-	-	-	-
OVERTIME	-	180/30	3,720.00	-	-	3,720.00	-	-	-	-	-
TAXES	-		9,445.70	-	-	9,445.70	-	-	-	-	-
BENEFITS	-		8,626.64	-	-	8,626.64	-	-	-	-	-
TOTAL	-	41.48	86,272.34	-	-	86,272.34	-	-	-	-	-
OFFICER	2021	2	L.KRAMER			100%					
WAGES	-	26.50	55,120.00	-	-	55,120.00	-	-	-	-	-
OVERTIME	-	80/30	1,855.00	-	-	1,855.00	-	-	-	-	-
TAXES	-		7,891.04	-	-	7,891.04	-	-	-	-	-
BENEFITS	-		7,078.64	-	-	7,078.64	-	-	-	-	-
TOTAL	-	34.59	71,944.68	-	-	71,944.68	-	-	-	-	-
OFFICER			OPEN			100%					
WAGES	-	25.00	52,000.00	-	-	52,000.00	-	-	-	-	-
OVERTIME	-	60/30	1,500.00	-	-	1,500.00	-	-	-	-	-
TAXES	-		7,202.00	-	-	7,202.00	-	-	-	-	-
BENEFITS	-		7,016.24	-	-	7,016.24	-	-	-	-	-
TOTAL	-	32.56	67,718.24	-	-	67,718.24	-	-	-	-	-
PD TECH						100%					
WAGES	-	20.00	41,600.00	-	-	41,600.00	-	-	-	-	-
OVERTIME	-	26/0	260.00	-	-	260.00	-	-	-	-	-
TAXES	-		988.00	-	-	988.00	-	-	-	-	-
BENEFITS	-		12,770.44	-	-	12,770.44	-	-	-	-	-
TOTAL	-		55,618.44	-	-	55,618.44	-	-	-	-	-
JUDGE	2020	3	J.HUFFMAN			100%					
WAGES	-	725	8,700.00	-	-	8,700.00	-	-	-	-	-
TAXES	-		691.65	-	-	691.65	-	-	-	-	-
TOTAL	-		9,391.65	-	-	9,391.65	-	-	-	-	-
POLICE & JUDGE											
WAGES			415,340.00	-	-	415,340.00	-	-	-	-	-
OVERTIME			10,395.00	-	-	10,395.00	-	-	-	-	-
TAX COSTS			53,200.96	-	-	53,200.96	-	-	-	-	-
BENEFIT COSTS			79,100.00	-	-	79,100.00	-	-	-	-	-
TOTAL			558,035.96	-	-	558,035.96	-	-	-	-	-
			0.00	-	-	0.00	-	-	-	-	-

2023			ADMIN	BUILDING	LAW	STREETS	PARKS	WATER	SEWER	GARBAGE
PR RPT DETAIL	RATE	ANNUAL	10-41-03	12-43-03	1-42-02	1-45-02	1-46-02	2-50-03	3-51-03	150
UT ASST	2016	7	REDDEN			4%	1%	55%	39%	17%
WAGES	-	27.00	56,160.00	-	-	2,246.40	561.60	30,888.00	21,902.40	561.60
OVERTIME	-	208/24	3,456.00	-	-	138.24	34.56	1,900.80	1,347.84	34.56
TAXES	-		4,464.72	-	-	178.59	44.65	2,455.60	1,741.24	44.65
BENEFITS	-		9,247.84	-	-	369.91	92.48	5,086.31	3,606.66	92.48
TOTAL	-		73,328.56	-	-	2,933.14	733.29	40,330.71	28,598.14	733.29
UT ASST	2022	1	GARCIA					64%	36%	
WAGES	-	26.00	54,080.00	-	-	-	-	34,611.20	19,468.80	-
OVERTIME	-	208/24	3,328.00	-	-	-	-	2,129.92	1,198.08	-
TAXES	-		4,299.36	-	-	-	-	2,751.59	1,547.77	-
BENEFITS	-		9,185.24	-	-	-	-	5,878.55	3,306.69	-
TOTAL	-		70,892.60	-	-	-	-	45,371.26	25,521.34	-
UT ASST		0	OPEN					36%	64%	
WAGES	-	25.00	52,000.00	-	-	-	-	18,720.00	33,280.00	-
OVERTIME	-	208/24	3,200.00	-	-	-	-	1,152.00	2,048.00	-
TAXES	-		4,134.00	-	-	-	-	1,488.24	2,645.76	-
BENFITS	-		20,194.44	-	-	-	-	7,270.00	12,924.44	-
TOTAL	-		79,528.44	-	-	-	-	28,630.24	50,898.20	-
PUBLIC UTILITIES										
WAGES			162,240.00	-	-	2,246.40	561.60	84,219.20	74,651.20	561.60
OVERTIME			9,984.00	-	-	138.24	34.56	5,182.72	4,593.92	34.56
TAXES			12,898.08	-	-	178.59	44.65	6,695.43	5,934.77	44.65
BENEFITS			38,627.52	-	-	369.91	92.48	18,234.86	19,837.79	92.48
TOTAL	-		223,749.60	-	-	2,933.14	733.29	114,332.21	105,017.68	733.29

2023				ADMIN	BUILDING	LAW	STREETS	PARKS	WATER	SEWER	OVERALL	
PR RPT DETAIL	RATE			ANNUAL	10-41-03	12-43-03	1-42-02	1-45-02	1-46-02	2-50-03	3-51-03	151
PW DIRECTOR	2022	1	HEINIGER				18%	17%	40%	5%	20%	
WAGES	-		36.00	74,880.00	-	-	-	13,478.40	12,729.60	29,952.00	3,744.00	14,976.00
OVERTIME	-			-	-	-	-	-	-	-	-	-
TAXES	-			5,952.96	-	-	-	1,071.53	1,012.00	2,381.18	297.65	1,190.59
BENEFITS	-			18,587.84	-	-	-	3,345.81	3,159.93	7,435.14	929.39	3,717.57
TOTAL	-			99,420.80	-	-	-	17,895.74	16,901.54	39,768.32	4,971.04	19,884.16
SUPERVISOR	OPEN							25%	20%	35%	3%	17%
WAGES	-		30.00	62,400.00	-	-	-	15,600.00	12,480.00	21,840.00	1,872.00	10,608.00
OVERTIME	-		52/8	1,020.00	-	-	-	255.00	204.00	357.00	30.60	173.40
TAXES	-			4,960.80	-	-	-	1,240.20	992.16	1,736.28	148.82	843.34
BENEFITS	-			20,714.44	-	-	-	5,178.61	4,142.89	7,250.05	621.43	3,521.45
TOTAL	-			89,095.24	-	-	-	22,273.81	17,819.05	31,183.33	2,672.86	15,146.19
LABOR (OVERALL)	2022	1	BYRGE				25%	10%	26%	10%	29%	
WAGES	-		25.75	53,560.00	-	-	-	13,390.00	5,356.00	13,925.60	5,356.00	15,532.40
OVERTIME	-		78/12	1,313.25	-	-	-	328.31	131.33	341.45	131.33	380.84
TAXES	-			4,258.02	-	-	-	1,064.51	425.80	1,107.09	425.80	1,234.83
BENEFITS	-			9,855.84	-	-	-	2,463.96	985.58	2,562.52	985.58	2,858.19
TOTAL	-			68,987.11	-	-	-	17,246.78	6,898.71	17,936.65	6,898.71	20,006.26
LABOR (OVERALL)	1998	25	D.REICH				13%	4%	76%	3%	4%	
WAGES	-		25.50	53,040.00	-	-	-	6,895.20	2,121.60	40,310.40	1,591.20	2,121.60
OVERTIME	-		52/8	867.00	-	-	-	112.71	34.68	658.92	26.01	34.68
TAXES	-			4,216.68	-	-	-	548.17	168.67	3,204.68	126.50	168.67
BENEFITS	-			14,302.84	-	-	-	1,859.37	572.11	10,870.16	429.09	572.11
TOTAL	-			72,426.52	-	-	-	9,415.45	2,897.06	55,044.16	2,172.80	2,897.06
LABOR (OVERALL)	2021	2	RAYMOND				25%	43%	13%	3%	16%	
WAGES	-		21.25	44,200.00	-	-	-	11,050.00	19,006.00	5,746.00	1,326.00	7,072.00
OVERTIME	-		92/18	1,360.00	-	-	-	340.00	584.80	176.80	40.80	217.60
TAXES	-			3,513.90	-	-	-	878.48	1,510.98	456.81	105.42	562.22
BENEFITS	-			2,794.44	-	-	-	698.61	1,201.61	363.28	83.83	447.11
TOTAL	-			51,868.34	-	-	-	12,967.09	22,303.39	6,742.88	1,556.05	8,298.93
T.DRIVER	2003	20	+CDL	R.EDWARDS				20%	5%			75%
WAGES	-		25.00	52,000.00	-	-	-	10,400.00	2,600.00	-	-	39,000.00
OVERTIME	-		26/0	325.00	-	-	-	65.00	16.25	-	-	243.75
TAXES	-			4,134.00	-	-	-	826.80	206.70	-	-	3,100.50
BENEFITS	-			14,021.34	-	-	-	2,804.27	701.07	-	-	10,516.01
TOTAL	-			70,480.34	-	-	-	14,096.07	3,524.02	-	-	52,860.26
LABOR (TRASH/PARKS)				OPEN				20%	5%	75%		
WAGES	-	30HR/WK	20.00	24,960.00	-	-	-	4,992.00	1,248.00	-	-	18,720.00
OVERTIME	-		26/0	260.00	-	-	-	52.00	13.00	-	-	195.00
TAXES	-			1,984.32	-	-	-	396.86	99.22	-	-	1,488.24
BENEFITS	-			460.00	-	-	-	92.00	23.00	-	-	345.00
TOTAL	-			27,664.32	-	-	-	5,532.86	1,383.22	-	-	20,748.24
LABOR (TRASH/PARKS)				OPEN				20%	5%	75%		
WAGES	-	30HR/WK	20.00	24,960.00	-	-	-	4,992.00	1,248.00	-	-	18,720.00
OVERTIME	-		26/0	260.00	-	-	-	52.00	13.00	-	-	195.00
TAXES	-			1,984.32	-	-	-	396.86	99.22	-	-	1,488.24
BENEFITS	-			460.00	-	-	-	92.00	23.00	-	-	345.00
TOTAL	-			27,664.32	-	-	-	5,532.86	1,383.22	-	-	20,748.24
PUBLIC WORKS												
WAGES				390,000.00	-	-	-	80,797.60	56,789.20	111,774.00	13,889.20	126,750.00
OVERTIME				5,405.25	-	-	-	1,205.02	997.06	1,534.17	228.74	1,440.27
TAXES				31,005.00	-	-	-	6,423.41	4,514.74	8,886.03	1,104.19	10,076.63
BENEFITS				81,196.74	-	-	-	16,534.63	10,809.19	28,481.14	3,049.33	22,322.45
TOTAL				507,606.99	-	-	-	104,960.66	73,110.19	150,675.34	18,271.45	160,589.34
				-	-	-	-	-	-	-	-	0.00

2023			ADMIN	BUILDING	LAW	STREETS	PARKS	WATER	SEWER	OVERHEAD
PR RPT DETAIL	RATE	ANNUAL	10-41-03	12-43-03	1-42-02	1-45-02	1-46-02	2-50-03	3-51-03	152
MAYOR			100%							
WAGES	-	2,400.00	2,400.00		-	-		-	-	-
TAXES	-	183.60	183.60		-	-		-	-	-
TOTAL	-	2,583.60	2,583.60	-	-	-	-	-	-	-
MAYOR PRO TEM			100%							
WAGES	-	1,200.00	1,200.00		-	-		-	-	-
TAXES	-	91.80	91.80		-	-		-	-	-
TOTAL	-	1,291.80	1,291.80	-	-	-	-	-	-	-
TRUSTEE			100%							
WAGES	-	1,200.00	1,200.00		-	-		-	-	-
TAXES	-	91.80	91.80		-	-		-	-	-
TOTAL	-	1,291.80	1,291.80	-	-	-	-	-	-	-
TRUSTEE			100%							
WAGES	-	1,200.00	1,200.00		-	-	-	-	-	-
TAXES	-	91.80	91.80		-	-	-	-	-	-
TOTAL	-	1,291.80	1,291.80	-	-	-	-	-	-	-
TRUSTEE			100%							
WAGES	-	1,200.00	1,200.00		-	-	-	-	-	-
TAXES	-	91.80	91.80		-	-	-	-	-	-
TOTAL	-	1,291.80	1,291.80	-	-	-	-	-	-	-
TRUSTEE			100%							
WAGES	-	1,200.00	1,200.00		-	-	-	-	-	-
TAXES	-	91.80	91.80		-	-	-	-	-	-
TOTAL	-	1,291.80	1,291.80	-	-	-	-	-	-	-
TRUSTEE			100%							
WAGES	-	1,200.00	1,200.00		-	-	-	-	-	-
TAXES	-	91.80	91.80		-	-	-	-	-	-
TOTAL	-	1,291.80	1,291.80	-	-	-	-	-	-	-
TOWN BOARD										
WAGES		9,600.00	9,600.00	-	-	-	-	-	-	-
TAXES		734.40	734.40	-	-	-	-	-	-	-
TOTAL		10,334.40	10,334.40	-	-	-	-	-	-	-

Property Tax Levies and Collections

The mill levy is a property tax applied based on the assessed value of the property. The rate of the tax is expressed in mills - one mill is equal to **one dollar per \$1,000 of assessed value**. The tax is applied by local governments and other jurisdictions to raise revenue to cover their budgets and to pay for public services such as schools.

CPI FOR BUDGET PROJECTIONS

The Denver-Aurora-Lakewood CPI figure is released annually near the end of February. Local governments recognize the timing of its release makes it too late for use actual numbers for annual budgetary preparation which must be completed in December. Accordingly most local governments find it necessary to use current year forecasts which are made available quarterly through both the [Governor's Office of State Planning and Budgeting \(OSPB\)](https://www.colorado.gov/governor/office-state-planning-budgeting) (<https://www.colorado.gov/governor/office-state-planning-budgeting>) and the [Colorado Legislative Council](http://leg.colorado.gov/agencies/legislative-council-staff) (<http://leg.colorado.gov/agencies/legislative-council-staff>).

Many local officials use the forecasts to calculate TABOR limitations. Doing so necessitates recalculation of limits after the release of the actual Denver-Aurora-Lakewood CPI number to compare amounts approved in the budget document and make amendments if necessary.

In January 2018, the Bureau of Labor Statistics introduced a new geographic area for the CPI. The local CPI changed from Denver-Boulder-Greeley to Denver-Aurora-Lakewood. The [Bureau of Labor Statistics CPI](https://www.bls.gov/cpi/regional-resources.htm) (<https://www.bls.gov/cpi/regional-resources.htm>) provides more information, and past actual numbers for the calculation of the index.

1997-2023

TOWN OF PAONIA - PROPERTY TAX LEVIES AND COLLECTIONS 1997-2022								
YEAR	COUNTY ASSESSED VALUE	ORIGINAL MILL LEVY	TEMPORARY REDUCTION	TOTAL MILL LEVY	C (mailto:CIP@1231)PI	TOTAL TAX LEVIED	TOTAL TAX COLLECTED	% OF LEVY COLLECTED
1997	5,717,270	10.21	0.000	10.21		58,373		
1998	6,682,890	10.21	1.065	9.145		61,115		
1999	6,813,670	10.21	0.794	9.416		64,158		
2000	8,003,581	8.322	0.000	8.322		66,606		
2001	7,941,290	8.322	0.000	8.322		66,087		
2002	8,569,720	8.322	0.202	8.12		69,586		
2003	8,822,540	8.322	0.285	8.037		70,907		
2004	9,351,600	8.322	0.583	7.739		72,372		
2005	9,456,130	8.322	0.613	7.709		72,897		
2006	9,773,740	8.322	0.632	7.69		75,160		
2007	9,686,070	8.322	0.310	8.012		77,605		
2008	11,412,660	8.322	1.277	7.045		80,402		
2009	12,434,230	8.322	1.623	6.699	-1.20%	83,297		
2010	13,671,550	8.322	2.221	6.101	1.00%	83,410		
2011	13,350,630	8.322	1.960	6.362	1.87%	84,937	77,534.81	91.29%
2012	12,256,510	8.322	1.170	7.152	3.69%	87,659	88,643.85	101.12%
2013	12,524,793	8.322	1.141	7.181	1.94%	89,940	89,866.77	99.92%
2014	12,046,370	8.322	0.000	8.322	2.77%	100,250	99,913.35	99.66%
2015	12,031,703	8.322	0.000	8.322	2.78%	100,128	99,924.93	99.80%
2016	12,320,386	8.322	0.000	8.322	2.70%	103,243	102,009.16	98.80%
2017	12,290,035	8.322	0.000	8.322	2.90%	102,278	102,170.11	99.89%
2018	11,977,020	8.322	0.000	8.322	2.70%	99,673	99,660.85	99.99%
2019	12,073,777	8.322	0.000	8.322	1.90%	100,477	100,298.72	99.82%
2020	15,989,348	8.322	0.000	8.322	2.50%	133,063	132,257.46	99.39%
2021	16,114,704	8.322	0.000	8.322	0.40%	134,107	134,101.09	100.00%
2022	17,979,678	8.322	0.000	8.322	3.50%	149,627	149,536.52	99.94%
2023	17,595,556	8.322	0.000	8.322		146,513		

NOTE:

Tax lien sale in November for any property taxes not paid in the current year.

DELTA COUNTY COLORADO

The mill levies shown in this report equate to dollars of tax per \$1,000 of assessed value. So, for example, a mill levy of 50.000 mills would equal \$50.00 of tax per \$1,000 of assessed value. Expressed as a decimal, 50.000 mills would equal 0.05 or 5¢ of tax per \$1 of assessed value. Assessed value is a statutorily defined percentage of "actual value" as determined by the Assessor, dependent on the classification of the property. Improved residential property is assessed at 7.15% of actual value for the tax year 2020. All other property (excepting oil and gas production) is assessed at 29% of actual value. (The assessment percentage, 7.15% or 29%, is known as the "assessment ratio.") So, for example, the tax for an improved residential property with an actual value of \$150,000 as determined by the Assessor in a tax area with a mill levy of 50.000 would be computed as follows:

Actual Value x Assessment Ratio x Mill Levy (expressed as a decimal) = Tax

$$\$150,000 \times 7.15\% \times 0.05 = \$540.00$$

AMENDED CERTIFICATE OF TAX LEVIES FOR NON-SCHOOL GOVERNMENTS

CERTIFICATION OF TAX LEVIES for NON-SCHOOL GovernmentsTO: County Commissioners¹ of Delta, Colorado.On behalf of the Town of Paonia,
(taxing entity)^Athe Board of Trustees,
(governing body)^Bof the Town of Paonia,
(local government)^C

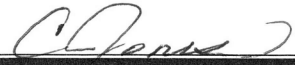
Hereby officially certifies the following mills
to be levied against the taxing entity's GROSS \$ 17,605,465
assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation
(AV) different than the GROSS AV due to a Tax
Increment Financing (TIF) Area^F the tax levies must be \$ 17,605,465
calculated using the NET AV. The taxing entity's total
(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
property tax revenue will be derived from the mill levy
multiplied against the NET assessed valuation of:

Submitted: 12/15/2022 for budget/fiscal year 2023.
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>8.322</u> mills	\$ <u>146,513</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< <u>0</u> > mills	\$ < <u>0</u> >
SUBTOTAL FOR GENERAL OPERATING:	<u>8.322</u> mills	\$ <u>146,513</u>
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>8.322</u> mills	\$ <u>146,513</u>

Contact person: (print) CINDY JONES Daytime phone: (970) 527-4101

Signed:  Title: FINANCE DIRECTOR

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

2. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

CONTRACTS^K:

3. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

4. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

^A Taxing Entity—A jurisdiction authorized by law to impose ad valorem property taxes on taxable property located within its territorial limits (please see notes B, C, and H below). For purposes of the DLG 70 only, a taxing entity is also a geographic area formerly located within a *taxing entity's* boundaries for which the county assessor certifies a valuation for assessment and which is responsible for payment of its share until retirement of financial obligations incurred by the *taxing entity* when the area was part of the *taxing entity*. For example: an area of excluded property formerly within a special district with outstanding general obligation debt at the time of the exclusion or the area located within the former boundaries of a dissolved district whose outstanding general obligation debt service is administered by another local government^C.

^B Governing Body—The board of county commissioners, the city council, the board of trustees, the board of directors, or the board of any other entity that is responsible for the certification of the *taxing entity's* mill levy. For example: the board of county commissioners is the governing board ex officio of a county public improvement district (PID); the board of a water and sanitation district constitutes ex officio the board of directors of the water subdistrict.

^C Local Government - For purposes of this line on Page 1 of the DLG 70, the local government is the political subdivision under whose authority and within whose boundaries the *taxing entity* was created. The local government is authorized to levy property taxes on behalf of the *taxing entity*. For example, for the purposes of this form:

1. a municipality is both the local government and the *taxing entity* when levying its own levy for its entire jurisdiction;
2. a city is the local government when levying a tax on behalf of a business improvement district (BID) *taxing entity* which it created and whose city council is the BID board;
3. a fire district is the local government if it created a subdistrict, the *taxing entity*, on whose behalf the fire district levies property taxes.
4. a town is the local government when it provides the service for a dissolved water district and the town board serves as the board of a dissolved water district, the *taxing entity*, for the purpose of certifying a levy for the annual debt service on outstanding obligations.

^D GROSS Assessed Value - There will be a difference between gross assessed valuation and net assessed valuation reported by the county assessor only if there is a "tax increment financing" entity (see below), such as a downtown development authority or an urban renewal authority, within the boundaries of the *taxing entity*. The board of county commissioners certifies each *taxing entity's* total mills upon the *taxing entity's* Gross Assessed Value found on Line 2 of Form DLG 57.

^E Certification of Valuation by County Assessor, Form DLG 57 - The county assessor(s) uses this form (or one similar) to provide valuation for assessment information to a *taxing entity*. The county assessor must provide this certification no later than August 25th each year and may amend it, one time, prior to December 10th.

^F TIF Area—A downtown development authority (DDA) or urban renewal authority (URA), may form plan areas that use "tax increment financing" to derive revenue from increases in assessed valuation (gross minus net, Form DLG 57 Line 3) attributed to the activities/improvements within the plan area. The DDA or URA receives the differential revenue of each overlapping *taxing entity's* mill levy applied against the *taxing entity's* gross assessed value after subtracting the *taxing entity's* revenues derived from its mill levy applied against the net assessed value.

^G NET Assessed Value—The total taxable assessed valuation from which the *taxing entity* will derive revenues for its uses. It is found on Line 4 of Form DLG 57.

^H General Operating Expenses (DLG 70 Page 1 Line 1)—The levy and accompanying revenue reported on Line 1 is for general operations and includes, in aggregate, all levies for and revenues raised by a *taxing entity* for purposes not lawfully exempted and detailed in Lines 3 through 7 on Page 1 of the DLG 70. For example: a fire pension levy is included in general operating expenses, unless the pension is voter-approved, if voter-approved, use Line 7 (Other).

^I Temporary Tax Credit for Operations (DLG 70 Page 1 Line 2)—The Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction of 39-1-111.5, C.R.S. may be applied to the *taxing entity's* levy for general operations to effect refunds. Temporary Tax Credits (TTCs) are not necessary for other types of levies (non-general operations) certified on this form because these levies are adjusted from year to year as specified by the provisions of any contract or schedule of payments established for the payment of any obligation incurred by the *taxing entity* per 29-1-301(1.7), C.R.S., or they are certified as authorized at election per 29-1-302(2)(b), C.R.S.

^J General Obligation Bonds and Interest (DLG 70 Page 1 Line 3)—Enter on this line the total levy required to pay the annual debt service of all general obligation bonds. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments. Title 32, Article 1 Special districts and subdistricts must complete Page 2 of the DLG 70.

^K Contractual Obligation (DLG 70 Page 1 Line 4)—If repayment of a contractual obligation with property tax has been approved at election and it is not a general obligation bond (shown on Line 3), the mill levy is entered on this line. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments.

^L Capital Expenditures (DLG 70 Page 1 Line 5)—These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities through public hearings pursuant to 29-1-301(1.2) C.R.S. and for special districts through approval from the Division of Local Government pursuant to 29-1-302(1.5) C.R.S. or for any *taxing entity* if approved at election. Only levies approved by these methods should be entered on Line 5.

^M Refunds/Abatements (DLG 70 Page 1 Line 6)—The county assessor reports on the Certification of Valuation (DLG 57 Line 11) the amount of revenue from property tax that the local government did not receive in the prior year because taxpayers were given refunds for taxes they had paid or they were given abatements for taxes originally charged to them due to errors made in their property valuation. The local government was due the tax revenue and would have collected it through an adjusted mill levy if the valuation errors had not occurred. Since the government was due the revenue, it may levy, in the subsequent year, a mill to collect the refund/abatement revenue. An abatement/refund mill levy may generate revenues up to, but not exceeding, the refund/abatement amount from Form DLG 57 Line 11.

1. Please Note: If the *taxing entity* is in more than one county, as with all levies, the abatement levy must be uniform throughout the entity's boundaries and certified the same to each county. To calculate the abatement/refund levy for a *taxing entity* that is located in more than one county, first total the abatement/refund amounts reported by each county assessor, then divide by the *taxing entity's* total net assessed value, then multiply by 1,000 and round down to the nearest three decimals to prevent levying for more revenue than was abated/refunded. This results in an abatement/refund mill levy that will be uniformly certified to all of the counties in which the *taxing entity* is located even though the abatement/refund did not occur in all the counties.

^N Other (DLG 70 Page 1 Line 7)—Report other levies and revenue not subject to 29-1-301 C.R.S. that were not reported above. For example: a levy for the purposes of television relay or translator facilities as specified in sections 29-7-101, 29-7-102, and 29-7-105 and 32-1-1005 (1) (a), C.R.S.; a voter-approved fire pension levy; a levy for special purposes such as developmental disabilities, open space, etc.

FUND SUMMARIES

A general fund is the **primary fund used by a government entity**. This fund is used to record all resource inflows and outflows that are not associated with special-purpose funds. The activities being paid for through the general fund constitute the core administrative and operational tasks of the government entity. It is a major fund and the majority of the governmental fund.

 General Fund

The Town diligently works to maintain a strong, diverse revenue base, recognizing that a dependence upon any individual revenue source would make revenue yields more vulnerable to economic cycles. All revenues are conservatively projected and are monitored and updated as necessary.

General Fund Revenues - Property Tax Revenue

Distribution: General Fund 100%

Source: Paonia property owners

Collection: The collection process begins with the Delta County Assessor's Office. Two types of property are valued by the Assessor's Office. 1) "real property (land & buildings) and 2) "personal property" (business machines & equipment). Once market values are established, the Assessor's Office computes the assessed valuation of property based on state-legislated assessment percentages. Property is assessed at the end of one year, for collection in the following year.

Town of Paonia Assessed Valuations:

The total assessed valuation (in millions) for the Town of Paonia for the past twelve (12) years is demonstrated by the following table:

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ASSESSED VALUATION	12.3	12.5	12.0	12.0	12.3	12.3	12.0	16.0	16.1	18.0	17.0	17.0

Mill Levies for Residents: Assessments are furnished to the Delta County Treasurer's Office. The Treasurer's Office issues property tax bills to every property owner based on the property's assessed valuation and the total mill levy which local governments have certified for the year. Within Town of Paonia, mill levies are currently 8.322 and are certified by the Town of Paonia.

Payment: Property owners pay property taxes to Delta County in either two installments due February 28 and June 15 or in one installment due April 30. Delta County ACH transfers the Town's property taxes directly to the Town's main bank account on the 15th of the month following the month that the collection is processed by Delta County.

Legal Restrictions: The Gallagher Amendment to the Colorado Constitution restricts property tax growth in requiring the legislature to annually adjust the residential assessed valuation percentage to ensure that the proportion of residential to total state assessed valuation remains constant – residential properties pay 45% of the total property taxes, while commercial and industrial properties pay 55%.

There is a statutory limitation which prohibits property tax revenue growth from exceeding 5.5% each year, adjusted for new construction. However, the Town of Paonia put the question to the voters and is now exempt from this provision.

Forecast: 2022 \$ 149,627

Estimate 2023 \$ 146,513

Rationale: Forecast for 2022 is based on actual receipts and amended valuation information from the County Assessor. Beginning in 2020, the Town has experienced significant increases in residential and construction. The Town does not expect to benefit from a continued increase in property tax revenues because of the current water moratorium that is in place, which is affecting construction as there are no water taps available for purchase and no water line can be extended.

Note: Additional historical data can be found under Budget Overview Property Tax Levies and Collections.

General Fund Revenues - Sales Tax Revenue

Distribution: General Fund 2% and Capital Improvement Program (CIP) Fund 1% of the Towns 3% Town Sales Tax.

The Town's portion of the County's Sales Tax goes to the General Fund. In 2020 the citizens voted to increase County Sales Tax by .8% to go only to the Public Safety Department within the General Fund. The other stipulation regarding Back The Badge requires the Town to maintain the previously allocated of revenue to the Public Safety Department to remain unchanged.

Source: Sales Tax comes from two sources 1) Visitors, residents, and employers in Paonia 2) Allocated share from Delta County.

Collection: The Department of Revenue collects a 3% tax on sales of tangible personal property and specific services. In 2018 a 1.0% sales tax increase was approved by the citizens of Paonia, effective July 1, 2018. Sales Taxes are collected by the retailer and are reported directly to the Department of Revenue on either a monthly, quarterly, or annual basis. In 2019, the handling of Delivery Sales Tax changed by the State of Colorado and was originally effective February 2019 but was extended to July 2019.

Delta County collects the County's 2% sales tax and as of 2021 the .8% for Back the Badge initiative. The Delta County Treasures Office allocates it to Delta County municipalities according to the IGA's with the County.

As of December 2021, the Town's first cannabis retail location, followed by a second retail location and a third medical and retail location. Each location is required to pay a 15% state sales tax. The State then allocates 10% of that sales tax back to the Town. The board has directed these funds be used for Streets.

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2022 EST	2023 EST
TOWN	\$290,946	\$274,728	\$270,968	\$289,470	\$355,306	\$524,088	\$636,562	\$706,791	\$702,000	\$810,894	\$895,572
COUNTY	\$ 95,418	\$ 98,448	\$ 94,998	\$102,375	\$106,806	\$118,090	\$141,404	\$365,135*	\$325,845	\$356,063	\$407,160
STATE										\$ 25,189	\$ 28,980

*Denotes inclusion of the estimate related to the .8% Back the Badge initiative.

Sales tax revenues have recovered from the economic recession of 2008. Benefiting from the overall strong Western Slope economy, the Town has seen steady growth since 2017 and anticipates this trend to continue.

Forecast: 2022 \$702,000 Estimated Actual 2022 \$810,894 Estimated 2023 \$895,572

Rationale: While projections remain conservative, the Town does project a 27.57% increase in sales tax revenues in 2023 over 2022 due to new business growth, development, and delivery sales.

ACCOUNT DESCRIPTION	2020		2021		2022		2022		2023		2023		2022 TO 2023		NOTES & ASSUMPTIONS
	AUDITED ACTUAL	AUDITED ACTUAL	AUDITED ACTUAL	AUDITED ACTUAL	BUDGET	PROJECTED	ACTUAL	BUDGET	DRAFT BUDGET	FINAL BUDGET	DRAFT VS FINAL	% OF CHANGE			

GENERAL FUND - ADMINISTRATION REVENUE												
PROPERTY TAXES	132,257.46	134,101.09	149,627.00	149,627.00	149,536.52	146,430.00	146,513.00	83.00	-2.08%	CNTY VALUATION		
SALES TAX - TOWN	75,247.95	38,838.76	17,224.00	33,216.00	33,216.00	114,830.00	111,680.00	(3,150.00)	548.40%	REALLOCATE FOR + ADMIN EXP		
SALES TAX - COUNTY	-	-	45,000.00	-	-	-	-	-	-			
PENALTY & INTEREST	408.33	304.44	400.00	320.41	320.41	400.00	400.00	-	0.00%			
DELINQUENT TAX	-	13.16	15.00	0.02	0.02	15.00	15.00	-	0.00%			
ABATEMENTS	1,215.27	-	-	-	-	-	-	-	-			
LIQUOR LICENSES	4,240.50	6,509.36	5,000.00	4,525.00	4,350.00	3,675.00	5,000.00	1,325.00	0.00%			
SPECIAL REVIEWS	1,666.30	1,289.35	750.00	1,250.00	1,250.00	1,000.00	1,000.00	-	33.33%	PREV YR HISTORY		
INTEREST INCOME	9,690.27	8,618.50	7,200.00	14,385.92	12,339.18	13,200.00	22,800.00	9,600.00	216.67%	INCREASE IN INT RATE (4MO AVG)		
LATE CHARGES	2,522.11	6,560.00	7,075.00	6,137.00	4,737.00	5,400.00	6,150.00	750.00	-13.07%	CURRENT YR HISTORY		
OTHER INCOME	1.00	53.61	75.00	783.13	783.13	100.00	10.00	(90.00)	-86.67%	PREV YR HISTORY		
REFUND OF EXP	10,706.23	2,840.39	1,500.00	9,042.81	12,709.88	4,000.00	4,200.00	200.00	180.00%	PREV YR HISTORY		
RESTITUTION	7,544.35	1,762.36	1,500.00	4,795.39	4,715.39	4,800.00	4,800.00	-	220.00%	\$80/MO+TAX RETURN		
GRANT REVENUE	61,728.00	130,600.12	15,068.00	6,500.00	6,500.00	66,350.00	66,350.00	-	340.34%	SIPA+HOUSING		
RESERVES						19,950.00	19,950.00	-				
TOTAL INCOME	465,935.77	397,803.11	250,434.00	250,434.00	325,962.15	380,150.00	388,868.00	8,718.00	55.28%			

ACCOUNT DESCRIPTION	2020		2021		2022		2022		2023		DRAFT		% OF CHANGE		NOTES & ASSUMPTIONS
	AUDITED		AUDITED		BUDGET	PROJECTED	ACTUAL		DRAFT		BUDGET	VS	2022 TO 2023		
	ACTUAL		ACTUAL									FINAL	F. BUDGET	ASSUMPTIONS	
GENERAL FUND - ADMINISTRATION EXPENDITURES															
TOTAL PAYROLL	48,801.80		25,926.61		81,036.00	85,476.58	76,886.58		155,414.00		154,461.47	(952.53)		90.61%	ADDED POSITIONS ALLOCATION
WORK COMP	126.00		123.90		134.00	137.00	137.00		150.00		148.00	(2.00)		10.45%	8% PROPOSAL
CONTRACT LABOR	529.09		-		-	16,723.26	-		-		-	-			
OFFICE SUPPLIES	3,175.91		3,757.12		4,375.00	6,059.76	5,559.76		2,876.00		6,075.00	3,199.00		38.86%	COST INCREASES
OPERATING SUPPLIES	652.68		1,036.03		690.00	1,683.51	1,618.51		735.00		1,585.00	850.00		129.71%	BASED ON CURRENT YR ACTUAL
POSTAGE	488.65		1,702.97		695.00	550.43	325.43		500.00		550.00	50.00		-20.86%	BASED ON CURRENT YR ACTUAL
LEGAL SERVICES/ENGINEERING	66,335.09		52,876.29		76,317.00	60,343.12	53,267.11		62,070.00		63,844.53	1,774.53		-16.34%	REMAINING BALANCE
AUDIT & BUDGET EXPENSE	5,290.00		4,500.00		4,500.00	4,000.00	4,000.00		4,500.00		4,500.00	-		0.00%	
TOWN HALL EXPENSE	11,272.11		12,007.99		11,890.00	16,327.86	14,747.86		12,485.00		13,200.00	715.00		11.02%	COST INCREASES
TRAVEL & MEETINGS	909.22		1,633.16		3,950.00	307.46	307.46		4,841.00		4,850.00	9.00		22.78%	ADDED TRAINING FOR NEW EMP
INSURANCE & BONDS	4,136.30		2,748.10		2,780.00	3,073.67	3,073.67		3,240.00		3,333.00	93.00		19.89%	8% PROPOSAL
UTILITIES	4,473.29		4,497.21		5,785.00	5,806.86	4,931.86		6,120.00		6,175.00	55.00		6.74%	PROPOSED INCREASES
TELEPHONE	1,156.85		2,863.59		3,030.00	2,667.60	2,448.27		2,652.00		2,700.00	48.00		-10.89%	BASED ON CURRENT YR ACTUAL
PUBLISHING & ADS	1,605.73		4,052.12		6,360.00	8,617.61	7,367.61		3,678.00		5,030.00	1,352.00		-20.91%	CHG. + MUNICODE CONTRACT
DUES & SUBSCRIPTIONS	9,538.50		16,342.91		12,230.00	11,943.75	10,673.75		13,171.00		12,386.00	(785.00)		1.28%	COST INCREASES
CNTY TREASURER'S FEE	2,812.45		2,850.58		3,300.00	3,194.31	3,144.31		3,290.00		3,300.00	10.00		0.00%	
DATA PROCESSING	12,814.16		15,056.82		13,619.00	15,344.23	12,216.34		12,528.00		15,080.00	2,552.00		10.73%	COST INCREASES
MISCELLANEOUS (CDOOT GRANT)	127,589.98				-	-	-		-		-	-			
CULTURAL EVENTS	38.91		-		-	-	-		1,000.00		1,000.00	-			SIGN PROJECT
HUMAN SERVICES	4,300.00		4,100.00		4,675.00	4,576.99	3,336.99		4,600.00		4,350.00	(250.00)		-6.95%	REDUCTION IN DONATIONS
TOTAL FIXED COST	306,371.72		156,075.40		235,366.00	246,834.00	204,042.51		293,850.00		302,568.00	8,718.00			
REVENUE-FIXED COSTS	159,564.05		241,727.71		15,068.00	3,600.00	121,919.64		86,300.00		86,300.00	(0.00)			
CAPITAL OUTLAY	53,222.55		-		15,068.00	3,600.00	3,600.00		-		-	-		-100.00%	
GRANT PROJECTS			71,008.76						86,300.00		86,300.00	-			SIPA+HOUSING
TOTAL EXPENDITURES	359,594.27		227,084.16		250,434.00	250,434.00	207,642.51		380,150.00		388,868.00	8,718.00		55.28%	
NET = REVENUE-EXPENSE	106,341.50		170,718.95		-	-	118,319.64		-		(0.00)	(0.00)			
RESERVES	x		x				131,468.66				~\$111,393.77				

ACCOUNT DESCRIPTION	2020		2021		2022		2022		2023		2023		DRAFT		% OF CHANGE		NOTES & ASSUMPTIONS
	AUDITED	ACTUAL	AUDITED	ACTUAL	BUDGET	PROJECTED	ACTUAL	BUDGET	DRAFT	FINAL	BUDGET	FINAL	VS	F.BUDGET	2022 TO 2023		
GENERAL FUND - PUBLIC SAFETY REVENUE																	
S.O. AUTO TAXES	22,290.77		23,650.44		23,315.00	20,181.13	20,181.13	20,181.13	23,550.00	23,550.00		23,550.00	-		1.01%	PREV YR HISTORY	
SALES TAX - TOWN	151,428.37		182,000.00		182,000.00	232,750.59	232,750.59	232,750.59	242,111.00	257,188.00		257,188.00	15,077.00		41.31%	REALLOCATE FOR + EXP	
SALES TAX - COUNTY	142,648.51		159,850.11		325,845.00	308,627.82	308,627.82	162,114.10	168,720.00	169,842.00		169,842.00	1,122.00		25.65%	PREV YR HISTORY	
BACK THE BADGE	-		205,285.29					226,034.69	238,440.00	239,580.00		239,580.00	1,140.00				
CIGARETTE TAX	1,490.60		2,007.74		1,785.00	1,318.51	1,318.51	1,318.51	1,100.00	1,350.00		1,350.00	250.00		-24.37%	PREV YR HISTORY	
MOTOR VEHICLE - \$1.50	2,612.20		2,737.06		2,750.00	2,235.65	2,235.65	2,235.65	2,600.00	2,600.00		2,600.00	-		-5.45%	PREV YR HISTORY	
MOTOR VEHICLE - \$2.50	3,718.77		3,965.00		3,966.00	3,240.00	3,240.00	3,240.00	3,800.00	3,800.00		3,800.00	-		-4.19%	PREV YR HISTORY	
COURT FINES	717.28		835.00		825.00	200.00	200.00	200.00	200.00	200.00		200.00	-		-75.76%	CURRENT YR HISTORY	
POLICE FINES	14,075.00		17,206.00		27,650.00	4,277.00	4,277.00	4,277.00	21,000.00	21,000.00		21,000.00	-		-24.05%	BASED ON FULL STAFFING	
MISC FINES-BONDS	73.50		195.00		200.00	45.00	45.00	45.00	200.00	200.00		200.00	-		0.00%		
DOG TAGS	311.00		200.00		300.00	180.00	180.00	180.00	300.00	300.00		300.00	-		0.00%		
PD GRANT	1,352.68		995.00		6,000.00	1,509.25	1,509.25	1,509.25	10,000.00	10,000.00		10,000.00	-		66.67%	POST GRANT	
OTHER AGENCY COINT	20,000.00		9,925.00			1,236.05	1,236.05	1,236.05	-	-		-	-				
VIN INSPECTIONS	1,195.00		1,610.00		1,925.00	760.00	760.00	760.00	1,500.00	1,500.00		1,500.00	-		-22.08%	CURRENT YR HISTORY	
TOTAL INCOME	361,913.68		610,461.64		576,561.00	576,561.00	656,081.97	713,521.00	731,110.00	17,589.00		26.81%					

ACCOUNT DESCRIPTION	2020		2021		2022		2022		2023		2023		DRAFT		% OF CHANGE		NOTES & ASSUMPTIONS
	AUDITED	ACTUAL	AUDITED	ACTUAL	BUDGET	PROJECTED	ACTUAL	BUDGET	DRAFT	BUDGET	FINAL	BUDGET	VS	FINAL	F.BUDGET		
GENERAL FUND - PUBLIC SAFETY EXPENDITURES																	
TOTAL PAYROLL	259,701.76		339,364.03		465,914.00	362,715.77	309,645.64	596,570.00	596,236.27	(333.73)		27.97%				IMPLEMENTED INCREASES	
WORK COMP	7,212.00		8,972.49		9,690.00	8,551.00	8,551.00	9,235.00	9,235.00	-		-4.70%				8% PROPOSAL	
OFFICE SUPPLIES	1,266.84		769.29		1,200.00	2,041.87	1,741.87	1,263.00	2,250.00	987.00		87.50%				CURRENT YR HISTORY	
OPERATING SUPPLIES	4,859.95		9,446.62		6,910.00	22,246.94	6,690.22	4,630.00	15,895.00	11,265.00		130.03%				(2) OPEN OFFICER POSITIONS	
POSTAGE	231.54		166.39		254.00	169.84	109.84	170.00	170.00	-		-33.07%				CURRENT YR HISTORY	
LEGAL SERVICES	4,587.88		-		2,500.00	2,953.80	1,953.80	2,500.00	4,130.00	1,630.00		65.20%				CHG ATTORNEY COSTS	
REPAIRS & MAINTENANCE	360.00		160.00		800.00	834.01	834.01	850.00	850.00	-		6.25%				CURRENT YR HISTORY	
VEHICLE EXPENSE	6,774.79		15,510.03		12,340.00	76,031.20	8,328.37	13,894.00	15,958.73	2,064.73		29.33%				INC FUEL COSTS	
TRAVEL & MEETINGS	719.34		8,290.55		10,100.00	13,945.73	10,945.73	15,900.00	15,900.00	-		57.43%				ADDED TRAINING NEEDS	
INSURANCE & BONDS	20,613.36		22,800.83		25,764.00	25,243.19	25,108.19	27,528.00	27,369.00	(159.00)		6.23%				8% PROPOSAL	
UTILITIES	1,768.14		1,786.18		2,002.00	2,314.00	1,914.00	2,926.00	2,926.00	-		46.15%				PROPOSED INCREASES	
TELEPHONE	2,078.08		5,030.17		5,027.00	5,364.39	4,909.39	5,292.00	5,460.00	168.00		8.61%				CURRENT YR HISTORY	
PUBLISHING & ADS	1,081.16		558.69		230.00	827.35	677.35	190.00	200.00	10.00		-13.04%				CURRENT YR HISTORY	
DUES & SUBSCRIPTIONS	8,480.52		3,269.08		4,685.00	18,398.44	17,898.44	8,795.00	8,795.00	-		87.73%				ADDED SOFTWARE	
DATA PROCESSING	15,534.83		24,378.79		28,070.00	26,261.00	21,366.00	22,978.00	23,624.00	646.00		-15.84%				CURRENT YR HISTORY	
CONTRACT SERVICES			9,770.00			7,040.80	7,040.80	-	-	-							
HUMAN SERVICES	551.41		400.00		1,075.00	1,621.67	921.67	800.00	2,111.00	1,311.00		96.37%				+ CONSULTING SERVICES	
TOTAL FIXED COSTS								713,521.00	731,110.00								
REVENUE-FIXED COSTS								-	0.00								
CAPITAL OUTLAY								-	-	-							
TOTAL EXPENDITURES	335,821.60		450,673.14		576,561.00	576,561.00	428,636.32	713,521.00	731,110.00	17,589.00		26.81%					
NET = REVENUE-EXPENSE	26,092.08		159,788.50		-	-	227,445.65	-	0.00	0.00							
RESERVES	x		x				316,175.49		~\$316,175.49								

ACCOUNT DESCRIPTION	2020		2021		2022		2022		2023		2023		% OF CHANGE		DRAFT		2022 TO 2023		NOTES & ASSUMPTIONS
	AUDITED ACTUAL	AUDITED ACTUAL	AUDITED ACTUAL	AUDITED ACTUAL	BUDGET	PROJECTED	ACTUAL	BUDGET	DRAFT	BUDGET	FINAL	VS	FINAL	F. BUDGET	FINAL	VS	F. BUDGET		

GENERAL FUND - PARKS REVENUE										
SALES TAX - TOWN	94,928.95	165,100.13	132,100.00	120,871.53	107,896.72	150,915.00	140,092.66	(10,822.34)	6.05%	REALLOCATE FOR + EXP
SEVERANCE TAX	4,764.61	1,304.84	1,300.00	4,021.41	4,021.41	4,000.00	4,025.00	25.00	209.62%	CURRENT YR HISTORY
MINERAL LEASING	3,918.97	7,219.37	6,680.00	10,330.31	10,330.31	10,300.00	10,335.00	35.00	54.72%	CURRENT YR HISTORY
RENTS & ROYALTIES	7,396.48	9,656.56	10,472.00	9,345.50	9,345.50	7,582.00	8,567.00	985.00	-18.19%	- HIST PARK EVENTS
PARK CONTRIBUTIONS	10,360.00	5,975.00	-	200.00	25,200.00	-	-	-		
GRANT REVENUE	2,654.21	34,160.93	34,040.00	1,214.30	1,214.30	18,000.00	17,000.00	(1,000.00)	-50.06%	BATHROOM-CO GRAND GRANT
OTHER AGENCY CONT	-	83.00		-	-	-	-	-		
RESERVES						-	14,250.00	14,250.00		GRANT MATCH
TOTAL INCOME	124,023.22	223,499.83	184,592.00	155,528.55	158,008.24	190,797.00	194,269.66	3,472.66	5.24%	

ACCOUNT DESCRIPTION	2020		2021		2022		2023		2023		2023		% OF CHANGE		NOTES & ASSUMPTIONS
	AUDITED ACTUAL	AUDITED ACTUAL	BUDGET	PROJECTED	2022 ACTUAL	DRAFT BUDGET	FINAL BUDGET	VS FINAL	F.BUDGET	2022 TO 2023					
GENERAL FUND - PARKS EXPENDITURES															
TOTAL PAYROLL	49,903.72	56,724.87	90,752.00	78,947.44	69,170.90	82,682.00	84,210.43	1,528.43	-7.21%	REALLOCATIONS/ACTUALS					
WORK COMP	1,375.00	1,684.90	1,820.00	2,376.00	2,376.00	2,566.00	2,566.00	-	40.99%	8% PROPOSAL					
CONTRACT LABOR	5,787.05	-	-	100.00	100.00	-	-	-							
OFFICE SUPPLIES	16.24	35.97	-	105.17	105.17	25.00	105.00	80.00							
OPERATING SUPPLIES	4,168.71	5,277.26	6,107.00	6,421.21	5,936.21	5,685.00	6,724.00	1,039.00	10.10%	CURRENT YR HISTORY					
POSTAGE	49.61	-	50.00	50.00	50.00	50.00	50.00	-	0.00%						
REPAIRS & MAINTENANCE	3,699.27	13,043.71	14,728.00	5,854.35	4,854.35	9,325.00	8,080.23	(1,244.77)	-45.14%	CURRENT YR HISTORY					
VEHICLE EXPENSE	1,283.64	4,915.58	4,475.00	4,084.76	3,734.76	2,900.00	4,100.00	1,200.00	-8.38%	CURRENT YR HISTORY					
RENTALS	-	635.67	725.00	1,620.00	1,080.00	550.00	1,080.00	530.00	48.97%	(2) DUMPSTER RENTALS					
SHOP EXPENSE	2,448.16	1,445.87	1,595.00	1,203.03	928.03	1,150.00	1,150.00	-	-27.90%	CURRENT YR HISTORY					
INSURANCE & BONDS	4,079.42	3,812.76	4,300.00	5,108.17	5,108.17	5,534.00	5,539.00	5.00	28.81%	8% PROPOSAL					
UTILITIES	7,177.15	7,562.74	7,895.00	9,177.64	7,977.64	9,000.00	9,300.00	300.00	17.80%	PROPOSED INCREASES					
TELEPHONE	481.41	734.07	709.00	513.86	473.86	480.00	515.00	35.00	-27.36%	CURRENT YR HISTORY					
PUBLISHING & ADS	43.68	98.17	146.00	38.85	38.85	100.00	100.00	-	-31.51%	CURRENT YR HISTORY					
FEES & PERMITS	748.45	748.45	750.00	748.45	748.45	750.00	750.00	-	0.00%						
MISCELLANEOUS	5,308.42	36,492.38	-	1,017.50	1,017.50	-	-	-							
CONTRACT SERVICES	2,274.13	3,010.48	3,000.00	2,505.49	2,505.49	3,000.00	3,000.00	-	0.00%						
TOTAL FIXED COSTS						123,797.00	127,269.66								
REVENUE-FIXED COSTS						67,000.00	67,000.00								
CAPITAL OUTLAY	20,858.00	2,593.74	13,500.00	-	-	45,750.00	45,750.00	-	238.89%	PARK COMM REQUESTS					
GRANT PROJECTS		36,492.38	34,040.00	23,230.97	23,230.97	21,250.00	21,250.00	-	-37.57%	CO GRAND GRANT-BATHROOM					
TRANSFER IN - (OUT)	6,000.00	26,704.07	-	-	-	-	-	-							
TOTAL EXPENDITURES	115,702.06	165,520.69	184,592.00	143,102.89	129,436.35	190,797.00	194,269.66	3,472.66	5.24%						
NET = REVENUE-EXPENSE	8,321.16	57,979.14	-	12,425.66	28,571.89	-	(0.00)	(0.00)							
RESERVES	x	x			109,464.27		~\$107,639.93								

ACCOUNT DESCRIPTION	2020		2021		2022		2022		2023		2023		% OF CHANGE		NOTES &	
	AUDITED ACTUAL	AUDITED ACTUAL	AUDITED ACTUAL	AUDITED ACTUAL	BUDGET	PROJECTED	ACTUAL	BUDGET	DRAFT BUDGET	FINAL BUDGET	VS	FINAL	F.BUDGET	2022 TO 2023		ASSUMPTIONS

GENERAL FUND - STREETS REVENUE										
SALES TAX - TOWN	94,007.21	78,555.24	127,388.00	151,076.86	121,049.71	89,192.00	90,439.34	1,247.34	-29.00%	REALLOCATE FOR + EXP
SALES TAX-STATE				23,245.67	20,945.67	28,980.00	29,100.00	120.00		
FRANCHISE TAX	57,753.65	56,420.40	61,375.00	50,582.03	43,417.03	62,075.00	49,910.00	(12,165.00)	-18.68%	CURRENT YR HISTORY
MISCELLANEOUS PERMITS	1,155.00	2,025.00	1,450.00	1,565.00	1,465.00	1,450.00	1,675.00	225.00	15.52%	CURRENT YR HISTORY
HIGHWAY USERS TAX	44,153.27	53,718.81	49,916.00	50,825.63	42,903.60	49,916.00	49,916.00	-	0.00%	
ROAD & BRIDGE	7,947.15	8,057.01	8,050.00	8,125.66	8,085.66	8,050.00	8,125.00	75.00	0.93%	CURRENT YR HISTORY
MOTOR FUEL TAX REFUND	1,179.14	1,811.28	1,875.00	1,133.15	582.48	-	1,000.00	1,000.00	-46.67%	+FLEET CARD
OTHER INCOME	-	500.00				-	-	-		
GRANT REVENUE			18,250.00	-	-	-	-	-	-100.00%	
RESERVE			18,250.00	-	-	192,000.00	232,000.00	40,000.00	1171.23%	TRF TO STREET CAP
TOTAL INCOME	206,195.42	201,087.74	286,554.00	286,554.00	238,449.15	431,663.00	462,165.34	30,502.34	61.28%	

ACCOUNT DESCRIPTION	2020		2021		2022		2022		2023		2023		2022 TO 2023		NOTES & ASSUMPTIONS	
	AUDITED	ACTUAL	AUDITED	ACTUAL	BUDGET	PROJECTED	ACTUAL	DRAFT	FINAL	BUDGET	DRAFT	FINAL	VS	F.BUDGET		
GENERAL FUND - STREETS EXPENDITURES																
TOTAL PAYROLL	52,953.02		83,545.70		191,449.00	131,554.64	121,414.78	166,423.00	167,544.94		1,121.94	-	-12.49%		REALLOCATIONS/ACTUALS	
WORK COMP	1,691.00		3,305.00		3,570.00	4,542.00	4,542.00	4,905.00	4,905.00		60.00	-	37.39%		8% PROPOSAL	
OFFICE SUPPLIES	29.97		35.95		-	160.37	160.37	100.00	160.00							
OPERATING SUPPLIES	661.00		179.68		625.00	1,724.92	1,645.92	1,920.00	1,733.00		(187.00)		177.28%		CURRENT YR HISTORY	
POSTAGE	189.28		-		-	50.00	-	50.00	50.00		-					
LEGAL & ENGINEERING SERV	945.50		4,237.50		36,755.00	648.00	348.00	500.00	975.00		475.00		-97.35%		CURRENT YR HISTORY	
REPAIRS & MAINTENANCE	30,380.79		25,874.42		8,510.00	19,505.69	15,727.69	10,500.00	10,900.00		400.00		28.08%		CURRENT YR HISTORY	
VEHICLE EXPENSE	9,863.65		15,858.94		8,753.00	10,412.76	9,687.76	10,225.00	10,456.17		231.17		19.46%		CURRENT YR HISTORY	
RENTALS	1,064.00		-		-	-	-	-	-		-					
SHOP EXPENSE	3,063.48		3,499.78		6,083.00	52,958.23	3,959.14	4,380.00	42,750.00		38,370.00		602.78%		+ TOOL PURCHASES	
TRAVEL & MEETINGS	31.66		546.25		-	956.67	956.67	-	-		-					
INSURANCE & BONDS	8,744.63		3,874.63		3,905.00	3,745.91	3,745.91	4,330.00	4,061.00		(269.00)		3.99%		8% PROPOSAL	
UTILITIES	16,706.39		10,251.12		10,620.00	10,563.31	9,463.31	10,750.00	10,770.00		20.00		1.41%		PROPOSED INCREASES	
TELEPHONE	832.41		755.62		709.00	1,117.32	1,077.32	480.00	480.00		-		-32.30%		REALLOCATION OF CELL PHONES	
PUBLISHING & ADS	-		79.10		75.00	138.85	38.85	100.00	100.00		-		33.33%		CURRENT YR HISTORY	
DUES & SUBSCRIPTIONS	1.56		-		-	-	-	-	-		-					
FEES & PERMITS	-		-		-	-	-	-	-		-					
MISCELLANEOUS	-		-		-	-	-	-	-		-					
SNOW REMOVAL	8,455.65		5,511.45		15,500.00	48,475.33	8,297.45	25,000.00	15,280.23		(9,719.77)		-1.42%		CURRENT YR HISTORY	
STREET CLEANING			-		-	-	-	-	-		-					
TOTAL FIXED COSTS								239,663.00	270,165.34							
REVENUE-FIXED COSTS								192,000.00	192,000.00							
CAPITAL OUTLAY	62,445.13		-		-	-	-	-	-		-					
TRANSFERS	6,000.00		3,000.00		-	-	-	192,000.00	192,000.00		-					
TOTAL EXPENDITURES	204,059.12		160,555.14		286,554.00	286,554.00	181,065.17	431,663.00	462,165.34		30,502.34		61.28%			
NET = REVENUE-EXPENSE	2,136.30		40,532.60		-	-	57,383.98	-	0.00		0.00					
RESERVES	x		x				192,009.71									

ACCOUNT DESCRIPTION	2020		2021		2022		2022		2023		2023		2022 TO 2023		NOTES & ASSUMPTIONS
	AUDITED ACTUAL	AUDITED ACTUAL	2022 BUDGET	2022 PROJECTED	2022 ACTUAL	2023 DRAFT BUDGET	2023 FINAL BUDGET	DRAFT VS FINAL	% OF CHANGE						
GENERAL FUND - STREET CAPITAL															
SALES TAX - TOWN	-	-	4,000.00	-	-	-	-	-	-	-100.00%					
IMPACT FEE	48,150.59	54,150.47	-	-	-	-	-	-	-						
OPERATIONAL TAX		6,750.00	117,000.00	152,015.00	138,015.00	192,000.00	192,000.00	192,000.00	-	64.10%				CURRENT YR HISTORY	
LICENSE FEES		27,000.00		9,200.00	9,200.00	9,200.00	9,200.00	9,200.00	-						
GRANT REVENUE						792,961.00	792,961.00		-						
TRANSFER STREETS				-	-	192,000.00	192,000.00		-						
TRANSFER CAPITAL		-	244,327.00	-	-	346,000.00	346,000.00		-	41.61%					
RESERVES	-	-	163,043.00	-	-	316,922.43	302,992.43	(13,930.00)	85.84%						
TOTAL INCOME	48,150.59	87,900.47	528,370.00	161,215.00	147,215.00	1,849,083.43	1,835,153.43	(13,930.00)	247.32%						
STREET CAPITAL	-	-	528,370.00	-	-	1,849,083.43	1,835,153.43	(13,930.00)	247.32%						
TOTAL EXPENDITURES	85,049.08	-	528,370.00	-	-	1,849,083.43	1,835,153.43	(13,930.00)	247.32%						
NET = REVENUE-EXPENSE	(36,898.49)	87,900.47	-	161,215.00	147,215.00	-	-	(13,930.00)	247.32%					STREET RECONSTRUCTION	
RESERVES	X		141,777.43												
BEGINNING RESERVE	90,775.45	53,876.96		141,777.43											
INCOME	48,150.59	87,900.47	528,370.00	161,215.00	147,215.00		1,835,153.43								
EXPENSE	85,049.08	-	528,370.00	-	-		1,835,153.43								
NET CHANGE	(36,898.49)	87,900.47	-	161,215.00	147,215.00		-								
ENDING RESERVE	53,876.96	141,777.43	-	302,992.43											

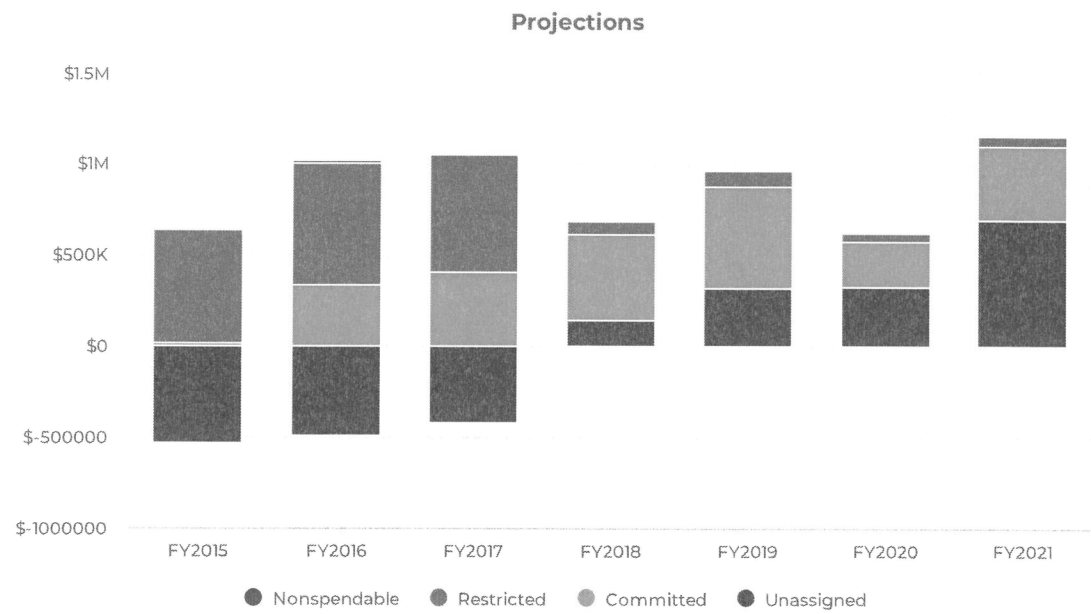
ACCOUNT DESCRIPTION	2020		2021		2022		2022		2023		2023		2023		2022 TO 2023		NOTES & ASSUMPTIONS	
	AUDITED ACTUAL	AUDITED ACTUAL	AUDITED ACTUAL	AUDITED ACTUAL	BUDGET	PROJECTED	ACTUAL	BUDGET	DRAFT BUDGET	FINAL BUDGET	VS FINAL	DRAFT VS FINAL	F.BUDGET	F.BUDGET	2022 TO 2023	F.BUDGET	NOTES & ASSUMPTIONS	

GENERAL FUND - SIDEWALK																		
SIDEWALK REVENUE	31,054.08	30,745.14	31,068.00	30,228.04	25,208.04	31,068.00	31,068.00	31,068.00	31,068.00	31,068.00	-	0.00%						
RESERVES	-	-	33,035.00	-	-	-	63,214.65	63,270.76	63,270.76	63,270.76	56.11	91.53%						
TOTAL INCOME	31,054.08	30,745.14	64,103.00	30,228.04	25,208.04	94,282.65	94,338.76	94,338.76	94,338.76	94,338.76	56.11	47.17%						
REPAIRS & MAINTENANCE	47,965.40	555.00	64,103.00	-	-	-	13,750.00	13,750.00	13,750.00	13,750.00	-	-78.55%						3YR ROTATION
CAPITAL OUTLAY	-	-	-	-	-	-	80,532.65	80,588.76	80,588.76	80,588.76	56.11							
TOTAL EXPENDITURES	47,965.40	555.00	64,103.00	-	-	-	94,282.65	94,338.76	94,338.76	94,338.76	56.11	47.17%						
NET = REVENUE-EXPENSE	(16,911.32)	30,190.14	-	30,228.04	25,208.04	-	-	-	-	-	-	-						
BEGINNING RESERVE	19,763.90	2,852.58	-	33,042.72	-	-	-	-	-	-	-	-						
INCOME	31,054.08	30,745.14	64,103.00	30,228.04	25,208.04	94,338.76	94,338.76	94,338.76	94,338.76	94,338.76								
EXPENSE	47,965.40	555.00	64,103.00	-	-	-	-	-	-	-								
NET CHANGE	(16,911.32)	30,190.14	-	30,228.04	25,208.04	0.00	0.00	0.00	0.00	0.00								
ENDING RESERVE	2,852.58	33,042.72	-	63,270.76	25,208.04	0.00	0.00	0.00	0.00	0.00								

ACCOUNT DESCRIPTION	2020		2021		2022		2022		2023		2023		% OF CHANGE	
	AUDITED ACTUAL	AUDITED ACTUAL	AUDITED ACTUAL	AUDITED ACTUAL	BUDGET	PROJECTED	ACTUAL	BUDGET	DRAFT BUDGET	FINAL BUDGET	DRAFT VS FINAL	F.BUDGET	2022 TO 2023	NOTES & ASSUMPTIONS

GENERAL FUND SUMMARY														
GENERAL BEGINNING RESERVE	582,578.50	734,836.63	563,528.00	980,742.00	980,742.00	980,742.00	980,742.00	980,742.00						
GENERAL INCOME	1,289,876.20	1,599,660.52	2,046,202.00	1,382,750.85	1,485,674.81	3,893,005.19								
GENERAL EXPENSE	1,137,618.07	1,042,357.71	2,046,202.00	1,320,307.96	993,257.59									
ADJUSTMENT									RESERVES USED	(296,008.00)				
NET CHANGE	152,258.13	557,302.81	-	62,442.89	492,417.22	(0.00)								
GENERAL ENDING RESERVE	734,836.63	1,292,139.44	563,528.00	1,043,184.89	1,473,159.22	684,734.00								
LESS CLASSIFIED FUND BALANCE														
NONSPENDABLE														
RESTRICTED														
TABOR	38,696.29	47,989.82	61,386.06		44,570.24	116,790.16								
COMMITTED														
BRIDGE RESERVE	184,168.00	231,168.00	110,868.00		231,168.00	149,524.76								
ASSIGNED														
TOTAL CLASSIFIED FUND BAL	222,864.29	279,157.82	172,254.06		275,738.24	266,314.92								
UNASSIGNED FUND BAL	511,972.34	1,012,981.63	391,273.94		1,197,420.98	418,419.08								
EST UNASSIGNED														
10%	113,761.81	104,235.77	204,620.20		99,325.76	389,300.52								
25%	284,404.52	260,589.43	511,550.50		248,314.40	973,251.30								
50%	568,809.04	521,178.86	1,023,101.00		496,628.80	1,946,502.60								

Fund Balance



	FY2019	FY2020	% Change
Fund Balance	—	—	
Unassigned	\$321,226	\$332,793	3.6%
Committed	\$561,088	\$245,162	-56.3%
Restricted	\$87,894	\$42,302	-51.9%
Nonspendable	\$0	\$0	0%
Total Fund Balance:	\$970,208	\$620,257	-36.1%



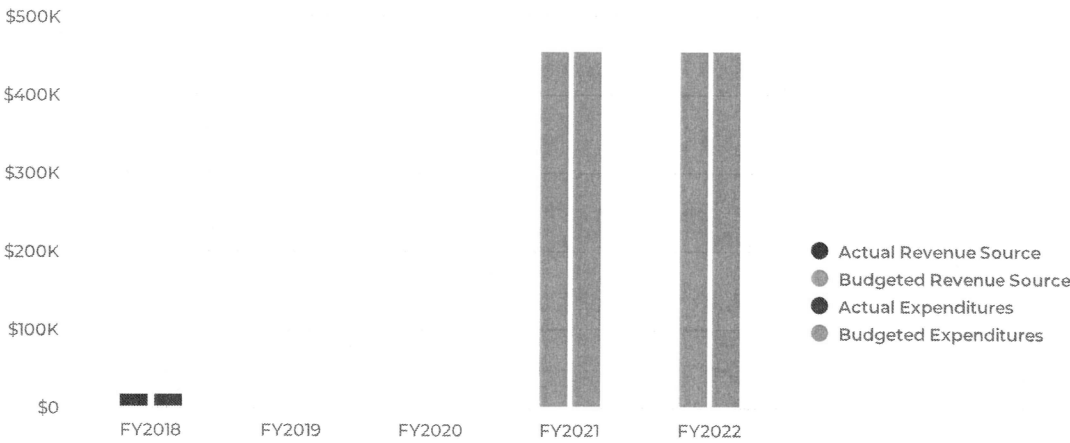
**Pass-Thru
Grant Fund**

According to GASB 24, all cash pass-through grants received by a government entity (referred to as a recipient government) are reported in its financial statement. Pass-through grants are those grants that are received by a recipient government to transfer to or spend on behalf of a secondary recipient.

As a general rule, recipient governments should recognize all cash pass-through grants and revenue and expenditures or expenses in a governmental, proprietary, or trust fund.

Summary

The Town of Paonia is projecting \$460K of revenue in FY2023, which represents a 0% increase over the prior year. Budgeted expenditures are projected to increase by 0% or \$0.00 to \$460K in FY2023.



ACCOUNT DESCRIPTION	2020		2021		2022		2022		2023		2023		% OF CHANGE		NOTES &	
	AUDITED	ACTUAL	AUDITED	ACTUAL	BUDGET	PROJECTED	ACTUAL	BUDGET	DRAFT	FINAL	DRAFT	VS	2022 TO 2023	F.BUDGET	ASSUMPTIONS	

PASS THROUGH GRANT FUND																
PASS THRU GRANT INCOME	-	-	-	-	460,000.00	-	-	460,000.00	460,000.00	460,000.00	-	-	0.00%	-	SKATE PARK+LONE CABIN REHAB	
TOTAL INCOME	-	-	-	-	460,000.00	-	-	460,000.00	460,000.00	460,000.00	-	-	0.00%	-		
PASS THRU GRANT EXPENSE	-	-	-	-	460,000.00	-	-	460,000.00	460,000.00	460,000.00	-	-	0.00%	-		
TOTAL EXPENDITURES	-	-	-	-	460,000.00	-	-	460,000.00	460,000.00	460,000.00	-	-	0.00%	-		
NET = REVENUE-EXPENSE	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
BEGINNING RESERVE	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
INCOME	-	-	-	-	460,000.00	-	-	-	460,000.00	460,000.00	-	-	-	-		
EXPENSE	-	-	-	-	460,000.00	-	-	-	460,000.00	460,000.00	-	-	-	-		
AUDIT ADJUSTMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
NET CHANGE	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
ENDING RESERVE	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

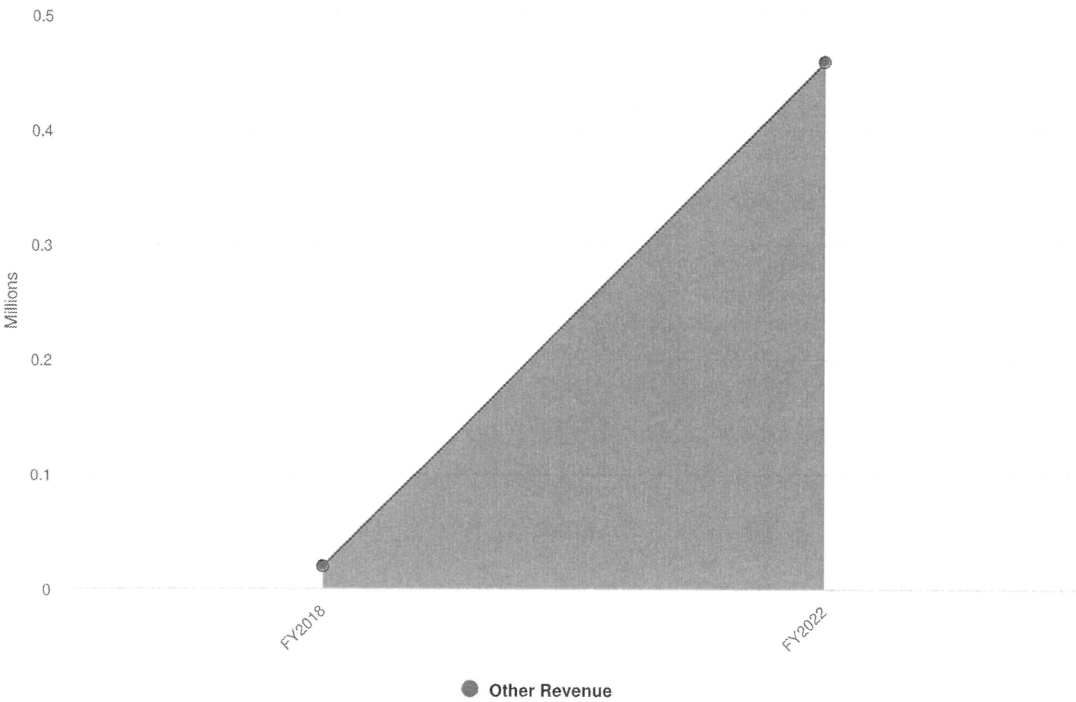
SPACE 2 CREATE																
INTEREST	41.08	0.26	-	-	-	-	-	-	-	-	-	-	-	-	CLOSED	
TOTAL INCOME	41.08	0.26	-	-	-	-	-	-	-	-	-	-	-	-		
PROFESSIONAL SERVICES	-	11,915.50	-	-	-	-	-	-	-	-	-	-	-	-		
PUBLISHING & ADS	-	1,250.00	-	-	-	-	-	-	-	-	-	-	-	-		
TOTAL EXPENDITURES	-	13,165.50	-	-	-	-	-	-	-	-	-	-	-	-		
NET = REVENUE-EXPENSE	41.08	(13,165.24)	-	-	-	-	-	-	-	-	-	-	-	-		
BEGINNING RESERVE	13,124.16	13,165.24	-	-	-	-	-	-	-	-	-	-	-	-		
INCOME	41.08	0.26	-	-	-	-	-	-	-	-	-	-	-	-		
EXPENSE	-	13,165.50	-	-	-	-	-	-	-	-	-	-	-	-		
AUDIT ADJUSTMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
NET CHANGE	41.08	(13,165.24)	-	-	-	-	-	-	-	-	-	-	-	-		
ENDING RESERVE	13,165.24	0.00	-	-	-	-	-	-	-	-	-	-	-	-		

Revenues by Source

There are two (2) possible pass through grants currently in process for 2023. They are the Skate Park and Turner Ditch Habitat Replacement Project.

Projected 2023 Revenues by Source

Budgeted and Historical 2023 Revenues by Source



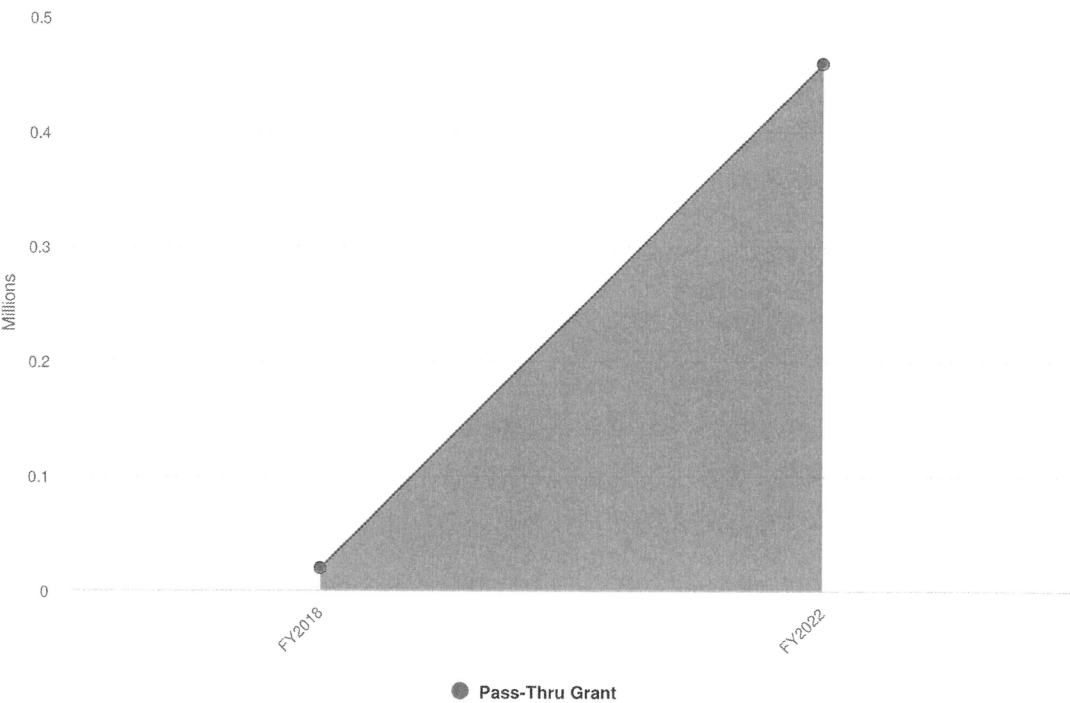
Name	FY2022 Budgeted	FY2022 Budgeted vs. FY2023 Budgeted (% Change)
Revenue Source		
Other Revenue	\$460,000.00	-100%
Total Revenue Source:	\$460,000.00	-100%

Expenditures by Function

Pass Through Grant is a portal where the funds are paid out directly to the secondary recipient.

Budgeted Expenditures by Function

Budgeted and Historical Expenditures by Function



Name	FY2022 Budgeted	FY2022 Budgeted vs. FY2023 Budgeted (% Change)
Expenditures		
Pass-Thru Grant	\$460,000.00	-100%
Total Expenditures:	\$460,000.00	-100%

 **Conservation
Trust Fund**

The Conservation Trust Fund is a special revenue fund established to account for the receipt of Lottery Funds received from the State of Colorado. This fund is used to record all resource inflows and outflows that are associated with the special-purpose of the funds. The activities being paid for through the Conservation Trust fund constitute the administrative and operational tasks of Conservation Trust Funds.

These funds are restricted in use to the acquisition, development, and maintenance of new conservation sites or for capital improvements for recreational purposes on any public site. Conservation Trust Fund revenues are distributed by the State from Lottery proceeds based on population estimates for the entity receiving the funds.

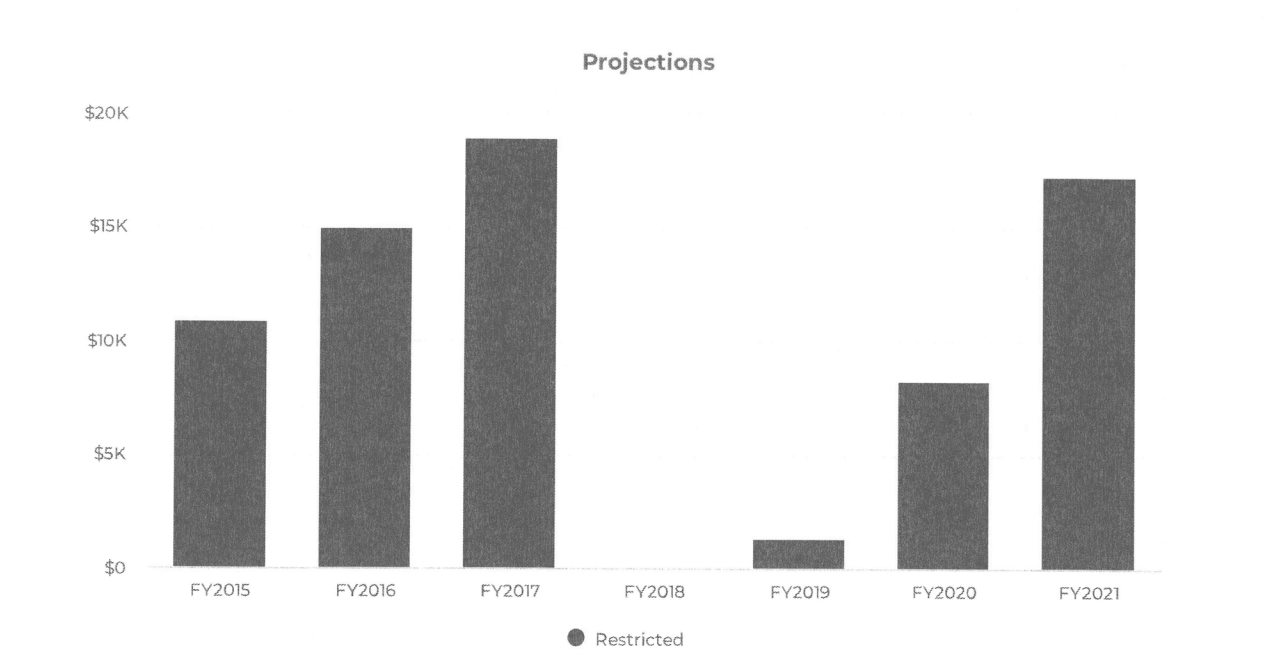
CONSERVATION TRUST FUND HISTORY

PROJECT	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
TREE TRIMMING	10,000	10,000								
TOWN PARK PLAYGROUND SHELTER		10,000								
TOWN PARK PLAYGROUND UPGRADE	6,747	5,582								
POULOS PARK UPGRADE			3,495.00							
BIKE RACKS FOR TOWN PARK			4,000.00							
DELTA BRICK & CLIMATE COMPANY				600.00						
PAONIA TREE SERVICE-TREE TRIMMING					6,900.00					
CLISSETT LLC-EHS CENTER ROOF					20,000.00					
IRA HOUSEWEART METALWORKER						5,000.00				
TLC TREE SERVICES						300.00				
C&N CONSTRUCTION						22,191.96				
WESTERN SLOPE TREE SERVICE							500.00			
MISTY MOUNTAIN INC							2,897.50			
COLO STATE FOREST SERVICE							824.00			
TREE TRIMMING								5,200.00		
ASPEN TREE									7,500.00	5,000.00
NEW TREE FOR APPLE VALLEY									500.00	
LEVEL 2 TREE INSPECTION									2,000.00	
TOTAL	16,747	25,582	7,495.00	600.00	26,900.00	27,491.96	4,221.50	5,200.00	10,000.00	5,000.00

ACCOUNT DESCRIPTION	2020		2021		2022		2022		2023		2023		2023		% OF CHANGE		NOTES &	
	AUDITED ACTUAL	AUDITED ACTUAL	AUDITED ACTUAL	AUDITED ACTUAL	BUDGET	PROJECTED	ACTUAL	BUDGET	DRAFT BUDGET	FINAL BUDGET	DRAFT VS FINAL	F.BUDGET	2022 TO 2023	2022 TO 2023	F.BUDGET	2022 TO 2023	F.BUDGET	2022 TO 2023

CONSERVATION TRUST FUND																		
CONSERVATION TRUST	7,590.44	9,005.88	8,500.00	9,259.68	6,785.13	9,500.00	9,250.00	(250.00)	8.82%									CURRENT YR HISTORY
INTEREST	4.02	14.78	15.00	12.83	10.83	15.00	15.00	-	0.00%									
RESERVES			17,067.00															
TOTAL INCOME	7,594.46	9,020.66	25,582.00	9,272.51	6,795.96	16,747.00	30,845.75	14,098.75	20.58%									
EXPENDITURES-CTF	600.00	-	25,582.00	4,923.76	4,923.76													
TRANSFER	-	-	-	-	-													TREE+PLAYGROUND UPGRADE
TOTAL EXPENDITURES	600.00	-	25,582.00	4,923.76	4,923.76	16,747.00	30,845.75	14,098.75	20.58%									
NET = REVENUE-EXPENSE	6,994.46	9,020.66	-	4,348.75	1,872.20													
CONS TRUST BEGINNING RESERVE	1,316.77	8,311.23		17,232.00														
CONS TRUST INCOME	7,594.46	9,020.66	25,582.00	9,272.51	6,795.96													
CONS TRUST EXPENSE	600.00	-	25,582.00	4,923.76	4,923.76													
NET CHANGE	6,994.46	9,020.66	-	4,348.75	1,872.20													
CONS TRUST ENDING RESERVE	8,311.23	17,331.89	-	21,580.75														

Fund Balance



	FY2019	FY2020	% Change
Fund Balance	—	—	
Restricted	\$1,317	\$8,311	531.1%
Total Fund Balance:	\$1,317	\$8,311	531.1%

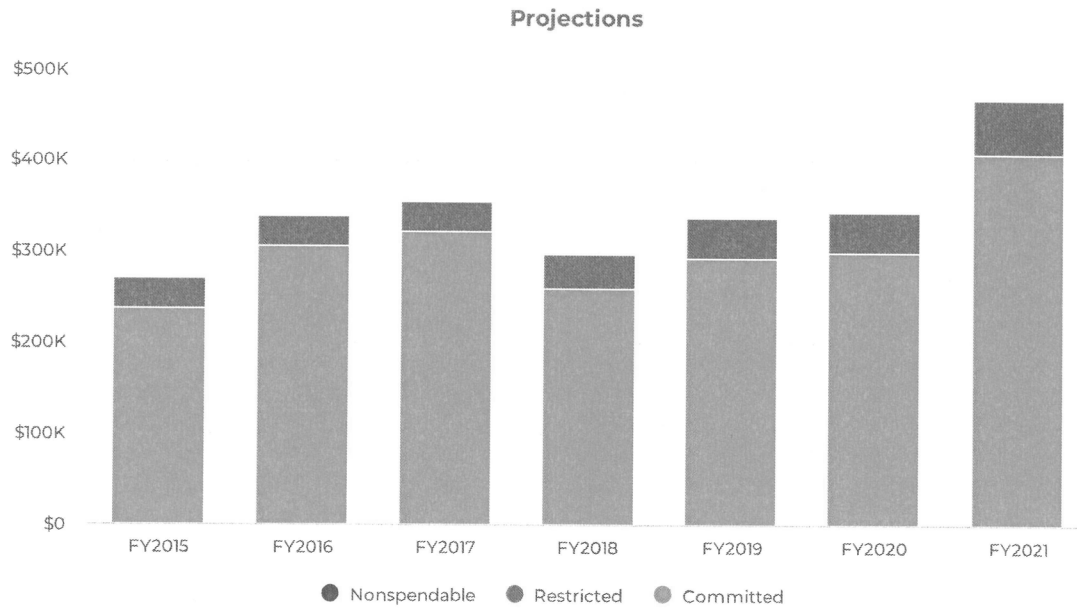


Capital Improvement Fund

The Capital Improvement fund is a specialty fund. This fund is used to record all resource inflows and outflows that are associated with the special purpose of the funds. The activities being paid for through the Capital Improvement fund are 1% of the 3% Town Sales Tax and is used to account for capital projects and purchases.

ACCOUNT DESCRIPTION	2020		2021		2022		2022		2022		2023		2023		2023		% OF CHANGE		NOTES & ASSUMPTIONS
	AUDITED ACTUAL	AUDITED ACTUAL	AUDITED ACTUAL	BUDGET	PROJECTED	ACTUAL	BUDGET	DRAFT BUDGET	2022 FINAL	2023 BUDGET	2023 DRAFT	2023 FINAL	VS FINAL	F.BUDGET	2022 TO 2023	F.BUDGET			
CAPITAL IMPROVEMENT FUND																			
SALES TAX - CAP. IMPROVEMENTS	214,454.96	235,597.02	235,597.02	234,000.00	278,216.67	255,715.69	298,524.00	299,700.00	1,176.00	28.08%	CURRENT YR HISTORY								
AIRPORT	7,650.00	7,650.00	7,650.00	7,650.00	7,650.00	7,012.50	7,650.00	7,650.00	-	0.00%									
GRANT/LOANS	-	-	-	-	-	-	-	-	25,000.00	MASTERPLANNING GRANT									
MISCELLANEOUS	500.00	-	-	-	-	-	-	-	-										
RESERVES	-	-	-	492,258.00	-	-	599,271.00	628,368.76	29,097.76	27.65%									
TOTAL INCOME	222,604.96	243,247.02	243,247.02	733,908.00	285,866.67	262,728.19	905,445.00	960,718.76	55,273.76	30.90%									
CAPITAL OUTLAY	216,847.73	119,107.51	119,107.51	421,740.00	119,546.88	119,546.88	491,603.00	552,874.51	61,271.51	31.09%	INCLUDES MASTER PLANNING								
AIRPORT	-	-	-	19,842.00	5,997.75	5,997.75	67,842.00	61,844.25	(5,997.75)	211.68%	NO CURRENT REQUESTS								
CAPITAL PROJECTS	-	-	-	-	-	-	-	-	-										
TRANSFERS	-	-	-	244,326.00	-	-	346,000.00	346,000.00	-	41.61%	TRANSFER TO STREET CAP								
TOTAL EXPENDITURES	216,847.73	119,107.51	119,107.51	685,908.00	125,544.63	125,544.63	905,445.00	960,718.76	55,273.76	40.07%									
NET = REVENUE-EXPENSE	5,757.23	124,139.51	124,139.51	48,000.00	160,322.04	137,183.56	-	-	(0.00)										
CAPITAL FUND BEGINNING RESERVE	338,149.98	343,907.21	343,907.21	468,046.72															
CAPITAL INCOME	222,604.96	243,247.02	243,247.02	733,908.00	285,866.67	262,728.19	960,718.76												
CAPITAL EXPENSE	216,847.73	119,107.51	119,107.51	685,908.00	125,544.63	125,544.63	960,718.76												
NET CHANGE	5,757.23	124,139.51	124,139.51	48,000.00	160,322.04	137,183.56	(0.00)												
CAPITAL FUND ENDING RESERVE	343,907.21	468,046.72	468,046.72	48,000.00	628,368.76	(0.00)	(0.00)												
LESS CLASSIFIED FUND BALANCE																			
RESTRICTED - TABOR																			
COMMITTED																			
AIRPORT	52,543.00	60,192.00	60,192.00	48,000.00	54,194.25														
TOTAL CLASSIFIED FUND BAL	52,543.00	60,192.00	60,192.00	48,000.00	54,194.25	-	-												
UNASSIGNED FUND BAL	291,364.21	407,854.72	407,854.72	-	574,174.51	(0.00)	(0.00)												

Fund Balance



	FY2019	FY2020	% Change
Fund Balance	—	—	
Committed	\$293,258	\$299,015	2%
Restricted	\$44,892	\$44,892	0%
Nonspendable	\$0	\$0	0%
Total Fund Balance:	\$338,150	\$343,907	1.7%

Water Fund: The Town operates two water treatment facilities. The upper system, also known as the 2.0 Million Gallon (2MG) Water Treatment Plant (WTP) services primarily the out-of-town customers, water companies and the northeast end of Town. The lower system, also known as the 1.0 Million Gallon (1MG) Water Treatment Plant or commonly referred to as the "Clock Plant" services mostly Town proper. The primary sources of revenue are charges for service. This fund is used to account for the revenues and expenses associated with the operations and maintenance of the water treatment and delivery (distribution) system. Also, to be included in the charges for services or any rate consideration for this fund are the repayment of loans for the water treatment facilities and monies for capital re-investment to these systems.



Water Fund

The Enterprise Funds are used to report the same functions presented as **business-type activities** in the government-wide financial statements. The Town of Paonia uses Enterprise Funds to account for its Water, Sewer and Trash Funds, all of which are considered to be major funds of the Town of Paonia.

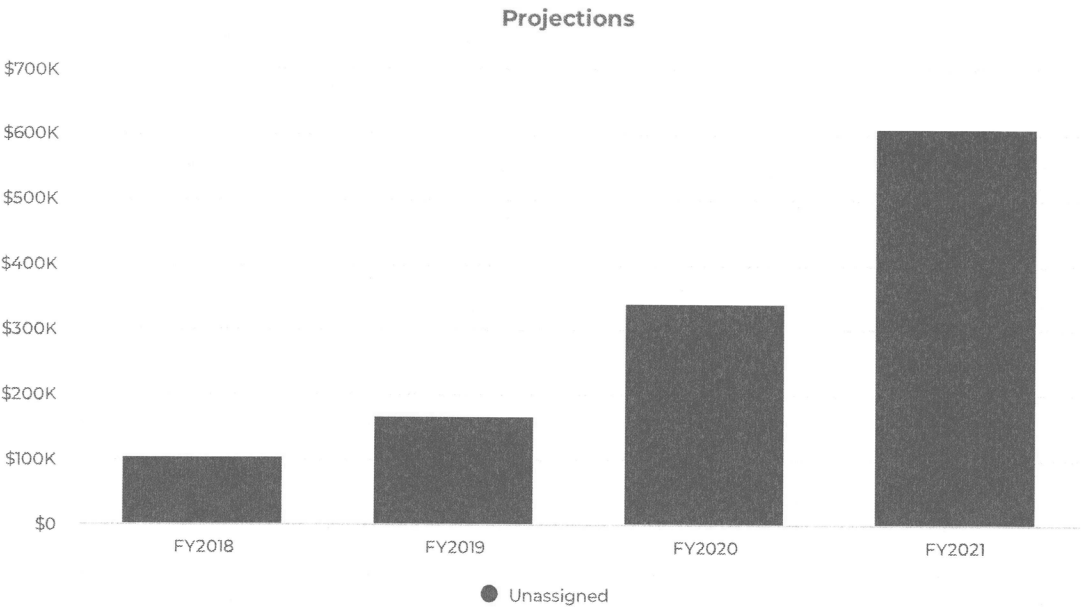
ACCOUNT DESCRIPTION	2020		2021		2022		2023		DRAFT		% OF CHANGE		NOTES & ASSUMPTIONS
	AUDITED ACTUAL	AUDITED ACTUAL	2022 BUDGET	2022 PROJECTED	2022 ACTUAL	2023 DRAFT BUDGET	2023 FINAL BUDGET	VS FINAL	F.BUDGET				
WATER FUND - INCOME													
WATER CHARGES-BASE RATE	799,921.19	965,445.24	694,824.00	802,674.05	672,274.05	788,352.00	802,675.00	14,323.00		15.52%		CURRENT YR HISTORY	
STANDBY TAP FEES	53,584.79	54,574.51	50,676.00	58,954.80	46,652.80	56,856.00	58,955.00	2,099.00		16.34%		CURRENT YR HISTORY	
BASE RATE INCREASE			155,664.00	-	-	107,502.00	107,502.00	-		-30.94%		APPROVED INCREASE	
WATER CHARGES-USAGE	-	-	270,621.00	219,992.54	195,992.54	310,240.00	310,240.00	-		14.64%		CURRENT YR HISTORY	
USAGE RATE INCREASE				-		123,657.00	123,657.00	-				EST USAGE APPROVED INC	
SALES & SERVICES	8,285.75	9,200.48	7,000.00	1,961.52	1,611.52	2,000.00	2,000.00	-		-71.43%		CURRENT YR HISTORY	
BULK WATER	5,850.00	6,595.00	6,025.00	8,053.00	6,553.00	7,600.00	8,100.00	500.00		34.44%		CURRENT YR HISTORY	
WATER TAPS	45,500.00	5,500.00	-	-	-	-	-	-					
GRANT FUNDS	3,826.50	9,896.25	704,732.00	184,616.39	184,616.39	704,732.00	1,119,232.78	414,500.78		58.82%		DOLA+ARPA	
PENALTIES	395.72	50.00	350.00	4,525.00	4,125.00	7,500.00	4,525.00	(2,975.00)		1192.86%		CURRENT YR HISTORY	
RENTS	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	-		0.00%			
MISCELLANEOUS REVENUE	754.72	1,428.65		-	-	-	-	-					
SALE OF ASSETS	-	-		11,215.12	11,215.12	-	-	-					
RESERVES		-	335,500.00	-	-	-	-	-		3.34%			
TOTAL INCOME	919,118.67	1,053,690.13	2,558,533.00	1,292,992.42	1,124,040.42	2,109,439.00	2,884,601.78	775,162.78		12.74%			

ACCOUNT DESCRIPTION	2020		2021		2022		2022		2023		2023		2022 TO 2023		NOTES & ASSUMPTIONS	
	AUDITED	ACTUAL	AUDITED	ACTUAL	BUDGET	PROJECTED	ACTUAL	DRAFT	BUDGET	FINAL	DRAFT	VS	FINAL	F.BUDGET		
WATER FUND - EXPENDITURES																
TOTAL PAYROLL	206,414.45		185,494.08		267,419.00	180,001.43	163,864.31	375,987.00	377,587.01	1,600.01			41.20%		REALLOCATIONS/ACTUALS	
NORRIS RETIREMENT	20,160.00		20,160.00		20,160.00	17,360.00	15,120.00	13,440.00	13,440.00	-			-33.33%		SETTLEMENT CHG	
WORK COMP	3,736.00		3,068.18		3,315.00	3,776.00	3,776.00	4,080.00	4,080.00	-			23.08%		8% PROPOSAL	
OFFICE SUPPLIES	181.35		478.65		415.00	1,017.19	917.19	1,125.00	975.00	(150.00)			134.94%		CURRENT YR HISTORY	
OPERATING SUPPLIES	9,250.99		20,497.17		23,415.00	43,769.84	38,004.84	32,300.00	43,666.00	11,366.00			86.49%		CURRENT YR HISTORY	
POSTAGE	4,243.98		5,468.19		5,550.00	5,072.58	4,267.58	5,760.00	5,160.00	(600.00)			-7.03%		CURRENT YR HISTORY	
LEGAL & ENGINEERING SERVICES	3,776.50		43,672.90		28,000.00	23,468.31	20,468.31	26,000.00	31,000.00	5,000.00			10.71%		CURRENT YR HISTORY	
AUDIT	11,520.00		11,000.00		12,500.00	12,500.00	12,500.00	13,000.00	13,000.00	-			4.00%		RFP	
REPAIRS & MAINTENANCE	95,982.04		28,600.55		227,750.00	270,483.93	175,622.04	157,146.00	241,752.78	84,606.78			6.15%		WATER ADVISORY REQUESTS	
VEHICLE EXPENSE	7,938.23		18,302.97		20,360.00	6,760.59	5,310.59	9,000.00	9,000.00	-			-55.80%		CURRENT YR HISTORY	
RENTALS					-	360.00	360.00	400.00	400.00	-						
SHOP EXPENSE	3,616.55		5,920.87		1,950.00	7,132.93	5,682.93	5,000.00	7,140.00	2,140.00			266.15%		CURRENT YR HISTORY	
TRAVEL & MEETINGS	31.67		1,840.08		1,200.00	1,884.66	1,034.66	2,240.00	2,500.00	260.00			108.33%		CERTIFICATION TRAINING (2)	
INSURANCE & BONDS	20,980.22		24,873.24		27,550.00	26,389.56	26,389.56	28,625.00	28,612.00	(13.00)			3.85%		8% PROPOSAL	
UTILITIES	30,925.74		28,880.49		34,654.00	30,095.39	26,595.39	30,600.00	30,250.00	(350.00)			-12.71%		PROPOSED INCREASES	
TELEPHONE	4,467.93		5,053.13		5,088.00	5,055.19	4,655.19	4,812.00	4,776.00	(36.00)			-6.13%		CURRENT YR HISTORY	
PUBLISHING & ADS	178.35		196.93		200.00	441.31	241.31	425.00	445.00	20.00			122.50%		CURRENT YR HISTORY	
DUES & SUBSCRIPTIONS	1,849.06		24,997.50		20,658.00	22,380.00	20,670.00	20,670.00	20,670.00	-			0.06%		CURRENT YR HISTORY	
FEES & PERMITS	11,280.75		17,372.01		12,015.00	8,893.13	8,250.63	11,900.00	10,635.00	(1,265.00)			-11.49%		CURRENT YR HISTORY	
DATA PROCESSING	11,725.90		18,028.81		29,630.00	35,025.15	34,125.15	21,200.00	21,393.00	193.00			-27.80%		CURRENT YR HISTORY	
CONTRACT SERVICES			4,800.00		-	68,467.62	66,967.62	18,000.00	18,000.00	-						
WATER POWER AUTHORITY LOAN	171,095.53		173,837.91		191,225.00	173,818.91	173,818.91	192,500.00	192,500.00	-			0.67%			
DRINKING WATER REVOLVING FUND	23,343.40		23,343.40		23,344.00	23,343.70	11,671.70	23,345.00	23,345.00	-			0.00%			
FCNB INTERIM FINANCING			-		-	495.00	495.00	495.00	495.00	-						
DEBT SERVICE	(142,892.96)		(151,795.05)		-	-	-	-	-	-						
TOTAL FIXED COSTS								998,050.00	1,100,821.79							
REVENUE-FIXED COSTS								1,111,389.00	1,783,779.99							
CAPITAL OUTLAY								-	-	-						
PASS THRU	25,605.31		30,660.59		-	-	-	-	-	-						
GRANT PROJECTS	7,653.01		20,730.00		1,278,395.00	-	-	677,732.00	1,393,947.78	716,215.78			9.04%		DOLA/ARPA	
TRANSFER IN - (OUT)	7,000.00		3,000.00		-	-	-	-	-	-						
DEPRECIATION	325,068.24		331,051.63		323,740.00	325,000.00	-	310,000.00	310,000.00	-			-4.24%			
TOTAL EXPENDITURES	865,132.24		899,534.23		2,558,533.00	1,292,992.42	820,808.91	1,985,782.00	2,804,769.57	818,987.57			9.62%			
NET = REVENUE-EXPENSE	53,986.43		154,155.90		-	-	303,231.51	123,657.00	79,832.21	(43,824.79)						

ACCOUNT DESCRIPTION	2020		2021		2022		2022		2023		2023		2022 TO 2023		NOTES & ASSUMPTIONS
	AUDITED ACTUAL	AUDITED ACTUAL	AUDITED ACTUAL	AUDITED ACTUAL	BUDGET	PROJECTED	ACTUAL	BUDGET	DRAFT BUDGET	FINAL BUDGET	VS FINAL	DRAFT VS FINAL	F.BUDGET		

WATER FUND - SUMMARY																	
WATER BEGINNING RESERVE	287,013.57		341,000.00		610,788.00		610,788.00			610,788.00				610,788.00			
WATER INCOME	919,118.67		1,053,690.13		2,558,533.00		1,292,992.42		1,124,040.42	2,884,601.78				2,884,601.78			
WATER EXPENSE	865,132.24		899,534.23		2,558,533.00		1,292,992.42		820,808.91	2,804,769.57				2,804,769.57			
NET CHANGE	53,986.43		269,788.00		-		0.00		303,231.51	79,832.21				79,832.21			
AUDIT ADJUSTMENT			115,632.10														
WATER ENDING RESERVE	341,000.00		610,788.00		610,788.00		610,788.00			690,620.21				690,620.21			
AVAILABLE RESOURCES	341,000.00		610,788.00		610,788.00		610,788.00			690,620.21				690,620.21			
SOURCE (USE) OF FUNDS																	
LESS CLASSIFIED FUND BALANCE																	
RESTRICTED																	
COMMITTED																	
DEBT RESERVE (BMO)	216,283.06		224,883.56		639,633.25					427,012.95				427,012.95			
10% DEBT PAYMENT FES			328,096.00							238,000.00				238,000.00			
ASSIGNED																	
TOTAL CLASSIFIED FUND BAL	(108,785.18)		221,927.93		639,633.25		-			665,012.95				665,012.95			
UNASSIGNED FUND BAL	449,785.18		388,860.07		(639,633.25)		610,788.00			25,607.27				25,607.27			
EST UNASSIGNED	86,513.22		89,953.42		255,853.30		129,299.24			280,476.96				280,476.96			
	216,283.06		224,883.56		639,633.25		323,248.11			701,192.39				701,192.39			
	432,566.12		449,767.11		1,279,266.50		646,496.21			1,402,384.78				1,402,384.78			
DEBT RATIO CALCULATION																	
OPERATING REVENUE	1,492,990.89		1,578,284.21		1,302,131.00		1,409,563.81			2,884,601.78				2,884,601.78			
OPERATING EXPENDITURES	852,801.41		840,503.20		1,066,448.00		1,025,007.38			2,804,769.57				2,804,769.57			
NET	640,189.48		737,781.01		235,683.00		384,556.43			79,832.21				79,832.21			
ADJUSTMENT			-		-		-			-				-			
NET AFTER ADJ	640,189.48		737,781.01		235,683.00		384,556.43			238,000.00				238,000.00			
DEBT SERVICE	194,438.93		197,181.31		214,569.00		197,657.61			216,340.00				216,340.00			
CALCULATED COVERAGE RATIO	329.25%		374.16%		109.84%		194.56%			110.01%				110.01%			
REQUIRED RATIO	110%		110%		110%		110%			110%				110%			

Fund Balance



	FY2021
Fund Balance	
Unassigned	\$610,788
Total Fund Balance:	\$610,788



Sewer Fund

Sewer Fund: The Town operates a Wastewater Treatment Plant (WWTP) and a sanitary sewer collection system. The primary sources of revenue are charges for service. This fund is used to account for the revenues and expenses associated with the operations and maintenance of the wastewater treatment plant and collections system. Also, to be included in the charges for services or any rate consideration for this fund are the repayment of loans for the wastewater treatment plant facility and monies for capital reinvestment in this system.

The Enterprise Funds are used to report the same functions presented as **business-type activities** in the government-wide financial statements. The Town of Paonia uses Enterprise Funds to account for its Water, Sewer and Trash Funds, all of which are considered to be major funds of the Town of Paonia.

ACCOUNT DESCRIPTION	2020		2021		2022 BUDGET	2022 PROJECTED	2022 ACTUAL	2023		2023 FINAL BUDGET	DRAFT VS FINAL	% OF CHANGE 2022 TO 2023 F.BUDGET	NOTES & ASSUMPTIONS
	AUDITED ACTUAL	AUDITED	AUDITED ACTUAL					DRAFT BUDGET	BUDGET				

SEWER FUND - INCOME													
SEWER CHARGES - RECEIVED	531,364.63	530,966.64	536,856.00	518,509.76	443,820.81	536,856.00	536,856.00	536,856.00	536,856.00	-	-	0.00%	
INCREASE	-	-	-	-	-	222,804.00	222,804.00	222,804.00	222,804.00	-	-		APPROVED INCREASE
SEWER TAPS	42,500.00	4,500.00	5,000.00	5,000.00	5,000.00	10,000.00	10,000.00	10,000.00	10,000.00	-	-	100.00%	PENDING REQUESTS
INTEREST	4,588.81	452.34	400.00	8,885.68	8,885.68	8,630.00	8,630.00	20,760.00	20,760.00	12,130.00	12,130.00	5090.00%	INCREASE IN INT RATE (4MO AVG)
GRANT REVENUE	53,587.50	-	-	-	-	-	-	-	-	-	-		
MISCELLANEOUS REVENUE	2,172.00	-	-	-	-	-	-	-	-	-	-		
SALE OF ASSETS	-	-	-	9,860.56	9,860.56	-	-	-	-	-	-		
TOTAL INCOME	634,212.94	535,918.98	542,256.00	542,256.00	467,567.05	778,290.00	790,420.00	12,130.00	45.77%				

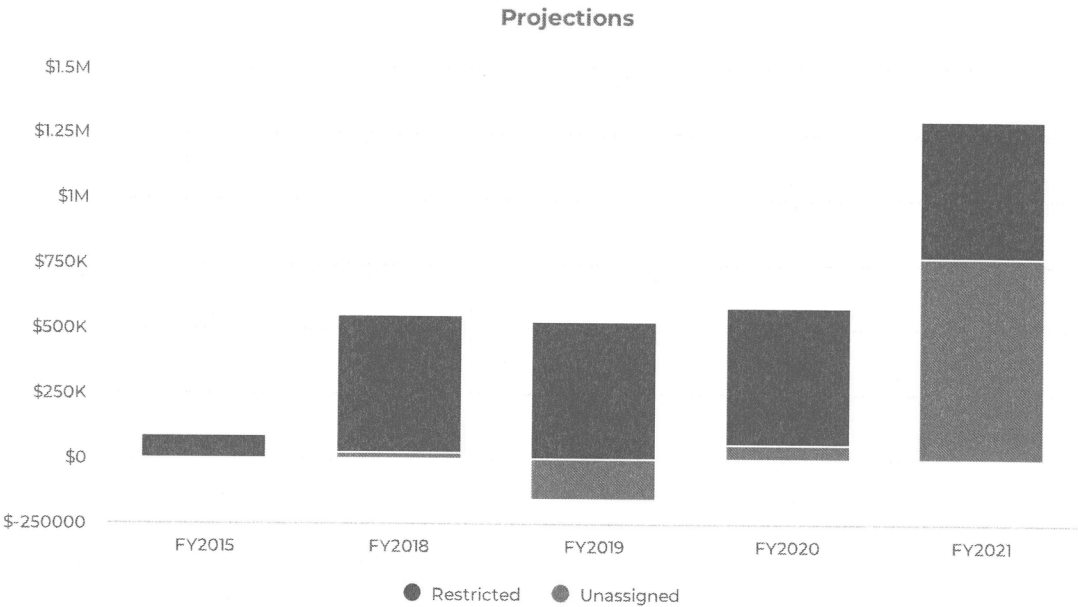
ACCOUNT DESCRIPTION	2020		2021		2022		2022		2023		2023		2023		% OF CHANGE		NOTES & ASSUMPTIONS
	AUDITED ACTUAL	AUDITED	ACTUAL	AUDITED	BUDGET	PROJECTED	ACTUAL	DRAFT BUDGET	FINAL BUDGET	2022 ACTUAL	2023 DRAFT BUDGET	2023 FINAL BUDGET	VS FINAL	F.BUDGET			
SEWER FUND - EXPENDITURES																	
TOTAL PAYROLL	115,124.36	157,911.68		135,048.00	98,716.98	1,027.00	1,027.00	1,027.00	228,395.00	228,689.17	294.17	69.34%		228,395.00	1,110.00	(40.00)	REALLOCATIONS/ACTUALS
WORK COMP	961.00	902.01		975.00	1,027.00	50.00	910.09	810.09	1,150.00	1,110.00		13.85%		900.00	275.00	(625.00)	8% PROPOSAL
OFFICE SUPPLIES	161.89	69.88		50.00	910.09	16,605.00	15,686.92	13,769.92	900.00	275.00		450.00%		16,105.00	15,799.00	(306.00)	CURRENT YR HISTORY
OPERATING SUPPLIES	10,045.96	12,970.51		16,605.00	15,686.92	2,695.00	2,631.22	2,231.22	16,105.00	15,799.00		-4.85%		2,800.00	2,700.00	(100.00)	CURRENT YR HISTORY
POSTAGE	2,124.83	2,857.45		2,695.00	2,631.22	1,000.00	42.60	42.60	2,800.00	2,700.00		0.19%		1,000.00	1,000.00	-	CURRENT YR HISTORY
LEGAL & ENGINEERING SERV	28,575.90	-		1,000.00	42.60	4,500.00	4,500.00	4,500.00	1,000.00	1,000.00		0.00%		5,000.00	5,000.00	-	RFP
AUDIT	3,600.00	4,500.00		4,500.00	4,500.00	38,595.33	29,775.70	112,734.00	5,000.00	120,782.21	8,048.21	101.42%		112,734.00	120,782.21		COMMITTEE REQUESTS
REPAIRS & MAINTENANCE	126,314.74	41,588.31		59,965.00	6,784.76	20,300.00	3,520.00	3,520.00	11,388.00	10,839.62	(548.38)	-46.60%		11,388.00	-	-	CURRENT YR HISTORY
VEHICLE EXPENSE	7,703.95	18,213.71		-	3,520.00	6,130.00	4,222.39	3,307.39	-	-	-			-	-	-	
RENTALS	-	-		-	3,520.00	6,130.00	4,222.39	3,307.39	3,225.00	4,225.00	1,000.00	-31.08%		3,225.00	4,225.00		CURRENT YR HISTORY
SHOP EXPENSE	2,815.38	11,412.86		2,400.00	1,813.18	2,400.00	1,813.18	963.18	2,400.00	2,500.00	100.00	4.17%		2,400.00	2,500.00		CERTIFICATION TRAINING (2)
TRAVEL & MEETINGS	31.67	1,090.14		2,400.00	10,926.01	11,195.00	10,926.01	9,841.01	12,045.00	11,846.00	(199.00)	5.82%		12,045.00	11,846.00		8% PROPOSAL
INSURANCE & BONDS	7,947.55	9,130.78		11,195.00	39,658.61	35,951.00	39,658.61	34,308.61	37,050.00	39,725.00	2,675.00	10.50%		37,050.00	39,725.00		PROPOSED INCREASES
UTILITIES	31,325.31	33,592.58		1,973.00	1,998.09	1,973.00	1,998.09	1,828.09	1,956.00	1,968.00	12.00	-0.25%		1,956.00	1,968.00		CURRENT YR HISTORY
TELEPHONE	1,577.91	1,862.94		140.00	123.52	140.00	123.52	23.52	50.00	700.00	650.00	400.00%		50.00	700.00		RATE INC PUBLICATION
PUBLISHING & ADS	69.08	93.69		560.00	571.40	560.00	571.40	571.40	572.00	572.00	-	2.14%		572.00	572.00		CURRENT YR HISTORY
DUES & SUBSCRIPTIONS	137.50	558.90		7,382.00	6,083.05	7,382.00	6,083.05	5,465.05	6,520.00	6,495.00	(25.00)	-12.02%		6,520.00	6,495.00		CURRENT YR HISTORY
FEES & PERMITS	6,827.55	7,179.04		13,650.00	13,996.42	13,650.00	13,996.42	13,130.42	12,275.00	13,469.00	1,194.00	-1.33%		12,275.00	13,469.00		CURRENT YR HISTORY
DATA PROCESSING	13,716.46	15,613.39		-	-	-	-	-	-	-	-			-	-	-	
CONTRACT SERVICE	-	300.00		-	-	-	-	-	-	-	-			-	-	-	
GAGING STATION	3,935.00	5,360.00		4,100.00	2,865.00	4,100.00	2,865.00	2,865.00	4,100.00	4,100.00	-	0.00%		4,100.00	4,100.00		CURRENT YR HISTORY
DEBT SERVICE	55,529.51	46,450.83		108,625.00	97,250.00	108,625.00	97,250.00	97,250.00	108,625.00	108,625.00	-	0.00%		108,625.00	108,625.00		CURRENT YR HISTORY
TOTAL FIXED COSTS									568,290.00	580,420.00							
REVENUE - FIXED COSTS									210,000.00	210,000.00							
CAPITAL OUTLAY					190,333.43		141,744.48	100,000.00	100,000.00	100,000.00	-						
PASS THRU FUNDS	15,940.35	15,928.99		-	-	-	-	-	-	-	-			-	-	-	
TRANSFER IN - (OUT)	7,000.00	3,000.00		-	-	-	-	-	-	-	-			-	-	-	
DEPRECIATION	108,906.00	109,011.60		109,012.00	-	-	-	-	110,000.00	110,000.00	-	0.91%		110,000.00	110,000.00		CURRENT YR HISTORY
TOTAL EXPENDITURES	625,421.90	499,599.29		542,256.00	542,256.00	542,256.00	462,530.59	778,290.00	790,420.00	12,130.00	45.77%			790,420.00	12,130.00		
NET = REVENUE-EXPENSE	8,791.04	36,319.69		-	-	-	5,036.46	-	-	0.00	0.00			-	0.00		

ACCOUNT DESCRIPTION	2020		2021		2022		2022		2022		2023		2023		2022 TO 2023		NOTES & ASSUMPTIONS
	AUDITED		AUDITED														
	ACTUAL		ACTUAL		BUDGET	PROJECTED	ACTUAL	BUDGET	DRAFT	BUDGET	DRAFT	BUDGET	VS	FINAL	F.BUDGET		

SEWER FUND -SUMMARY

SEWER BEGINNING RESERVE	374,079.48	382,870.52	1,306,299.00	1,306,299.00									1,306,299.00						
SEWER INCOME	634,212.94	535,918.98	542,256.00	542,256.00	542,256.00	467,567.05							790,420.00						
SEWER EXPENSE	625,421.90	499,599.29	542,256.00	542,256.00	542,256.00	462,530.59							790,420.00						
NET CHANGE	8,791.04	36,319.69	-	0.00	0.00	5,036.46							0.00						
AUDIT ADJUSTMENT																			
SEWER ENDING RESERVE	382,870.52	419,190.21	-	1,306,299.00									1,306,299.00						
SOURCE (USE) OF FUNDS	X																		
LESS CLASSIFIED FUND BALANCE																			
RESTRICTED																			
COMMITTED																			
DEPRICIATION/WPA	102,000.00	102,004.00	102,000.00	102,002.00									238,000.00						
DEBT RESERVE (BMO)	156,355.48	124,899.82	135,564.00	135,564.00									197,605.00						
10% DEBT PAYMENT RES	101,040.00	101,040.00	101,040.00	101,040.00									101,040.00						
ASSIGNED																			
TOTAL CLASSIFIED FUND BAL	359,395.48	327,943.82	338,604.00	338,606.00									536,645.00						
UNASSIGNED FUND BAL	23,475.05	91,246.38	(338,604.00)	967,693.00									769,654.00						
EST UNASSIGNED	62,542.19	49,959.93	54,225.60	54,225.60									79,042.00						
	156,355.48	124,899.82	135,564.00	135,564.00									197,605.00						
	312,710.95	249,799.65	271,128.00	271,128.00									395,210.00						

Fund Balance



	FY2018	FY2019	% Change
Fund Balance	—	—	
Unassigned	\$24,904	\$-156,207	-727.2%
Restricted	\$530,286	\$530,286	0%
Total Fund Balance:	\$555,190	\$374,079	-32.6%

Sanitation (Trash) Fund: The Trash Fund is used to account for revenues and expenses associated with the collection and disposal of trash for In-Town residents and businesses. Charges for the service are the only revenue source for this activity.



Trash Fund

The Enterprise Funds are used to report the same functions presented as **business-type activities** in the government-wide financial statements.

The Town of Paonia uses Enterprise Funds to account for its Water, Sewer and Trash Funds, all of which are considered to be major funds of the Town of Paonia.

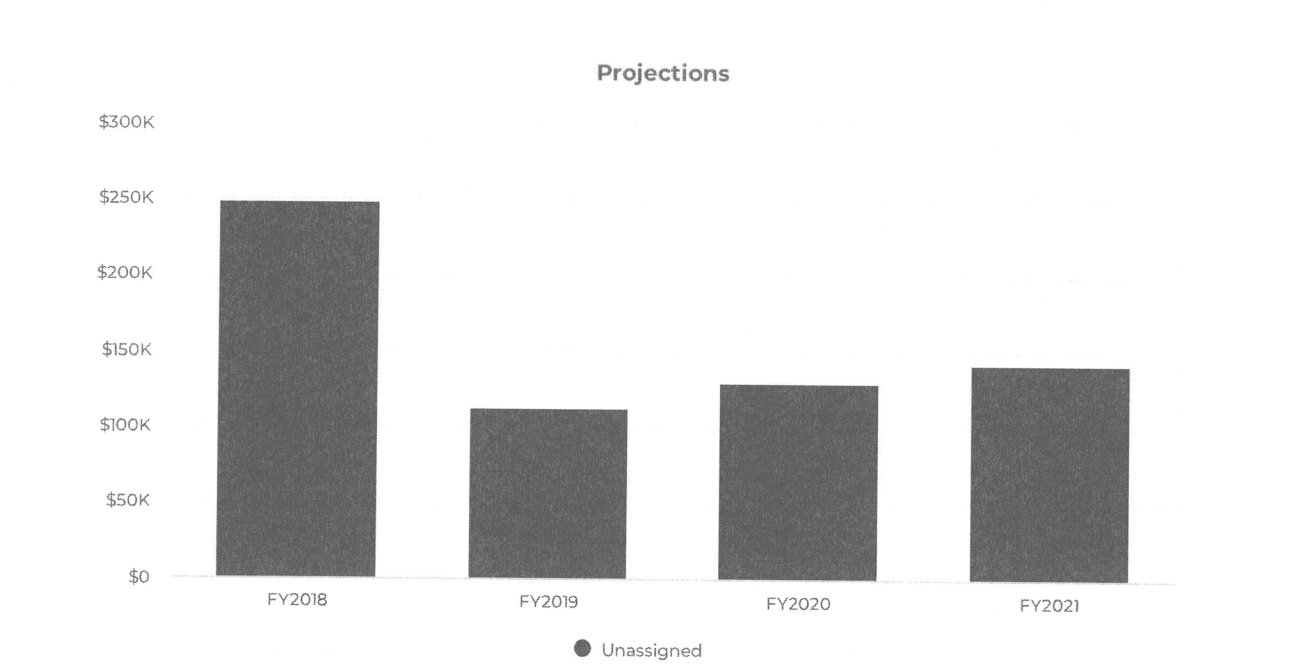


ACCOUNT DESCRIPTION	2020		2021		2022		2023		2023		2022 TO 2023		NOTES & ASSUMPTIONS
	AUDITED	ACTUAL	AUDITED	ACTUAL	BUDGET	PROJECTED	2022 ACTUAL	2023 DRAFT	2023 BUDGET	DRAFT VS FINAL	F.BUDGET		

TRASH FUND - INCOME														
GARBAGE FEES - RECEIVED	220,172.59	252,029.42	254,340.00	247,241.02	206,241.02	247,325.00	247,325.00	247,325.00	-	-2.76%				
INCREASE	-	-	-	-	-	83,010.00	83,010.00	83,010.00	-					APPROVED INCREASE
SALES & SERVICE	1,152.00	8,674.92	10,000.00	1,909.00	1,709.00	2,400.00	2,500.00	2,500.00	100.00	-75.00%				CURRENT YR HISTORY
RESERVE	-	-	18,760.00	-	-	-	-	-	-	-100.00%				
TOTAL INCOME	221,324.59	260,704.34	283,100.00	249,150.02	207,950.02	332,735.00	332,835.00	332,835.00	100.00	17.57%				

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1
1

Fund Balance



	FY2018	FY2019	% Change
Fund Balance	—	—	
Unassigned	\$248,637	\$112,419	-54.8%
Total Fund Balance:	\$248,637	\$112,419	-54.8%

DEBT

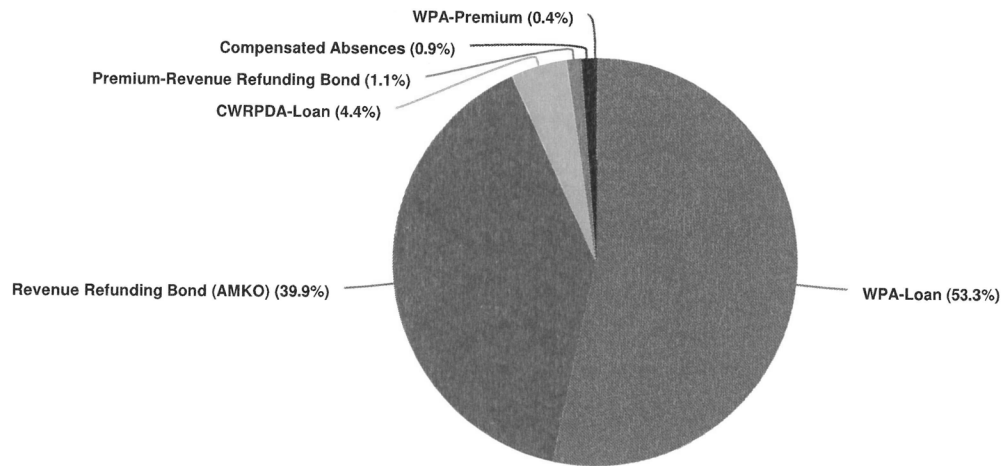
Debt Snapshot



\$4,140,221

\$2,189 (0.05% vs. 2019 year)

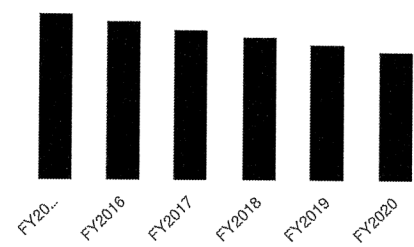
Debt by Type



Debt	FY2020
	Actual
WPA-Loan	\$2,205,438
WPA-Premium	\$17,358
CWRPDA-Loan	\$183,623
RUS-Loan	\$0
Line of Credit	\$0
Capital Lease-Equipment	\$0
Compensated Absences	\$37,622
Revenue Refunding Bond (AMKO)	\$1,650,000
Premium-Revenue Refunding Bond	\$46,180
Total Debt:	\$4,140,221

WPA-Loan

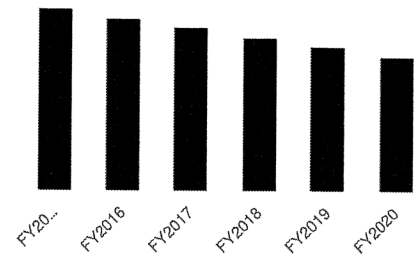
The Town has a Water Power Authority (WPA) loan agreement with CWRPDA for \$2,996,494 at 1.75% interest annually, with twice yearly payments ranging from about \$83,000 to \$91,000. The purpose of the loan is for improvements and the expansion of the existing water treatment facilities and distribution system. The Town pledged its net revenue from the operation of the water utility for repayment of the loan in the amount of approximately \$3,707,000 through 2035. Pledge revenues received during 2020 were \$138,138. The proportion of the pledged revenue to total related revenues is not estimable because annual total fees collected fluctuate. The Town is required to provide rates and charges in order to maintain coverage of 110% of the debt service due on the governmental agency bond coming due in each calendar year.



	FY2020
WPA-Loan	—
WPA-Loan	\$2,205,438
Total WPA-Loan:	\$2,205,438

WPA-Premium

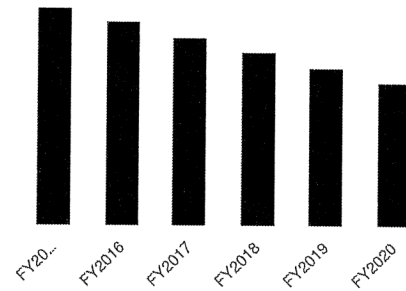
The loan balance includes a premium of \$25,431, which will be amortized over the life of the loan on a straight line basis. Yearly amortization will be \$1,211. The remaining premium balance is \$18,569 as of December 31, 2019.



	FY2020
WPA-Premium	—
WPA-Premium	\$17,358
Total WPA-Premium:	\$17,358

CWRPDA-Loan

The Town has a loan agreement with the Colorado Water Resources and Power Development Authority (CWRPDA), which originally enabled the Town to borrow up to \$448,200 at 1.75% interest annually, with payments of \$23,343 per year. The purpose of the loan was for upgrades to the lower water treatment plant. The project was completed in 2011, and the Town is no longer able to draw on the loan agreement. The Town pledged its net revenue from the operation of the water utility for repayment of the loan in the amount of approximately \$338,000 through 2029. Pledged revenues received during 2019 were \$23,343. The proportion of the pledged revenue to total related revenues is not estimable because annual total fees collected fluctuate. The Town is required to provide rates and charges in order to maintain coverage of 110% of the debt service due on the governmental agency bond coming due in each calendar year. As of December 31, 2019, the Town borrowed \$395,969, of which the Town has made principal payments of \$192,478. Principal and interest payments for the years following December 31, 2019 are as follows:



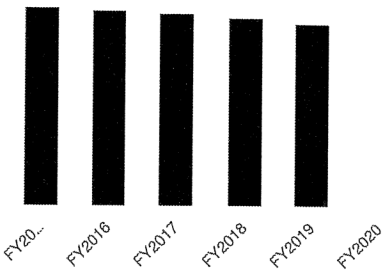
	Principal	Interest	Total
2020	\$19,869	\$3,475	\$23,344
2021	\$20,218	\$3,125	\$23,344
2022	\$20,573	\$2,770	\$23,344
2023	\$20,935	\$2,408	\$23,344
2024	\$21,303	\$2,040	\$23,344
2025 - 2029	\$100,593	\$4,452	\$105,045
Total	\$203,491	\$18,270	\$221,761

	FY2020
CWRPDA-Loan	—
CWRPDA-Loan	\$183,623
Total CWRPDA-Loan:	\$183,623

RUS-Loan

In 2020, the Town paid off this RUS-Loan with the proceeds from AMKO Refunding Bond Series 2020A.

The Town has an obligation to the U.S. Department of Agriculture's Rural Utilities Service (RUS), bearing interest at 4.375%. The bonds are payable in semi-annual installments of \$50,521, including interest, and are collateralized by the sewer system's pledged revenues through 2046, which is approximately \$3,250,000. Pledged revenues received amounted to \$101,042 during the year. The proportion of the pledged revenue to total sewer revenue is not estimable because annual total fees collected fluctuate. The purpose of the bonds was for construction improvements to the wastewater treatment plant and collection system. Principal and interest payments for the years following December 31, 2019 are as follows:



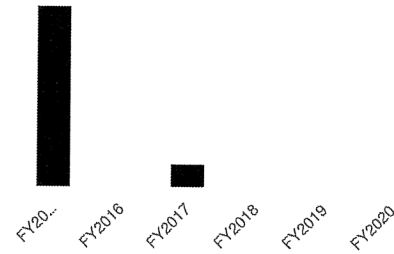
	Principal	Interest	Total
2020	\$38,290	\$62,752	\$101,042
2021	\$34,065	\$66,977	\$101,042
2022	\$35,586	\$65,456	\$101,042
2023	\$37,174	\$63,868	\$101,042
2024	\$38,833	\$62,209	\$101,042
2025 - 2029	\$221,769	\$283,441	\$505,210
2030 - 2034	\$275,887	\$229,323	\$505,210
2035 - 2039	\$343,210	\$162,000	\$505,210
2040 - 2044	\$426,962	\$78,248	\$505,210
2045 - 2046	\$111,975	\$4,208	\$116,153
Total	\$1,563,721	\$1,078,482	\$2,642,203

This loan requires a debt service reserve.

	FY2020
RUS-Loan	—
RUS-Loan	\$0
Total RUS-Loan:	\$0

Line of Credit

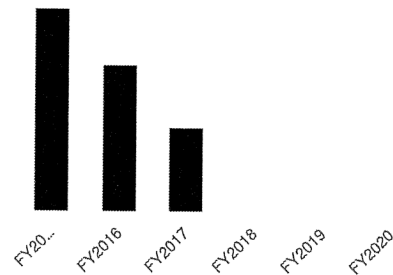
The Town had a \$200,000 working-capital line of credit with an interest rate of 1.55% and a maturity date of July 2020. As of December 31, 2019, there was \$0.00 outstanding balance on the line of credit.



	FY2020
Line of Credit	—
Line of Credit	\$0
Total Line of Credit:	\$0

Capital Lease-Equipment

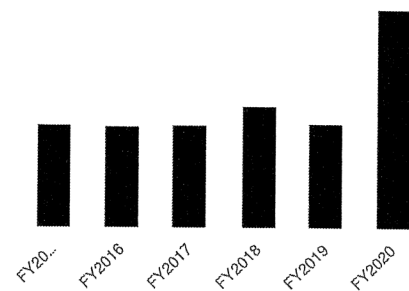
The Town has entered into three capital lease commitments effective May and June 2014 in order to acquire public safety and public works vehicles and equipment. Monthly payments on the capital leases range from approximately \$550 to \$700 per lease. All leases are for 60 months, with maturity dates in May and June 2019. These leases were paid off during 2018.



	FY2020
Capital Lease-Equipment	—
Capital Lease-Equipment	\$0
Total Capital Lease-Equipment:	\$0

Compensated Absences

Governments typically provide paid leave benefits to their employees, such as vacation leave and sick leave. Often, those benefits accumulate and employees are paid for some or all of their unpaid leave when they terminate employment. Statement 16 defined compensated absences in paragraph 1 as "absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave." In addition, pre-agenda research indicated some governments provide paid time off (PTO) and compensatory time off.



Statement 16 required that governments generally recognize a liability for compensated absences because employees are entitled to time off or a cash payment in exchange for services already rendered at the financial statement date. Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, included compensated absences as an example of a long-term liability.

Statement 16 distinguished between different types of paid leave, providing different guidance for vacation leave and sick leave. Although many governments continue to provide those benefits separately, the use of PTO has become more common since Statement 16 was issued. With PTO, employees may use their accrued hours of paid leave for either vacation or sick time. Therefore, the distinction between vacation and sick leave in Statement 16 does not apply when governments provide PTO. Statement 16 allows for governments to choose one of two methods for accruing a liability for sick leave: termination payment method or vesting method.

Statement 34 requires compensated absences to be included in the disclosures of long-term liabilities. Those disclosures include increases and decreases during the year (separately presented) and the portion that is due within one year.

	FY2020
Compensated Absences	—
Compensated Absences	\$37,622
Total Compensated Absences:	\$37,622

Revenue Refunding Bond (AMKO)

The Town issued \$1,650,000 of Revenue Refunding Bonds, Series 2020A. The bonds were issued on September 28, 2020, with interest payments due June 1 and December 1 of each year through December 1, 2044, commencing June 1, 2021. Principal payments are due December 1 of each year commencing December 1, 2021. The bonds carry an interest rate of 3.0%. The bond refunding resulted in a decrease in required cashflow for debt service of \$401,412, which constitutes an economic gain on refunding of \$226,757. These bonds were used to refund the RUS Loan payable.



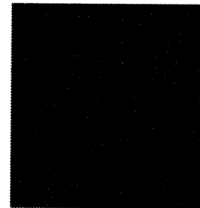
FY2020

The bonds do not constitute a lien on any physical property of the Town, but constitute a lien only on the net revenues of the water and sewer enterprise funds and all moneys on deposit in the Reserve Account. The Reserve Account is required to be maintained at \$100,750.

	FY2020
Revenue Refunding Bond (AMKO)	—
Revenue Refunding Bond (AMKO)	\$1,650,000
Total Revenue Refunding Bond (AMKO):	\$1,650,000

Premium-Revenue Refunding Bond

The Bonds were issued with a premium of \$46,180 which will be amortized on a straight-line basis through the life of the bonds and recognized as interest expense. Annual amortization will be \$1,925.



FY2020

	FY2020
Premium-Revenue Refunding Bond	—
Premium-Revenue Refunding Bond	\$46,180
Total Premium-Revenue Refunding Bond:	\$46,180

APPENDIX



Glossary

Abatement: A reduction or elimination of a real or personal property tax, motor vehicle excise, a fee, charge, or special assessment imposed by a governmental unit. Granted only on application of the person seeking the abatement and only by the committing governmental unit.

Accounting System: The total structure of records and procedures that identify record, classify, and report information on the financial position and operations of a governmental unit or any of its funds, account groups, and organizational components.

Accrued Interest: The amount of interest that has accumulated on the debt since the date of the last interest payment, and on the sale of a bond, the amount accrued up to but not including the date of delivery (settlement date). (See Interest)

Amortization: The gradual repayment of an obligation over time and in accordance with a predetermined payment schedule.

Appropriation: A legal authorization from the community's legislative body to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and as to the time period within which it may be expended.

Arbitrage: As applied to municipal debt, the investment of tax-exempt bonds or note proceeds in higher yielding, taxable securities. Section 103 of the Internal Revenue Service (IRS) Code restricts this practice and requires (beyond certain limits) that earnings be rebated (paid) to the IRS.

Assessed Valuation: A value assigned to real estate or other property by a government as the basis for levying taxes.

Audit: An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool in evaluating the fiscal performance of a community.

Audit Report: Prepared by an independent auditor, an audit report includes: (a) a statement of the scope of the audit; (b) explanatory comments as to application of auditing procedures; (c) findings and opinions. It is almost always accompanied by a management letter which contains supplementary comments and recommendations.

Available Funds: Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other one-time costs.

Balance Sheet: A statement that discloses the assets, liabilities, reserves and equities of a fund or governmental unit at a specified date.

Betterments (Special Assessments): Whenever a specific area of a community receives benefit from a public improvement (e.g., water, sewer, sidewalk, etc.), special property taxes may be assessed to reimburse the governmental entity for all or part of the costs it incurred. Each parcel receiving benefit from the improvement is assessed for its proportionate share of the cost of such improvements. The proportionate share may be paid in full or the property owner may request that the assessors apportion the betterment over 20 years. Over the life of the betterment, one year's apportionment along with one year's committed interest computed from October 1 to October 1 is added to the tax bill until the betterment has been paid.

Bond: A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year. (See Note)

Bond and Interest Record: (Bond Register) – The permanent and complete record maintained by a treasurer for each bond issue. It shows the amount of interest and principal coming due each date and all other pertinent information concerning the bond issue.

Bonds Authorized and Unissued: Balance of a bond authorization not yet sold. Upon completion or abandonment of a project, any remaining balance of authorized and unissued bonds may not be used for other purposes, but must be rescinded by the community's legislative body to be removed from community's books.

Bond Issue: Generally, the sale of a certain number of bonds at one time by a governmental unit.

Bond Rating (Municipal): A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

Budget: A plan for allocating resources to support particular services, purposes and functions over a specified period of time. (See Performance Budget, Program Budget)

Capital Assets: All real and tangible property used in the operation of government, which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost. (See Fixed Assets)

Capital Budget: An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended. (See Capital Assets, Fixed Assets)

Cash: Currency, coin, checks, postal and express money orders and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

Cash Management: The process of monitoring the ebb and flow of money in an out of municipal accounts to ensure cash availability to pay bills and to facilitate decisions on the need for short-term borrowing and investment of idle cash.

Certificate of Deposit (CD): A bank deposit evidenced by a negotiable or non-negotiable instrument, which provides on its face that the amount of such deposit plus a specified interest payable to a bearer or to any specified person on a certain specified date, at the expiration of a certain specified time, or upon notice in writing.

Classification of Real Property: Assessors are required to classify all real property according to use into one of four classes: residential, open space, commercial, and industrial. Having classified its real properties, local officials are permitted to determine locally, within limitations established by statute and the Commissioner of Revenue, what percentage of the tax burden is to be borne by each class of real property and by personal property owners.

Collective Bargaining: The process of negotiating workers' wages, hours, benefits, working conditions, etc., between an employer and some or all of its employees, who are represented by a recognized labor union. regarding wages, hours and working conditions.

Consumer Price Index: The statistical measure of changes, if any, in the overall price level of consumer goods and services. The index is often called the "cost-of-living index."

Cost-Benefit Analysis: A decision-making tool that allows a comparison of options based on the level of benefit derived and the cost to achieve the benefit from different alternatives.

Debt Burden: The amount of debt carried by an issuer usually expressed as a measure of value (i.e., debt as a percentage of assessed value, debt per capita, etc.). Sometimes debt burden refers to debt service costs as a percentage of the total annual budget.

Debt Service: The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

Encumbrance: A reservation of funds to cover obligations arising from purchase orders, contracts, or salary commitments that are chargeable to, but not yet paid from, a specific appropriation account.

Enterprise Funds: An enterprise fund is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery--direct, indirect, and capital costs--are identified. This allows the community to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the

"surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services.

Equalized Valuations (EQVs): The determination of the full and fair cash value of all property in the community that is subject to local taxation.

Estimated Receipts: A term that typically refers to anticipated local revenues often based on the previous year's receipts and represent funding sources necessary to support a community's annual budget. (See Local Receipts)

Exemptions: A discharge, established by statute, from the obligation to pay all or a portion of a property tax. The exemption is available to particular categories of property or persons upon the timely submission and approval of an application to the assessors. Properties exempt from taxation include hospitals, schools, houses of worship, and cultural institutions. Persons who may qualify for exemptions include disabled veterans, blind individuals, surviving spouses, and seniors.

Expenditure: An outlay of money made by municipalities to provide the programs and services within their approved budget.

Fiduciary Funds: Repository of money held by a municipality in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Fixed Assets: Long-lived, assets such as buildings, equipment and land obtained or controlled as a result of past transactions or circumstances.

Fixed Costs: Costs that are legally or contractually mandated such as retirement, FICA/Social Security, insurance, debt service costs or interest on loans.

Float: The difference between the bank balance for a local government's account and its book balance at the end of the day. The primary factor creating float is clearing time on checks and deposits. Delays in receiving deposit and withdrawal information also influence float.

Full Faith and Credit: A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.

Fund: An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

Fund Accounting: Organizing financial records into multiple, segregated locations for money. A fund is a distinct entity within the municipal government in which financial resources and activity (assets, liabilities, fund balances, revenues, and expenditures) are accounted for independently in accordance with specific regulations, restrictions or limitations. Examples of funds include the general fund and enterprise funds. Communities whose accounting records are organized according to the Uniform Municipal Accounting System (UMAS) use multiple funds.

GASB 34: A major pronouncement of the Governmental Accounting Standards Board that establishes new criteria on the form and content of governmental financial statements. GASB 34 requires a report on overall financial health, not just on individual funds. It requires more complete information on the cost of delivering value estimates on public infrastructure assets, such as bridges, road, sewers, etc. It also requires the presentation of a narrative statement the government's financial performance, trends and prospects for the future.

GASB 45: This is another Governmental Accounting Standards Board major pronouncement that each public entity account for and report other postemployment benefits in its accounting statements. Through actuarial analysis, municipalities must identify the true costs of the OPEB earned by employees over their estimated years of actual service.

General Fund: The fund used to account for most financial resources and activities governed by the normal appropriation process.

General Obligation Bonds: Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of its taxing authority.

Governing Body: A board, committee, commission, or other executive or policymaking body of a municipality or school district.

Indirect Cost: Costs of a service not reflected in the operating budget of the entity providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. A determination of these costs is necessary to analyze the total cost of service delivery. The matter of indirect costs arises most often in the context of enterprise funds.

Interest: Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis, but are paid every six months.

Interest Rate: The interest payable, expressed as a percentage of the principal available for use during a specified period of time. It is always expressed in annual terms.

Investments: Securities and real estate held for the production of income in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in governmental operations.

Line Item Budget: A budget that separates spending into categories, or greater detail, such as supplies, equipment, maintenance, or salaries, as opposed to a program budget.

Local Aid: Revenue allocated by the state or counties to municipalities and school districts.

Maturity Date: The date that the principal of a bond becomes due and payable in full.

Municipal(s): (As used in the bond trade) "Municipal" refers to any state or subordinate governmental unit. "Municipals" (i.e., municipal bonds) include not only the bonds of all political subdivisions, such as cities, towns, school districts, special districts, counties but also bonds of the state and agencies of the state.

Note: A short-term loan, typically with a maturity date of a year or less.

Objects of Expenditures: A classification of expenditures that is used for coding any department disbursement, such as "personal services," "expenses," or "capital outlay."

Official Statement: A document prepared for potential investors that contains information about a prospective bond or note issue and the issuer. The official statement is typically published with the notice of sale. It is sometimes called an offering circular or prospectus.

Operating Budget: A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

Overlapping Debt: A community's proportionate share of the debt incurred by an overlapping government entity, such as a regional school district, regional transit authority, etc.

Performance Budget: A budget that stresses output both in terms of economy and efficiency.

Principal: The face amount of a bond, exclusive of accrued interest.

Program: A combination of activities to accomplish an end.

Program Budget: A budget that relates expenditures to the programs they fund. The emphasis of a program budget is on output.

Purchased Services: The cost of services that are provided by a vendor.

Refunding of Debt: Transaction where one bond issue is redeemed and replaced by a new bond issue under conditions generally more favorable to the issuer.

Reserve Fund: An amount set aside annually within the budget of a town to provide a funding source for extraordinary or unforeseen expenditures.

Revaluation: The assessors of each community are responsible for developing a reasonable and realistic program to achieve the fair cash valuation of property in accordance with constitutional and statutory requirements. The nature and extent of that program will depend on the assessors' analysis and consideration of many factors, including, but not limited to, the status of

the existing valuation system, the results of an in-depth sales ratio study, and the accuracy of existing property record information.

Revenue Anticipation Note (RAN): A short-term loan issued to be paid off by revenues, such as tax collections and state aid. RANs are full faith and credit obligations.

Revenue Bond: A bond payable from and secured solely by specific revenues and thereby not a full faith and credit obligation.

Revolving Fund: Allows a community to raise revenues from a specific service and use those revenues without appropriation to support the service.

Sale of Real Estate Fund: A fund established to account for the proceeds of the sale of municipal real estate other than proceeds acquired through tax title foreclosure.

Stabilization Fund: A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose.

Surplus Revenue: The amount by which cash, accounts receivable, and other assets exceed liabilities and reserves.

Tax Rate: The amount of property tax stated in terms of a unit of the municipal tax base; for example, \$14.80 per \$1,000 of assessed valuation of taxable real and personal property.

Tax Title Foreclosure: The procedure initiated by a municipality to obtain legal title to real property already in tax title and on which property taxes are overdue.

Trust Fund: In general, a fund for money donated or transferred to a municipality with specific instructions on its use. As custodian of trust funds, the treasurer invests and expends such funds as stipulated by trust agreements, as directed by the commissioners of trust funds or by the community's legislative body. Both principal and interest may be used if the trust is established as an expendable trust. For nonexpendable trust funds, only interest (not principal) may be expended as directed.

Uncollected Funds: Recently deposited checks included in an account's balance but drawn on other banks and not yet credited by the Federal Reserve Bank or local clearinghouse to the bank cashing the checks. (These funds may not be loaned or used as part of the bank's reserves and they are not available for disbursement.)

Undesignated Fund Balance: Monies in the various government funds as of the end of the fiscal year that are neither encumbered nor reserved, and are therefore available for expenditure once certified as part of free cash.

Unreserved Fund Balance (Surplus Revenue Account): The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)

Valuation (100 Percent): The legal requirement that a community's assessed value on property must reflect its market, or full and fair cash value.



ATTACHMENT 8

20 YEAR CASH FLOW PROJECTION



	Actuals Pending		Actuals Pending																			
Town of Paonia Water Fund	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	
Cash on Hand(beginning of yr)	\$ 335,500.00	\$ 731,148.38	\$ 1,045,230.70	\$ 1,325,843.42	\$ 1,332,958.40	\$ 2,180,882.35	\$ 1,520,418.86	\$ 2,369,261.94	\$ 2,005,630.79	\$ 1,704,804.28	\$ 1,538,096.24	\$ 1,284,284.06	\$ 1,001,579.32	\$ 648,608.03	\$ 595,031.62	\$ 611,184.36	\$ 775,527.15	\$ 1,011,334.37	\$ 1,400,482.83	\$ 1,827,831.36	\$ 2,302,633.22	
Revenues																						
WATER CHARGES (assumes 97.82% of taps collected throughout the year)	\$ 783,029.98	\$ 838,349.09	\$ 895,106.86	\$ 913,743.11	\$ 974,304.14	\$ 1,008,869.00	\$ 1,073,784.44	\$ 1,140,414.79	\$ 1,210,234.64	\$ 1,284,185.45	\$ 1,362,505.75	\$ 1,444,534.17	\$ 1,531,359.17	\$ 1,623,255.34	\$ 1,718,397.88	\$ 1,818,996.54	\$ 1,925,359.07	\$ 2,037,810.37	\$ 2,154,122.79	\$ 2,276,971.92	\$ 2,406,720.66	
STANDBY TAP FEES	\$ 46,652.80	\$ 58,955.00	\$ 62,000.00	\$ 62,000.00	\$ 49,600.00	\$ 39,680.00	\$ 31,744.00	\$ 25,395.20	\$ 20,316.16	\$ 16,252.93	\$ 13,002.34	\$ 10,401.87	\$ 8,321.50	\$ 6,657.20	\$ 5,325.76	\$ 4,260.61	\$ 3,408.49	\$ 2,726.79	\$ 2,181.43	\$ 1,745.14	\$ 1,396.12	
WATER CHARGES - USAGE	\$ 232,286.20	\$ 599,488.24	\$ 700,768.64	\$ 790,319.38	\$ 988,556.11	\$ 1,094,212.66	\$ 1,159,154.99	\$ 1,229,036.22	\$ 1,303,172.19	\$ 1,381,826.05	\$ 1,465,277.32	\$ 1,553,822.99	\$ 1,647,778.57	\$ 1,747,747.75	\$ 1,853,734.29	\$ 1,966,480.28	\$ 2,085,933.70	\$ 2,212,608.98	\$ 2,347,337.50	\$ 2,490,323.01	\$ 2,642,078.09	
SALES & SERVICES	\$ 1,611.52	\$ 2,000.00	\$ 500.00	\$ 517.50	\$ 535.61	\$ 554.36	\$ 573.76	\$ 593.84	\$ 614.63	\$ 636.14	\$ 658.40	\$ 681.45	\$ 705.30	\$ 729.98	\$ 755.53	\$ 781.98	\$ 809.35	\$ 837.67	\$ 866.99	\$ 897.34	\$ 928.74	
BULK WATER	\$ 6,553.00	\$ 8,100.00	\$ 2,500.00	\$ 2,625.00	\$ 2,756.25	\$ 2,894.06	\$ 3,038.77	\$ 3,190.70	\$ 3,350.24	\$ 3,517.75	\$ 3,693.64	\$ 3,878.32	\$ 4,072.24	\$ 4,275.85	\$ 4,489.64	\$ 4,714.12	\$ 4,949.83	\$ 5,197.32	\$ 5,457.19	\$ 5,730.05	\$ 6,016.55	
RECONNECT FEES & PENALTIES	\$ -	\$ -	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	
WATER TAPS	\$ -	\$ -	\$ -	\$ -	\$ 375,000.00	\$ 375,000.00	\$ 226,800.00	\$ 226,800.00	\$ 226,800.00	\$ 230,550.00	\$ 233,559.00	\$ 235,827.00	\$ 238,095.00	\$ 240,381.75	\$ 242,702.30	\$ 245,049.23	\$ 247,418.84	\$ 249,811.22	\$ 252,226.64	\$ 254,665.40	\$ 257,127.74	
Grant Funds	\$ 184,616.39	\$ -	\$ 1,172,973.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
START/STOP SERVICE FEES	\$ 4,125.00	\$ 4,525.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	
Rents	\$ 1,000.00	\$ 1,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Misc. Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Sale of Assets	\$ 11,215.12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Loan Funds	\$ -	\$ -	\$ 7,200,000.00	\$ -	\$ 7,000,000.00	\$ -	\$ 8,000,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Reserves	\$ -	\$ -	\$ 352,500.00	\$ -	\$ 150,000.00	\$ -	\$ 900,000.00	\$ 175,000.00	\$ 625,000.00	\$ 600,000.00	\$ 500,000.00	\$ 575,000.00	\$ 625,000.00	\$ 725,000.00	\$ 450,000.00	\$ 375,000.00	\$ 250,000.00	\$ 175,000.00	\$ 50,000.00	\$ -	\$ -	
Total Receipts	\$ 1,271,090.01	\$ 1,512,417.33	\$ 10,394,348.50	\$ 1,777,204.99	\$ 9,548,752.12	\$ 2,529,210.08	\$ 11,403,095.96	\$ 2,808,430.75	\$ 3,397,487.86	\$ 3,524,968.32	\$ 3,586,696.46	\$ 3,832,145.81	\$ 4,063,331.78	\$ 4,356,047.87	\$ 4,283,405.40	\$ 4,423,282.76	\$ 4,525,879.27	\$ 4,691,992.35	\$ 4,820,192.54	\$ 5,038,332.85	\$ 5,322,267.90	
EXPENSES																						
PERSONNEL																						
TRUSTEE/ADMIN SALARIES	\$ 3,776.00	\$ 4,080.00	\$ 40,750.00	\$ 42,176.25	\$ 43,652.42	\$ 45,180.25	\$ 46,761.56	\$ 48,398.22	\$ 50,092.15	\$ 51,845.38	\$ 53,659.97	\$ 55,538.07	\$ 57,481.90	\$ 59,493.77	\$ 61,576.05	\$ 63,731.21	\$ 65,961.80	\$ 68,270.46	\$ 70,659.93	\$ 73,133.03	\$ 75,692.68	
SALARIES & WAGES	\$ 138,248.58	\$ 975.00	\$ 236,500.00	\$ 243,595.00	\$ 250,902.85	\$ 258,429.94	\$ 266,182.83	\$ 274,168.32	\$ 282,393.37	\$ 290,865.17	\$ 299,591.12	\$ 308,578.86	\$ 317,836.22	\$ 327,371.31	\$ 337,192.45	\$ 347,308.22	\$ 357,727.47	\$ 368,459.29	\$ 379,513.07	\$ 390,898.47	\$ 402,625.42	
EMPLOYER FICA	\$ 8,264.80	\$ 43,666.00	\$ 18,274.50	\$ 18,840.79	\$ 19,424.71	\$ 20,026.79	\$ 20,647.61	\$ 21,287.76	\$ 21,947.84	\$ 22,628.48	\$ 23,330.31	\$ 24,053.99	\$ 24,800.22	\$ 25,569.70	\$ 26,363.16	\$ 27,181.34	\$ 28,025.02	\$ 28,895.00	\$ 29,792.10	\$ 30,717.18	\$ 31,671.10	
EMPLOYER MEDICARE	\$ 1,932.87	\$ 5,160.00	\$ 4,273.88	\$ 4,406.31	\$ 4,542.87	\$ 4,683.68	\$ 4,828.88	\$ 4,978.59	\$ 5,132.96	\$ 5,292.14	\$ 5,456.28	\$ 5,625.53	\$ 5,800.05	\$ 5,980.01	\$ 6,165.58	\$ 6,356.93	\$ 6,554.24	\$ 6,757.70	\$ 6,967.51	\$ 7,183.86	\$ 7,406.95	
UNEMPLOYMENT TAX	\$ 276.61	\$ 31,000.00	\$ 2,500.00	\$ 2,431.07	\$ 2,506.41	\$ 2,584.10	\$ 2,664.21	\$ 2,746.81	\$ 2,831.98	\$ 2,919.80	\$ 3,010.36	\$ 3,103.74	\$ 3,200.03	\$ 3,299.32	\$ 3,401.70	\$ 3,507.27	\$ 3,616.13	\$ 3,728.39	\$ 3,844.14	\$ 3,963.51	\$ 4,086.59	
INSURANCE BENEFITS	\$ 19,635.89	\$ 13,000.00	\$ 52,500.00	\$ 54,337.50	\$ 56,239.31	\$ 58,207.69	\$ 60,244.96	\$ 62,353.53	\$ 64,535.90	\$ 66,794.66	\$ 69,132.47	\$ 71,552.11	\$ 74,056.43	\$ 76,648.41	\$ 79,331.10	\$ 82,107.69	\$ 84,981.46	\$ 87,955.81	\$ 91,034.27	\$ 94,220.47	\$ 97,518.18	
RETIREMENT BENEFITS	\$ 5,288.86	\$ 241,752.78	\$ 15,000.00	\$ 15,194.19	\$ 15,665.09	\$ 16,150.64	\$ 16,651.30	\$ 17,167.55	\$ 17,699.87	\$ 18,248.77	\$ 18,814.76	\$ 19,398.38	\$ 20,000.18	\$ 20,620.73	\$ 21,260.61	\$ 21,920.43	\$ 22,600.82	\$ 23,302.42	\$ 24,118.00	\$ 24,962.13	\$ 25,835.81	
LIFE/DISABILITY INSURANCE	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,035.00	\$ 1,071.23	\$ 1,108.72	\$ 1,147.52	\$ 1,187.69	\$ 1,229.26	\$ 1,272.28	\$ 1,316.81	\$ 1,362.90	\$ 1,410.60	\$ 1,459.97	\$ 1,511.07	\$ 1,563.96	\$ 1,618.69	\$ 1,675.35	\$ 1,733.99	\$ 1,794.68	\$ 1,857.49	
WORKMEN'S COMPENSATION	\$ 3,776.00	\$ 400.00	\$ 5,500.00	\$ 5,692.50	\$ 5,891.74	\$ 6,097.95	\$ 6,311.38	\$ 6,532.27	\$ 6,760.90	\$ 6,997.54	\$ 7,242.45	\$ 7,495.94	\$ 7,758.29	\$ 8,029.83	\$ 8,310.88	\$ 8,601.76	\$ 8,902.82	\$ 9,214.42	\$ 9,536.92	\$ 9,870.72	\$ 10,216.19	
OVERTIME	\$ -	\$ -	\$ 17,500.00	\$ 18,112.50	\$ 18,746.44	\$ 19,402.56	\$ 20,081.65	\$ 20,784.51	\$ 21,511.97	\$ 22,264.89	\$ 23,044.16	\$ 23,850.70	\$ 24,685.48	\$ 25,549.47	\$ 26,443.70	\$ 27,369.23	\$ 28,327.15	\$ 29,318.60	\$ 30,344.76	\$ 31,406.82	\$ 32,506.06	
TOTAL PERSONNEL	\$ 182,199.61	\$ 341,033.78	\$ 393,798.38	\$ 405,821.11	\$ 418,643.06	\$ 431,872.32	\$ 445,521.91	\$ 459,605.25	\$ 474,136.22	\$ 489,129.11	\$ 504,598.70	\$ 520,560.22	\$ 537,029.41	\$ 554,022.52	\$ 571,556.29	\$ 589,648.04	\$ 608,315.61	\$ 627,577.45	\$ 647,544.69	\$ 668,150.84	\$ 689,416.48	
OPERATIONS																						
OFFICE SUPPLIES	\$ 917.16	\$ 137.65	\$ 2,000.00	\$ 2,070.00	\$ 2,142.45	\$ 2,217.44	\$ 2,295.05	\$ 2,375.37	\$ 2,458.51	\$ 2,544.56	\$ 2,633.62	\$ 2,725.79	\$ 2,821.20	\$ 2,919.94	\$ 3,022.1							

ATTACHMENT 9

AUDITED FINANCIAL STATEMENT



TOWN OF PAONIA, COLORADO

FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Town of Paonia, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Paonia, Colorado (the Town) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Paonia, Colorado, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from



error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements, the budgetary schedules for the non-major governmental funds and the proprietary funds, and the highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying



accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the budgetary schedules for the non-major governmental funds and the proprietary funds, and the highway finance report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Old Pension Plan information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Chadwick, Steinkirchner, Davis & Co., P.C.

Chadwick, Steinkirchner, Davis & Co., P.C.
September 6, 2022

TOWN OF PAONIA, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended December 31, 2021

As management of the Town of Paonia, we offer readers of the Town of Paonia's Financial Statements this narrative overview and analysis of the financial activities and performance of the Town of Paonia for Fiscal Year ended December 31, 2021.

INTRODUCTION

The Town operates under a Board of Trustees-Manager form of government with a hired contracted Town Administrator. The Town Board provides strategic leadership, goal setting and policy-making authority, and employs the Town Administrator who is responsible for the day-to-day management, financial and technical support to ensure equitable, efficient, and effective implementation of government services to our citizens. The board voted to continue the dual role of Town Administrator/Town Clerk from June 2020 to December 2022.

The Town provides a full range of public services, including a Police Department, Municipal Utilities (water, wastewater, and trash), Infrastructure (drainage, streets, public buildings, airport, and sidewalks), and Cultural and Recreational programs (parks and recreation activities).

Other governmental services are provided through various agencies and special districts that includes fire protection through the Paonia Volunteer Fire Department (Delta County FPD#2); North Fork EMS; the North Fork Pool, Parks and Recreation District; the Paonia Public Library, a branch office of the Delta County Library District; and two Cemetery Districts.

NOTABLE FINANCIAL STATEMENT COMPARISONS BETWEEN 2020 TO 2021:

1. In 2021, the country was in the continuing stages of the COVID-19 pandemic, which continued to affect revenues. However, in spite of the pandemic, the Town's revenues increased over budget by \$91,780.
2. The assets of the Town of Paonia exceeded its liabilities at the close of fiscal year 2021 by \$15,184,000 (net position). Of this amount, \$2,831,534 (unrestricted net position) may be used to meet the Town's ongoing obligations or unforeseen expenses.

Net Position	2021	2020	2019
Total Net Position	15,184,000	14,473,631	14,121,766
Unrestricted Net Position	2,831,534	1,909,586	1,397,136

3. Change in cash position has increased from 2020 to 2021 for Governmental Activities and Business-Type Activities for a total of \$3,887,529, with a total increase of \$1,092,116.
4. Change in net capital fixed assets has decreased from 2020 to 2021 for Governmental Activities and Business-Type Activities for a total of \$15,301,085, with a total decrease of \$433,206 related to the addition of depreciation and the added capital assets for 2021.

WATER		SEWER		GENERAL	
WATER PLANT IMPROVEMENTS	12,479	2 ND ST SEWER MAIN	11,709	COMPUTER UPGRADE	9,330
IHYDRANT RETRO FIT KIT	10,000			PD VEHICLE	29,583
WATERLINE-MEADOWBROOK	5,599			M.POLYHAWK SPREADER	7,394
WATER METERS-2 ND & FREEDOM	10,110			JDba96C BROOM	10,072
WATER METERS-SCHOOLS	13,311			STREET OVERLAY	45,574
SPRINGLINE/BOX UPGRADE	13,222			EHS CTR KITCHEN	23,704
TOTAL ASSETS	64,721		11,709		125,657
TOTAL DEPRECIATION	331,052		109,012		177,583

5. Long-Term Liabilities for Governmental Activities and Business-Type Activities decreased by \$203,223 due to the refunding of the RUS Loan with Revenue bonds in 2021.
6. Governmental Funds Tax revenue increased from 2020 to 2021 totaling \$1,304,184, an increase of \$295,161.

- Collected Property Tax specifically increased \$538 from 2020 to 2021 due to the increases in valuations provided by the Delta County Assessor's Office.
- Town Sales Tax increased \$42,284 from 2020 to 2021 in spite of the pandemic, which is partially related to the addition of the delivery sales tax which took effect in 2019.
- County Sales Tax increased \$222,487 from 2020 to 2021 which is mainly related to the Back the Badge .8% which took effect 2021.

FUND	2021	2020	\$ CHANGE
General	1,052,830	786,978	265,852
Sales Tax Capital Improvement	235,598	214,455	21,143
Streets Capital Improvement	6,750	0	6,750
Conservation Trust	9,006	7,590	1,416
Total Tax Revenue	1,304,184	1,009,023	295,161

7. Governmental Funds Intergovernmental revenue increased from 2020 to 2021 by \$84,374.

SOURCE	2021	2020	\$ CHANGE
Highway Users Tax	53,719	44,153	9,566
Motor Vehicle (\$1.50+\$2.50)	6,702	6,331	371
Severance Tax	1,305	4,765	(3,460)
Mineral Leasing	7,219	3,919	3,300
Road & Bridge	8,057	7,947	110
Other Agency Contributions	83	0	108
Grant Revenue	164,761	90,382	74,379
Total Intergovernmental Revenue	241,846	157,497	84,374

8. Governmental Funds Other revenue increased from 2020 to 2021 by \$38,388.

SOURCE	2021	2020	\$ CHANGE
Fees and Fines	86,901	67,273	19,628
Licenses and Permits	43,358	34,352	9,006
Interest Income	8,901	13,956	(5,055)
Miscellaneous	77,022	62,213	14,809
Total Other Revenue	216,182	177,794	38,388

9. Governmental Funds Total Expenditures decreased by \$221,846.
 10. Governmental Funds Total Fund Balance increased by \$655,200.
 11. Enterprise Funds revenue increased from 2020 to 2021 by a total of \$153,658.
 12. Enterprise Funds expenditures decreased from 2020 to 2021 by a total of \$46,378.
 13. Enterprise Funds Total Net Position increased in 2021 by \$185,116.

OVERVIEW OF THE FISCAL YEAR 2021 FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Town of Paonia's basic financial statements. The basic financial statements comprise three components:

1. Governmental-wide Financial Statements,
2. Fund Financial Statements,
3. Notes to the Financial Statements.

This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The *Government-wide Financial Statements* are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business.

The *"Statement of Net Position"* presents information on all of the Town of Paonia assets and liabilities, with the difference between the two reported as *net assets*. Trends, increases, and decreases, in net assets may serve as a useful indicator of whether the financial position of the Town of Paonia is improving or deteriorating.

The *"Statement of Activities"* presents information showing how the Town of Paonia's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus,

revenues and expenses reported in this statement for some items will result in cash flows in future periods (e.g. uncollected taxes and earned but unused personal time).

Both of the government-wide financial statements distinguish functions of the Town of Paonia that are principally supported by taxes and intergovernmental revenues (**governmental activities**) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (**enterprise business-type activities**).

The Governmental-wide Financial Statements include only the Town of Paonia itself (known as the primary government) as there are **no component units** of the Town.

Note: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The Governmental Funds of the Town of Paonia include the:

1. **General Fund:** The General Fund is the Town's major operating fund. All revenues, by law or administrative control, that are not in otherwise designated funds are deposited in the General Fund. The General Fund is used to provide for Administration, Building Permits, Public Safety, Public Works, Parks and Recreation services. The primary sources of revenues for the General Fund are:

REVENUE SOURCE	2021	2020	2019
Taxes	1,052,830	786,978	639,595
Fees & Fines	29,156	36,219	60,130
License & Permits	43,358	34,352	42,190
Intergovernmental	241,871	157,497	146,179
Interest Income	8,901	13,956	23,975
Miscellaneous	69,357	54,018	113,942
Total	1,445,473	1,083,020	1,026,011
% Of Change-Increase/(Decrease)	33.47%	5.56%	36.26%

EXPENDITURES	2021	2020	2019
General government	265,209	396,988	225,531
Public Safety	450,674	335,270	321,449
Public Works (Streets and Bridge)	157,955	136,166	144,187
Culture & Recreation	136,123	109,702	152,046
Capital Outlay	26,298	62,445	12,003
Transfers	8,000	14,000	0
Total	1,044,259	1,054,571	855,216
% Of Change-Increase/(Decrease)	(0.98%)	23.31%	34.25%

Note-Bridge Reserve: The Bridge Reserve is deferred revenue which was received from Delta County in January 2010 for the total of \$800,000 which by contract is amortized at \$40,000/year. This fund is included in the General Fund (Miscellaneous Revenue).

2. **Sales Tax Capital Improvement Fund:** The Sales Tax Capital Improvement Fund is funded by 1% of the 3% Town Sales Tax for capital projects and purchases.

REVENUE SOURCE	2021	2020	2019
Taxes	235,598	214,455	180,778
Miscellaneous	7,650	8,150	7,650
Total	243,248	222,605	188,428
% Of Change-Increase/(Decrease)	9.27%	18.14%	23.99%

EXPENDITURES	2021	2020	2019
Capital Outlay	119,108	216,848	119,176
% Of Change-Increase/(Decrease)	(45.07%)	81.96%	(43.23%)

3. **Street Capital Improvement Fund:** The Street Capital Improvement fund was added in 2018 and is funded by 3% impact fees paid by the Water, Sewer and Trash Funds and is to be used for capital improvements (reconstruction and paving) to the roads. In 2020, Voters approved the sale of medical and retail marijuana in the town limits of Paonia. The voters simultaneously approved the imposition of an Occupational Tax of \$5.00 per transaction. In 2021, four (4) Marijuana licenses were approved, and the first Recreational Marijuana Dispensary opened.

REVENUE SOURCE	2021	2020	2019
Taxes (Sales+Highway Users+Occupational)	6,750		26,522
Fees & Fines (Licensing)	27,000		
Transfers In (Impact Fee-Enterprise Funds)	54,150	48,151	44,837
Total	87,900	48,151	71,359
% Of Change-Increase/(Decrease)	82.55%	(32.52%)	21.21%

No funds were Expended in 2021.

4. **Conservation Trust Fund:** The Conservation Trust Fund accounts for monies received by the Town from the State of Colorado lottery proceeds. These funds are restricted for use in the acquisition, development and maintenance of new park and conservation sites or for capital improvements and maintenance of any existing public site for recreational purposes.

REVENUE SOURCE	2021	2020	2019
Lottery Proceeds	9,006	7,590	8,209
Interest Income	15	4	8
Total	9,021	7,594	8,217
% Of Change-Increase/(Decrease)	18.79%	(7.58%)	(4.31%)

No funds were Expended in 2021.

5. **Sidewalk Fund:** The Sidewalk Fund was approved by voters with a ten (10) year sunset in 2013 and is funded through utility billing by a \$3.00 fee assessed monthly on in-Town properties only to be used to repair and replace existing sidewalks.

REVENUE SOURCE	2021	2020	2019
Fees & Fines	30,745	31,054	30,772
Total	30,745	31,054	30,772
% Of Change-Increase/(Decrease)	(1.00%)	0.92%	1.11%

Replacement trees were purchased to replace trees removed to accommodate sidewalk repair in 2020. The total spent in 2021 was \$555.

6. **Space-to-Create Fund:** In 2017, the Town received a grant from the Boettcher Foundation of \$35,000 to begin Space-to-Create project. The initiative began with a preliminary feasibility study and community engagement work, followed by an arts market survey. In addition, in 2018, the Town received a \$25,000 REDI Grant from DOLA for the feasibility study, a \$17,500 DOLA Grant for the Market Survey, a \$50,000 Grant from Colorado Creative Industries (CCI) for the ongoing development of the Space-to-Create project and a \$915.00 contribution from the public. In 2019, the Town was requested to return \$45,000 to the Colorado Creative Industries (CCI) as the Town was not going to be able to spend those funds on pre-development in 2019. In 2020, the Town was advised that the State was no longer going to be able to support this project. The Town withdrew from the project by Resolution 2020-20. The Boettcher Foundation agreed to let the Town use the balance of \$13,165 to support the Town of Paonia Creative District instead of returning the funds, as long as, they are spent by December 31, 2021. The remaining balance was used for the North Fork Valley Creative Coalition including their dues, the Sign project (\$7,165) and a Mural project (\$6,000) and no new revenue was received in 2021.

Governmental Funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *short-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the Fiscal Year. Such information may be useful in evaluating a government's short-term financing requirements. This accounting method is called *modified accrual accounting*.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

In particular, Unrestricted Fund Balance may serve as a useful measure of a government's net resources available for spending at the end of the Fiscal Year.

The Town of Paonia maintains six (6) individual governmental funds. The Governmental statements are presented separately for revenue, expenditures, and changes in fund balances for the General Fund, Sales Tax Capital Improvement Fund, Street Capital Improvement Fund, Conservation Trust Fund, Sidewalk Fund and the Space to Create Fund. The General Fund and Sales Tax Capital Improvement Fund are considered major funds of the Town. The remainder of the funds listed above are Non-Major Governmental Funds.

Individual fund data for each of these four non-major governmental funds are provided in the form of “**Combining Statements**” within the “SUPPLEMENTARY INFORMATION” section of this report.

It is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements found on page 16 of this report. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions.

Governmental Activities	2021	2020	2019
Current & Other Assets	2,246,521	1,646,479	1,596,758
Capital Assets (Net)	3,262,534	3,314,461	3,132,626
Total Assets	5,509,055	4,960,940	4,729,384
Deferred outflows of resources	90,194	109,494	110,994
Liabilities	404,348	454,858	535,108
Deferred inflows of resources	209,815	155,743	134,223
Net Investment in capital assets	3,262,543	3,314,461	3,132,626
Restricted for Emergencies	53,179	42,302	41,685
Restricted for Airport Capital Investments	60,192	44,892	44,892
Unrestricted	1,609,181	1,058,178	951,845
% Of Change-Increase/(Decrease)	52.07%	11.17%	41.01%

The Enterprise Funds (business-type activities) of the Town of Paonia include the:

Water Fund: The Town operates two water treatment facilities. The upper system, also known as the 2.0-million-gallon (2MG) Water Treatment Plant (WTP) was originally designed to service primarily the out-of-town, water companies and the northeast end of Town. The lower system, also known as the 1.0-million-gallon (1MG) Water Treatment Plant or commonly referred to as the "Clock Plant" was originally designed to service mostly Town proper when online. The 1MG plant though operational was taken offline in 2015 for numerous repairs then temporarily put back online in February of 2019 during the boil order then again taken offline in 2019 for additional repairs. This plant remains operational however is not distributing processed water into the Town's water system

for consumption. The primary sources of revenue are charges for service. This fund is used to account for the revenues and expenses associated with the operations and maintenance of the water treatment and delivery (distribution) system. Also, to be included in the charges for services or any rate consideration for this fund are the repayment of loans for the water treatment facilities and monies for capital re-investment to these systems.

1. **Grant Project Fund:** The Grant Project Fund is a sub-fund of water and is funded by refundable grants designated to specific projects plus Town matching funds. This fund is a “pass through fund” specifically for the tracking of large grants awarded.

WATER			
Business-Type Activities	2021	2020	2019
Revenue	1,036,866	869,038	819,925
Operating Expenses	820,489	780,982	803,519
Net Income (Loss)	216,377	88,056	16,406
Nonoperating Revenues (Expenses)	(34,061)	(46,964)	(31,110)
Capital Contributions	5,500	45,500	57,000
Transfer in (out)	(33,660)	(32,605)	(16,128)
Change in Net Position	154,156	53,987	26,168
% Of Change-Increase/(Decrease)	185.54%	106.31%	109.06%

Sewer Fund: The Town operates a Wastewater Treatment Plant (WWTP) and sanitary sewer collection system. The primary sources of revenue are charges for service. This fund is used to account for the revenues and expenses associated with the operations and maintenance of the wastewater treatment plant and collections system. Also, to be included in the charges for services or any rate consideration for this fund are the repayment of loans for the wastewater treatment plant facility and monies for capital re-investment to this system.

1. **Grant Project Fund:** The Grant Project Fund is a sub-fund and is funded by refundable grants designated to specific projects plus Town matching funds. This fund is a “pass through fund” specifically for the tracking of grants awarded.

SEWER			
Business-Type Activities	2021	2020	2019
Revenue	530,967	531,364	470,802
Operating Expenses	434,217	471,903	507,940
Net Income (Loss)	96,750	59,461	(37,138)
Nonoperating Revenues (Expenses)	(45,999)	(70,231)	(2,930)
Capital Contributions	4,500	42,500	48,500
Transfer in (out)	(18,929)	(22,940)	(4,124)
Change in Net Position	36,322	8,790	4,308
% Of Change-Increase/(Decrease)	313.22%	104.04%	116.59%

Sanitation (Trash) Fund: The Trash Fund is used to account for revenues and expenses associated with the collection and disposal of trash for In-Town residents and businesses. Charges for the service are the only revenue source for this activity.

TRASH			
Business-Type Activities	2021	2020	2019
Revenue	260,704	221,323	217,726
Operating Expenses	256,505	214,415	186,873
Net Income (Loss)	4,199	6,908	30,853
Nonoperating Revenues (Expenses)	0	0	0
Capital Contributions	0	0	0
Transfer in (out)	(9,561)	(6,605)	3,507
Change in Net Position	(5,362)	303	34,360
% Of Change-Increase/(Decrease)	(1869.64%)	(99.12%)	(14.31%)

The Enterprise Funds are used to report the same functions presented as **business-type activities** in the government-

wide financial statements. The Town of Paonia uses Enterprise Funds to account for its Water, Sewer, and Trash Funds, all of which are considered to be major funds of the Town of Paonia.

Business-Type Activities	2021	2020	2019
Current & Other Assets	2,283,434	1,755,475	1,352,146
Capital Assets (Net)	12,038,551	12,419,830	12,784,944
Total Assets	14,321,985	14,175,305	14,137,090
Liabilities	4,123,071	4,161,507	4,186,372
Net Investment in capital assets	8,139,175	8,317,231	8,664,886
Restricted for Water Utility Maintenance	530,493	208,080	208,080
Restricted for Debt Service	306,893	637,079	632,461
Unrestricted	1,222,353	851,408	445,291
% Of Change-Increase/(Decrease)	43.57%	91.20%	(36.50%)

Notes to the Financial Statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

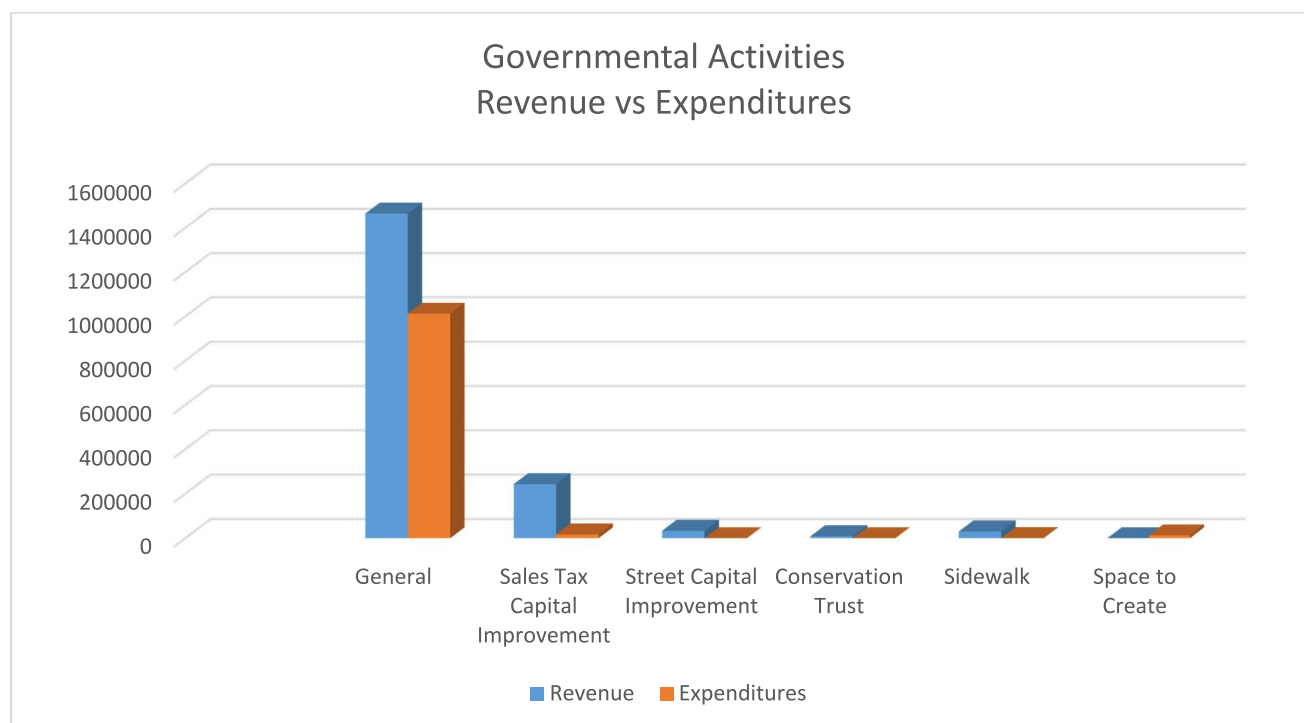
Other information: is in addition to the basic financial statements and accompanying notes. This report also presents certain "Required Supplementary Information" concerning the Town of Paonia budgetary comparison schedules.

FINANCIAL ANALYSIS FOR THE TOWN OF PAONIA AS A WHOLE

As noted earlier, the Town of Paonia uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Net Position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Paonia, governmental activities assets exceeded liabilities by approximately \$3.2 million at the close of fiscal year 2021.

By far the largest portion of the Town of Paonia's net position, 59%, reflects its investment in capital assets (e.g., land, buildings, infrastructure). The Town of Paonia uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors.



The 2021 and previous years Fund Balances are as follows:

FUND	2021	2020	2019	2018	2017	2016
GENERAL	980,742	563,528	507,079	336,284	220,337	178,787
SALES TAX CAP IMP	468,047	343,907	338,150	296,990	354,942	338,969
STREET CAP IMP	141,777	53,877	90,775	19,416	0	0
CONSERVATION TRUST	17,232	8,311	1,317	0	18,905	14,941
GRANT PROJECT	0	0	0	0	0	0
SIDEWALK	33,042	2,852	19,763	3,659	18,498	888
SPACE TO CREATE	0	13,165	13,124	29,219	37,410	0
GOVERNMENTAL	1,640,840	985,640	970,208	685,568	650,092	533,585

The General Fund is the chief operating fund to the Town of Paonia. At the end of 2021, **Unassigned Fund Balance** of the General Fund is \$698,846.

	2021	2020	2019
Unassigned	698,846	332,793	321,226
% Of Change-Increase/(Decrease)	109.99%	3.60%	116.00%

The committed Bridge reserve is \$228,717 plus the Unearned revenue of \$360,000, totals \$588,717.

The restricted fund for the Airport Capital Improvement totals \$60,192 at the end of 2021.

Available Resources of the Enterprise Funds at the end of the Fiscal Year 2021 is as follows:

FUND	2021	2020	2019	2018	2017	2016
Water	610,788	341,600	166,873	105,507	1,203,966	822,179
Sewer	1,306,299	587,520	374,079	555,190	1,056,096	302,498
Trash	142,652	130,368	112,419	348,637	208,538	256,376

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets are the Town of Paonia investments in capital assets for its governmental and business-type activities as of December 31, 2021, which for this fiscal year amounts to \$15,301,085 (Net of Accumulated Depreciation). This investment in capital assets includes land, buildings, construction in progress, improvements other than buildings, infrastructure, and equipment.

Major capital asset events during Fiscal Year 2021 included: EHS Center Kitchen Upgrade \$23,704 + Street Overlay \$45,574 + Computer Upgrade \$9,330 + PD Vehicle \$29,583 + Meyer Polyhawk Spreader \$7,393 + JDBA96C Broom Attachment \$10,072 + 2nd Street Sewer Main Replacement \$11,709 + Water Plant Improvements \$12,479 + I Hydrant Retro Fit Kits \$10,000 + Waterlines (Meadowbrook) \$5,599 + Water Meters (2nd & Freedom) \$10,110 + Water Meter (Schools) \$13,312 + Spring line/Box Improvements \$13,222.

Long-Term Debt includes the Sewer Plant, the 1MG Water Plant and the 2MG Water Plant and the improvements to the Distribution System. The Town's total bond and other indebtedness as of December 31, 2021, was \$3,899,376. The Town of Paonia has no General Obligation debt.

BUDGETARY HIGHLIGHTS

For the Fiscal Year Adopted 2021 Budget, the Town Board for the Town of Paonia focused on several minor projects which are highlighted below including the status as of 12/31/2021:

Staffing Levels:

Budget	Actual	Hire Date	Term Date
Town Administrator/Town Clerk	Town Administrator/Clerk	08/01/2013	
Finance Office	Finance Director	03/08/2012	
Deputy Clerk	Deputy Clerk	07/26/2018	
Assistant Clerk	Finance Clerk	07/09/2021	
Town Treasurer	Town Treasurer	05/10/2016	08/31/2021
Police Chief	Police Chief	07/03/2007	09/17/2021
Police Sergeant	Police Sergeant	01/25/2020	
PD Clerk	PD Clerk	04/20/2020	
SRO Officer	SRO Officer	07/05/2018	09/30/2021
Police Officers (3 FTE)	Police Officers (3 FTE)		
Municipal Judge	Municipal Judge	06/18/2020	
Public Works Director	Public Works Director	06/12/2006	
Public Works Supervisor	Public Works Supervisor	04/14/2020	10/25/2021
Utility Assistant	Utility Assistant	08/14/2020	10/14/2021
Trash Truck Driver/Laborer	Trash Truck Driver/Laborer	06/24/2003	
Laborer (3 FTE)	Laborer (4 FTE)		

Administration

1. Update of the Master Plan.

An intern was hired in 2019 to begin the master planning update process which started with multiple, six (6), public meetings regarding Housing, Utilities, Economic Development, Transportation and Community Sustainability. A goal setting session was held in October of 2020. The process continued in 2021. Staff plans to hire a consultant in 2022 to complete the process.

2. Asset Inventory/GIS Mapping Grant

The Town was awarded a DOLA EIAF State Funded Grant. Grant Award Amount is \$48,629.00 with a Town Match of \$48,629. This grant has an expiration date of 5/31/2022. The project consists of the completion of an Asset Inventory Assessment and Capital Improvement Plan for the Town. An RFP process was conducted, and the contract was awarded to SGM with a total cost estimate of \$41,938 for GIS mapping and \$55,320 for the Asset Inventory/Capital Improvement Plan. The GIS Mapping portion of this grant was completed in October of 2020. The Asset Inventory/Capital Improvement Plan continued through 2021.

3. COVID Grant

Funds were received from DOLA totaling \$125,232.27 in compliance with CARES Act for reasonable, necessary and cost-effective expenditures a.) incurred due to the public health emergency with respect to the Coronavirus Disease 2019, b.) not accounted for in the budget approved as of 3/27/2020 or the most recently approved budget for the relevant fiscal period, c.) were incurred during the period that begins on March 1, 2020 and ends on December 31, 2021. All funds were expended by December 31, 2021, and the report was submitted to DOLA as required by the Granting process.

4. CDOT Grant

Colorado Department of Transportation-Office of Innovative Mobility Program: Revitalizing Main Streets Grant with a Contract value (Grant + Match) of \$50,976.20 was received August 25, 2020. The purpose of the grant was for assisting with planned street closures of Paonia's main street (Grand Ave) and look to improve sales and offer an opportunity for the Town to try out some mobility alternatives for a long-term transformation of the downtown business district toward active transportation. Improved wayfinding will inform and encourage visitors to spend time in the Town. This project ended and all funds were disbursed by 12/31/2021.



Building

5. Building Code Update

Building Code update started and was sent to the Planning Commission for review. In February 2020 the Planning Commission met and did their first review of Chapter 18 of the Building Code Update. Discussion was tabled until 2021 due to COVID-19. The process resumed in 2021 with completion anticipated in 2022.

6. Building Permit Fees adjustments have been postponed.

Law Enforcement

7. (POST) Training Grant Funds

Due to COVID training was minimal. The town collected a total of \$995.00 in grant funds in 2021.

8. Victims Advocate

The Town assumed the responsibility to ensure that the advocates are provided cell phones in 2019 @ \$70.00 per month. This program has continued through 2021. In 2021 the town also contributed \$1,500 to help offset the cost of the program not covered by grant funds.

9. Body Camera Program

This program was established in 2020 through AXON. This five (5) year program includes warranty, updates and upgrade of equipment every two years and off-site storage an investment of \$3,654.00 per year.

Parks & Recreation

10. Arbor Day/Tree City USA

The Town of Paonia has celebrated Arbor Day the last several years and has maintained its status as a designated Tree City USA.

11. Tree Board

The tree board met regularly through 2021.

12. Parks Recreation and Trails Master Plan

The Town received a grant in 2020 to complete the Park portion of the Master Plan from GOCO. Western Slope Consulting was awarded the contract to complete this process. Virtual meetings were held throughout 2020. The process was slated for completion in September 2021 but was extended to March 31, 2022.

13. EHS Center Interior Rehab Project

Construction to rehab the commercial kitchen and entrance area was complete in July 2021.



Street Capital Improvements

14. 3% Impact fee

The 3% impact fee was implemented in 2019 for water, sewer, and trash. This was continued through 2021.

Pass Through Grants

15. Skate Park

A volunteer group started collecting donations and are applying for grant funds in 2019 to fund a new or updated skate park in Paonia. This effort continued throughout 2021. The Town has received \$12,750 in donations as of December 2021.

Space-to-Create

16. Space to Create continued planning phase.

In mid-2020 it was determined that the State no longer had funding to support this effort and the Boettcher Foundation agreed to let the town use the remaining funds in 2021 to support the Paonia Creative District. All funds were expended by December 31, 2021, as provided via the grant process.

Capital Improvement

17. Capital Improvements for 2021. Total spent was \$119,108.

- a. Public Works (2) Vehicles were ordered. (Note: they have not arrived, nor have they been paid for).
- b. Town Hall upgrades = \$5,995.
- c. Computers = \$9,330.
- d. Public Safety vehicle = \$29,583.
- e. Street Overlay = \$45,574.
- f. Equipment acquisition, upgrade, and replacement = \$28,626.

Water (Water repair & maintenance priorities):

18. Water System Analysis Grant

The Town was awarded a DOLA EIAF State Funded Grant. Grant Award Amount is \$14,000. with a Town Match of \$14,000. This grant had an expiration date of 11/30/2020. The grant was extended to 3/15/2021. This project consists of the Town completing a water infrastructure analysis. The Town hired an engineering firm to complete a water infrastructure analysis to include an assessment of water system pressure, raw water availability, considering raw water piping to the treatment plants, treatment capacity, and the ability to deliver water throughout the system. The project will also include a water system model, a determination of the number of additional people/activities the current system can support and recommend for new water storage and system upgrades that could be completed to correct current deficiencies (as required by Ordinance 01-2020).

19. Meter Installation Project – has been ongoing through 2021.

20. 1MG Tank

1MG Tank was placed online in 2019 for a short time but was then taken offline and remained offline throughout 2021.

Sewer (Sewer repairs & maintenance priorities):

21. Scada System Installation – was completed in 2021.

Other projects completed that were not in the original 2021 budget but became a priority during the year:

- 1. Newport Group fees were caught up as they had failed to bill us for several years.
Note: Newport Group was the fiduciary contracted to monitor the town's retirement plan (Mutual of Omaha).
- 2. Peak alarm repairs.
- 3. Engineering for 3rd Street Improvements (Grand to Poplar).
- 4. Paint Stripe Double Yellow and Thermoplastic pavement marking of seven (7) crosswalks.
- 5. Schmueser Gordon Meyer Inc (SGM) performed engineering services for Lead and Copper Compliance requirements, the Valve Vault at the Clock Water Treatment Plant, and 2MG Tank Re-Coating.
- 6. Spring Box repair for the 2 MG Water Treatment Plant.

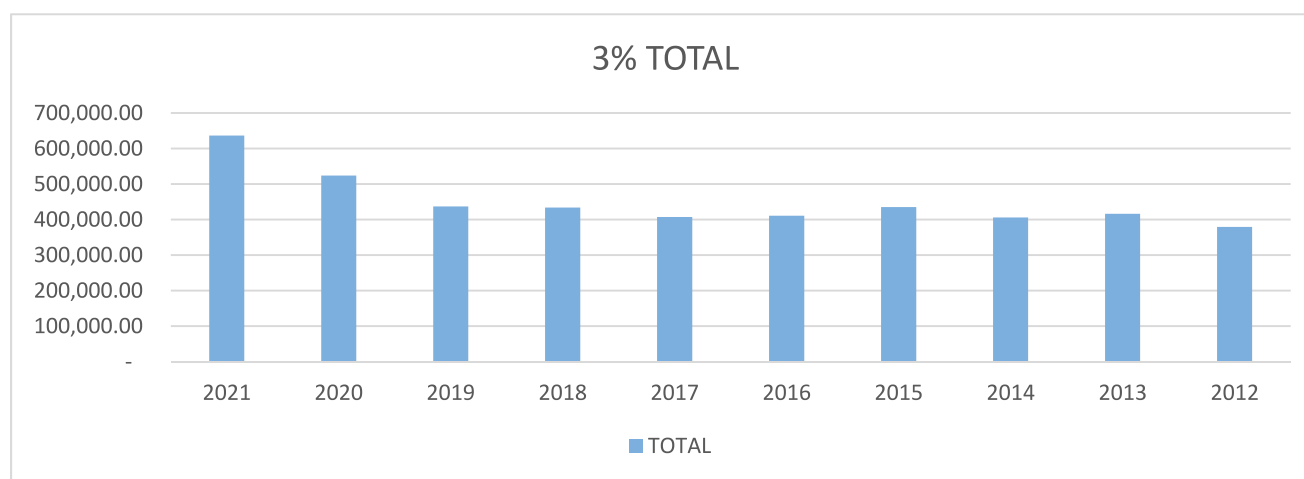
ECONOMIC FACTORS AND RATES

The Town of Paonia and Delta County are primarily agriculturally based economies. Given the still

uncertain economic environment, the Town of Paonia Fiscal Year 2021 Budget maintained operating expenditures in line (balanced, not exceeding) with sources of revenues by re-evaluating services, reducing costs, and performing modest capital improvements such as the sidewalk construction project by utilizing funds maintained in reserve.

Fiscal year 2021 results reflect continuing economic growth. Sales Tax, which is the Town's primary source of revenue, hit an all-time high in 2021. In July of 2018 by voter approval the town's sales tax increased to 3%. In January 2019 the Delivery Sales Tax rules went into effect. In March of 2021 the voter approved 0.8% "Back the Badge sales tax revenue from the county.

SOURCE	2021	2020	2019
Town of Paonia	706,791	653,290	542,333
Delta County	365,135	142,649	120,218
Total	1,071,926	795,939	662,551
% Of Change-Increase/(Decrease)	34.67%	20.13%	41.09%



The Town continues to be financially stable and did not use the General Fund balance for 2021 annual operations. The ongoing financial challenge for the Town is to bring balance between commercial and residential development. Commercial business generates revenues for the Town and residential development requires public services and provides very limited revenues to offset the cost of those services. Additional challenges are the decline of brick-and-mortar retail and now the COVID-19 pandemic. A hopeful sign is that revenues related to online sales have ticked up as a result of the Wayfair vs. South Dakota Supreme Court decision.

Relevant Financial Policies: The Town recognizes that in order to maintain current service levels and the potential need to increase service levels when impacted by growth in future years, the Town will need to find other revenue sources and/or continue to encourage increases in sales tax-generating businesses. Per the Town's Financial Policies, the Town maintains financial reserves "to pay for needs caused by unforeseen emergencies which may include revenue shortages." This contingency can assist the Town in maintaining current service levels, but utilizing these funds is not interpreted as a long-term solution.

The Town increased water rates in February 2017 by 2% per base unit and sewer rates in May 2017 \$3.00 per base unit in order for the funds to remain financially solvent. Solid Waste (Trash) rates were increased \$1.00 per base unit in 2018. In 2019, there were no rate increases to Water, Sewer, or Trash. As of December 2020, the Town Board approved Resolution 2020-18 (water) and 2020-19 (trash) for rate increases. However, water rates encountered a system problem and did not increase until January 2021. Resolution 2021-09 established Water Rates and Charges. The base rate was increased by \$5.00 effective December 1, 2021.

Trash rates increased in 2020 as follows, but were not increased in 2021:

Single (1 can)	No change
Standard (3 cans)	\$3 increase
Heavy (5 cans)	\$3 increase
2yd Dumpster	\$15 increase
3yd Dumpster	\$23 increase

In 2021, the Town received \$184,616, the first half of its portion of the American Rescue Plan Act (ARPA). Signed into law by President Biden on March 11, 2021, the American Rescue Plan Act (ARPA) allocates \$1.9 trillion to COVID-19 relief and economic recovery. **Colorado municipalities will directly receive more than \$800 million through the Coronavirus Local Fiscal Recovery Fund.**

Recipients may use ARPA funds to:

- **Replace lost public sector revenue**, using this funding to provide government services up to the amount of revenue lost due to the pandemic.
- **Respond to the far-reaching public health and negative economic impacts of the pandemic**, by supporting the health of communities, and helping households, small businesses, impacted industries, nonprofits, and the public sector recover from economic impacts.
- **Provide premium pay for essential workers**, offering additional support to those who have and will bear the greatest health risks because of their service in critical sectors.
- **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, to support vital wastewater and stormwater infrastructure, and to expand affordable access to broadband internet.

The Board of Trustees have elected to use these funds for Water infrastructure. Specifically, to provide additional funding to re-line the 2MG Storage Tank.

There are no other known facts, decisions or conditions as of December 31,2021, that are expected to have an effect on the Town’s financial position or results of operations such as rate increase, increases in service areas, etc.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Paonia finances for all those with an interest in the Town government’s finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to Treasurer/Finance Director, Cindy Jones, Town of Paonia, 214 Grand Avenue, PO Box 460, Paonia, CO 81428 and Telephone: (970) 527-4101.

Respectfully Presented by:

Corinne Ferguson, Town Administrator/Clerk
Cindy Jones, Treasurer/Finance Director

Town of Paonia, Colorado

STATEMENT OF NET POSITION

December 31, 2021

	Governmental Activities	Business- Type Activities	Total
Assets			
Pooled cash and investments	\$ 1,294,844	\$ 1,366,582	\$ 2,661,426
Restricted cash and investments (Notes 5 and 10)	588,717	637,386	1,226,103
Property taxes receivable	149,627	-	149,627
Accounts receivable, net	95,334	149,184	244,518
Due from other governments	63,880	-	63,880
Internal balances (Note 13)	-	-	-
Inventories	-	130,282	130,282
FPPA net pension asset (Note 8)	54,119	-	54,119
Capital assets (Note 12)			
Nondepreciable	246,481	834,157	1,080,638
Depreciable, net of accumulated depreciation	3,016,053	11,204,394	14,220,447
Total Assets	<u>5,509,055</u>	<u>14,321,985</u>	<u>19,831,040</u>
Deferred outflows of resources			
FPPA pension (Note 8)	90,194	-	90,194
Liabilities			
Overdrawn pooled cash and investments	-	-	-
Accounts payable	22,534	8,720	31,254
Accrued payroll liabilities	-	-	-
Accrued interest payable	-	30,359	30,359
Due to other funds	-	-	-
Unearned revenue	360,000	184,616	544,616
Noncurrent liabilities:			
Due within one year (Note 6)	21,814	204,609	226,423
Due in more than one year (Note 6)	-	3,694,767	3,694,767
Total Liabilities	<u>404,348</u>	<u>4,123,071</u>	<u>4,527,419</u>
Deferred inflows of resources			
FPPA pension (Note 8)	60,188	-	60,188
Deferred property tax revenue	149,627	-	149,627
Total Deferred Inflows of Resources	<u>209,815</u>	<u>-</u>	<u>209,815</u>
Net position			
Net investment in capital assets	3,262,534	8,139,175	11,401,709
Restricted for:			
Emergencies (Note 3)	53,179	-	53,179
Parks and recreation	-	-	-
Airport capital improvements (Note 10)	60,192	-	60,192
Water utility maintenance (Note 6)	-	530,493	530,493
Debt service (Notes 6 and 9)	-	306,893	306,893
Unrestricted	1,609,181	1,222,353	2,831,534
Total Net Position	<u>\$ 4,985,086</u>	<u>\$ 10,198,914</u>	<u>\$ 15,184,000</u>

The accompanying notes are an integral part of this statement.

Town of Paonia, Colorado

STATEMENT OF ACTIVITIES

Year Ended December 31, 2021

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Government Activities						
General government	\$ 327,256	\$ 76,006	\$ -	\$ 63,601	\$ (187,649)	\$ -
Public safety	416,414	19,998	995	-	(395,421)	-
Public works	351,701	30,745	48,057	-	(272,899)	-
Culture and recreation	150,466	-	49,142	23,704	(77,620)	-
Total government activities	1,245,837	126,749	98,194	87,305	(933,589)	-
Business-type Activities						
Water operations	865,875	1,036,866	-	-	170,991	170,991
Sewer operations	480,668	530,967	-	9,896	60,195	60,195
Trash	256,505	260,704	-	-	4,199	4,199
Total business-type activities	1,603,048	1,828,537	-	9,896	235,385	235,385
Total primary government	\$ 2,848,885	\$ 1,955,286	\$ 98,194	\$ 97,201	(933,589)	(698,204)
General Revenues:						
Property taxes				134,417	-	134,417
Specific ownership taxes				23,650	-	23,650
Sales taxes				1,136,214	-	1,136,214
Franchise taxes				56,420	-	56,420
Miscellaneous				28,550	1,429	29,979
Severance tax				1,305	-	1,305
Mineral leasing				7,219	-	7,219
Investment earnings				8,917	452	9,369
Capital contributions - tap fee				-	10,000	10,000
Transfers				62,150	(62,150)	-
Total general revenues				1,458,842	(50,269)	1,408,573
Total change in net position				525,253	185,116	710,369
Beginning net position				4,459,833	10,013,798	14,473,631
				\$ 4,985,086	\$ 10,198,914	\$ 15,184,000

The accompanying notes are an integral part of this statement.

Town of Paonia, Colorado

BALANCE SHEET- GOVERNMENTAL FUNDS

December 31, 2021

	General Fund	Sales Tax Capital Improvement Fund	Total Nonmajor Funds	Total
Assets				
Pooled cash and investments	\$ 666,096	\$ 448,031	\$ 180,717	\$ 1,294,844
Restricted cash and investments	588,717	-	-	588,717
Taxes receivable	149,627	-	-	149,627
Due from other governments	43,864	20,016	-	63,880
Accounts receivable	84,000	-	11,334	95,334
Total assets	1,532,304	468,047	192,051	2,192,402
Liabilities				
Accounts payable	22,534	-	-	22,534
Due to other funds	-	-	-	-
Unearned revenue bridge agreement	360,000	-	-	360,000
Total liabilities	382,534	-	-	382,534
Deferred Inflows of Resources				
Deferred grant revenue	19,401	-	-	19,401
Deferred property taxes	149,627	-	-	149,627
Total deferred inflows of resources	169,028	-	-	169,028
Fund Balance				
Restricted				
Reserve for emergencies	53,179	-	-	53,179
Conservation	-	-	17,232	17,232
Airport capital improvements	-	60,192	-	60,192
Committed				
Bridge reserve	228,717	-	-	228,717
Capital acquisition	-	407,855	-	407,855
Sidewalk improvement	-	-	33,042	33,042
Street improvement	-	-	141,777	141,777
Space to create	-	-	-	-
Unassigned	698,846	-	-	698,846
Total fund balance	\$ 980,742	\$ 468,047	\$ 192,051	\$ 1,640,840

The accompanying footnotes are an integral part of this statement.

Town of Paonia, Colorado

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

December 31, 2021

Amounts reported for governmental activities on the statement of net assets are different because:

Total fund balance - governmental funds		\$ 1,640,840
Capital assets used in governmental activities are no current financial resources and therefore, are not reported in the funds		
Governmental capital assets	\$ 5,600,975	
Less: Accumulated depreciation	<u>(2,338,440)</u>	
		3,262,535
Net pension assets are not current assets available to cover current year expenditures and, therefore, are not reported as assets in the governmental funds.		54,119
Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. Deferred outflows of resources are related to the difference between expected and actual experience, changes of assumptions and the difference between contributions and proportionate share of contributions to the plan.		90,194
Revenues received out of the of period of availability are deferred inflows in the fund financial statements, but are recognized as revenues at the government-wide level.		19,401
Deferred inflows of resources related to pensions are applicable in future periods and, therefore, are not reported in the funds. Deferred inflows of resources are related to the difference between expected and actual experience, the difference between projected and actual earnings on pension plan investments and change in proportionate share of total contributions to the plan.		(60,188)
Long-term liabilities that pertain to governmental funds are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities, both current and long-term are reported in the statement of net position. Balance at year-end are:		
Compensated absences	<u>(21,815)</u>	<u>(21,815)</u>
Total governmental activities net assets		<u>\$ 4,985,086</u>

The accompanying notes are an integral part of this statement.

Town of Paonia, Colorado

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Year Ended December 31, 2021

	General Fund	Sales Tax Capital Improvement Fund	Nonmajor Fund	Total
Revenues				
Taxes	\$ 1,052,830	\$ 235,598	\$ 15,756	\$ 1,304,184
Fees and fines	29,156	-	57,745	86,901
Licenses and permits	43,358	-	-	43,358
Intergovernmental	241,871	-	-	241,871
Interest income	8,901	-	-	8,901
Miscellaneous	69,357	7,650	15	77,022
Total revenues	1,445,473	243,248	73,516	1,762,237
Expenditures				
Current				
General government	265,209	-	13,165	278,374
Public safety	450,674	-	-	450,674
Public works	157,955	-	555	158,510
Culture and recreation	136,123	-	100	136,223
Capital outlay	26,298	119,108	-	145,406
Total expenditures	1,036,259	119,108	13,820	1,169,187
Revenues in excess (deficiency) of expenditures	409,214	124,140	59,696	593,050
Other financing sources (uses)				
Transfers in (out)	8,000	-	54,150	62,150
Total other financing sources (uses)	8,000	-	54,150	62,150
Revenues and other sources in excess (deficiency) of expenditures and other (uses)	417,214	124,140	113,846	655,200
Fund balance, beginning	563,528	343,907	78,205	985,640
Fund balance, ending	\$ 980,742	\$ 468,047	\$ 192,051	\$ 1,640,840

The accompanying notes are an integral part of this statement.

Town of Paonia

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES

December 31, 2021

Amounts reported for governmental activities on the statement of net assets are different because:

Net change in fund balances - total governmental funds	\$	655,200
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital assets current additions	\$ 101,952	
Depreciation expense	<u>(177,583)</u>	
Excess of capital outlay over depreciation		(75,631)

Contributions of capital assets are not recognized in the governmental funds but are recognized as capital contributions in the statement of activities		23,704
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Pension benefits reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in government funds. This is the change in net pension liability.		(16,820)
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Revenues received after the period of availability are recognized as deferred revenue in the funds, but as revenue in the statement of activities.		(77,004)
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Payments of compensated absences are reported as expenditures in the governmental funds when actually paid. However, on the government-wide statement of activities compensated absences are expensed as they are accrued. Changes in the compensated absences liability are a reconciling item.		<u>15,804</u>
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Changes in Net Position of Governmental Funds	\$	<u><u>525,253</u></u>
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The accompanying notes are an integral part of this statement.

Town of Paonia, Colorado

STATEMENT OF NET POSITION
ENTERPRISE FUNDS

December 31, 2021

	Water	Sewer	Trash	Total
Assets				
Current Assets				
Pooled cash and investments	\$ 613,144	\$ 628,724	\$ 124,714	\$ 1,366,582
Restricted cash and investments	-	637,386	-	637,386
Accounts receivable, net	83,222	44,211	21,751	149,184
Inventories	117,912	12,370	-	130,282
Total current assets	814,278	1,322,691	146,465	2,283,434
Capital Assets				
Land and improvements	269,777	564,380	-	834,157
Utility system	11,762,505	5,365,301	-	17,127,806
Equipment and furniture	199,465	99,060	289,018	587,543
Less accumulated depreciation	(4,495,238)	(1,861,985)	(153,732)	(6,510,955)
Net capital assets	7,736,509	4,166,756	135,286	12,038,551
Total Assets	8,550,787	5,489,447	281,751	14,321,985
Liabilities				
Current Liabilities				
Accounts payable	514	4,393	3,813	8,720
Accrued interest payable	18,359	12,000	-	30,359
Unearned grant revenues	184,616	-	-	184,616
Current portion of long-term debt	152,684	51,925	-	204,609
Total current liabilities	356,173	68,318	3,813	428,304
Long-term Liabilities				
Notes and bonds payable	2,102,437	1,592,330	-	3,694,767
Total long-term liabilities	2,102,437	1,592,330	-	3,694,767
Total liabilities	2,458,610	1,660,648	3,813	4,123,071
Net Position				
Net investment in capital assets	5,481,388	2,522,501	135,286	8,139,175
Restricted for debt service	200,000	106,893	-	306,893
Restricted for maintenance	-	530,493	-	530,493
Unrestricted	410,789	668,912	142,652	1,222,353
Total net position	\$ 6,092,177	\$ 3,828,799	\$ 277,938	\$ 10,198,914

The accompanying notes are an integral part of this statement.

Town of Paonia, Colorado

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
ENTERPRISE FUNDS

Year Ended December 31, 2021

	Water	Sewer	Trash	Total
Operating Revenues				
Charges for services	\$ 1,036,866	\$ 530,967	\$ 260,704	\$ 1,828,537
Total operating revenues	1,036,866	530,967	260,704	1,828,537
Operating Expenses				
Personnel expenses	208,723	158,811	159,669	527,203
Contractual services	-	-	38,981	38,981
Professional fees	54,673	4,500	4,500	63,673
Utilities	33,933	35,456	3,099	72,488
Repairs and maintenance	67,634	59,802	15,503	142,939
Other supplies and expense	99,601	57,505	11,312	168,418
Insurance claims and expense	24,873	9,131	5,795	39,799
Depreciation	331,052	109,012	17,646	457,710
Total operating expenses	820,489	434,217	256,505	1,511,211
Net income (loss) from operations	216,377	96,750	4,199	317,326
Nonoperating Revenues (Expenses)				
Grants	9,896	-	-	9,896
Interest income	-	452	-	452
Miscellaneous revenue	1,429	-	-	1,429
Interest expense	(45,386)	(46,451)	-	(91,837)
Total non-operating revenues (expenses)	(34,061)	(45,999)	-	(80,060)
Net income (loss) before capital contributions and transfers	182,316	50,751	4,199	237,266
Capital contributions - tap fees	5,500	4,500	-	10,000
Transfers in (out)	(33,660)	(18,929)	(9,561)	(62,150)
Change in net position	154,156	36,322	(5,362)	185,116
Net position, beginning	5,938,021	3,792,477	283,300	10,013,798
Net position, ending	\$ 6,092,177	\$ 3,828,799	\$ 277,938	\$ 10,198,914

The accompanying notes are an integral part of this statement.

Town of Paonia, Colorado

STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS

Year Ended December 31, 2021

	Water	Sewer	Trash	Total
Cash flows from operating activities:				
Charges for sales and services	\$ 1,025,702	\$ 534,536	\$ 262,256	\$ 1,822,494
Payments to employees	(208,722)	(158,812)	(159,669)	(527,203)
Payments to suppliers	(311,833)	(169,201)	(79,244)	(560,278)
Net cash provided by operating activities	505,147	206,523	23,343	735,013
Cash flows from non-capital financing activities:				
Transfers from (to) other funds	(33,660)	(18,929)	(9,561)	(62,150)
Net cash provided (used) by non-capital financing activities	(33,660)	(18,929)	(9,561)	(62,150)
Cash flows from capital and related financing activities				
Grant revenues	9,896	-	-	9,896
Miscellaneous revenues	1,429	-	-	1,429
Acquisition of capital assets	(64,721)	(11,710)	-	(76,431)
Principal paid on loans and leases	(151,795)	(51,924)	-	(203,719)
Interest expense	(45,386)	(46,451)	-	(91,837)
Proceeds from tap fees	5,500	4,500	-	10,000
Net cash provided (used) by capital and related financing activities	(245,077)	(105,585)	-	(350,662)
Cash flows from investing activities				
Investment income	-	452	-	452
Net cash provided (used) by investing activities	-	452	-	452
Net increase (decrease) in cash and cash equivalents	226,410	82,461	13,782	322,653
Cash at beginning of year	202,118	1,183,649	110,932	1,496,699
Cash at end of year	\$ 428,528	\$ 1,266,110	\$ 124,714	\$ 1,819,352

The accompanying notes are an integral part of this statement.

Town of Paonia, Colorado

STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS

Year Ended December 31, 2021

	Water	Sewer	Trash	Total
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 216,377	\$ 96,750	\$ 4,199	\$ 317,326
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	331,052	109,012	17,646	457,710
(Increase) decrease in accounts receivable	(11,163)	3,568	1,552	(6,043)
Increase (decrease) in accounts payable	(21,902)	2,624	(54)	(19,332)
Increase (decrease) in inventory	(9,217)	(5,431)	-	(14,648)
Total adjustments	288,770	109,773	19,144	417,687
Net cash provided by operating activities	<u>\$ 505,147</u>	<u>\$ 206,523</u>	<u>\$ 23,343</u>	<u>\$ 735,013</u>
Reconciliation of cash flow statement to statement of net position				
Cash	\$ 613,144	\$ 628,724	\$ 124,714	\$ 1,366,582
Restricted cash and investments	-	637,386	-	637,386
	<u>\$ 613,144</u>	<u>\$ 1,266,110</u>	<u>\$ 124,714</u>	<u>\$ 2,003,968</u>

The accompanying notes are an integral part of this statement.

Town of Paonia, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Paonia, Colorado (the Town), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Town's significant accounting policies are described below:

Financial Reporting Entity

The Town is a statutory municipality with a Mayor – Board of Trustees form of government with six trustees and one separately elected mayor serving as elected Town Board of Trustees (the Town Board) members. The Town administrator is a hired contract position of the Town. As required by GAAP, these financial statements present the Town's (the primary government) financial position. The Town has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective government body.

Basis of Presentation*Government-wide Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to those who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Town of Paonia, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

- *The General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.
- *The Sales Tax Capital Improvement Fund*, which accounts for the Town's additional sales tax that is to be used for capital improvements

The following funds are considered nonmajor governmental funds:

- *The Conservation Trust Fund*, which accounts for State of Colorado lottery funds to be used for parks and recreation services and capital investment.
- *The Street Capital Improvement Fund*, which accounts for funds committed by the Board of Trustees to be used or street construction from Highways Users tax and impact fees.
- *The Sidewalk Fund*, which accounts for the Town's sidewalk fees that are to be used for sidewalk repairs and maintenance.
- *The Space to Create Fund*, which accounts for the Town's revenues that are to be used to fund a feasibility analysis of creative sector workforce space in the Town.

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interests in the activities and sources of funding supporting these operations.

The Town reports the following major enterprise fund business-type activities:

- *Water, Sewer and Trash Funds*, which account for all operations of the Town's water, sewer and refuse services. They are primarily financed by user charges.

Town of Paonia, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

Measurement Focus & Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For the Town, "available" means collected within 60 days of year end. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt, which is recognized when due, and compensated absences, which are recognized when the obligations are expected to be liquidated with expendable available resources.

Those revenues susceptible to accrual are interest revenue and charges for services. Entitlement revenues are not susceptible to accrual because, generally, they are not measurable until received. Grant revenues are recognized as expenditures are made.

Cash and Cash Equivalents

For purposes of the statement of cash flows of the enterprise funds, cash and cash equivalents consist of operating and restricted cash and highly liquid securities with an initial maturity of three months or less.

Fair Value Measurement

The Town adopted GASB Statement No. 72, Fair Value Measurement and Application, which generally requires state and local governments to measure assets and liabilities at fair value. GASB's goal is to enhance comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. This standard expands fair value disclosure to provide comprehensive information for financial statement users about the impact of fair value measurements on a government's financial position. The Town's investments consist of external investment pools and certificates of deposit.

Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market.

Town of Paonia, Colorado

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December 31, 2021

Capital Assets

Capital assets, which include property, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Capitalized assets are defined by the Town as assets that have a useful life of one or more years and for which the initial individual value equals or exceeds \$5,000.

All purchased assets are valued at cost where historical records are available and at estimated historical costs where no historical records exist. Donated assets are valued at their acquisition value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Asset Class	Useful Life
Building and other improvements	25 - 40 years
Water and sewer systems	15 - 40 years
Furniture and equipment	5 - 10 years
Infrastructure	15 - 40 years

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capitalized assets as their useful lives often extend beyond most other capital assets, and they are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities.

Interfund Transactions

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. At year end, outstanding balances between funds are reported as “due to/from other funds.” Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Deferred Outflows/Inflows of Resources

Deferred Outflows of Resources

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred property tax revenue, which arises under both the full accrual (government-wide financial statement) and the modified accrual (fund financial statement) bases of

Town of Paonia, Colorado

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accounting that qualified for reporting in this category. Accordingly, the deferred property taxes are reported in both the statement of net position and in the balance sheet of governmental funds. These future revenues are deferred and recognized as an inflow of resources in the period that the amounts become available (calendar year 2022).

Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

Long-Term Liabilities

In the government-wide financial statements and enterprise fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or enterprise fund-type statement of net position. The long-term compensated absences are serviced from revenues of the General Fund from future appropriations.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted. The Town applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Police Officers Pension Plan

Eligible police officers of the Town are provided with pensions through the Statewide Defined Benefit Plan (SWDBP), a cost-sharing multi-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA). For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension and pension expense, information about the fiduciary net position of the SWDBP plan and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by FPPA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Town of Paonia, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

Fund Balances

In the fund financial statements, governmental funds report the following classification of fund balance:

- **Nonspendable Fund Balance:** amounts that are not in spendable form (such as inventory) or are required to be maintained intact;
- **Restricted Fund Balance:** amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government) through constitutional provisions or by enabling legislation;
- **Committed Fund Balance:** amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint. The Board of Trustees is the Town's highest decision making authority and commits fund balance through resolution during the budget process;
- **Assigned Fund Balance:** amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority (the Town Administrator has been given this authority by the governing body) and
- **Unassigned Fund Balance:** amounts that are available for any purpose; positive amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

Property Tax

Property taxes for the current year are levied and attach as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as a receivable and as deferred inflows of resources at December 31.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and

Town of Paonia, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes a reconciliation between the total fund balances of the governmental funds, and the net position of the governmental activities as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the governmental fund statements during the consolidation of governmental activities.

NOTE 3 – TAX, SPENDING, AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the Amendment), which has several limitations, including revenue raising, spending abilities and other specific requirements of state and local governments, excluding "enterprises." The Town's voters on November 8, 1994 approved a ballot measure to permit the Town to collect, retain and expend the full proceeds of the Town's sales tax and nonfederal grants.

The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the Amendment.

The Amendment requires that an emergency reserve be maintained at 3% of fiscal year spending. A portion of the General Fund's fund balance is classified as restricted for emergencies as required by the Amendment. The amount restricted at December 31, 2021 was \$53,179.

NOTE 4 - BUDGETS

The Town adheres to the following procedures in establishing budgetary data reflected in the financial statements:

- By mid-August of each year, the Town Administrator and Finance Director, as the Budget Officers, gives public notice of the budget calendar for the next fiscal year. The Finance Director asks that all Town departments, boards, commissions or citizens submit, within 30 days from the

Town of Paonia, Colorado

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notice, any request for funds under the budget being prepared. The Town Administrator, with assistance from the Town Finance Director, then prepares a proposed budget for the ensuing fiscal year and submits it to the Town Board no later than 45 days prior to any date required by state law for the certification to Delta County (the County) of the tax levy.

- The budget provides a complete financial plan of all Town funds and activities for the ensuing fiscal year indicating anticipated revenues, proposed operating and capital expenditures, a provision for contingencies and anticipated net surplus or deficit for the ensuing fiscal year.
- A public hearing on the proposed budget is held by the Town Board no later than the second regularly scheduled board meeting in November.
- The Town Board adopts the budget by resolution on or before the final day established by law for the certification of the ensuing year's tax levy to the County. Adoption of the budget by the Town Board shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated and shall constitute a levy of the property tax therein proposed.
- If, during the fiscal year, the Town Administrator and the Town Finance Director determine that there are expenses in excess of those estimated in the budget, the Town Board by resolution may make supplemental appropriations for the year up to the amount of such excess. To meet an emergency affecting public property, health, peace or safety, the Town Board may make emergency appropriations. If, at any time during the fiscal year, it appears probable to the Town Administrator and Town Finance Director that the revenues available will be insufficient to meet the amount appropriated, the Town Administrator reports to the Town Board, indicating the estimated amount of deficit, any remedial action already taken and a recommendation as to any other steps to be taken. At any time during the fiscal year, the Town Administrator and Finance Director, as Budget Officers, may transfer part or all of any unencumbered appropriation balance within a department.
- Budget appropriations lapse at the end of each year.
- Expenditures may not exceed appropriations at the fund level. Budget amounts included in the financial statements include the original and final budgets for each fund.
- Budgets for governmental funds are adopted on a basis consistent with GAAP, except for long-term receivables and advances and capital lease financing, which are budgeted when liquidated rather than when the receivable/liability is incurred. Budgets for enterprise funds are adopted on a basis consistent with the spending measurement focus of the governmental funds.

Town of Paonia, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 5 – DEPOSITS AND INVESTMENTSCash Deposits

The Town maintains a cash pool that is used by all of the Town's funds.

The composition of the Town's cash and investments is as follows:

Cash and investments	
Cash on hand	\$ 225
Cash held by County Treasurer	34,883
Bank deposits	1,630,604
Certificates of deposit	463,311
Colotrust	<u>1,758,506</u>
Total	<u>\$ 3,887,529</u>
Cash and investments in the statement of net position	
Pooled cash and investments	\$ 2,661,426
Restricted cash and investments	<u>1,226,103</u>
Total	<u>\$ 3,887,529</u>

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group.

The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40.

At December 31, 2021, the bank balance of the Town's deposits was \$2,162,716, of which \$250,000 was covered by federal depository insurance and \$1,912,716 was collateralized under PDPA.

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NOTES TO FINANCIAL STATEMENTS

December 31, 2021

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligations of the United States and certain U.S. government agency securities, certain international agency securities, general obligation and revenue bonds of U.S. local government entities, bankers' acceptances of certain banks, commercial paper, local government investment pools, and written repurchase agreements collateralized by certain authorized securities, certain money market funds and guaranteed investment contracts. The Town's investment policy follows Colorado statutes.

Interest Rate Risk - The Town does not have a formal policy limiting investment maturities which would help manage its exposure to fair value losses from increasing interest rates other than the five-year policy established by state statute.

Credit Risk - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the Town's policy to limit its investments to U.S. Treasury obligations, certain U.S. government agencies securities, commercial paper, local government investment pools, repurchase agreements and money market funds.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town follows Colorado State Statutes for investing. The Town's investment policy does not specifically address this risk.

The Town's investment maturities at December 31, 2021 are as follows:

Investment by Type	Rating	Investment maturities		Total
		Less than One Year	One to Five Year	
Certificates of Deposit	Unrated	\$ 463,311	\$ -	\$ 463,311
COLOTRUST		1,758,506	-	1,758,506
Total		<u>\$ 2,221,817</u>	<u>\$ -</u>	<u>\$ 2,221,817</u>

The Town invested \$1,758,506 in the Colorado Government Liquid Asset Trust (COLOTRUST). COLOTRUST is an investment vehicle established by state statute for local government entities in Colorado to pool surplus funds for investment purposes. The State Securities Commission administers and enforces all state statutes governing public investment pools. The investment is an external investment pool that reports at the fair value per share of the pool's underlying portfolio. The unit of account is each share held, and the value of the position is the fair value of the pool's share price multiplied by the number of shares held. For pricing

Town of Paonia, Colorado

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and redeeming shares, COLOTRUST maintains a stable net asset value (NAV) of \$1 per share, which approximates fair value. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables and payables. All COLOTRUST investments are reported at NAV and do not have any unfunded commitments, redemption restrictions or redemption notice periods. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+, which are both rated AAAM by Standard & Poor's. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. Financial statements and information about the pool for COLOTRUST may be obtained through its website at www.colotrust.com. COLOTRUST may, without the necessity of a formal meeting of their Board, temporarily suspend the right of redemption or postpone the date of payment for redeemed shares under certain specific conditions described in their trust indenture and during any financial emergency when it is not reasonably practicable because of substantial losses which might be incurred.

Certificates of deposits held by the Town are considered to have a Level 1 valuation within the fair value hierarchy required under GASB 72.

NOTE 6 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2021, was as follows:

	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021	Due Within One Year
Government-wide Activities					
Compensated absences	\$ 37,622	\$ -	\$ 15,808	\$ 21,814	\$ 21,814
Total	<u>\$ 37,622</u>	<u>\$ -</u>	<u>\$ 15,808</u>	<u>\$ 21,814</u>	<u>\$ 21,814</u>
Business-type Activities					
Revenue refunding bonds	\$ 1,650,000	\$ -	\$ 50,000	\$ 1,600,000	\$ 50,000
Premium -Revenue refunding bonds	46,180	-	1,925	44,255	1,925
Loan - WPA	2,205,438	-	129,869	2,075,569	130,900
Premium - WPA	17,358	-	1,211	16,147	1,211
Loan - CWRPDA	<u>183,623</u>	<u>-</u>	<u>20,218</u>	<u>163,405</u>	<u>20,573</u>
Total	<u>\$ 4,102,599</u>	<u>\$ -</u>	<u>\$ 203,223</u>	<u>\$ 3,899,376</u>	<u>\$ 204,609</u>

Town of Paonia, Colorado

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CWRPDA Loan

The Town has a loan agreement with the Colorado Water Resources and Power Development Authority (CWRPDA), which originally enabled the Town to borrow up to \$448,200 at 1.75% interest annually, with payments of \$23,343 per year. The purpose of the loan was for upgrades to the lower water treatment plant. The project was completed in 2011, and the Town is no longer able to draw on the loan agreement. The Town pledged its net revenue from the operation of the water utility for repayment of the loan in the amount of approximately \$338,000 through 2029. Pledged revenues received during 2021 were \$23,343. The proportion of the pledged revenue to total related revenues is not estimable because annual total fees collected fluctuate. The Town is required to provide rates and charges in order to maintain coverage of 110% of the debt service due on the governmental agency bond coming due in each calendar year, and to maintain an operation and maintenance reserve in an amount equal to three months of operating costs.

As of December 31, 2021, the Town borrowed \$395,969, of which the Town has made principal payments of \$232,564. Principal and interest payments for the years following December 31, 2021 are as follows:

	Principal	Interest	Total
			\$
2022	\$ 20,573	\$ 2,770	23,343
2023	20,935	2,408	23,343
2024	21,303	2,040	23,343
2025	21,677	1,666	23,343
2026	22,058	1,285	23,343
2027 - 2029	56,859	1,501	58,360
Total	<u>\$ 163,405</u>	<u>\$ 11,670</u>	<u>\$ 175,075</u>

WPA Loan

The Town has a Water Power Authority (WPA) loan agreement with CWRPDA for \$2,996,494 at 2.08% interest annually, with twice yearly payments ranging from about \$83,000 to \$91,000. The purpose of the loan is for improvements and the expansion of the existing water treatment facilities and distribution system. The Town pledged its net revenue from the operation of the water and sewer utility for repayment of the loan in the amount of approximately \$3,728,185 through 2035. Pledge revenues received during 2021 were \$191,222. The proportion of the pledged revenue to total related revenues is not estimable because annual total fees collected fluctuate. The Town is required to provide rates and charges in order to maintain coverage of 110% of the debt service due on the governmental agency bond coming due in each calendar year, and to maintain an operation and maintenance reserve in an amount equal to three months of operating expense, excluding depreciation of the water and sewer utility system, as set forth in the annual budget.

Town of Paonia, Colorado

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The loan balance includes a premium of \$25,431, which is amortized over the life of the loan on a straight-line basis. Yearly amortization is \$1,211. The remaining premium balance is \$16,147 as of December 31, 2021. At no time should the budget reserve be greater than \$1,250,000. As of December 31, 2021, the Town's budgeted reserve was \$191,222.

Principal and interest payments for the years following December 31, 2021 are as follows:

	Principal	Interest	Total
2022	\$ 130,900	\$ 15,950	\$ 146,850
2023	132,276	14,900	147,176
2024	133,651	13,850	147,501
2025	135,025	12,800	147,825
2026	137,088	11,750	148,838
2027 - 2031	736,335	42,550	778,885
2032 - 2035	670,294	12,650	682,944
Total	<u>\$ 2,075,569</u>	<u>\$ 124,450</u>	<u>\$ 2,200,019</u>

2020 Revenue Refunding Bonds

The Town issued \$1,650,000 of Revenue Refunding Bonds, Series 2020A. The bonds were issued on September 28, 2020, with interest payments due April 1 and October 1 of each year through April 1, 2044, commencing October 1, 2021. Principal payments are due April 1 of each year commencing April 1, 2021. The bonds carry an interest rate of 3.0%. The bond refunding resulted in a decrease in required cash flow for debt service of \$401,412, which constitutes an economic gain on refunding of \$226,757. These bonds were used to refund the RUS Loan payable.

The bonds do not constitute a lien on any physical property of the Town, but constitute a lien only on the net revenues of the water and sewer enterprise funds and all moneys on deposit in the Reserve Account. The Reserve Account is required to be maintained at \$100,750.

The Bonds were issued with a premium of \$46,180 which is amortized on a straight-line basis through the life of the bonds (24 years) and recognized as interest expense. Annual amortization is \$1,925.

Principal and interest payments for the years following December 31, 2021 are as follows:

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December 31, 2021

	Principal	Interest	Total
2022	\$ 50,000	\$ 47,250	\$ 97,250
2023	50,000	45,750	95,750
2024	55,000	44,175	99,175
2025	55,000	42,525	97,525
2026	55,000	40,875	95,875
2027 - 2031	310,000	177,450	487,450
2032 - 2036	360,000	127,200	487,200
2037 - 2041	420,000	69,000	489,000
2042 - 2044	245,000	10,125	255,125
Total	\$ 1,600,000	\$ 604,350	\$ 2,204,350

Line of Credit

The Town had a \$200,000 working-capital line of credit with an interest rate of 1.35% and a maturity date of September 2022. As of December 31, 2021, there was \$0.00 outstanding balance on the line of credit.

NOTE 7 – EMPLOYEE BENEFIT PLANSDefined Contribution Pension Plan

The Town provides pension benefits for all its employees through a defined contribution plan through Empower Retirement. In May 2014, the Town changed its 401(b) plan through Dreyfus Company to a defined contribution 457(b) plan through Mutual of Omaha. In March 2021, the Town changed its 457(b) plan through Mutual of Omaha to a defined contribution 457(b) plan through Empower Retirement.

The Town contributes 5%, and there are no matching requirements for the employees. Total contributions in 2021, 2020 and 2019 were \$26,123, \$22,982, and \$22,322 respectively. The employees are 100% vested at all times and are eligible for the plan after the 6 month probation period. The Board of Trustees authorizes benefit terms and has the authority to amend those terms.

SWDBP for Police Officers*Plan Description*

Eligible police officers of the Town are provided with pensions through the Statewide Defined Benefit Plan (SWDB plan), a cost-sharing multi-employer defined benefit pension plan administered by the Fire and Police

Town of Paonia, Colorado

NOTES TO FINANCIAL STATEMENTS

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Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

Benefits Provided

The Statewide Defined Benefit Plan (SWDB plan) provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. A member is eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2% of the average of the member's highest 3 years' base salary for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to SWDB plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0% to the highest of 3% or the Consumer Price Index (CPI).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% as interest, returned as a lump sum distribution. Alternatively, a member with at least 5 years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest 3 years' pensionable earnings for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter.

Contributions

Through December 31, 2020 contribution rates for the SWDB plan are established by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2021, contribution rates for employers and members may increase equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5% annually through 2022 to a total of 12% of pensionable earnings. Employer contributions are 8% and 8.5% in 2020 and 2021, respectively. Employer contributions will increase 0.5% annually beginning in 2021 through 2030 to a total of 13% of pensionable earnings. In 2020, members of the SWDB plan and their employers are contributing at the rate of 11.0% and 8%, respectively, of pensionable earnings for a total contribution rate of 19.0%.

Town of Paonia, Colorado

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Contributions from members and employers or departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 23.0% and 23.5% of pensionable earnings in 2020 and 2021 respectively. It is a local decision as to whether the member or employer pays the additional 4% contribution. The member and the employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the 4% contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated Social Security employers is 5.5% and 4%, respectively, of pensionable earnings for a total contribution rate of 9.50% in 2020 and 9.75% in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of pensionable earnings. Employer contributions are 4% and 4.25% in 2020 and 2021, respectively. Employer contributions will increase 0.25% annually beginning in 2021 through 2030 to a total of 6.5% of pensionable earnings.

Employer contributions are recognized by SWDB plan in the period in which the compensation becomes payable to the member, and the Town is statutorily committed to pay the contributions to SWDB plan. Employer contributions recognized by SWDB plan from the Town were \$16,018 for the year ended December 31, 2021.

Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the Town reported an asset of \$54,119 for its proportionate share of the net pension asset. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. The Town's proportion of the net pension liability was based on Town contributions to the SWDB plan for the calendar year 2020 relative to the total contributions of participating employers to the SWDB plan.

At December 31, 2020, the Town's proportionate share was 0.025%, which was an increase of 0.0017% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Town recognized a reduction of pension expense of \$(14,763).

At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 45,898	\$ 215
Changes of assumptions	23,018	-
Net difference between projected and actual earning on pension plan investments	-	55,588
Change in proportion	2,728	4,385
Town contributions subsequent to the measurement date	18,550	-
Total	<u>\$ 90,194</u>	<u>\$ 60,188</u>

The SWDB plan reported \$18,550 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase in net pension asset in the year ended December 31, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Amounts Recognized in Pension Expense
2021	\$ (6,289)
2022	922
2023	(8,431)
2024	1,027
2025	9,723
Thereafter	14,504
Total	<u>\$ 11,456</u>

Actuarial Assumptions

The actuarial valuations for the SWDB were used to determine the total pension liability and the actuarially determined contributions for the fiscal year ending December 31, 2020. The valuations used the following actuarial assumptions and other inputs:

Town of Paonia, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2021	January 1, 2020
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return*	7.00%	7.00%
Projected Salary Increases	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.00%	0.00%

*Includes inflation at 2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and the expectation of the future. The assumption changes were effective actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	39.00%	8.23%
Equity Long/Short	8.00%	6.87%
Private Markets	26.00%	10.63%
Fixed Income - Rates	10.00%	4.01%
Fixed Income - Credit	5.00%	5.25%

Town of Paonia, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

Absolute Return	10.00%	5.60%
Cash	<u>2.00%</u>	2.32%
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of the valuation, the expected rate of return on pension plan investments is 7.00%, the municipal bond rate is 2.00% (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release ((H.15)); and the resulting single discount rate is 7.00%.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate.

Regarding the sensitivity of the net pension liability (asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.00%, as well as what the plan's net pension liability (asset) would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$ 54,462	\$ (54,119)	\$ (144,038)

Pension Plan Fiduciary Net Position

Detailed information about SWDB plan's fiduciary net position is available in FPPA's comprehensive annual financial report, which can be obtained at <http://www.fppaco.org>.

Town of Paonia, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

Other Post-Employment Benefit Plan - Statewide Death and Disability Defined Benefit Plan*Plan Description*

The Town's full-time police officers participate in FPPA's Statewide Death and Disability Plan (the Plan), a cost-sharing multiple-employer defined benefit plan. The plan was established in 1980 pursuant to Colorado Revised Statutes and can only be amended through such statutes. Contributions to the Plan are used solely for the payment of death and disability benefits.

Benefits

If a member dies prior to retirement, the surviving spouse is entitled to a benefit equal to 40% of the member's monthly base salary. Dependent children are also entitled to benefits according to an established scale. Benefit entitlement continues until death or remarriage of the spouse and death, marriage or other termination of dependency of children.

A member who becomes disabled prior to retirement shall be eligible for disability benefits. The benefit is 70% of base salary for cases of total disability and 50% for cases of occupational disability, reduced by the amount of certain other benefits received.

Benefits paid to members are evaluated and may be re-determined on October 1 of each year. Any increase in the level of benefits cannot exceed the lesser of the increase in the CPI or 3%.

Contributions

Prior to 1997, the Plan was primarily funded by the State of Colorado, whose contributions were established by Colorado statute. The state made a one-time contribution in 1997 of \$39,000,000 to fund the past and future service costs for all firefighters and police officers hired prior to January 1, 1997. No further state contributions are anticipated. Members hired on or after January 1, 1997 contribute a percentage of the payroll based on actuarial experience. This percentage was 8.5% for 2021, 8% for 2020 and 8% for 2019. The Town contributed \$6,547, \$5,408, and \$4,912 to the Plan during 2021, 2020 and 2019, respectively.

NOTE 8 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters.

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a public entity risk pool currently operating as a common risk management and insurance program for property/casualty and workers' compensation coverage. CIRSA is to be self-sustaining through member premiums and reinsures through commercial companies for claims in excess of certain limits for each insured event. CIRSA members are subject to a supplemental assessment in the event of a deficiency. Claims have not exceeded coverage in the previous three years.

Town of Paonia, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 9 – RESTRICTED CASH

The Town has restricted cash in the Sewer Fund of \$637,386. The Refunding Revenue Bond requires that \$106,000 be designated into restricted cash for debt service. At December 31, 2021 there is \$106,892, including earned interest. The remaining \$530,493 is land sale proceeds that can only be spent on sewer projects per a USDA grant agreement.

As of December 31, 2021, the Town has restricted cash in the governmental activities of \$588,717 related to the Samuel Wade Road and Bridge (the Bridge). In January 2010, the Town entered into an intergovernmental agreement with the County. The Town has agreed to accept ownership of the Bridge in "as is" condition in exchange for \$800,000 from the County to be used only for transportation-related expenditures. The Town, in exchange, shall be responsible to maintain this section of the Bridge. If at any point there is noncompliance with the agreement terms, the title of the Bridge will revert back to the County, and the Town will be responsible for return of the funds based on allocated use over the 20-year term of the agreement. The likelihood of noncompliance is considered remote.

NOTE 10 – COMMITMENTS

In September 2009, the Town entered into an agreement with the County for the ownership, maintenance and management of the North Fork Valley Airport. Per the agreement, the Town owns 75% of the airport, and therefore, any future capital improvements will be 75% funded by the Town. The Town currently has one representative on the board and does not have control over the decisions of the board; accordingly, this arrangement does not constitute a joint venture or qualify for component unit reporting. The County assumes responsibility for the operations and maintenance of the airport. The agreement was amended in February 2014 to include how the proceeds from the wireless communication facility at the airport are to be divided. Per the agreement, any proceeds will be divided 75% to the Town and 25% to the County. The Town must hold its 75% share as a reserve for the Town's contributions to future capital improvements. As of December 31, 2021, the Town has a reserve for airport capital improvements of \$60,192.

Town of Paonia, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 11 – CAPITAL ASSETS

	Balance January 1, 2021	Additions	Disposals	Balance December 31, 2021
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 246,481	\$ -	\$ -	\$ 246,481
Total Capital Assets, Not Being Depreciated	246,481	-	-	246,481
Capital assets being depreciated				
Buildings	703,646	-	-	703,646
Improvements, other than buildings	524,085	23,704	-	547,789
Infrastructure	3,080,642	45,574	-	3,126,216
Equipment	920,464	56,378	-	976,842
Total Capital Assets Being Depreciated	5,228,837	125,656	-	5,354,493
Less accumulated depreciation;				
Buildings	(383,708)	(20,261)	-	(403,969)
Improvements	(296,764)	(10,268)	-	(307,032)
Infrastructure	(802,133)	(89,920)	-	(892,053)
Equipment	(678,252)	(57,134)	-	(735,386)
Total Accumulated Depreciation	(2,160,857)	(177,583)	-	(2,338,440)
Capital assets depreciated, net	3,067,980	(51,927)	-	3,016,053
Total Governmental Activities Capital Assets	\$ 3,314,461	\$ (51,927)	\$ -	\$ 3,262,534

Town of Paonia, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

	Balance January 1, 2021	Additions	Disposals	Balance December 31, 2021
Business-type Activities				
Capital assets not being depreciated				
Land and water rights	\$ 834,157	\$ -	\$ -	\$ 834,157
Total Capital Assets, Not Being Depreciated	834,157	-	-	834,157
Capital assets being depreciated				
Distributions system	4,135,325	52,241	-	4,187,566
Collection system	772,064	11,710	-	783,774
Vehicles and equipment	587,543	-	-	587,543
Treatment plant	12,143,987	12,479	-	12,156,466
Less: Accumulated depreciation	(6,053,246)	(457,709)	-	(6,510,955)
Total Capital Assets Being Depreciated, Net	11,585,673	(381,279)	-	11,204,394
Total Business-type Activities Capital Assets	\$ 12,419,830	\$ (381,279)	\$ -	\$ 12,038,551

Depreciation charged to governmental activities by department is as follows:

General government	\$ 28,114
Public safety	22,118
Public works	113,109
Culture and recreation	14,242
Total	<u>\$ 177,583</u>

NOTE 12 – INTERFUND TRANSFERS

Interfund transfers are used to report revenues from the fund that is required to collect them to the fund that is required to expend them as unrestricted revenues collected to finance various programs and capital purchases accounted for in other funds in accordance with budgetary authorizations.

Town of Paonia, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 14,000	\$ 6,000
Street Capital Fund	54,150	-
Sales Tax Fund	-	-
Water Fund	-	33,660
Sewer Fund	-	18,929
Trash Fund	-	9,561
	<u>\$ 68,150</u>	<u>\$ 68,150</u>

NOTE 13 – CONTINGENT LIABILITIES

The Town is subject to various claims arising from events occurring in its ordinary operations. Town management believes that the disposition of these matters will not have a material adverse effect on the financial position of the Town.

The Town has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the Town believes such disallowances, if any, will be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Paonia, Colorado

SCHEDULE OF REVENUES
BUDGET AND ACTUAL - GENERAL FUND

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes				
General property taxes	\$ 134,107	\$ 134,107	\$ 134,106	\$ (1)
Specific ownership taxes	19,000	19,000	23,650	4,650
Sales tax - town	420,580	420,580	471,194	50,614
Sales tax - county	288,700	288,700	365,135	76,435
Franchise taxes	58,580	58,580	56,420	(2,160)
Cigarette taxes	1,400	1,400	2,008	608
Delinquent taxes	30	30	13	(17)
Interest on delinquent taxes	330	330	304	(26)
Total taxes	<u>922,727</u>	<u>922,727</u>	<u>1,052,830</u>	<u>130,103</u>
Licenses and permits				
Liquor licenses	3,650	3,650	6,509	2,859
Building permits	30,000	30,000	31,925	1,925
Miscellaneous permits	1,750	1,750	2,025	275
Special reviews	1,000	1,000	1,289	289
VIN inspections	1,155	1,155	1,610	455
Total licenses and permits	<u>37,555</u>	<u>37,555</u>	<u>43,358</u>	<u>5,803</u>
Intergovernmental				
State				
Highway users tax	44,111	44,111	53,719	9,608
Motor vehicle fees	6,345	6,345	6,702	357
Severance tax	5,000	5,000	1,305	(3,695)
Mineral leasing	3,925	3,925	7,219	3,294
Culture and recreation	24,000	24,000	164,844	140,844
Other governments				
Road and bridge	6,500	6,500	8,057	1,557
Total intergovernmental revenue	<u>89,881</u>	<u>89,881</u>	<u>241,846</u>	<u>151,965</u>
Fines and forfeitures				
Court fines	400	400	835	435
Police fines	17,225	17,225	17,206	(19)
PD Grant	15,400	15,400	10,920	(4,480)
Miscellaneous	-	-	195	195
Total fines and forfeitures	<u>33,025</u>	<u>33,025</u>	<u>29,156</u>	<u>(3,869)</u>
Investment income	17,400	17,400	8,901	(8,499)
Miscellaneous	60,142	60,142	69,357	9,215
Total miscellaneous revenue	<u>77,542</u>	<u>77,542</u>	<u>78,258</u>	<u>716</u>
Total Revenues	<u>\$ 1,160,730</u>	<u>\$ 1,160,730</u>	<u>\$ 1,445,448</u>	<u>\$ 284,718</u>

Town of Paonia, Colorado

SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures				
General Government				
Mayor and trustee	\$ 7,200	\$ 7,200	\$ 6,850	\$ 350
Salaries and wages	20,057	20,057	16,173	3,884
Employee benefits	8,579	8,579	5,508	3,071
Contract labor	26,800	26,800	35,108	(8,308)
Supplies	5,155	5,155	4,806	349
Legal and professional fees	51,160	51,160	52,876	(1,716)
Telephone	1,147	1,147	2,864	(1,717)
Travel and meetings	10,790	10,790	1,633	9,157
Insurance and bonds	4,542	4,542	3,526	1,016
Utilities	4,405	4,405	4,497	(92)
Grant expenditures	850	850	-	850
Publishing ads	1,500	1,500	4,052	(2,552)
Dues and subscriptions	10,238	10,238	16,488	(6,250)
Audit fees	4,510	4,510	4,500	10
Postage	500	500	1,703	(1,203)
Human services	4,250	4,250	3,700	550
Town Hall expense	11,683	11,683	12,008	(325)
Data processing	13,726	13,726	15,057	(1,331)
-	-	-	71,009	(71,009)
Treasurer's fees	2,810	2,810	2,851	(41)
Total general government	<u>189,902</u>	<u>189,902</u>	<u>265,209</u>	<u>(75,307)</u>
Public Safety - Police Department				
Salaries and wages	320,535	320,535	276,873	43,662
Judge	9,600	9,600	6,300	3,300
Employee benefits	64,956	64,956	40,067	24,889
Contract services	-	-	9,770	(9,770)
Supplies	12,763	12,763	10,216	2,547
Repairs and Maintenance	360	360	160	200
Legal services	2,500	2,500	-	2,500
Telephone	3,265	3,265	5,030	(1,765)
Travel and meetings	9,500	9,500	8,291	1,209
Insurance and bonds	22,216	22,216	22,801	(585)
Utilities	1,800	1,800	1,786	14
Vehicle expense	10,535	10,535	15,510	(4,975)
Dues and subscriptions	6,050	6,050	3,269	2,781
Human services	1,100	1,100	400	700
Miscellaneous	235	235	166	69
Publishing and ads	104	104	559	(455)
Data processing	25,234	25,234	24,379	855
FPPA	33,129	33,129	25,097	8,032
Total public safety	<u>523,882</u>	<u>523,882</u>	<u>450,674</u>	<u>73,208</u>

Town of Paonia, Colorado

SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures (continued from previous page)				
Public Works				
Salaries and wages	81,539	81,539	67,129	14,410
Employee benefits	33,959	33,959	19,722	14,237
Supplies	1,060	1,060	216	844
Repairs and maintenance	117,716	117,716	25,874	91,842
Legal and engineering	-	-	4,238	(4,238)
Telephone	751	751	756	(5)
Insurance and bonds	3,317	3,317	3,875	(558)
Utilities	10,765	10,765	10,251	514
Snow removal	8,157	8,157	5,511	2,646
Vehicle expense	7,155	7,155	15,859	(8,704)
Miscellaneous	-	-	1,024	(1,024)
Shop expense	1,879	1,879	3,500	(1,621)
Total public works	266,298	266,298	157,955	108,343
Culture and Recreation				
Salaries and wages	51,157	51,157	45,043	6,114
Employee benefits	20,203	20,203	13,367	6,836
Supplies	6,627	6,627	5,313	1,314
Repairs and maintenance	51,169	51,169	13,044	38,125
Telephone	816	816	734	82
Miscellaneous	2,681	2,681	2,928	(247)
Insurance bonds	3,718	3,718	3,813	(95)
Utilities	6,312	6,312	7,563	(1,251)
Park improvements	460,000	460,000	-	460,000
Contract services	3,000	3,000	2,910	90
Grants project	-	-	36,492	(36,492)
Vehicle expense	1,150	1,150	4,916	(3,766)
Total culture and recreation	606,833	606,833	136,123	470,710
Other Expenditures				
Capital Outlay	36,815	36,815	26,298	10,517
Transfers (in) out	-	-	(8,000)	8,000
	36,815	36,815	18,298	18,517
Total Expenditures	1,623,730	1,623,730	1,028,259	595,471
Net change in fund balance	\$ (463,000)	\$ (463,000)	\$ 417,189	\$ 880,189

SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF THE NET PENSION
ASSET (LIABILITY) - FPPA STATEWIDE DEFINED BENEFIT PLAN

	Year Ended December 31, 2020 (Measurement Date)						
	2020	2019	2018	2017	2016	2015	2014
Town's portion of the net pension asset (liability)	0.0249%	0.0231%	0.0187%	0.0182%	0.0162%	0.0239%	0.0432%
Town's proportionate share of the net pension asset (liability)	\$ 54,119	\$ 13,092	\$ (23,649)	\$ 26,228	\$ (5,871)	\$ 421	\$ 48,715
Town's covered payroll	\$ 218,235	\$ 200,228	\$ 170,612	\$ 125,516	\$ 107,806	\$ 103,306	\$ 198,701
Town's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	24.80%	6.54%	13.86%	20.90%	5.45%	0.41%	24.52%
Plan fiduciary net position as a percentage of the total pension asset	106.70%	101.90%	95.20%	106.30%	98.21%	100.10%	106.80%

NOTES TO SCHEDULE

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town is presenting information for those years for which information is available.

SCHEDULE OF TOWN'S CONTRIBUTIONS TO THE PENSION PLAN
FPPA STATEWIDE DEFINED BENEFIT PLAN

	Year Ended December 31, 2021					
	2021	2020	2019	2018	2017	2016
Contractually required contributions	\$ 18,550	\$ 16,018	\$ 13,649	\$ 10,024	\$ 10,442	\$ 6,946
Contributions in relation to the contractually required contribution	18,550	16,018	13,649	10,024	10,442	6,946
Contribution (excess) deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	218,235	200,228	170,612	125,296	125,516	107,806
Contributions as a percentage of covered payroll	8.50%	8.00%	8.00%	8.00%	8.32%	6.44%

NOTES TO SCHEDULE

- 1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town is presenting information for those years for which information is available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2021

RSI NOTE A – BUDGETARY INFORMATION

Budgets for governmental funds are adopted on a basis consistent with GAAP, except for long-term receivables and advances and capital lease financing, which are budgeted when liquidated rather than when the receivable/liability is incurred. Budgets for enterprise funds are adopted on a basis consistent with the spending measurement focus of the governmental funds.

SUPPLEMENTARY INFORMATION

Town of Paonia, Colorado

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

December 31, 2021

	Steet Capital Improvement Fund	Conservation Trust Fund	Sidewalk Fund	Space to Create Fund	Total Non-Major Governmental Funds
Asset					
Pooled cash	\$ 133,027	\$ 17,232	\$ 30,458	\$ -	\$ 180,717
Due from other governments	-	-	-	-	-
Accounts receivable	8,750	-	2,584	-	11,334
Total assets	141,777	17,232	33,042	-	192,051
Liabilities					
Due to other funds	-	-	-	-	-
Fund Balance					
Committed					
Conservation	-	17,232	-	-	17,232
Sidewalk improvements	-	-	33,042	-	33,042
Street improvements	141,777	-	-	-	141,777
Space to create	-	-	-	-	-
Total fund balance	\$ 141,777	\$ 17,232	\$ 33,042	\$ -	\$ 192,051

Town of Paonia, Colorado

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS

Year Ended December 31, 2021

	Street Capital Improvement Fund	Conservation Trust Fund	Sidewalk Fund	Space to Create Fund	Total Non-Major Governmental Funds
Revenues					
Taxes	\$ 6,750	\$ 9,006	\$ -	\$ -	\$ 15,756
Fees and fines	27,000	-	30,745	-	57,745
Grants	-	-	-	-	-
Miscellaneous	-	15	-	-	15
Total revenues	33,750	9,021	30,745	-	73,516
Expenditures					
Current					
General government	-	-	-	13,165	13,165
Public works	-	-	555	-	555
Culture and recreation	-	100	-	-	100
Capital projects	-	-	-	-	-
Total expenditures	-	100	555	13,165	13,820
Revenues in excess (deficiency) of expenditures	33,750	8,921	30,190	(13,165)	59,696
Other Financing Sources (Uses)					
Transfers in	54,150	-	-	-	54,150
Total other financing sources (uses)	54,150	-	-	-	54,150
Revenues and other sources in excess (deficiency) of expenditures and other sources (uses)	87,900	8,921	30,190	(13,165)	113,846
Fund balance, beginning	53,877	8,311	2,852	13,165	78,205
Fund balance, ending	\$ 141,777	\$ 17,232	\$ 33,042	\$ -	\$ 192,051

Town of Paonia, Colorado

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SALES TAX CAPITAL IMPROVEMENT FUND

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Sales tax	\$ 210,290	\$ 210,290	\$ 235,598	\$ 25,308
Miscellaneous	7,650	7,650	7,650	-
Total revenues	<u>217,940</u>	<u>217,940</u>	<u>243,248</u>	<u>25,308</u>
Expenditures				
Capital outlay	<u>309,353</u>	<u>309,353</u>	<u>119,108</u>	<u>190,245</u>
Total expenditures	<u>309,353</u>	<u>309,353</u>	<u>119,108</u>	<u>190,245</u>
Other financing uses				
Transfers (out)	<u>(177,173)</u>	<u>(177,173)</u>	<u>-</u>	<u>177,173</u>
Net change in fund balance	<u>\$ (268,586)</u>	<u>\$ (268,586)</u>	<u>\$ 124,140</u>	<u>\$ 392,726</u>

Town of Paonia, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SPACE TO CREATE FUND

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Grants	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
General government	(13,164)	(13,164)	13,165	(26,329)
Total expenditures	(13,164)	(13,164)	13,165	(26,329)
Net change in fund balance	\$ 13,164	\$ 13,164	\$ (13,165)	\$ (26,329)

Town of Paonia, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SIDEWALK FUND

Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Sidewalk revenue	<u>\$ 31,034</u>	<u>\$ 31,034</u>	<u>\$ 30,745</u>	<u>\$ (289)</u>
Expenditures				
Repairs and maintenance	<u> 31,034</u>	<u> 31,034</u>	<u> 555</u>	<u> 30,479</u>
Total expenditures	<u> 31,034</u>	<u> 31,034</u>	<u> 555</u>	<u> 30,479</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 30,190</u></u>	<u><u>\$ 30,190</u></u>

Town of Paonia, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CONSERVATION TRUST FUND

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Lottery	\$ 7,492	\$ 7,492	\$ 9,006	\$ 1,514
Interest income	3	3	15	12
Total revenues	<u>7,495</u>	<u>7,495</u>	<u>9,021</u>	<u>1,526</u>
Expenditures				
Parks	<u>13,833</u>	<u>13,833</u>	<u>100</u>	<u>13,733</u>
Revenues in excess (deficiency) of expenditures	<u>(6,338)</u>	<u>(6,338)</u>	<u>8,921</u>	<u>15,259</u>
Net change in fund balance	<u>\$ (6,338)</u>	<u>\$ (6,338)</u>	<u>\$ 8,921</u>	<u>\$ 15,259</u>

Town of Paonia, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - STREET CAPITAL IMPROVEMENT FUND

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Highway users tax	\$ -	\$ -	\$ 6,750	\$ 6,750
Fees	25,000	25,000	27,000	2,000
Total revenues	25,000	25,000	33,750	8,750
Expenditures				
Capital outlay	315,000	315,000	-	315,000
Total expenditures	315,000	315,000	-	315,000
Revenues in excess (deficiency) of expenditures	(290,000)	(290,000)	33,750	323,750
Other Financing Sources (Uses)				
Transfers in	238,995	238,995	54,150	(184,845)
Net change to fund balance	<u>\$ (51,005)</u>	<u>\$ (51,005)</u>	<u>\$ 87,900</u>	<u>\$ 138,905</u>

Town of Paonia, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL - WATER FUND

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Water charges	\$ 1,193,494	\$ 1,193,494	\$ 965,446	\$ (228,048)
Water taps	-	-	5,500	5,500
Sales and service	4,500	4,500	9,200	4,700
Water tank	5,400	5,400	6,595	1,195
Standby tap fees	56,484	56,484	54,574	(1,910)
Penalties	1,000	1,000	50	(950)
Rents	1,000	1,000	1,000	-
Grants	-	-	9,896	9,896
Miscellaneous revenue	-	-	1,429	1,429
Total revenues	<u>1,261,878</u>	<u>1,261,878</u>	<u>1,053,690</u>	<u>(208,188)</u>
Expenditures				
Salaries and wages	143,518	143,518	141,601	1,917
Employee benefits	61,301	61,301	46,962	14,339
John Norris retirement	20,160	20,160	20,160	-
Supplies	11,270	11,270	20,976	(9,706)
Legal and engineering	500	500	43,673	(43,173)
Repairs and maintenance	194,656	194,656	49,331	145,325
Professional fees	11,000	11,000	11,000	-
Telephone	4,200	4,200	5,053	(853)
Postage	3,925	3,925	5,468	(1,543)
Travel and meetings	1,957	1,957	1,840	117
Insurance and bonds	23,508	23,508	24,873	(1,365)
Utilities	27,325	27,325	28,880	(1,555)
Vehicle expense	6,219	6,219	18,303	(12,084)
Dues and subscriptions	1,855	1,855	24,998	(23,143)
Shop expense	3,305	3,305	5,921	(2,616)
Miscellaneous	14,045	14,045	23,026	(8,981)
Fees and permits	11,661	11,661	17,372	(5,711)
WPA loan	191,222	191,222	173,838	17,384
Drinking water revolving funds	24,054	24,054	23,343	711
Capital projects	150,000	150,000	-	150,000
Depreciation expense	318,698	318,698	331,052	(12,354)
Debt service, debt principal	-	-	(151,795)	151,795
Total expenditures	<u>1,224,379</u>	<u>1,224,379</u>	<u>865,875</u>	<u>358,504</u>
Other Financing Sources (Uses)				
Transfers (out)	<u>(37,499)</u>	<u>(37,499)</u>	<u>(33,660)</u>	<u>3,839</u>
Total other financing sources (uses)	<u>(37,499)</u>	<u>(37,499)</u>	<u>(33,660)</u>	<u>3,839</u>
Change in net position	-	-	154,155	154,155
Beginning net position, GAAP basis	<u>5,938,021</u>	<u>5,938,021</u>	<u>5,938,021</u>	<u>-</u>
Ending net position, GAAP basis	<u>\$ 5,938,021</u>	<u>\$ 5,938,021</u>	<u>6,092,176</u>	<u>\$ 154,155</u>
Adjustments for capital assets and debt			<u>(5,481,388)</u>	
Available working capital			<u>\$ 610,788</u>	

Town of Paonia, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL - SEWER FUND

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Sewer charges	\$ 537,996	\$ 537,996	\$ 530,967	\$ (7,029)
Sewer taps	15,000	15,000	4,500	(10,500)
Interest	4,600	4,600	452	(4,148)
Total revenues	<u>557,596</u>	<u>557,596</u>	<u>535,919</u>	<u>(21,677)</u>
Expenditures				
Salaries and wages	121,786	121,786	120,936	850
Employee benefits	50,425	50,425	37,875	12,550
Supplies	9,029	9,029	13,040	(4,011)
Repairs and maintenance	48,862	48,862	41,588	7,274
Professional fees	4,500	4,500	4,500	-
Telephone	1,681	1,681	1,863	(182)
Postage	2,250	2,250	2,857	(607)
Travel and meetings	2,307	2,307	1,090	1,217
Insurance and bonds	8,816	8,816	9,131	(315)
Utilities	35,151	35,151	33,593	1,558
Vehicle expense	6,397	6,397	18,214	(11,817)
Fees and permits	7,319	7,319	7,179	140
Debt service payments	107,983	107,983	46,451	61,532
Gauging station	4,089	4,089	5,360	(1,271)
Depreciation	107,622	107,622	109,012	(1,390)
Capital outlay	-	-	-	-
Miscellaneous	22,789	22,789	27,979	(5,190)
Total expenditures	<u>541,006</u>	<u>541,006</u>	<u>480,668</u>	<u>60,338</u>
Other Financing Sources (Uses)				
Transfers (out)	<u>(16,590)</u>	<u>(16,590)</u>	<u>(18,929)</u>	<u>(2,339)</u>
Total other financing sources (uses)	<u>(16,590)</u>	<u>(16,590)</u>	<u>(18,929)</u>	<u>(2,339)</u>
Change in net position	-	-	36,322	36,322
Beginning net position, GAAP basis	<u>3,792,477</u>	<u>3,792,477</u>	<u>3,792,477</u>	-
Ending net position, GAAP basis	<u>\$ 3,792,477</u>	<u>\$ 3,792,477</u>	<u>3,828,799</u>	<u>\$ 36,322</u>
Adjustments for capital assets and debt			<u>(2,522,500)</u>	
Available working capital			<u>\$ 1,306,299</u>	

Town of Paonia, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL - TRASH FUND

Year Ended December 31, 2021

	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Garbage charges	\$ 259,072	\$ 260,704	\$ 1,632
Expenditures			
Salaries and wages	118,367	118,410	(43)
Employee benefits	50,118	41,259	8,859
Supplies	1,347	1,122	225
Repairs and maintenance	106	-	106
Legal and engineering	4,500	4,500	-
Telephone	543	777	(234)
Postage	876	1,791	(915)
Insurance and bonds	4,985	5,795	(810)
Utilities	1,576	2,322	(746)
Vehicle expense	7,929	15,503	(7,574)
Landfill fees	37,868	38,981	(1,113)
Miscellaneous	5,478	8,399	(2,921)
Depreciation	17,646	17,646	-
Capital outlay	-	-	-
Total expenditures	<u>251,339</u>	<u>256,505</u>	<u>(5,166)</u>
Other Financing Sources (Uses)			
Transfers (out)	(7,733)	(9,561)	(1,828)
Total other financing sources (uses)	<u>(7,733)</u>	<u>(9,561)</u>	<u>(1,828)</u>
Change in net position	-	(5,362)	(5,362)
Beginning net position, GAAP basis	283,300	283,300	-
Ending net position, GAAP basis	<u>\$ 283,300</u>	<u>277,938</u>	<u>\$ (5,362)</u>
Adjustments for capital assets		135,286	
Available working capital		<u>\$ 142,652</u>	



COLORADO
Department of Transportation

Steps for printing your content and returning to 'Edit Mode

1. Click Ctrl + A on a Windows machine or Command + A on a Mac to select all data.
2. Right-click your mouse and select Print.
3. Confirm that print settings are correct - make sure "selection only" isn't checked.
4. Print hard copy or to PDF.
5. Click "Edit Mode" to return to modifying your data.
6. Remember to click "Save" to save any changes.

Annual Highway Finance Report - CY21

Email address: finance@townofpaonia.com

City/County: Paonia

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes

A. Receipts from local sources

2. General Fund Appropriations:	\$	40,000.00
3. Other local imposts: <i>from A.3. 'Total' below</i>	\$	546,972.00
4. Miscellaneous local receipts: <i>from A.4. 'Total' below</i>	\$	22,245.00
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0.00
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00

SubTotal: \$ 609,217.00

B. Private Contributions \$ 0.00

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes (Detail)

A.3. Other local imposts

a. Property Taxes & Assessments	\$ 8,057.00
b. Other Local Imposts	
1. Sales Taxes:	\$ 375,669.00
2. Infrastructure and Impact Fees:	\$ 112,596.00
3. Liens:	\$ 0.00
4. Licenses:	\$ 27,000.00
5. Specific Ownership and/or Other:	\$ 23,650.00
Total: (a + b) carried to 'Other local imposts' above	\$ 546,972.00

A.4. Miscellaneous local receipts

a. Interest on Investments:	\$ 283.00
b. Traffic fines and Penalties:	\$ 18,541.00
c. Parking Garage Fees:	\$ 0.00
d. Parking Meter Fees:	\$ 0.00
e. Sale of Surplus Property:	\$ 0.00
f. Charges for Services:	\$ 1,610.00
g. Other Misc. Receipts:	\$ 1,811.00
h. Other:	\$ 0.00
Total: (a through h) carried to 'Misc local receipts' above	\$ 22,245.00

C. Receipts from State Government

1. Highway User Taxes:	\$ 53,719.00
3. Other State funds:	
c. Motor Vehicle Registrations:	\$ 6,702.00
d. Other (Specify):	
Comments: undefined	\$ 0.00
e. Other (Specify):	
Comments: undefined	\$ 0.00
Total: (1+3c,d,e)	\$ 60,421.00

D. Receipts from Federal Government

2. Other Federal Agencies	
a. Forest Service:	\$ 0.00

b. FEMA:	\$	0.00
c. HUD:	\$	0.00
d. Federal Transit Administration:	\$	0.00
e. U.S. Corp of Engineers	\$	0.00
f. Other Federal:	\$	0.00
Total: (2a-f)	\$	0.00

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes

A. Local highway disbursements

1. Capital outlay: (from A.1.d. 'Total Capital Outlay' below)	\$	230,147.00
2. Maintenance:	\$	0.00
3. Road and street services		
a. Traffic control operations:	\$	101,809.00
b. Snow and ice removal:	\$	5,511.00
c. Other:	\$	0.00
4. General administration and miscellaneous	\$	0.00
5. Highway law enforcement and safety	\$	0.00
Total: (A.1-5)	\$	337,467.00

B. Debt service on local obligations

1. Bonds		
a. Interest	\$	0.00
b. Redemption	\$	0.00
2. Notes		
a. Interest	\$	0.00
b. Redemption	\$	0.00
SubTotal: (1+2)	\$	0.00

C. Payments to State for Highways:	\$	0.00
D. Payments to Toll Facilities:	\$	0.00

Total Disbursements: $(A+B+C+D)$ \$ 337,467.00

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes - (Detail)

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.00
b. Engineering Costs:	\$ 0.00	\$ 0.00	\$ 0.00
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$ 0.00
2. Capacity Improvements:	\$ 0.00	\$ 75,103.00	\$ 75,103.00
3. System Preservation:	\$ 0.00	\$ 155,044.00	\$ 155,044.00
4. System Enhancement:	\$ 0.00	\$ 0.00	\$ 0.00
5. Total Construction:			\$ 230,147.00
d. Total Capital Outlay: <i>(Lines A.1.a. + 1.b. + 1.c.5)</i>			\$ 230,147.00

Receipts, Disbursements & Costs

IV. Local Highway Debt Status

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
1. Bonds (Refunding Portion)		\$ 0.00	\$ 0.00	\$ 0.00
B. Notes (Total):	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Receipts, Disbursements & Costs

V - Local Road & Street Fund Balance

A. Beginning Balance	B. Total Receipts	C.Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 693,919.00	\$ 669,638.00	\$ 337,467.00	\$ 1,026,090.00	\$ 0.00

Notes and Comments:
undefined

Please enter your name: Cindy Jones

Please provide a telephone number where you may be reached: 9705274101

SavePrint ModeEdit Mode

Please click on the "Save" button before viewing the data in a print format.

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FORM FHWA-536e(Version 8.00) - CY21

OTHER SUPPLEMENTARY INFORMATION (UNAUDITED)

Town of Paonia, Colorado

OLD PENSION PLAN

For the Year Ended December 31, 2021

The Town has a closed pension plan with one former employee included in the estimated liability. The last actuarial valuation performed on the plan was December 31, 2012, using future projected cash flow discounted by a yield curve rate utilizing expected mortality rates. The actuarial assumptions included a 3.5% interest rate. The Town is contributing annually an amount equal to the required contribution determined by the actuarial valuation. The Town pays the required yearly contribution of \$20,160 out of the Water Fund. Based on the actuarial valuation and the yearly payments made, the estimated remaining liability due on the plan is \$125,162.

ATTACHMENT 10

DOCUMENTATION OF GENERAL LIABILITY INSURANCE





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD) 10/26/2 302

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER LIC #N/A CIRSA 3665 Cherry Creek North Drive Denver, CO 80209	1-303-757-5475	CONTACT NAME: PHONE (A/C, No. Ext): E-MAIL ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A: CIRSA	FAX (A/C, No):
INSURED Town of Paonia P.O. Box 460 Paonia, CO 81428		INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	NAIC #

COVERAGES

CERTIFICATE NUMBER: 69935288

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☒ CLAIMS-MADE ☐ OCCUR ☒ \$10m POL E&O Aggregate GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC OTHER:			LIAB 01-2023	01/01/23	01/01/24	EACH OCCURRENCE \$ 10,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 10,000,000 MED EXP (Any one person) \$ 0 PERSONAL & ADV INJURY \$ 10,000,000 GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ 10,000,000
A	☒ AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY			LIAB 01-2023	01/01/23	01/01/24	COMBINED SINGLE LIMIT (Ea accident) \$ 5,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	☐ UMBRELLA LIAB ☐ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N ☐	N/A				PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

As respects for State Revolving Fund Loan Application.

CERTIFICATE HOLDER

Colorado Department Public Health and Environment
State Revolving Fund
4300 Cherry Creek Drive South
Denver, CO 80246
USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Paul Padbury

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ATTACHMENT 11

**ADDITIONAL WATER SOURCE DESC.
(N/A)**





ATTACHMENT 12

EXISTING WATER RIGHTS



Town of Paonia Water Rights Table 2023

Name	Decree	Priority	Amt in c.f.s.	Use	Dates	Notes
Beaver Dam Ditch or Lake Fork Springs	567 (W3216) See 14CW3004 14CW3004	1 (TF C&W)	.50 .50	I M	Irrigation season only Nov 1 - March 31	12.5% of first 4 cfs decreed to C & W ditch *1
Bell Creek Pipeline (Decreed Name)	W-3279 + 80CW81 3503	1 J-197	1.0 (1 st) .75	M M	1883/1889 1930/1936	a/k/a Quackenbush (.5 Mays Sp and .5 Pole)
Paonia Pipeline (Decreed Name)	2574 80CW81		1.0 c.f.s (.50 Mays .50 Pole)	M	1883/1889	Change from N Orchard
Clark Springs						No Decree found or records
Corral Sp 1	4808 + W-3279	K-84	.50	M		
Corral Sp 2	4808 + W-3279	K-85	.50	M		
Gelwicks Sp Pipeline	5625	1 B-1	.5740 1.25	M	1885/1889 1885/1920	TT Paonia Pipeline (Bone Mesa has .0260)
German Creek Sp Collection	423 3503 W-3188 (80CW100) W-3188	1 9 J-2	1.70 2.3 (-.05) .50 4.0	M M M	1883/1889 1883/1889 1882/1954 1974/1977	TF M & O (can divert up to 80% of these three rights or total of 3.16 Pri 1+9 and .40 prior J-2) *2
Kauer Springs	3964 + 5		.25	M		.25 (1 st) from the Mt Lambert decree *3
Lambs Gulch Spring	3694 and 5					Mentioned for excess of .75 cfs *4
Lucas Ditch	CA0038 + CA00475	1	.90 c.f.s. 3.1 cfs	M	1884/ 1889 1905	Transferred to Town's intake on Angevine (Lucas) creek
Mays Sp						See Bell Creek Pipeline
Meyer & Orth	38 CA0423 3503	1 9 J-2	1.7 Abs 2.25 .50	M M M	1882/1889	

Legend for Table of Water Rights Town of Paonia

***1- Beaver Dam Ditch** The Clark and Wade ditch right (C&W) was transferred to this ditch. Decree states that the Town owns 12.5% or .50 cfs. This is the first priority. This amount is decreed for irrigation use only so it is limited to the irrigation season. The Town adjudicated an additional .5 cfs in 2014 which is limited by decree to the non-irrigation season November 1 to March 31.

***2 - German Creek Springs Collection.** These springs were originally adjudicated for 4.0 c.f.s. by the Town in 1977 for municipal uses. In 1980 the Town moved the Meyer and Orth Ditch rights it acquired from Mott and all other owners in a change/augmentation plan. The maximum diversions under these senior priorities of the M & O is 80% of the amount of the decrees (#1+9 3.16 and #J-2 .40 cfs) The Town could also divert its own 4 cfs but this right is probably never in priority when needed.

***3 - Kauer Spring.** The Kauer Spring is only adjudicated as a part of the Mount Lambert Ditch decree along with the Spore Spring and the Upper Reynolds. The Upper Reynolds has its own decree in addition to Mt Lambert Ditch. Spore and Kauer springs have no separate decree. The Town has .25 cfs of the Mount Lambert and the balance of the Mt. Lambert (.50) is abandoned.

***4 - Lamb's Gulch Spring** is mentioned in testimony of 84CW288 and presumably is part of the springs mentioned in Case No. 3695 as connected to the Spore, Kauer, Upper Reynolds collection of springs. There is no separate decree.

***5 - Mt Lambert Ditch** There was an agreement with the Simeo's referenced in Case No 3279 that the Town owned the first .25 cfs and that the Simeo's owns the balance or .50 c.f.s. Thus the flow of Spore Springs, Lamb Gulch, Upper Reynolds and Kauer were all included in this .25 cfs. (The town could not call out the Spore Spring as against Simeo.) However in 01CW282 the State abandoned .50 cfs of Mt Lambert saying that this amount was not used. Since the Town diverted the flow I believe that this was the Simeo's .50 cfs and not the Town's.

***6 - Spore Spring.** This spring has not been adjudicated under the name Spore Spring. However, it is included as a source for Mt. Lambert Ditch. The State Engineer has separately measured and recorded the diversions from the Spore saying that it was not decreed. The Division engineer has not altered its position and is recording the Spore spring as Mt Lambert. But the Kauer and Upper Reynolds and Lamb Gulch are also to be included in the diversion amount.

***7 - T + M Springs** The T+M springs do not appear to be adjudicated under this name. In 3279 the Applicant moved the AA Smith Ditch down to the T & M springs 1-3. Spring #4 was found to be a source for the Town's Mays Spring. However, a few years later Sunrise Ranch went to Court and undid that change moving the AA Smith back to its original location. T + M Springs appear to be unadjudicated otherwise.

Paonia, CO

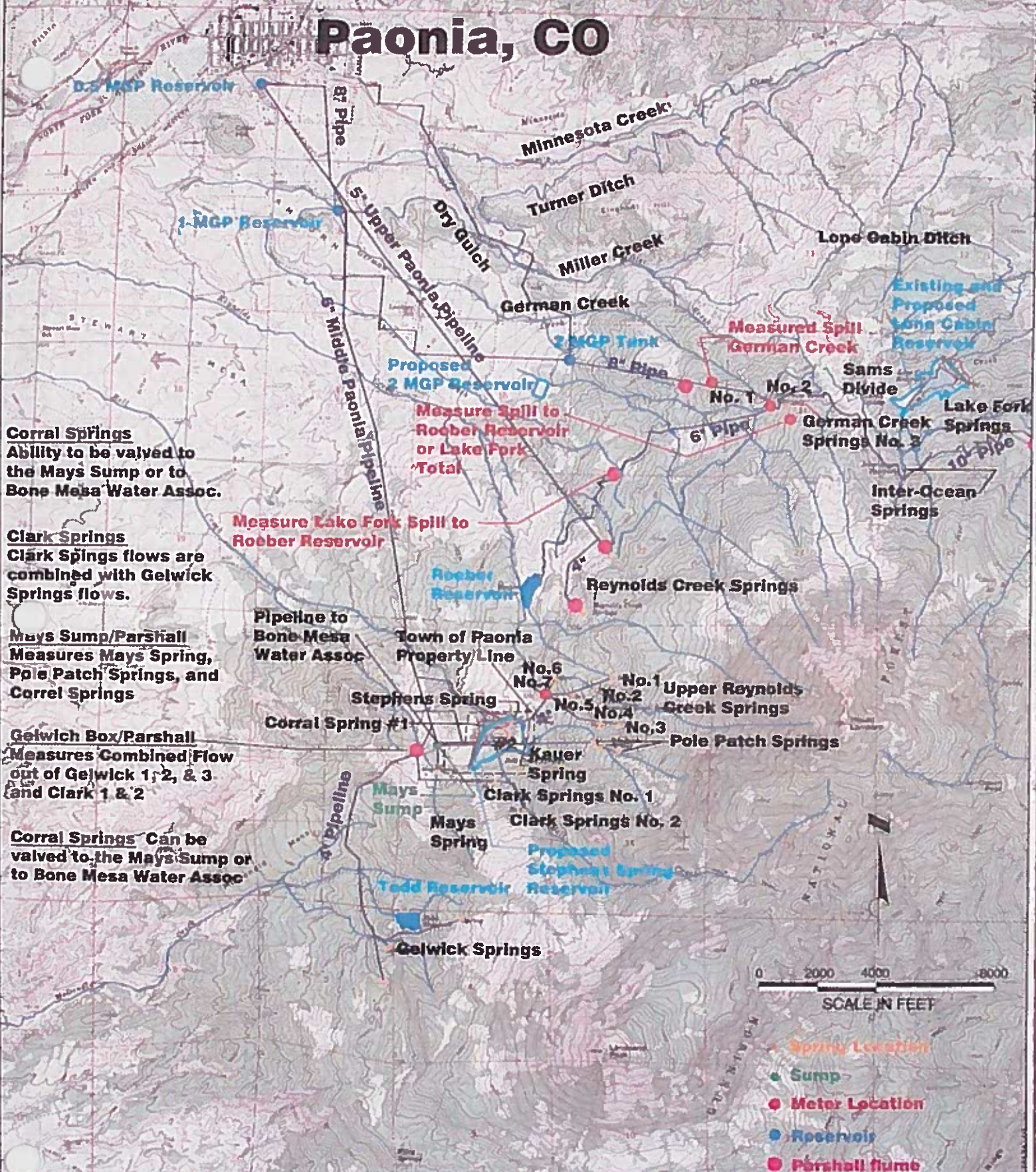
Corral Springs
Ability to be valved to the Mays Sump or to Bone Mesa Water Assoc.

Clark Springs
Clark Springs flows are combined with Gelwick Springs flows.

Mays Sump/Parshall
Measures Mays Spring, Pole Patch Springs, and Corral Springs

Gelwick Box/Parshall
Measures Combined Flow out of Gelwick 1, 2, & 3 and Clark 1 & 2

Corral Springs Can be valved to the Mays Sump or to Bone Mesa Water Assoc





ATTACHMENT 13

EXISTING PROCESS FLOW DIAGRAM (N/A)





ATTACHMENT 14

COPIES OF DISCHARGE PERMITS (RESIDUALS)



CDPS GENERAL PERMIT
FOR WATER TREATMENT PLANTS
NOT DISCHARGING TO WATERS DESIGNATED
HABITAT FOR THREATENED AND ENDANGERED SPECIES
AUTHORIZATION TO DISCHARGE UNDER THE
COLORADO DISCHARGE PERMIT SYSTEM

In compliance with the provisions of the Colorado Water Quality Control Act (25-8-101 et. seq. CRS, 1973 as amended), and the Clean Water Act (33 U.S.C. 1251 et. seq. as amended; the "Act"), entities engaged in production and/or treatment of potable water, are authorized to discharge from approved locations throughout the State of Colorado to waters of the State. Such discharges shall be in accordance with effluent limitations, monitoring requirements and other conditions set forth in Parts I, II, and III hereof.

This permit specifically authorizes the entity identified in the certification on page one of this permit to discharge from their wastewater treatment facilities, at the location described on page one of this permit, to waters of the state as identified on page one of this permit.

The authorization to discharge under this permit is in effect from the date of certification identified on page one of this permit until the expiration date identified below.

This permit becomes effective on November 30, 2005 , and shall expire at midnight October 31, 2010

Signed this 30th day of September, 2005.

COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

Steven H. Gunderson, Director
WATER QUALITY CONTROL DIVISION

DATE SIGNED: SEPTEMBER 30, 2005

EFFECTIVE DATE OF PERMIT: NOVEMBER 1, 2005

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PART I

1. Eligibility

In order to be eligible for authorization to discharge under the terms and conditions of this permit, the owner of any water treatment facility that can meet the conditions identified at Part I.A.3., below, must submit a complete permit application form obtained from the Water Quality Control Division ("Division"). Such application shall be submitted at least thirty (30) days prior to the anticipated date of first discharge to:

Colorado Department of Public Health and Environment
Water Quality Control Division, WQCD-P-B2
4300 Cherry Creek Drive South
Denver, Colorado 80246-1530
Attention: Permits Unit

The application form can be obtained from the Division from our website or by calling 303-692-3599. An overview of the information required in the application is provided below in Part I.A.2.

The Division shall have up to thirty (30) days after receipt of the application to request additional data and/or deny the authorization for any particular discharge. Upon receipt of additional information the Division shall have an additional 30 days to issue or deny authorization for any particular discharge.

If the person proposing the discharge does not receive a request for additional information or a notification of denial from the Division within the specified time frame, authorization to discharge in accordance with the conditions of the permit shall be deemed granted. Authorization to discharge shall be site specific and not transferable to alternative locations.

If the Division determines that the operation does not fall under the authority of the general permit, then the information received will be treated as an individual permit application.

Authorization to discharge under this general permit shall commence immediately and shall expire on October 31, 2010. The Division must evaluate this general permit once every five (5) years and must also recertify the applicant's authority to discharge under the general permit at such time. Therefore, a permittee desiring continued coverage under this general permit must re-apply by April 30, 2010. The Division will determine if the applicant is eligible to continue to operate under the terms of the general permit. An application for an individual permit will be required for any facility not reauthorized to discharge under the reissued general permit.

2. Application Requirements

The application referenced in Part I.A.1., above, will require the following information:

- a. The name, address, and descriptive location of the facility along with an accompanying USGS map, or a map of similar quality, which shows the location of all unit processes;
- b. The name, address, and phone number of the owner and of the certified operator in responsible charge;
- c. The name of water(s) receiving the discharge(s) and a listing of any downstream waters into which the receiving stream flows within five miles of the point of discharge;
- d. A USGS map, or a map of similar quality, which shows the service area for the facility;
- e. A description of the method(s) used for treatment and/or disposal of sludge;
- f. A summary of recent flow and effluent quality data along with a description of the operation and management procedures to be used at the treatment facility; and,
- g. A description of the methods and equipment to be used to measure flows and to analyze for pollutants of concern in the discharge.

3. Certification Requirements

The applicant must certify that the following conditions exist at the facility or the facility will not be allowed to discharge under the authority of the general permit:

- a. Entities engaged in production, treatment, storage and/or distribution of potable water may be granted authorization to discharge process generated wastewaters into waters of the State of Colorado from the following production-related sources:
 - i. Treated pre-sedimentation underflow,
 - ii. Treated underflow from coagulation/settling process using aluminum compounds, polymers, or other compounds used as coagulants,
 - iii. Treated filter backwash water from filters, and
 - iv. Other process-related discharges that contain the pollutants regulated under Part I.B.1 and are deemed appropriate by the Division for coverage under this permit.
 - v. Reject water from Reverse Osmosis facility is excluded from coverage under this general permit.
- b. The facility does not accept for treatment and discharge, by truck, rail, or dedicated pipeline, any hazardous waste as defined at Part 261, 6 CCR 1007-3, under the Hazardous Waste Commission Regulations;

3. Certification Requirements (continued)

- c. Discharge cannot be shown to be capable of causing new or increased loadings of parameters cited as effluent limits under this general for any downstream state waters which on Colorado's 303(d) list for impairment based on the parameter listed as an effluent limit.
- d. Threatened and Endangered Species
- The discharge does not go directly to a stream (including an area within the associated 100-year flood plain) that is designated as threatened or endangered habitat for fish by the U.S. Fish and Wildlife Service. Information on those designated waters is available on the Division's website;
- e. Mixing Zone
- Discharge is precluded from analysis under Colorado Mixing Zone Implementation Guidance on the presumption that the discharge is minor and there is no reason to expect the discharge might raise special issues of environmental concern. The Division reserves the right to make this determination, and may request further information from the permittee to be considered for this exclusion.

B. TERMS AND CONDITIONS

1. Effluent Parameters

In accordance with the Water Quality Control Commission Regulations for Effluent Limitations, Section 62.4, and the Colorado Discharge Permit System Regulations, Section 61.8(2), the permitted discharge shall not contain effluent parameter concentrations, which exceed the following limitations:

Parameter	Discharge Limitations Maximum Concentrations		
	30-Day Avg	7-Day Average	Daily Max.
Flow, MGD	Report/Limit	NA	Report
Total Suspended Solids, mg/l	30	45	NA
Oil and Grease, mg/l	NA	NA	10*
pH, s.u. (Minimum-Maximum)	NA	NA	6.5-9.0
Total Residual Chlorine, mg/l	0.011	NA	0.019
Total Dissolved Solids, mg/l**	NA	NA	Report
Total Phosphorus, mg/l, as P***	NA	NA	Report

*There shall be no visible sheen. **Applicable only to waters of the Colorado River Basin. *** Applicable only to waters with a control regulation for P.

2. Compliance Schedules

As part of this permit renewal, the certification may contain conditions addressed in a compliance schedule, which provides for a period of time, not to exceed two years, to enable the permittee to conduct activities, which comply with the requirements of the general permit.

3. Site-specific limitations

Site-specific limitations for a parameter may be added on a case-by-case basis that are equivalent to the Basic Standards and Methodologies for Surface Water, or Regulation for Effluent Limitations, or any other applicable regulation, and would be specified in the certification along with the appropriate monitoring frequencies.

4. Other Site-specific Permit Conditions

Specific permit conditions may be applied for compliance with any Division compliance order on consent, cease and desist order, or an EPA administrative order, or similar decree promulgated by the Division, EPA or any other public entity.

C. MONITORING REQUIREMENTS

1. Effluent Parameters

In order to obtain an indication of the probable compliance or non-compliance with the effluent limitations specified in Part I, Section B.1, the permittee shall monitor effluent parameters at the following required frequencies, as identified in the certification on page one of this permit, the results to be reported on the Discharge Monitoring Report (See Part I, Section F.2.):

Effluent Parameter	Measurement Frequency	Sample Type
Flow, MGD	Weekly	Instantaneous or Continuous
Total Suspended Solids, mg/l	Monthly	Grab
Oil and Grease, mg/l	Weekly	Visual
pH, s.u. (Minimum-Maximum)	Weekly	In-situ
Total Residual Chlorine, mg/l	Weekly	Grab
Total Dissolved Solids, mg/l	Quarterly	Grab
Total Phosphorus, mg/l, as P	Monthly	Grab

D. DEFINITIONS OF TERMS

1. "Composite" sample is a minimum of four (4) grab samples collected at equally spaced two (2) hour intervals and proportioned according to flow.
2. "Continuous" measurement, is a measurement obtained from an automatic recording device which continually provides measurements.
3. "Daily Maximum limitation" means the limitation for this parameter shall be applied as an instantaneous maximum (or, for pH or DO, instantaneous minimum) value. The instantaneous value is defined as the analytical result of any individual sample. DMRs shall include the maximum (and/or minimum) of all instantaneous values within the calendar month. Any instantaneous value beyond the noted daily maximum limitation for the indicated parameter shall be considered a violation of this permit.
4. For fecal coliform bacteria concentrations, the thirty (30) day and seven (7) day averages shall be determined as explained in definitions 12. and 9. below, respectively, except that the geometric mean shall be used instead of the arithmetic mean. The geometric mean may be calculated using two different methods. For the methods shown, a, b, c, d, etc. are individual sample results, and n is the total number of samples.

Method 1:

Geometric Mean = $(a*b*c*d*...)^{(1/n)}$ - means multiply

Method 2:

Geometric Mean = $\text{antilog}([\log(a) + \log(b) + \log(c) + \log(d) + \dots]/n)$

Graphical methods, even though they may also employ the use of logarithms, may introduce significant error and may not be used.

In calculating the geometric mean, for those individual sample results that are reported by the analytical laboratory to be "less than" a numeric value, the numeric value shall be used in the calculations unless the result is "less than 2.2". If the result is "less than 2.2", use a value of 1 in the calculations.

If all individual analytical results for the month are reported to be less than numeric values, then report "less than" the largest of those numeric values on the monthly DMR. Otherwise, report the calculated value.

If the individual analytical result is "too numerous to count" (TNTC), then this analysis shall be considered invalid and another sample shall be promptly collected for analysis. If another sample cannot be collected within the same sampling period for which the invalid sample was collected (during the same month if monthly sampling is required, during the same week if weekly sampling is required, etc.), then the following procedures apply:

- i) A minimum of two samples shall be collected for coliform analysis within the next sampling period.
- ii) If the sampling frequency is monthly or less frequent: For the period with the invalid sample results, leave the spaces on the corresponding DMR for reporting coliform results empty and attach to the DMR a letter noting that a result of TNTC was obtained for that period, and explain why another sample for that period had not been collected.

If the sampling frequency is more frequent than monthly: Eliminate the result of TNTC from any further calculations, and use all the other results obtained within that month for reporting purposes. Attach a letter noting that a result of TNTC was obtained, and list all individual analytical results and corresponding sampling dates for that month.

5. "Grab" sample, is a single "dip and take" sample so as to be representative of the parameter being monitored.
6. "In-situ" measurement is defined as a single reading, observation or measurement taken in the field at the point of discharge.
7. "Instantaneous" measurement is a single reading, observation, or measurement performed on site using existing monitoring facilities.
8. "Material handling activities" include: storage, loading and unloading of any raw material, intermediate product, finished product, by-product, or waste product where such products could come in contact with precipitation.
9. "Seven (7) day average" means the arithmetic mean of all samples collected in a seven (7) consecutive day period. Such seven (7) day averages shall be calculated for all calendar weeks, which are defined as beginning on Sunday and ending on Saturday. If the calendar week overlaps two months (i.e. the Sunday is in one month and the Saturday in the following month), the seven (7) day average calculated for that calendar week shall be associated with the month that contains the Saturday. Samples may not be used for more than one (1) reporting period.
10. "Significant materials" include but are not limited to: raw materials; fuels; materials such as metallic products; hazardous substances designated under section 101(14) of CERCLA; any chemical the facility is required to report pursuant to section 313 of SARA III; fertilizers; pesticides; and waste products such as ashes, slag and sludge that have the potential to be released with stormwater discharge.
11. "Stormwater discharge associated with industrial activity" means any point source which is used for collecting and conveying stormwater, and which is located at an industrial site or directly related to manufacturing, processing or raw materials storage areas at an industrial site. The term includes, but is not limited to, stormwater discharges from drainage areas in which are located: industrial site yards; immediate access roads and rail lines; drainage ponds; material handling sites; refuse sites; sites used for the application or disposal of process waters; sites used for storage and maintenance of material handling equipment; sites that are or have been used for residual treatment, storage or disposal; dust or particulate generating processes; shipping and receiving areas; manufacturing buildings; and storage areas (including tank farms) for raw materials, and intermediate and finished products.
12. "Thirty (30) day average" means the arithmetic mean of all samples collected during a thirty (30) consecutive-day period. The permittee shall report the appropriate mean of all self-monitoring sample data collected during the calendar month on the Discharge Monitoring Reports. Samples shall not be used for more than one (1) reporting period.

D. DEFINITIONS OF TERMS (continued)

13. "Visual" observation is observing the discharge to check for the presence of a visible sheen or floating oil.
14. "Water Quality Control Division" or "Division" means the state Water Quality Control Division as established in 25-8-101 et al.)

Additional relevant definitions are found in the Colorado Water Quality Control Act, CRS §§ 25-8-101 et seq., the Regulations for the State Discharge Permit System, 5 CCR 1002-2, § 6.1.0 et seq and other applicable regulations.

E. ADDITIONAL MONITORING REQUIREMENTS

1. Representative Sampling

Samples and measurements taken as required herein shall be representative of the volume and nature of the monitored discharge. All samples shall be taken at the monitoring points specified in this permit and, unless otherwise specified, before the effluent joins or is diluted by any other wastestream, body of water, or substance. Monitoring points shall not be changed without notification to and approval by the Division.

2. Discharge Sampling Point

Discharge points shall be so designed or modified so that a sample of the effluent can be obtained at a point after the final treatment process and prior to discharge to state waters. The permittee shall provide access to the Division to sample the discharge at these points.

3. Analytical and Sampling Methods for Monitoring

The permittee shall install, calibrate, use and maintain monitoring methods and equipment, including biological and indicated pollutant-monitoring methods. Analytical and sampling methods utilized by the discharger shall be approved methods as defined by Colorado Regulations for Effluent Limitations (5 CCR 1002-3, 62.5), Federal regulations (40 CFR 136) and any other applicable State or Federal regulations.

When requested in writing, the Water Quality Control Division may approve an alternative analytical procedure or any significant modification to an approved procedure.

4. Records

a) The permittee shall establish and maintain records. Those records shall include, but not be limited to, the following:

- (i) The date, type, exact place, and time of sampling or measurements;
- (ii) The individual(s) who performed the sampling or measurements;
- (iii) The date(s) the analyses were performed;
- (iv) The individual(s) who performed the analyses;
- (v) The analytical techniques or methods used; and
- (vi) The results of such analyses.

b) The permittee shall retain for a minimum of three (3) years records of all monitoring information, including all original strip chart recordings for continuous monitoring instrumentation, all calibration and maintenance records, copies of all reports required by this permit and records of all data used to complete the application for this permit. This period of retention shall be extended during the course of any unresolved litigation regarding the discharge of pollutants by the permittee or when requested by the Division.

5. Additional Monitoring by Permittee

If the permittee, using the approved analytical methods, monitors any parameter more frequently than required by this permit, then the results of such monitoring shall be included in the calculation and reporting of the values required in the Discharge Monitoring Report Form or other forms as required by the Division. Such increased frequency shall also be indicated.

6. Flow Measuring Devices

Flow measuring and metering shall be provided to give representative values of throughput and treatment of the wastewater system. Unless specifically waived in the certification, the metering device shall be equipped with a local flow indication instrument and a flow indication-recording-totalization device suitable for providing permanent flow records, which should be in the plant control building.

At the request of the Director of the State Water Quality Control Division, the permittee must be able to show proof of the accuracy of any flow-measuring device used in obtaining data submitted in the monitoring report. The flow-measuring device must indicate values within ten (10) percent of the actual flow entering the facility.

F. REPORTING

1. Signatory Requirements

All reports, applications, or information required for submittal shall be signed and certified for accuracy by the permittee in accord with the following criteria:

- a) In the case of corporations, by a principal executive officer of at least the level of vice-president or his or her duly authorized representative, if such representative is responsible for the overall operation of the facility from which the discharge described in the form originates;

1. Signatory Requirements (continued)

- b) In the case of a partnership, by a general partner;
- c) In the case of a sole proprietorship, by the proprietor;
- d) In the case of a municipal, state, or other public facility, by either a principal executive officer, ranking elected official, or other duly authorized employee.

2. Quarterly Reports

Monitoring results shall be summarized for each calendar quarter and reported on the DMR forms (EPA forms 3320-1). The forms shall be mailed to the agencies listed below so that they are received by the agencies no later than the 28th day of the following month. If no discharge occurs during the reporting period, "No Discharge" shall be reported.

The DMR forms shall be filled out accurately and completely in accordance with the requirements of this permit and the instructions on the forms, and shall be signed by an authorized person as identified in the preceding section, Part I.F.1.

The DMR forms consist of four pages - the top "original" copy, and three attached no-carbon-required copies. After the DMR form has been filled out and signed, the four copies must be separated and distributed as follows.

The top, original copy of each form shall be submitted to the following address:

Colorado Department Of Public Health And Environment
Water Quality Control Division, WQCD-P-B2
4300 Cherry Creek Drive South
Denver, CO 80246-1530

The additional copies are for the permittee's records.

3. Special Notifications

a) Definitions

- (i) Bypass: The intentional diversion of waste streams from any portion of a domestic wastewater treatment works.
- (ii) Severe Property Damage: 1) Substantial physical damage to property at the treatment facilities to cause them to become inoperable, or 2) substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass.
- (iii) Spill: An incident in which flows or solid materials are accidentally or unintentionally allowed to flow or escape so as to be lost from the domestic wastewater treatment works as defined in the Colorado Water Quality Control Act, which may cause pollution of state waters.
- (iv) Upset: An exceptional incident in which there is unintentional and temporary noncompliance with permit effluent limitations because of factors beyond the reasonable control of the permittee. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventive maintenance, or careless or improper operation.

b) Noncompliance Notification

- (i) If, for any reason, the permittee does not comply with or will be unable to comply with any maximum discharge limitations, standards or conditions specified in this permit, the permittee shall, at a minimum, provide the Division and EPA with the following information:
 - (1) A description of the discharge and cause of non-compliance.
 - (2) The period of noncompliance, including exact dates and times and/or the anticipated time when the discharge will return to compliance; and
 - (3) Steps being taken to reduce, eliminate, and prevent recurrence of the noncomplying discharge.
- (ii) The following instances of noncompliance shall be reported orally within twenty-four (24) hours from the time the permittee becomes aware of the circumstances, and a written report mailed within five (5) days of the time the permittee becomes aware of the circumstances.
 - (1) Any instance of noncompliance, which may endanger human health or the environment, regardless of the cause for the incident.
 - (2) Any unanticipated bypass, or any upset or spill, which causes any permit limitation to be violated.
 - (3) Any suspected significant discharges of toxic pollutants or hazardous substances, which are listed in Part III. of this permit, regardless of the cause for the incident.
- (iii) The permittee shall report all other instances of noncompliance, which are not required to be reported within twenty-four (24) hours, at the time DMRs are submitted, except as required in (iv) below. The reports shall contain the information listed in "Noncompliance Notification" (paragraph (i) above).

3. Special Notifications (continued)

- (iv) If the permittee knows in advance of the need for a bypass, it shall submit written notification to the Division of the need for such bypass at least ten days before the date of the contemplated bypass.

c) Submission of Incorrect or Incomplete Information

Where the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or report to the Division, it shall promptly submit such facts or information.

d) Compliance Schedule Notification

No later than fourteen (14) calendar days following a date identified in the compliance schedules in the certification, the permittee shall submit either a report of progress or, in the case of specific actions being required by identified dates, a written notice of compliance or noncompliance, any remedial actions taken, and the probability of meeting the next scheduled requirement.

e) Change in Discharge or Wastewater Treatment Facility

The permittee shall inform the Division (Technical Services Unit) in writing of any intent to construct, install, or alter any process, facility, or activity that is likely to result in a new or altered discharge either in terms of location or effluent quality prior to the occurrence of the new or altered discharge, and shall furnish the Division such plans and specifications which the Division deems reasonably necessary to evaluate the effect on the discharge and receiving stream.

If the Division finds that such new or altered discharge might be inconsistent with the conditions of the permit, the Division shall require a new or revised permit application and shall follow the procedures specified in Colorado State Discharge Permit System Regulations, 5CCR 1002.2, Sections 61.5 through 61.9(2), and 61.15 prior to the effective date of the new or altered discharge.

f) Deactivation

The permittee shall notify the Division (Permits Unit) within thirty (30) days before deactivation of the permitted facility. Deactivation includes ceasing operation of the facility, ceasing all discharges to State Waters for the remaining term of the existing permit and/or the connection to another wastewater treatment facility.

PART II

A. MANAGEMENT REQUIREMENTS AND RESPONSIBILITIES

1. Bypass

- a) The permittee may allow any bypass to occur which does not cause effluent limitations to be exceeded, but only if it also is for essential maintenance to assure efficient operation. Division notification is not required.
- b) A bypass, which causes effluent limitations to be exceeded, is prohibited, and the Division may take enforcement action against a permittee for such a bypass, unless:
 - (i) Bypass was unavoidable to prevent loss of life, personal injury, or severe property damage;
 - (ii) There were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if the permittee could have installed adequate backup equipment to prevent a bypass which occurred during normal periods of equipment downtime or preventative maintenance; and
 - (iii) The permittee submitted notices as required in "Non-Compliance Notification," Part I.F. 4(b).

2. Upsets

a) Effect of an Upset

An upset constitutes an affirmative defense to an action brought for noncompliance with technology-based (process-related) permit effluent limitations if the requirements of paragraph (b) of this section are met. No determination made during administrative review of claims that noncompliance was caused by upset, and before an action for noncompliance, is final administrative action subject to judicial review.

b) Conditions Necessary for a Demonstration of Upset

A permittee who wishes to establish the affirmative defense of upset shall demonstrate through properly signed contemporaneous operating logs, or other relevant evidence that:

- (i) An upset occurred and that the permittee can identify the specific cause(s) of the upset;
- (ii) The permitted facility was at the time being properly operated; and
- (iii) The permittee submitted notice of the upset as required in Part I, Section C of this permit (24-hour notice).
- (iv) The permittee complied with any remedial measures required under 40 CFR 122.7(d).

c) Burden of proof

In any enforcement proceeding, the permittee seeking to establish the occurrence of an upset has the burden of proof.

3. Reduction, Loss, or Failure of Treatment Facility

The permittee has the duty to halt or reduce any activity if necessary to maintain compliance with the effluent limitations of the permit. Upon reduction, loss, or failure of the treatment facility, the permittee shall, to the extent necessary to maintain compliance with this permit, control sources of wastewater, or all discharges, or both until the facility is restored or an alternative method of treatment is provided. This provision also applies to power failures, unless an alternative power source sufficient to operate the wastewater control

facilities is provided.

In an enforcement action a permittee shall not use a defense that it would be necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

4. Removed Substances

Solids, sludges, filter backwash, or other pollutants removed in the course of treatment or control of wastewaters shall be disposed of in a manner such as to prevent any pollutant from such materials from entering waters of the State.

For all domestic wastewater treatment works, the permittee shall dispose of sludge in accordance with State (Regulation No. 64) and Federal (Section 405(d) of the Act) regulations.

5. Minimization of Adverse Impacts

The permittee shall take all reasonable steps to minimize any adverse impact to waters of the State resulting from noncompliance with any effluent limitations specified in this permit. As necessary, accelerated or additional monitoring of the influent or effluent will be required to determine the nature and impact of noncompliance.

6. Discharge Point

Any discharge to the waters of the State from a point source other than specifically authorized herein is prohibited.

7. Inspections and Right to Entry

The permittee shall allow the Division's Director, the EPA Regional Administrator, and/or their authorized representatives, upon the presentation of credentials:

- a) To enter upon the permittee's premises where a regulated facility or activity is located or in which any records are required to be kept under the terms and conditions of this permit;
- b) At reasonable times to have access to inspect and copy any records required to be kept under the terms and conditions of this permit and to inspect any monitoring equipment or monitoring method required in the permit; and
- c) To enter upon the permittee's premises in a reasonable manner and at a reasonable time to inspect and/or investigate any actual, suspected, or potential source of water pollution, or to ascertain compliance or noncompliance with any applicable state or federal statute or regulation or any order promulgated by the Division. The investigation may include, but is not limited to the following: sampling of any discharge and/or process waters, the taking of photographs, interviewing of any persons having any knowledge related to the discharge permit or alleged violation, access to any and all facilities or areas within the permittee's premises that may have any affect on the discharge, permit, or alleged violation.
- d) The Division shall split samples taken by the Division during any investigation with the permittee if requested to do so by the permittee.

8. Duty to Provide Information

The permittee shall furnish to the Division, within a reasonable time, any information which the Division may request to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit.

9. Availability of Reports

Except for data determined to be confidential under Section 308 of the Act and the Colorado Discharge Permit System Regulations 5 CCR 1002-2, Section 61.5(4), all reports prepared in accordance with the terms of this permit shall be available for public inspection at the offices of the Division and the EPA's Regional Administrator.

As required by the Act, effluent data shall not be considered confidential. Knowingly making any false statement on any such report may result in the imposition of criminal penalties as provided for in Section 309 of the Act, and Section 25-8-610 C.R.S.

10. Transfer of Ownership or Control

A permit may be transferred to a new permittee only upon the completion of the following:

- a) The current permittee notifies the Division in writing 30 days in advance of the proposed transfer date;
- b) The notice includes a written agreement between the existing and new permittees containing a specific date for transfer of permit responsibility, coverage and liability between them; and
- c) Fee requirements of the Colorado Discharge Permit System Regulations (Section 61.15) have been met.

11. Contract Requirements

The permittee shall include pertinent terms and conditions of this permit in all contracts for receipt by the permittee of any effluent not required to be received by the permittee.

B. ADDITIONAL CONDITIONS

1. Permit Violations

Failure to comply with any terms and/or conditions of this permit shall be a violation of this permit. The discharge of any pollutant identified in this permit more frequently than or at a level in excess of that authorized shall constitute a violation of the permit.

2. Civil and Criminal Liability

Except as provided in Part I, Section C and Part II, Section A, nothing in this permit shall be construed to relieve the permittee from civil or criminal penalties for noncompliance (See 40 CFR 122.60)

3. State Laws

Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the permittee from any responsibility, liabilities, or penalties established pursuant to any applicable State law or regulation under authority preserved by Section 510 of the Act.

4. Division Emergency Power

Nothing in this permit shall be construed to prevent or limit application of any emergency power of the Division.

5. Severability

The provisions of this permit are severable. If any provisions of this permit, or the application of any provision of this permit in any circumstance, are held invalid, the application of such provision to other circumstances and the application of the remainder of this permit shall not be affected.

6. Oil and Hazardous Substance Liability

Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the permittee from any responsibilities, liabilities, or penalties to which the permittee is or may be subject under Section 311 (Oil and Hazardous Substance Liability) of the Act, except as recognized by federal law.

7. Property Rights

The issuance of this permit does not convey any property or water rights in either real or personal property or stream flow or any exclusive privileges, nor does it authorize any injury to private property, any invasion of personal rights, nor any infringement of Federal, State, or local laws or regulations.

8. Modification, Suspension, or Revocation of Permit

The filing of a request by the permittee for a permit modification, revocation and reissuance, or termination, or a notification of planned changes or anticipated noncompliance, does not stay any permit condition.

All permit modification, termination or revocation and reissuance actions shall be subject to the requirements of the Colorado Discharge Permit System Regulations, Sections 61.5(2), 61.5(3), 61.8, and 61.15 except for minor modifications.

Minor modifications may only correct typographical errors, require a change in the frequency of monitoring or reporting by the permittee, change an interim date in a schedule of compliance or allow for a change in ownership or operational control of a facility including addition, deactivation or relocation of discharge points where the Division determines that no other change in the permit is necessary.

- a) This permit may be modified, suspended, or revoked in whole or in part during its term for reasons determined by the Division including, but not limited to, the following:
 - (i) Violation of any terms or conditions of the permit;
 - (ii) Obtaining a permit by misrepresentation or failing to disclose any fact which is material to the granting or denial of a permit or to the establishment of terms or conditions of the permit; or
 - (iii) Materially false or inaccurate statements or information in the permit application of the permit; or
 - (iv) Toxic effluent standards or prohibitions (including any schedule of compliance specified in such effluent standard or prohibition) which are established under Section 307(a) of the Federal Act for a toxic pollutant which is present in the discharge and such standard or prohibition is more stringent than any limitation for such pollutant in this permit.
- b) This permit may be modified in whole or in part due to a change in any condition that requires either a temporary or permanent reduction or elimination of the permitted discharge, such as:
 - (i) The water quality standards applicable to such waters; or
 - (ii) Effluent limitations or other applicable requirements pursuant to the state act or federal requirements; or
- c) This permit may be modified in whole or in part to include any condition set forth in the approval of the site location for the facility per Regulations for the Site Application Process, 5 CCR 1002-22, Sections 22.1 through 22.14.

8. Modification, Suspension, or Revocation of Permit (continued)

- d) At the request of a permittee, the Division may modify or terminate this permit and issue a new permit if the following conditions are met:
 - (i) EPA's Regional Administrator has been notified of the proposed modification of termination and does not object in writing within thirty (30) days of receipt of notification;
 - (ii) The Division finds that the permittee has shown reasonable grounds consistent with the Federal and State statutes and regulations for such modifications or termination;

- (iii) Fee requirements of Section 61.15 of Colorado Discharge Permit System Regulations have been met; and
- (iv) Requirements of public notice have been met.
- e) This permit may be modified to reflect any new requirements for handling and disposal of biosolids as required by State or Federal regulations.
- f) This permit shall be modified or alternatively, revoked and reissued, to incorporate an approved Domestic Wastewater Treatment Works Pretreatment Program into the terms and conditions of this permit.
- g) If, during the term of this permit, industrial contributions to the DWTW are interfering, inhibiting or incompatible with the operation of the treatment works, then the permit may be modified to require the permittee to specify, by ordinance, contract, or other enforce- able means, the type of pollutant(s) and the maximum amount which may be discharged to the permittee's facility for treatment.

9. Permit Renewal Application

If the permittee desires to continue to discharge, a permit renewal application shall be submitted at least one hundred eighty (180) days before this permit expires. If the permittee anticipates there will be no discharge after the expiration date of this permit, the Division must be promptly notified so that it can terminate the permit in accordance with Part II Section B.8.

10. Confidentiality

Any information relating to any secret process, method of manufacture or production, or sales or marketing data, which may be acquired, ascertained, or discovered, whether in any sampling investigation, emergency investigation, or otherwise, shall not be publicly disclosed by any member, officer, or employee of the commission or the Division, but shall be kept confidential. Any person seeking to invoke the protection of this Subsection (10) shall bear the burden of proving its applicability. This section shall never be interpreted as preventing full disclosure of effluent data.

11. Fees

The permittee is required to submit an annual fee as set forth in the 1983 amendments to the Water Quality Control Act, Section 25-8-502 (l) (b), and Colorado Discharge Permit System Regulations 5CCR 1002-2, Section 61.15 as amended. Failure to submit the required fee when due and payable is a violation of the permit and will result in enforcement action pursuant to Section 25-8-601 et. seq., C.R.S. 1973 as amended.

PART III

PRIORITY POLLUTANTS AND HAZARDOUS SUBSTANCES ORGANIC TOXIC POLLUTANTS IN EACH OF FOUR FRACTIONS IN ANALYSIS BY GAS CHROMATOGRAPHY/MASS SPECTROSCOPY (GC/MS) (SEE TABLE II, OF 40 CFR 122 APPENDIX D)

<u>Volatiles</u>	<u>Base/Neutral</u>	<u>Acid Compounds</u>	<u>Pesticides</u>
acrolein	acenaphthene	2-chlorophenol	aldrin
acrylonitrile	acenaphthylene	2,4-dichlorophenol	alpha-BHC
benzene	anthracene	2,4,-dimethylphenol	beta-BHC
bromoform	benzidine	4,6-dinitro-o-cresol	gamma-BHC
carbon tetrachloride	benzo(a)anthracene	2,4-dinitrophenol	delta-BHC
chlorobenzene	benzo(a)pyrene	2-nitrophenol	chlordane
chlorodibromomethane	3,4-benzofluoranthene	4-nitrophenol	4,4'-DDT
chloroethane	benzo(ghi)perylene	p-chloro-m-cresol	4,4'-DDE
2-chloroethylvinyl ether	benzo(k)fluoranthene	pentachlorophenol	4,4'-DDD
chloroform	bis(2-chloroethoxy)methane	phenol	dieldrin
dichlorobromomethane	bis(2-chloroethyl)ether	2,4,6-trichlorophenol	alpha-endosulfan
1,1-dichlorethane	bis(2-chloroisopropyl)ether		beta-endosulfan
1,2-dichlorethane	bis(2-ethylhexyl)phthalate		endosulfan sulfate
1,1-dichlorethylene	4-bromophenyl phenyl ether		endrin
1,2-dichloropropane	butylbenzyl phthalate		endrin aldehyde
1,3-dichloropropylene	2-chloronaphthalene		heptachlor
ethylbenzene	4-chlorophenyl phenyl ether		heptachlor epoxide
methyl bromide	chrysene		PCB-1242
methyl chloride	dibenzo(a,h)anthracene		PCB-1254
methylene chloride	1,2-dichlorobenzene		PCB-1221
1,1,2,2-tetrachloroethane	1,3-dichlorobenzene		PCB-1232
tetrachloroethylene	1,4-dichlorobenzene		PCB-1248
toluene	3,3-dichlorobenzidine		PCB-1260
1,2-trans-dichloroethylene	diethyl phthalate		PCB-1016
1,1,1-trichloroethane	dimethyl phthalate		toxaphene
1,1,2-trichloroethane	di-n-butyl phthalate		
trichloroethylene	2,4-dinitrotoluene		
vinyl chloride	2,6-dinitrotoluene		
	di-n-octyl phthalate		
	1,2-diphenylhydrazine (as azobenzene)		
	fluorene		
	fluoranthene		
	hexachlorobenzene		
	hexachlorobutadiene		
	hexachlorocyclopentadiene		
	hexachloroethane		
	indeno(1,2,3-cd)pyrene		
	isophorone		
	naphthalene		
	nitrobenzene		
	N-nitrosodimethylamine		
	N-nitrosodi-n-propylamine		
	N-nitrosodiphenylamine		
	phenanthrene		
	pyrene		
	1,2,4-trichlorobenzene		

OTHER TOXIC POLLUTANTS (METALS AND CYANIDE) AND TOTAL PHENOLS (SEE TABLE III, OF 40 CFR 122 APPENDIX D)

Antimony, Total
Arsenic, Total
Beryllium, Total
Cadmium, Total
Chromium, Total
Copper, Total
Lead, Total
Mercury, Total
Nickel, Total
Selenium, Total
Total Recoverable Thallium, mg/l
Silver, Total
Thallium, Total
Zinc, Total
Cyanide, Total
Phenols, Total

TOXIC POLLUTANTS AND HAZARDOUS SUBSTANCES
 REQUIRED TO BE IDENTIFIED BY EXISTING DISCHARGERS
 IF EXPECTED TO BE PRESENT
 (SEE TABLE II, OF 40 CFR 122 APPENDIX D)

Toxic Pollutants

Asbestos

Hazardous Substances

Acetaldehyde

Allyl alcohol

Allyl chloride

Amyl acetate

Aniline

Benzonitrile

Benzyl chloride

Butyl acetate

Butylamine

Captan

Carbaryl

Carbofuran

Carbon disulfide

Chlorpyrifos

Coumaphos

Cresol

Crotonaldehyde

Cyclohexane

2,4-D(2,4-Dichlorophenoxy acetic acid)

Diazinon

Dicamba

Dichlobenil

Dichlone

2,2-Dichloropropionic acid

Dichlorvos

Diethyl amine

Dimethyl amine

Dinitrobenzene

Diquat

Disulfoton

Diuron

Epichlorohydrin

Ethanolamine

Ethion

Ethylene diamine

Ethylene dibromide

Formaldehyde

Furfural

Guthion

Isoprene

Isopropanolamine

Keithane

Kepone

Malathion

Mercaptodimethur

Methoxychlor

Methyl mercaptan

Methyl methacrylate

Methyl parathion

Mexacarbate

Monoethyl amine

Monomethyl amine

Naled

Napthenic acid

Nitrotoluene

Parathion

Phenolsulfanate

Phosgene

Propargite

Propylene oxide

Pyrethrins

Quinoline

Resorcinol

Strontium

Strychnine

Styrene

TDE (Tetrachlorodiphenylethane)

2,4,5-T (2,4,5-Trichlorophenoxy acetic acid)

2,4,5-TP [2-(2,4,5-Trichlorophenoxy) propanoic acid]

Trichlorofan

Triethylamine

Trimethylamine

Uranium

Vandium

Vinyl Acetate

Xylene

Xylenol

Zirconium

COLORADO DISCHARGE PERMIT SYSTEM (CDPS)
RATIONALE
CDPS GENERAL PERMIT FOR WATER TREATMENT PLANTS
NOT DISCHARGING TO WATERS THAT ARE DESIGNATED
AS THREATENED AND ENDANGERED HABITAT
CDPS NO. COG-641000, STATEWIDE COVERAGE

Update (August, 2005)

This is the fifth renewal of the general permit for water treatment plants.

The most significant changes in this renewal are as follows:

- A. Discharges that go directly to a stream (including other waters within the 100-year flood plain) that is designated for federally listed threatened or endangered fish by the U.S. Fish and Wildlife Services are excluded from this permit.

A separate general permit specific to water treatment plant discharges to these waters was created for this purpose (CDPS General Permit for Water Treatment Plants Discharging to Waters Designated as Habitat for Threatened and Endangered Species, COG-640000).

- B. Reverse Osmosis Reject Water (Concentrate) was excluded from coverage under this general permit because of the nature of concentrated pollutants being in the discharge. It does not contain similar pollutants, as do traditional water treatment plants.

Future Considerations:

- A. In September 2004, the EPA announced plans to develop Effluent Limitation Guidelines (ELGs) for drinking water plants within the next three years. Such ELGs will likely affect any water treatment plant that makes direct discharges from filter backwash operations or from sedimentation basins into a river or stream. Thus, the Division anticipates that with the next re-issuance of this general permit, the effluent limitations will be adjusted to incorporate these expected new federal ELGs.

- B. Given the number of applications received by facilities that were planning on utilizing reverse osmosis ("RO"), it is being considered to have a general permit addressing these facilities specifically. The nature of the source water quality and the concentration of the brine generated, are the primary factors to consider when meeting the narrative and numeric water quality standards. So, the defined parameters would have to be protective, and easily transferable from one certification to another, and could only be used in areas where the stream designation is "Use Protected."

Christopher L. Gates
August 2, 2005

COMMENTS RECEIVED DURING PUBLIC NOTICE

No comments were received during public notice.

Christopher L. Gates
September 26, 2005

ISSUED: SEPTEMBER 30, 2005

EFFECTIVE: NOVEMBER 1, 2005

EXPIRATION: OCTOBER 31, 2010



ATTACHMENT 15

PRESSURE MAP (N/A)



Legend

Junction

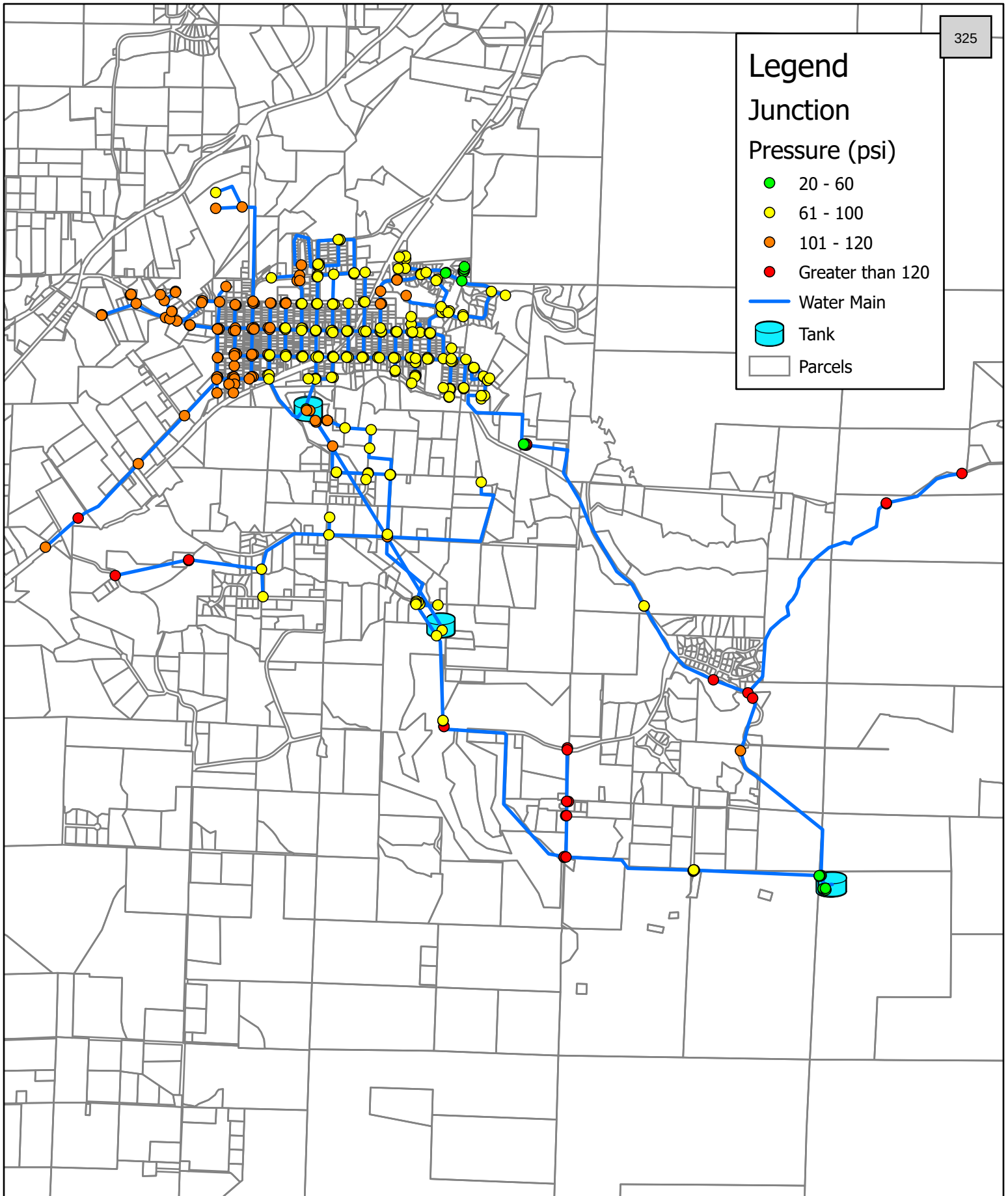
Pressure (psi)

- 20 - 60
- 61 - 100
- 101 - 120
- Greater than 120

Water Main



Parcels



0 1,500 3,000



FEET



TOWN OF PAONIA

WATER MODEL SYSTEM PRESSURES
MAX DAY DEMAND



CONSULTANTS, INC.

5540 TECH CENTER DR., SUITE 100
COLORADO SPRINGS, CO 80919
(719) 227-0072

Legend

Junction

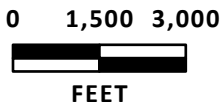
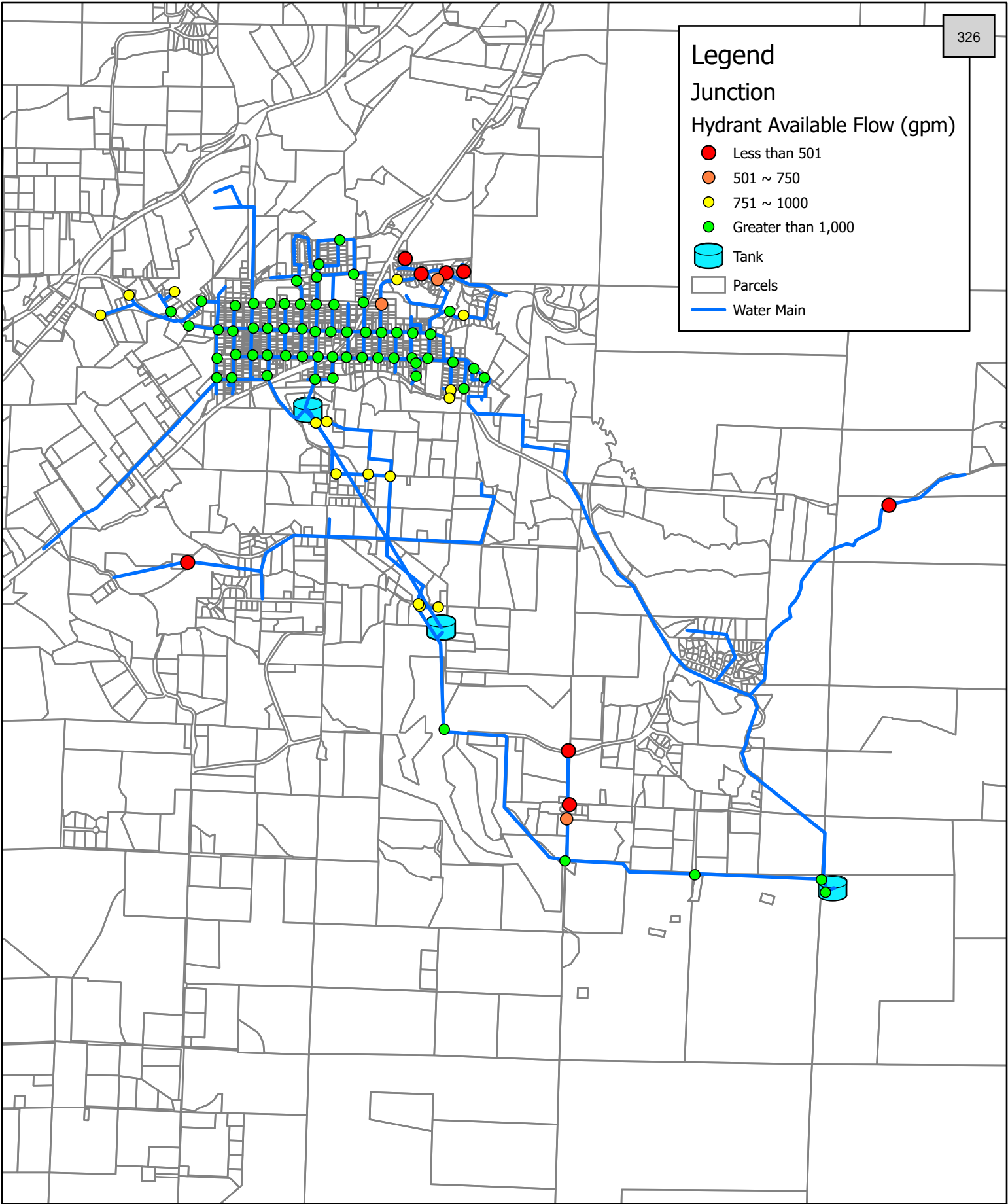
Hydrant Available Flow (gpm)

- Less than 501
- 501 ~ 750
- 751 ~ 1000
- Greater than 1,000

Tank

Parcels

Water Main



TOWN OF PAONIA

MDD FIRE FLOW
AVAILABLE HYDRANT FLOW

JDS-HYDRO CONSULTANTS, INC.

5540 TECH CENTER DR., SUITE 100
COLORADO SPRINGS, CO 80919
(719) 227-0072

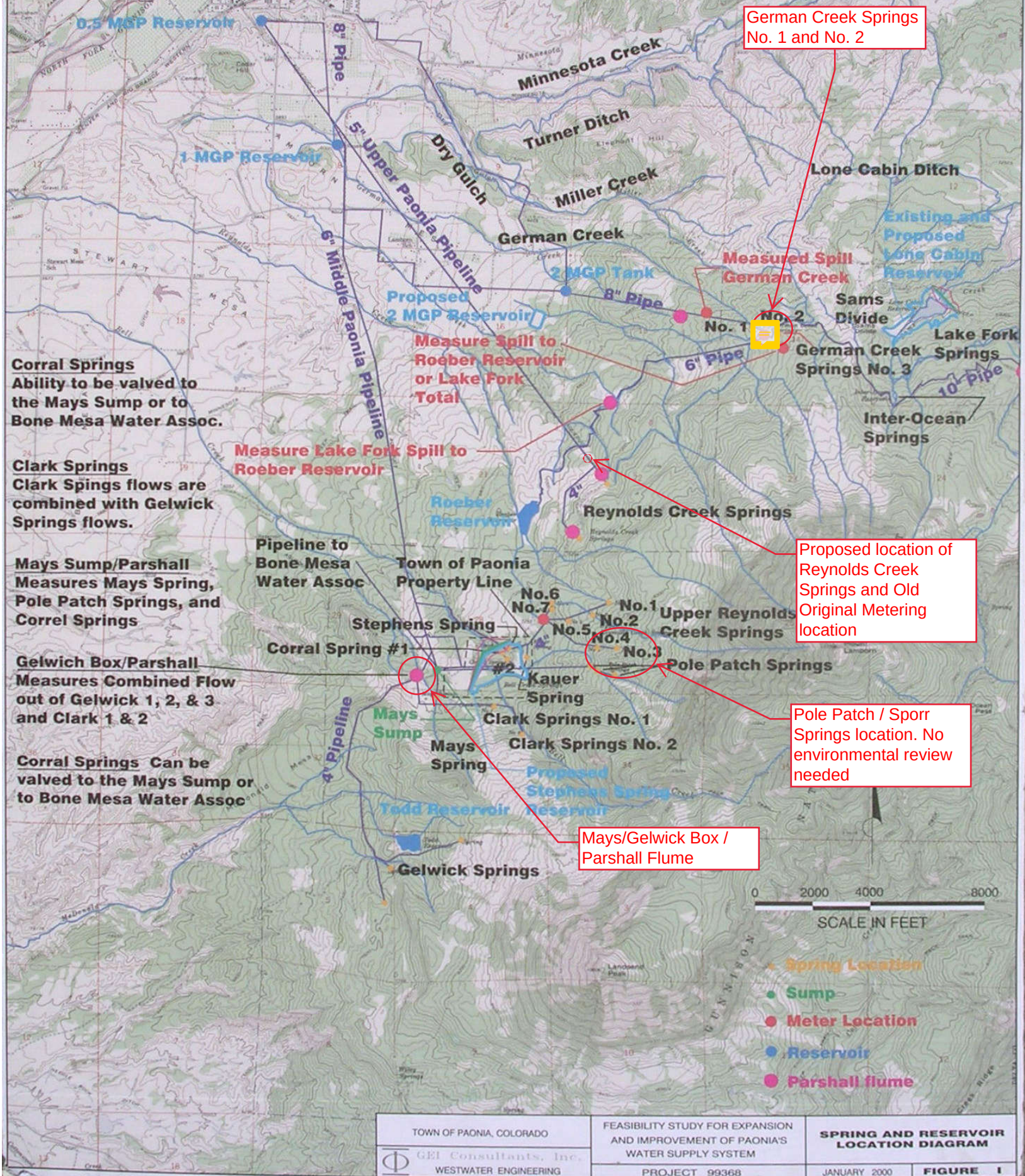


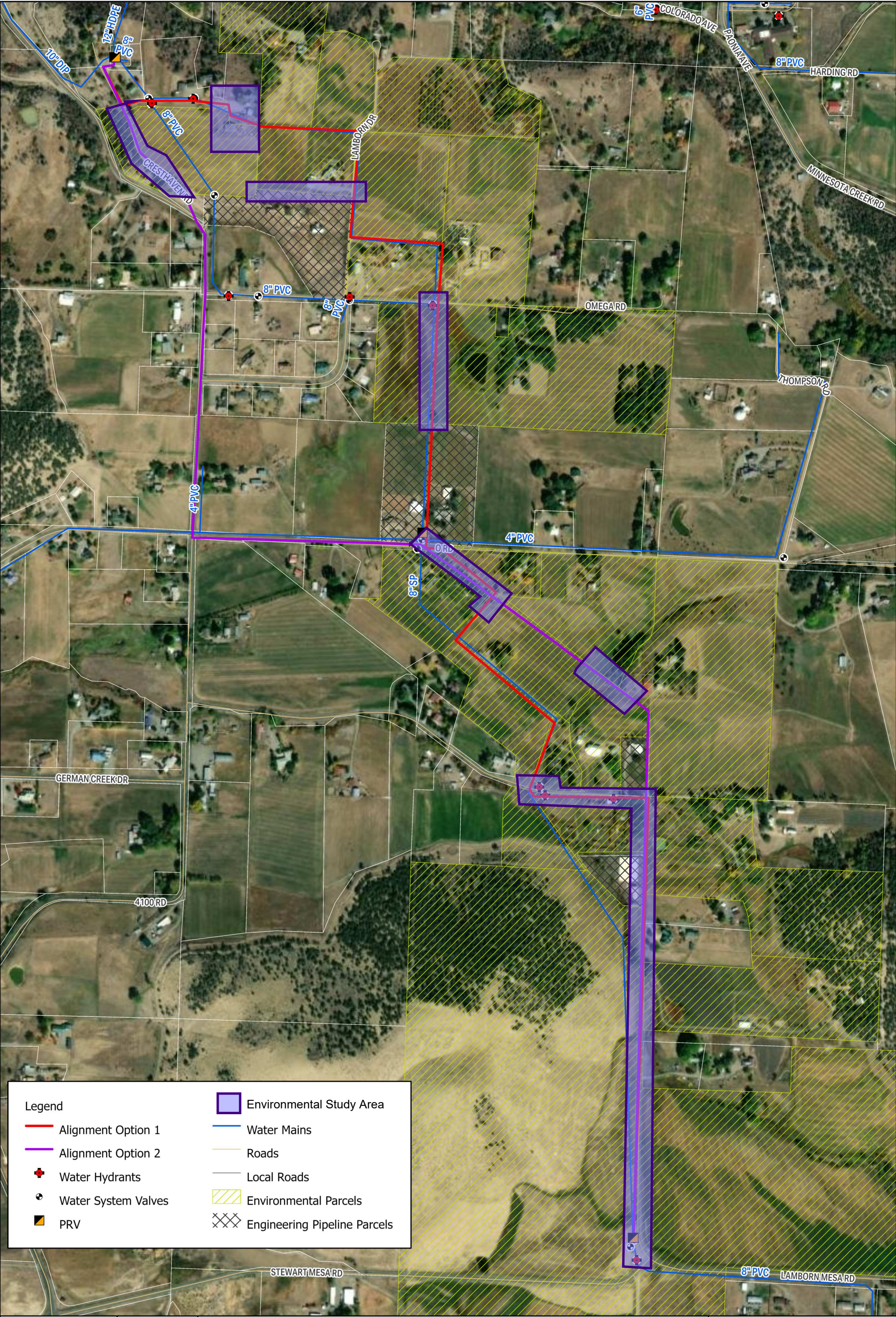
ATTACHMENT 16

PROJECT AREA MAP



Paonia, CO





Legend

Alignment Option 1

Alignment Option 2

Water Hydrants

Water System Valves

PRV

Environmental Study Area

Water Mains

Roads

Local Roads

Environmental Parcels

Engineering Pipeline Parcels

TOWN OF PAONIA

8-INCH WATER MAIN REPLACEMENT

ENVIRONMENTAL FIELD VISIT

Colorado Springs, CO
5540 Tech Center Dr., Suite 100
Colorado Springs, CO 80919
Phone: 719.227.0072
www.respec.com

N:\Projects\333 Town of Paonia\333.09 Phase 1 - Distribution System Improvements Design\Drawings\GIS\Field Visits\Environmental Field Visit.aprx — By James.Starnes

10/24/2023



ATTACHMENT 17

POPULATION AND WATER DEMAND PROJECTIONS



Client: Town of Paonia
Project: Water System - Capital Improvements - Phase I

1512 Active Services
1% growth rate
2.5 People/SFE
75 gpcpd, ADF
128 gpcpd, MMADF
187.5 gallons/day/sfe, ADF
318.75 gallons/day/sfe, MMADF

Year	SFE	Population	Est. ADF, gpd	Est. MMADF
2022	1512	3780	283,500	481,950
2023	1512	3780	283,500	481,950
2024	1512	3780	283,500	481,950
2025	1527	3818	286,335	486,770
2026	1542	3856	289,198	491,637
2027	1558	3895	292,090	496,554
2028	1573	3933	295,011	501,519
2029	1589	3973	297,961	506,534
2030	1605	4013	300,941	511,600
2031	1621	4053	303,950	516,716
2032	1637	4093	306,990	521,883
2033	1654	4134	310,060	527,102
2034	1670	4175	313,160	532,373
2035	1687	4217	316,292	537,696
2036	1704	4259	319,455	543,073
2037	1721	4302	322,649	548,504
2038	1738	4345	325,876	553,989
2039	1755	4388	329,135	559,529
2040	1773	4432	332,426	565,124
2041	1791	4477	335,750	570,776
2042	1809	4521	339,108	576,483
2043	1827	4567	342,499	582,248
2044	1845	4612	345,924	588,071
2045	1863	4658	349,383	593,951
2046	1882	4705	352,877	599,891
2047	1901	4752	356,406	605,890

Client: Town of Paonia
Project: Water System - Capital Improvements - Phase I

1512 Active Services
2% growth rate
2.5 People/SFE
75 gpcpd, ADF
128 gpcpd, MMADF
187.5 gallons/day/sfe, ADF
318.75 gallons/day/sfe, MMADF

Year	SFE	Population	Est. ADF, gpd	Est. MMADF
2022	1512	3780	283,500	481,950
2023	1512	3780	283,500	481,950
2024	1512	3780	283,500	481,950
2025	1542	3856	289,170	491,589
2026	1573	3933	294,953	501,421
2027	1605	4011	300,852	511,449
2028	1637	4092	306,870	521,678
2029	1669	4173	313,007	532,112
2030	1703	4257	319,267	542,754
2031	1737	4342	325,652	553,609
2032	1772	4429	332,165	564,681
2033	1807	4517	338,809	575,975
2034	1843	4608	345,585	587,494
2035	1880	4700	352,497	599,244
2036	1918	4794	359,547	611,229
2037	1956	4890	366,737	623,454
2038	1995	4988	374,072	635,923
2039	2035	5087	381,554	648,641
2040	2076	5189	389,185	661,614
2041	2117	5293	396,968	674,846
2042	2160	5399	404,908	688,343
2043	2203	5507	413,006	702,110
2044	2247	5617	421,266	716,152
2045	2292	5729	429,691	730,475
2046	2338	5844	438,285	745,085
2047	2384	5961	447,051	759,987

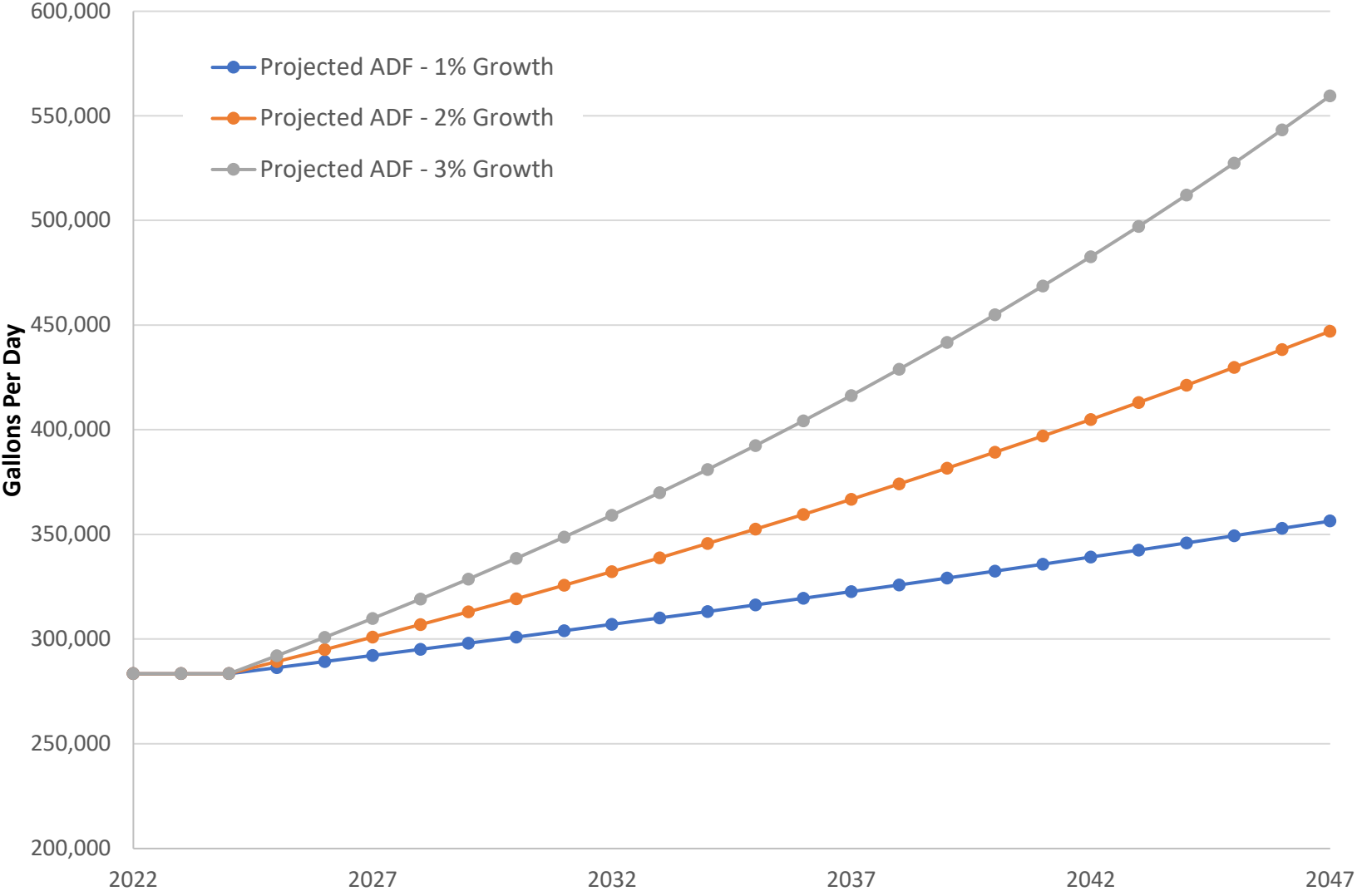
Client: Town of Paonia
Project: Water System - Capital Improvements - Phase I

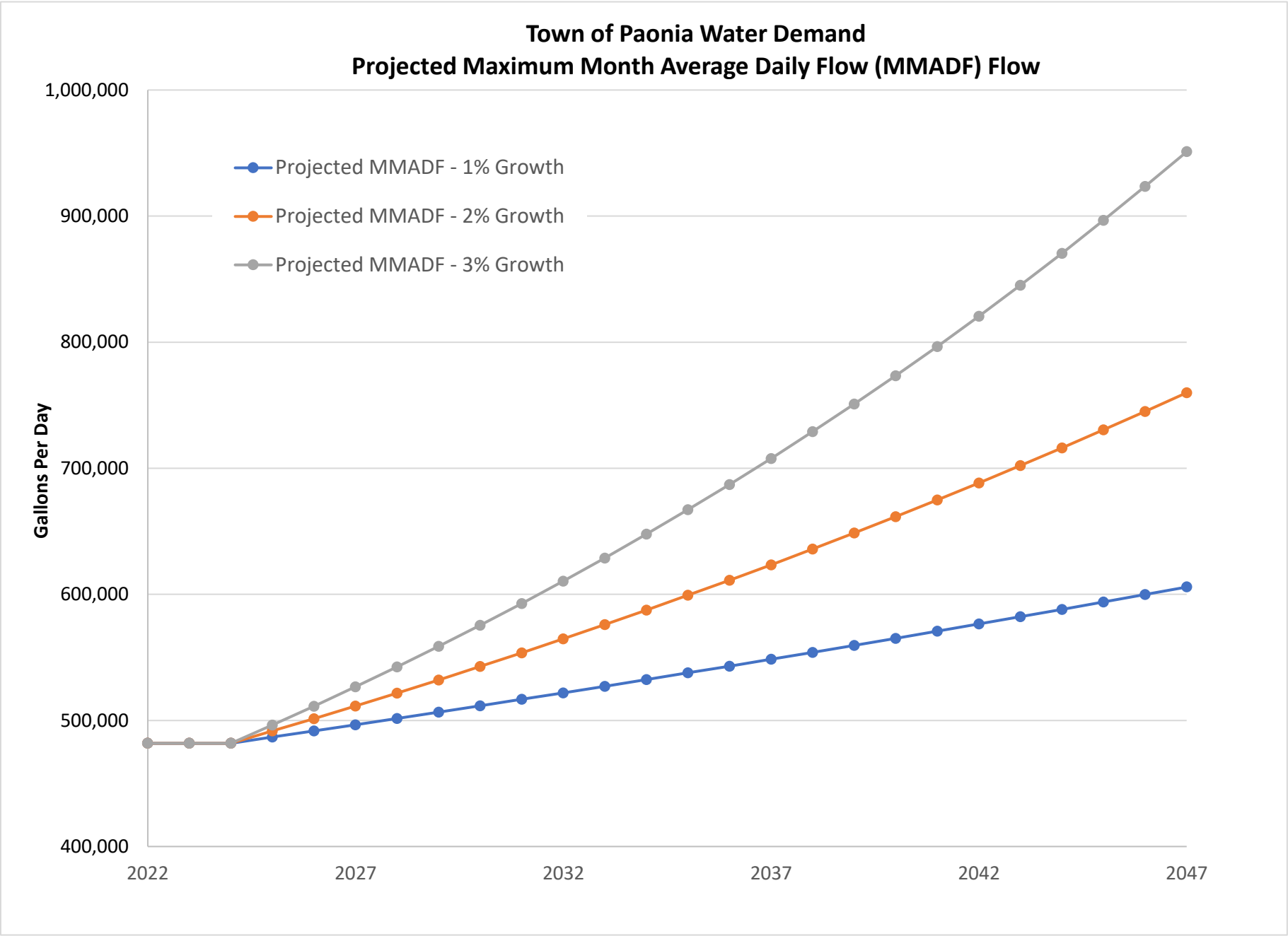
1512 Active Services
3% growth rate
2.5 People/SFE
75 gpcpd, ADF
128 gpcpd, MMADF
187.5 gallons/day/sfe, ADF
318.75 gallons/day/sfe, MMADF

Year	SFE	Population	Est. ADF, gpd	Est. MMADF
2022	1512	3780	283,500	481,950
2023	1512	3780	283,500	481,950
2024	1512	3780	283,500	481,950
2025	1557	3893	292,005	496,409
2026	1604	4010	300,765	511,301
2027	1652	4131	309,788	526,640
2028	1702	4254	319,082	542,439
2029	1753	4382	328,654	558,712
2030	1805	4514	338,514	575,474
2031	1860	4649	348,669	592,738
2032	1915	4788	359,129	610,520
2033	1973	4932	369,903	628,835
2034	2032	5080	381,000	647,700
2035	2093	5232	392,430	667,132
2036	2156	5389	404,203	687,145
2037	2220	5551	416,329	707,760
2038	2287	5718	428,819	728,993
2039	2356	5889	441,684	750,862
2040	2426	6066	454,934	773,388
2041	2499	6248	468,582	796,590
2042	2574	6435	482,640	820,488
2043	2651	6628	497,119	845,102
2044	2731	6827	512,033	870,455
2045	2813	7032	527,394	896,569
2046	2897	7243	543,215	923,466
2047	2984	7460	559,512	951,170

P

**Town of Paonia Water Demand
Projected Average Daily Flow (ADF) Flow**





ATTACHMENT 18

**DOCUMENTATION OF WATER
RIGHTS (SEE ATTACH 12)**



ATTACHMENT 19

ADDITIONAL ALTERNATIVES DESC.
(N/A)



ATTACHMENT 20

**PROPOSED PROCESS FLOW
DIAGRAM (N/A)**





ATTACHMENT 21

GREEN PROJECT BUSINESS CASE (N/A)



ATTACHMENT 22

ENVIRONMENTAL CHECKLIST





ENVIRONMENTAL CHECKLIST

Use the Discussion and References space at the end of each section to document your responses. For example, explain how you determined the level of impact and document the reasoning if checking PA (possible adverse) for any resource. Attach additional pages if necessary.

1. Brief project description, including identification of selected alternative:

The project includes improvements and repairs to four (4) flow monitoring stations within the raw water collections system. These four locations, which are all generally located on the slope of Mt. Lamborn, include the following:

- German Creek
- Reynolds Springs/Old Original confluence
- Spor Springs

2. Describe if the project will improve or maintain water quality, and if the project addresses a TMDL, and/or Watershed Management Plan.

The proposed project will assist with the quantification of raw water collected in the above mentioned springs, which will help the Town long term with Watershed Projection of its source water located on Mt. Lamborn.

3. Provide latitude and longitude of the proposed project (if a transmission / distribution / collection line identify the center point not the whole line):

German Creek: 38.833348, -107.531498

Reynolds Springs/Old Original confluence: 38.817707, -107.556863

Spor Springs: 38.802699, -107.553876

4. Provide discharge (WW) or source (DW) information: N/A ☐

N/A

5. Provide NPDES/PWSID number:

N/A

6. Provide primary waterbody name and waterbody ID, secondary name (if available), and State designated surface water use:

None of the four monitoring sites are located within a waterbody. The German Creek monitoring site is near German Creek but does not extend into it and no impacts to the creek would occur.



7. Did your analysis consider how this project impacts community planning efforts in other areas (i.e. transportation, housing, etc.)?

This particular scope will help the Town measure actual raw source water collection, will assist with the long term water availability master planning for community development

Y = Yes

N = No

PA = Possible Adverse

1. Physical Aspects - Topography, Geology and Soils

- Y ☐ N ☐ PA ☒ a. Are there physical conditions (e.g., steep slopes, shrink-swells soils, etc.) that might be adversely affected by or might affect construction of the facilities?
- Y ☐ N ☐ PA ☒ b. Are there similar limiting physical conditions in the planning area that might make development unsuitable?
- Y ☐ N ☒ PA ☐ c. Are there any unusual or unique geological features that might be affected?
- Y ☐ N ☒ PA ☐ d. Are there any hazardous areas (slides, faults, etc.) that might affect construction or development?

Discussion and References:

The monitoring sites are against Mount Lambert and the surrounding area is steeply sloped.

2. Climate

- Y ☐ N ☒ PA ☐ a. Are there any unusual or special meteorological constraints in the planning area that might result in an air quality problem?
- Y ☐ N ☒ PA ☐ b. Are there any unusual or special meteorological constraints in the planning area that might affect the feasibility of the proposed alternative?

Discussion and References:

3. Population

- Y ☐ N ☒ PA ☐ a. Are the proposed growth rates excessive (exceeding State projections, greater than 6% per annum for the 20 year planning period)?
- Y ☐ N ☒ PA ☐ b. Will additional growth be induced or growth in new areas encouraged as a result of facilities construction?
- Y ☐ N ☒ PA ☐ c. Will the facilities serve areas which are largely undeveloped areas at present?

Discussion and References:

Most of this part of the project involves replacing waterlines that are already in existence. Induced growth from the project is not expected.

4. Housing, Industrial and Commercial Development and Utilities

- Y ☐ N ☒ PA ☐ a. Will existing homes or business be displaced as a result of construction of this property?
- Y ☐ N ☒ PA ☐ b. Will new housing serviced by this facility affect existing facilities, transportation patterns, environmentally sensitive areas, or be in special hazard or danger zones?
- Y ☐ N ☒ PA ☐ c. Will new housing create strains on other utilities and services - policies, power, water supply, schools, hospital care, etc.?

Discussion and References:

5. Economics and Social Profile

- Y ☐ N ☒ PA ☐ a. Will certain landowners benefit substantially from the development of land due to location and size of the facilities?
- Y ☐ N ☒ PA ☐ b. Will the facilities adversely affect land values?
- Y ☐ N ☒ PA ☐ c. Are any poor or disadvantaged groups especially affected by this project?

Discussion and References:

A large water tank already exists at the project site. The addition of a second, temporary water tank is not expected to adversely affect land values or benefit certain landowners.

6. Land Use

- Y ☐ N ☒ PA ☐ a. Will projected growth defeat the purpose of local land use controls (if any)?
- Y ☐ N ☒ PA ☐ b. Is the location of the facilities incompatible with local land use plans?
- Y ☐ N ☒ PA ☐ c. Will inhabited areas be adversely impacted by the project site?
- Y ☐ N ☒ PA ☐ d. Will new development have adverse effects on older existing land uses (agriculture, forest land, etc.)?
- Y ☐ N ☒ PA ☐ e. Will this project contribute to changes in land use in association with recreation (skiing, parks, etc.), mining or other large industrial or energy developments?

Discussion and References:

7. Floodplain Development

- Y ☐ N ☒ PA ☐ a. Does the planning area contain 100 year floodplains?
If yes -
- Y ☐ N ☐ PA ☐ b. Will the project be constructed in a 100 year floodplain?
- Y ☐ N ☐ PA ☐ c. Will the project serve direct or indirect development in a 100 year floodplain anywhere in the planning area?

Discussion and References:

None of the four monitoring sites lie within the 100-year floodplain.

8. Wetlands

- Y ☐ N ☒ PA ☐ a. Does the planning area contain wetlands as defined by the U.S. Fish and Wildlife Service?
If yes -
- Y ☐ N ☐ PA ☐ b. Will any structure of the facility be located in wetlands?
- Y ☐ N ☐ PA ☐ c. Will the project serve growth and development which will directly or indirectly affect wetlands?

Discussion and References:

No monitoring sites are located within NWI wetlands. However, the German Creek site is within a riverine area (R5UBFx).

9. Wild and Scenic Rivers

- Y ☐ N ☒ PA ☐ a. Does the planning area contain a designated or proposed wild and scenic river?
If yes -
- Y ☐ N ☐ PA ☐ b. Will the project be constructed near the river?

Y ☐ N ☐ PA ☐ c.

Will projected growth and development take place contiguous to or upstream from the river segment?

Y ☐ N ☐ PA ☐ d.

Will the river segment be used for disposal of effluent?

Discussion and References:

No wild or scenic rivers are in the vicinity of the project area.

10. Cultural Resources (Archeological/Historical)

Y ☐ N ☒ PA ☐ a.

Are there any properties (historic, architectural, and archeological) in the planning area which are listed on or eligible for listing on the National Register of Historic Places?

Y ☐ N ☐ PA ☐ b.

If yes -

Will the project have direct or indirect adverse impacts on any listed or eligible property?

Discussion and References:

The NRHP online map was searched on September 18, 2023. No listed sites are located in the vicinity of the project area.

11. Flora and Fauna (including endangered species)

Y ☐ N ☐ PA ☒ a.

Are there any designated threatened or endangered species or their habitat in the planning area?

Y ☐ N ☐ PA ☒ b.

Will the project have direct or indirect adverse impacts on any such designated species?

Y ☐ N ☐ PA ☒ c.

Will the project have direct or indirect adverse impacts on fish, wildlife or their habitat including migratory routes, wintering or calving areas?

Y ☐ N ☒ PA ☐ d.

Does the planning area include a sensitive habitat area designed by a local, State or Federal wildlife agency?

Discussion and References:

There may be listed species' habitat in the vicinity of the monitoring sites; however, due the scope of improvements to the sites, no effects to the listed species or their habitats

12. Recreation and Open Space

Y ☐ N ☒ PA ☐ a.

Will the project eliminate or modify recreational open space, parks or areas of recognized scenic or recreational value?

Y ☐ N ☒ PA ☐ b.

Is it feasible to combine the project with parks, bicycle paths, hiking trails, waterway access and other recreational uses?

Discussion and References:

The waterline would be installed underground and would not have any permanent effects to recreational areas.

13. Agricultural Lands

Y ☐ N ☒ PA ☐ a.

Does the planning area contain any environmentally significant agricultural lands (prime, unique, statewide importance, local importance, etc.) as defined in the EPA Policy to Protect Environmentally Significant Agricultural Lands dated September 8, 1978?

Y ☐ N ☒ PA ☐ b.

Will the project directly or indirectly encourage the irreversible conversion of Environmentally Significant Agricultural Lands to uses which result in the loss of these lands as an environmental or essential food production resource?

Discussion and References:

None of the monitoring sites lies over prime farmland soils or soils of statewide/unique significance.

14. Air QualityY ☐ N ☒ PA ☐ a.

Are there any direct air emissions from the project (e.g., odor controls, sludge incinerator) which do not meet Federal and State emission standards contained in the State Air Quality Implementation Plan (SIP)?

Y ☐ N ☒ PA ☐ b.

Is the project service area located in an area without an approved or conditionally approved SIP?

Y ☐ N ☒ PA ☐ c.

Is the increased capacity of the project greater than 1 mgd?

Y ☐ N ☒ PA ☐ d.

Do the population projections used in the facilities plan exceed the State or area wide projections in the SIP by more than 5%?

Y ☐ N ☒ PA ☐ e.

Does the project conform to the requirements of the SIP? (See EPA regulations under Section 316 of the Clean Air Act.)

Y ☐ N ☒ PA ☐ f.

Is the project inconsistent with the SIP of an adjoining State that may be impacted by the Project?

Y ☐ N ☒ PA ☐ g.

Does the project violate national ambient Air Quality Standards in an attainment or unclassified area?

Y ☐ N ☒ PA ☐ h.

Will the facilities create an odor nuisance problem?

Discussion and References:

Delta County, in which the project is located, appears to be in attainment for all air quality regulations/standards, as of September 2023.

15. Water Quality and Quantity (Surface/Groundwater)Y ☐ N ☒ PA ☐ a.

Are present stream classifications in the receiving stream being challenged as too low to protect present or recent uses?

Y ☐ N ☒ PA ☐ b.

Is there a substantial risk that the proposed discharge will not meet existing stream standards or will not be of sufficient quality to protect present or recent stream uses?

Y ☐ N ☒ PA ☐ c.

Will construction of the project and development to be served by the project result in non-point water quality problems (sedimentation, urban stormwater, etc.)?

Y ☐ N ☒ PA ☐ d.

Will water rights be adversely affected by the project?

Y ☐ N ☒ PA ☐ e.

Will the project cause a significant amount of water to be transferred from one sub-basin to another (relative to the 7-day, 10 year flow of the diverted basin)?

Y ☐ N ☒ PA ☐ f.

Will stream habitat be affected as a result of the change in flow or stream bank modification?

Y ☐ N ☒ PA ☐ g.

Are stream conditions needed for deciding upon the required limitations inadequately specified in the 208 Plan? If so, have the wasteload allocations calculations been performed and approved by the State and EPA?

Y ☐ N ☒ PA ☐ h.

Is an Antidegradation Review required?

Y ☐ N ☒ PA ☐ i.

Will the project adversely affect the quantity or quality of a groundwater resource?

Y ☐ N ☒ PA ☐ j.

Does the project adversely affect an aquifer used as a potable drinking water supply?

Y ☐ N ☒ PA ☐ k.

Are there additional cost effective water conservation measures that could be adopted by community to reduce sewage generation?

Discussion and References:

16. Public HealthY ☐ N ☒ PA ☐ a.

Will there be adverse direct or indirect noise impacts from the project?

Y ☐ N ☒ PA ☐ b.

Will there be a vector problem (e.g., mosquito) from the project?

Y ☐ N ☒ PA ☐ c.

Will there be any unique public health problems as a result of the project (e.g., increased disease risks)?

Discussion and References:

17. Solid Waste (Sludge Management)

Y ☐ N ☒ PA ☐ a.

Will sludge disposal occur in an area with inadequate sanitary landfills or on land unsuitable for land application?

Y ☐ N ☒ PA ☐ b.

Are there special problems with the sludge that makes disposal difficult (hazardous, difficult to treat)?

Y ☐ N ☒ PA ☐ c.

Is the technology selected for sludge disposal controversial?

Discussion and References:

18. Energy

Y ☐ N ☒ PA ☐ a.

Are there additional cost effective measures to reduce energy consumption or increase energy recovery which could be included in this project?

Discussion and References:

19. Land Application

Y ☐ N ☒ PA ☐ a.

Has a new or unproven technique been selected?

Y ☐ N ☒ PA ☐ b.

Is there considerable public controversy about the project?

Y ☐ N ☒ PA ☐ c.

Will the project require additional water rights or impact existing water Rights?

Y ☐ N ☒ PA ☐ d.

Is the project multi-purpose?

Discussion and References:

20. Regionalization

Y ☐ N ☒ PA ☐ a.

Are there jurisdictional disputes or controversy over the project?

Y ☐ N ☒ PA ☐ b.

Is conformance with the 208 plan in question?

Y ☐ N ☒ PA ☐ c.

Is the proliferation of small treatment plants and septic systems creating a significant health problem?

Y ☐ N ☒ PA ☐ d.

Have inter-jurisdictional agreements been signed?

Discussion and References:

21. Public Participation

Y ☐ N ☒ PA ☐ a.

Is there a substantial level of public controversy?

Y ☐ N ☐ PA ☐ b.

Is there adequate evidence of public participation in the project?

Discussion and References:

A public meeting will be held to present the project to the public.

22. Environmental Laws

Y ☐ N ☒ PA ☐ a. Does the project threaten to violate any State, Federal or local law or requirement imposed to protect the environment?

Discussion and References:

Prepared By: Sarah Itz, Environmental Specialist, RESPEC
Name, Title, and Affiliation

Date: 10-03-2023

ENVIRONMENTAL CHECKLIST

Use the Discussion and References space at the end of each section to document your responses. For example, explain how you determined the level of impact and document the reasoning if checking PA (possible adverse) for any resource. Attach additional pages if necessary.

1. Brief project description, including identification of selected alternative:
The project includes improvements and repairs to four (4) flow monitoring stations within the raw water collections system. These four locations, which are all generally located on the slope of Mt. Lamborn, include the following:
 - German Creek
 - Reynolds Springs/Old Original confluence
 - Spor Springs
2. Describe if the project will improve or maintain water quality, and if the project addresses a TMDL, and/or Watershed Management Plan.
The proposed project will assist with the quantification of raw water collected in the above mentioned springs, which will help the Town long term with Watershed Projection of its source water located on Mt. Lamborn.
3. Provide latitude and longitude of the proposed project (if a transmission / distribution / collection line identify the center point not the whole line):
German Creek: 38.833348, -107.531498
Reynolds Springs/Old Original confluence: 38.817707, -107.556863
Spor Springs: 38.802699, -107.553876
4. Provide discharge (WW) or source (DW) information: N/A ☐
N/A
5. Provide NPDES/PWSID number:
N/A
6. Provide primary waterbody name and waterbody ID, secondary name (if available), and State designated surface water use:
None of the four monitoring sites are located within a waterbody. The German Creek monitoring site is near German Creek but does not extend into it and no impacts to the creek would occur.

7. Did your analysis consider how this project impacts community planning efforts in other areas (i.e. transportation, housing, etc.)?

This particular scope will help the Town measure actual raw source water collection, will assist with the long term water availability master planning for community development

Y = Yes

N = No

PA = Possible Adverse

1. Physical Aspects - Topography, Geology and Soils

- Y ☐ N ☐ PA ☒ a. Are there physical conditions (e.g., steep slopes, shrink-swells soils, etc.) that might be adversely affected by or might affect construction of the facilities?
- Y ☐ N ☐ PA ☒ b. Are there similar limiting physical conditions in the planning area that might make development unsuitable?
- Y ☐ N ☒ PA ☐ c. Are there any unusual or unique geological features that might be affected?
- Y ☐ N ☒ PA ☐ d. Are there any hazardous areas (slides, faults, etc.) that might affect construction or development?

Discussion and References:

The monitoring sites are against Mount Lambert and the surrounding area is steeply sloped.

2. Climate

- Y ☐ N ☒ PA ☐ a. Are there any unusual or special meteorological constraints in the planning area that might result in an air quality problem?
- Y ☐ N ☒ PA ☐ b. Are there any unusual or special meteorological constraints in the planning area that might affect the feasibility of the proposed alternative?

Discussion and References:

3. Population

- Y ☐ N ☒ PA ☐ a. Are the proposed growth rates excessive (exceeding State projections, greater than 6% per annum for the 20 year planning period)?
- Y ☐ N ☒ PA ☐ b. Will additional growth be induced or growth in new areas encouraged as a result of facilities construction?
- Y ☐ N ☒ PA ☐ c. Will the facilities serve areas which are largely undeveloped areas at present?

Discussion and References:

Most of this part of the project involves replacing waterlines that are already in existence. Induced growth from the project is not expected.

4. Housing, Industrial and Commercial Development and Utilities

- Y ☐ N ☒ PA ☐ a. Will existing homes or business be displaced as a result of construction of this property?
- Y ☐ N ☒ PA ☐ b. Will new housing serviced by this facility affect existing facilities, transportation patterns, environmentally sensitive areas, or be in special hazard or danger zones?
- Y ☐ N ☒ PA ☐ c. Will new housing create strains on other utilities and services - policies, power, water supply, schools, hospital care, etc.?

Discussion and References:

5. Economics and Social Profile

- Y ☐ N ☒ PA ☐ a. Will certain landowners benefit substantially from the development of land due to location and size of the facilities?
- Y ☐ N ☒ PA ☐ b. Will the facilities adversely affect land values?
- Y ☐ N ☒ PA ☐ c. Are any poor or disadvantaged groups especially affected by this project?

Discussion and References:

A large water tank already exists at the project site. The addition of a second, temporary water tank is not expected to adversely affect land values or benefit certain landowners.

6. Land Use

- Y ☐ N ☒ PA ☐ a. Will projected growth defeat the purpose of local land use controls (if any)?
- Y ☐ N ☒ PA ☐ b. Is the location of the facilities incompatible with local land use plans?
- Y ☐ N ☒ PA ☐ c. Will inhabited areas be adversely impacted by the project site?
- Y ☐ N ☒ PA ☐ d. Will new development have adverse effects on older existing land uses (agriculture, forest land, etc.)?
- Y ☐ N ☒ PA ☐ e. Will this project contribute to changes in land use in association with recreation (skiing, parks, etc.), mining or other large industrial or energy developments?

Discussion and References:

7. Floodplain Development

- Y ☐ N ☒ PA ☐ a. Does the planning area contain 100 year floodplains?
If yes -
- Y ☐ N ☐ PA ☐ b. Will the project be constructed in a 100 year floodplain?
- Y ☐ N ☐ PA ☐ c. Will the project serve direct or indirect development in a 100 year floodplain anywhere in the planning area?

Discussion and References:

None of the four monitoring sites lie within the 100-year floodplain.

8. Wetlands

- Y ☐ N ☒ PA ☐ a. Does the planning area contain wetlands as defined by the U.S. Fish and Wildlife Service?
If yes -
- Y ☐ N ☐ PA ☐ b. Will any structure of the facility be located in wetlands?
- Y ☐ N ☐ PA ☐ c. Will the project serve growth and development which will directly or indirectly affect wetlands?

Discussion and References:

No monitoring sites are located within NWI wetlands. However, the German Creek site is within a riverine area (R5UBFx).

9. Wild and Scenic Rivers

- Y ☐ N ☒ PA ☐ a. Does the planning area contain a designated or proposed wild and scenic river?
If yes -
- Y ☐ N ☐ PA ☐ b. Will the project be constructed near the river?

Y ☐ N ☐ PA ☐ c.

Will projected growth and development take place contiguous to or upstream from the river segment?

Y ☐ N ☐ PA ☐ d.

Will the river segment be used for disposal of effluent?

Discussion and References:

No wild or scenic rivers are in the vicinity of the project area.

10. Cultural Resources (Archeological/Historical)

Y ☐ N ☒ PA ☐ a.

Are there any properties (historic, architectural, and archeological) in the planning area which are listed on or eligible for listing on the National Register of Historic Places?

Y ☐ N ☐ PA ☐ b.

If yes -

Will the project have direct or indirect adverse impacts on any listed or eligible property?

Discussion and References:

The NRHP online map was searched on September 18, 2023. No listed sites are located in the vicinity of the project area.

11. Flora and Fauna (including endangered species)

Y ☐ N ☐ PA ☒ a.

Are there any designated threatened or endangered species or their habitat in the planning area?

Y ☐ N ☐ PA ☒ b.

Will the project have direct or indirect adverse impacts on any such designated species?

Y ☐ N ☐ PA ☒ c.

Will the project have direct or indirect adverse impacts on fish, wildlife or their habitat including migratory routes, wintering or calving areas?

Y ☐ N ☒ PA ☐ d.

Does the planning area include a sensitive habitat area designed by a local, State or Federal wildlife agency?

Discussion and References:

There may be listed species' habitat in the vicinity of the monitoring sites; however, due the scope of improvements to the sites, no effects to the listed species or their habitats

12. Recreation and Open Space

Y ☐ N ☒ PA ☐ a.

Will the project eliminate or modify recreational open space, parks or areas of recognized scenic or recreational value?

Y ☐ N ☒ PA ☐ b.

Is it feasible to combine the project with parks, bicycle paths, hiking trails, waterway access and other recreational uses?

Discussion and References:

The waterline would be installed underground and would not have any permanent effects to recreational areas.

13. Agricultural Lands

Y ☐ N ☒ PA ☐ a.

Does the planning area contain any environmentally significant agricultural lands (prime, unique, statewide importance, local importance, etc.) as defined in the EPA Policy to Protect Environmentally Significant Agricultural Lands dated September 8, 1978?

Y ☐ N ☒ PA ☐ b.

Will the project directly or indirectly encourage the irreversible conversion of Environmentally Significant Agricultural Lands to uses which result in the loss of these lands as an environmental or essential food production resource?

Discussion and References:

None of the monitoring sites lies over prime farmland soils or soils of statewide/unique significance.

14. Air QualityY ☐ N ☒ PA ☐ a.

Are there any direct air emissions from the project (e.g., odor controls, sludge incinerator) which do not meet Federal and State emission standards contained in the State Air Quality Implementation Plan (SIP)?

Y ☐ N ☒ PA ☐ b.

Is the project service area located in an area without an approved or conditionally approved SIP?

Y ☐ N ☒ PA ☐ c.

Is the increased capacity of the project greater than 1 mgd?

Y ☐ N ☒ PA ☐ d.

Do the population projections used in the facilities plan exceed the State or area wide projections in the SIP by more than 5%?

Y ☐ N ☒ PA ☐ e.

Does the project conform to the requirements of the SIP? (See EPA regulations under Section 316 of the Clean Air Act.)

Y ☐ N ☒ PA ☐ f.

Is the project inconsistent with the SIP of an adjoining State that may be impacted by the Project?

Y ☐ N ☒ PA ☐ g.

Does the project violate national ambient Air Quality Standards in an attainment or unclassified area?

Y ☐ N ☒ PA ☐ h.

Will the facilities create an odor nuisance problem?

Discussion and References:

Delta County, in which the project is located, appears to be in attainment for all air quality regulations/standards, as of September 2023.

15. Water Quality and Quantity (Surface/Groundwater)Y ☐ N ☒ PA ☐ a.

Are present stream classifications in the receiving stream being challenged as too low to protect present or recent uses?

Y ☐ N ☒ PA ☐ b.

Is there a substantial risk that the proposed discharge will not meet existing stream standards or will not be of sufficient quality to protect present or recent stream uses?

Y ☐ N ☒ PA ☐ c.

Will construction of the project and development to be served by the project result in non-point water quality problems (sedimentation, urban stormwater, etc.)?

Y ☐ N ☒ PA ☐ d.

Will water rights be adversely affected by the project?

Y ☐ N ☒ PA ☐ e.

Will the project cause a significant amount of water to be transferred from one sub-basin to another (relative to the 7-day, 10 year flow of the diverted basin)?

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Will stream habitat be affected as a result of the change in flow or stream bank modification?

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Are stream conditions needed for deciding upon the required limitations inadequately specified in the 208 Plan? If so, have the wasteload allocations calculations been performed and approved by the State and EPA?

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Is an Antidegradation Review required?

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Will the project adversely affect the quantity or quality of a groundwater resource?

Y ☐ N ☒ PA ☐ j.

Does the project adversely affect an aquifer used as a potable drinking water supply?

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Are there additional cost effective water conservation measures that could be adopted by community to reduce sewage generation?

Discussion and References:

16. Public HealthY ☐ N ☒ PA ☐ a.

Will there be adverse direct or indirect noise impacts from the project?

Y ☐ N ☒ PA ☐ b.

Will there be a vector problem (e.g., mosquito) from the project?

Y ☐ N ☒ PA ☐ c.

Will there be any unique public health problems as a result of the project (e.g., increased disease risks)?

Discussion and References:

17. Solid Waste (Sludge Management)

Y ☐ N ☒ PA ☐ a.

Will sludge disposal occur in an area with inadequate sanitary landfills or on land unsuitable for land application?

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Are there special problems with the sludge that makes disposal difficult (hazardous, difficult to treat)?

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Is the technology selected for sludge disposal controversial?

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18. Energy

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Are there additional cost effective measures to reduce energy consumption or increase energy recovery which could be included in this project?

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19. Land Application

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Has a new or unproven technique been selected?

Y ☐ N ☒ PA ☐ b.

Is there considerable public controversy about the project?

Y ☐ N ☒ PA ☐ c.

Will the project require additional water rights or impact existing water Rights?

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Is the project multi-purpose?

Discussion and References:

20. Regionalization

Y ☐ N ☒ PA ☐ a.

Are there jurisdictional disputes or controversy over the project?

Y ☐ N ☒ PA ☐ b.

Is conformance with the 208 plan in question?

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Is the proliferation of small treatment plants and septic systems creating a significant health problem?

Y ☐ N ☒ PA ☐ d.

Have inter-jurisdictional agreements been signed?

Discussion and References:

21. Public Participation

Y ☐ N ☒ PA ☐ a.

Is there a substantial level of public controversy?

Y ☐ N ☐ PA ☐ b.

Is there adequate evidence of public participation in the project?

Discussion and References:

A public meeting will be held to present the project to the public.

22. Environmental Laws

Y ☐ N ☒ PA ☐ a. Does the project threaten to violate any State, Federal or local law or requirement imposed to protect the environment?

Discussion and References:

Prepared By: Sarah Itz, Environmental Specialist, RESPEC
Name, Title, and Affiliation

Date: 10-03-2023

ENVIRONMENTAL CHECKLIST

Use the Discussion and References space at the end of each section to document your responses. For example, explain how you determined the level of impact and document the reasoning if checking PA (possible adverse) for any resource. Attach additional pages if necessary.

1. Brief project description, including identification of selected alternative:
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 - German Creek
 - Reynolds Springs/Old Original confluence
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2. Describe if the project will improve or maintain water quality, and if the project addresses a TMDL, and/or Watershed Management Plan.
The proposed project will assist with the quantification of raw water collected in the above mentioned springs, which will help the Town long term with Watershed Projection of its source water located on Mt. Lamborn.
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N/A
5. Provide NPDES/PWSID number:
N/A
6. Provide primary waterbody name and waterbody ID, secondary name (if available), and State designated surface water use:
None of the four monitoring sites are located within a waterbody. The German Creek monitoring site is near German Creek but does not extend into it and no impacts to the creek would occur.

7. Did your analysis consider how this project impacts community planning efforts in other areas (i.e. transportation, housing, etc.)?

This particular scope will help the Town measure actual raw source water collection, will assist with the long term water availability master planning for community development

Y = Yes

N = No

PA = Possible Adverse

1. Physical Aspects - Topography, Geology and Soils

- Y ☐ N ☐ PA ☒ a. Are there physical conditions (e.g., steep slopes, shrink-swells soils, etc.) that might be adversely affected by or might affect construction of the facilities?
- Y ☐ N ☐ PA ☒ b. Are there similar limiting physical conditions in the planning area that might make development unsuitable?
- Y ☐ N ☒ PA ☐ c. Are there any unusual or unique geological features that might be affected?
- Y ☐ N ☒ PA ☐ d. Are there any hazardous areas (slides, faults, etc.) that might affect construction or development?

Discussion and References:

The monitoring sites are against Mount Lambert and the surrounding area is steeply sloped.

2. Climate

- Y ☐ N ☒ PA ☐ a. Are there any unusual or special meteorological constraints in the planning area that might result in an air quality problem?
- Y ☐ N ☒ PA ☐ b. Are there any unusual or special meteorological constraints in the planning area that might affect the feasibility of the proposed alternative?

Discussion and References:

3. Population

- Y ☐ N ☒ PA ☐ a. Are the proposed growth rates excessive (exceeding State projections, greater than 6% per annum for the 20 year planning period)?
- Y ☐ N ☒ PA ☐ b. Will additional growth be induced or growth in new areas encouraged as a result of facilities construction?
- Y ☐ N ☒ PA ☐ c. Will the facilities serve areas which are largely undeveloped areas at present?

Discussion and References:

Most of this part of the project involves replacing waterlines that are already in existence. Induced growth from the project is not expected.

4. Housing, Industrial and Commercial Development and Utilities

- Y ☐ N ☒ PA ☐ a. Will existing homes or business be displaced as a result of construction of this property?
- Y ☐ N ☒ PA ☐ b. Will new housing serviced by this facility affect existing facilities, transportation patterns, environmentally sensitive areas, or be in special hazard or danger zones?
- Y ☐ N ☒ PA ☐ c. Will new housing create strains on other utilities and services - policies, power, water supply, schools, hospital care, etc.?

Discussion and References:

5. Economics and Social Profile

- Y ☐ N ☒ PA ☐ a. Will certain landowners benefit substantially from the development of land due to location and size of the facilities?
- Y ☐ N ☒ PA ☐ b. Will the facilities adversely affect land values?
- Y ☐ N ☒ PA ☐ c. Are any poor or disadvantaged groups especially affected by this project?

Discussion and References:

A large water tank already exists at the project site. The addition of a second, temporary water tank is not expected to adversely affect land values or benefit certain landowners.

6. Land Use

- Y ☐ N ☒ PA ☐ a. Will projected growth defeat the purpose of local land use controls (if any)?
- Y ☐ N ☒ PA ☐ b. Is the location of the facilities incompatible with local land use plans?
- Y ☐ N ☒ PA ☐ c. Will inhabited areas be adversely impacted by the project site?
- Y ☐ N ☒ PA ☐ d. Will new development have adverse effects on older existing land uses (agriculture, forest land, etc.)?
- Y ☐ N ☒ PA ☐ e. Will this project contribute to changes in land use in association with recreation (skiing, parks, etc.), mining or other large industrial or energy developments?

Discussion and References:

7. Floodplain Development

- Y ☐ N ☒ PA ☐ a. Does the planning area contain 100 year floodplains?
If yes -
- Y ☐ N ☐ PA ☐ b. Will the project be constructed in a 100 year floodplain?
- Y ☐ N ☐ PA ☐ c. Will the project serve direct or indirect development in a 100 year floodplain anywhere in the planning area?

Discussion and References:

None of the four monitoring sites lie within the 100-year floodplain.

8. Wetlands

- Y ☐ N ☒ PA ☐ a. Does the planning area contain wetlands as defined by the U.S. Fish and Wildlife Service?
If yes -
- Y ☐ N ☐ PA ☐ b. Will any structure of the facility be located in wetlands?
- Y ☐ N ☐ PA ☐ c. Will the project serve growth and development which will directly or indirectly affect wetlands?

Discussion and References:

No monitoring sites are located within NWI wetlands. However, the German Creek site is within a riverine area (R5UBFx).

9. Wild and Scenic Rivers

- Y ☐ N ☒ PA ☐ a. Does the planning area contain a designated or proposed wild and scenic river?
If yes -
- Y ☐ N ☐ PA ☐ b. Will the project be constructed near the river?

Y ☐ N ☐ PA ☐ c.

Will projected growth and development take place contiguous to or upstream from the river segment?

Y ☐ N ☐ PA ☐ d.

Will the river segment be used for disposal of effluent?

Discussion and References:

No wild or scenic rivers are in the vicinity of the project area.

10. Cultural Resources (Archeological/Historical)

Y ☐ N ☒ PA ☐ a.

Are there any properties (historic, architectural, and archeological) in the planning area which are listed on or eligible for listing on the National Register of Historic Places?

Y ☐ N ☐ PA ☐ b.

If yes -

Will the project have direct or indirect adverse impacts on any listed or eligible property?

Discussion and References:

The NRHP online map was searched on September 18, 2023. No listed sites are located in the vicinity of the project area.

11. Flora and Fauna (including endangered species)

Y ☐ N ☐ PA ☒ a.

Are there any designated threatened or endangered species or their habitat in the planning area?

Y ☐ N ☐ PA ☒ b.

Will the project have direct or indirect adverse impacts on any such designated species?

Y ☐ N ☐ PA ☒ c.

Will the project have direct or indirect adverse impacts on fish, wildlife or their habitat including migratory routes, wintering or calving areas?

Y ☐ N ☒ PA ☐ d.

Does the planning area include a sensitive habitat area designed by a local, State or Federal wildlife agency?

Discussion and References:

There may be listed species' habitat in the vicinity of the monitoring sites; however, due the scope of improvements to the sites, no effects to the listed species or their habitats

12. Recreation and Open Space

Y ☐ N ☒ PA ☐ a.

Will the project eliminate or modify recreational open space, parks or areas of recognized scenic or recreational value?

Y ☐ N ☒ PA ☐ b.

Is it feasible to combine the project with parks, bicycle paths, hiking trails, waterway access and other recreational uses?

Discussion and References:

The waterline would be installed underground and would not have any permanent effects to recreational areas.

13. Agricultural Lands

Y ☐ N ☒ PA ☐ a.

Does the planning area contain any environmentally significant agricultural lands (prime, unique, statewide importance, local importance, etc.) as defined in the EPA Policy to Protect Environmentally Significant Agricultural Lands dated September 8, 1978?

Y ☐ N ☒ PA ☐ b.

Will the project directly or indirectly encourage the irreversible conversion of Environmentally Significant Agricultural Lands to uses which result in the loss of these lands as an environmental or essential food production resource?

Discussion and References:

None of the monitoring sites lies over prime farmland soils or soils of statewide/unique significance.

14. Air QualityY ☐ N ☒ PA ☐ a.

Are there any direct air emissions from the project (e.g., odor controls, sludge incinerator) which do not meet Federal and State emission standards contained in the State Air Quality Implementation Plan (SIP)?

Y ☐ N ☒ PA ☐ b.

Is the project service area located in an area without an approved or conditionally approved SIP?

Y ☐ N ☒ PA ☐ c.

Is the increased capacity of the project greater than 1 mgd?

Y ☐ N ☒ PA ☐ d.

Do the population projections used in the facilities plan exceed the State or area wide projections in the SIP by more than 5%?

Y ☐ N ☒ PA ☐ e.

Does the project conform to the requirements of the SIP? (See EPA regulations under Section 316 of the Clean Air Act.)

Y ☐ N ☒ PA ☐ f.

Is the project inconsistent with the SIP of an adjoining State that may be impacted by the Project?

Y ☐ N ☒ PA ☐ g.

Does the project violate national ambient Air Quality Standards in an attainment or unclassified area?

Y ☐ N ☒ PA ☐ h.

Will the facilities create an odor nuisance problem?

Discussion and References:

Delta County, in which the project is located, appears to be in attainment for all air quality regulations/standards, as of September 2023.

15. Water Quality and Quantity (Surface/Groundwater)Y ☐ N ☒ PA ☐ a.

Are present stream classifications in the receiving stream being challenged as too low to protect present or recent uses?

Y ☐ N ☒ PA ☐ b.

Is there a substantial risk that the proposed discharge will not meet existing stream standards or will not be of sufficient quality to protect present or recent stream uses?

Y ☐ N ☒ PA ☐ c.

Will construction of the project and development to be served by the project result in non-point water quality problems (sedimentation, urban stormwater, etc.)?

Y ☐ N ☒ PA ☐ d.

Will water rights be adversely affected by the project?

Y ☐ N ☒ PA ☐ e.

Will the project cause a significant amount of water to be transferred from one sub-basin to another (relative to the 7-day, 10 year flow of the diverted basin)?

Y ☐ N ☒ PA ☐ f.

Will stream habitat be affected as a result of the change in flow or stream bank modification?

Y ☐ N ☒ PA ☐ g.

Are stream conditions needed for deciding upon the required limitations inadequately specified in the 208 Plan? If so, have the wasteload allocations calculations been performed and approved by the State and EPA?

Y ☐ N ☒ PA ☐ h.

Is an Antidegradation Review required?

Y ☐ N ☒ PA ☐ i.

Will the project adversely affect the quantity or quality of a groundwater resource?

Y ☐ N ☒ PA ☐ j.

Does the project adversely affect an aquifer used as a potable drinking water supply?

Y ☐ N ☒ PA ☐ k.

Are there additional cost effective water conservation measures that could be adopted by community to reduce sewage generation?

Discussion and References:

16. Public HealthY ☐ N ☒ PA ☐ a.

Will there be adverse direct or indirect noise impacts from the project?

Y ☐ N ☒ PA ☐ b.

Will there be a vector problem (e.g., mosquito) from the project?

Y ☐ N ☒ PA ☐ c.

Will there be any unique public health problems as a result of the project (e.g., increased disease risks)?

Discussion and References:

17. Solid Waste (Sludge Management)

Y ☐ N ☒ PA ☐ a.

Will sludge disposal occur in an area with inadequate sanitary landfills or on land unsuitable for land application?

Y ☐ N ☒ PA ☐ b.

Are there special problems with the sludge that makes disposal difficult (hazardous, difficult to treat)?

Y ☐ N ☒ PA ☐ c.

Is the technology selected for sludge disposal controversial?

Discussion and References:

18. Energy

Y ☐ N ☒ PA ☐ a.

Are there additional cost effective measures to reduce energy consumption or increase energy recovery which could be included in this project?

Discussion and References:

19. Land Application

Y ☐ N ☒ PA ☐ a.

Has a new or unproven technique been selected?

Y ☐ N ☒ PA ☐ b.

Is there considerable public controversy about the project?

Y ☐ N ☒ PA ☐ c.

Will the project require additional water rights or impact existing water Rights?

Y ☐ N ☒ PA ☐ d.

Is the project multi-purpose?

Discussion and References:

20. Regionalization

Y ☐ N ☒ PA ☐ a.

Are there jurisdictional disputes or controversy over the project?

Y ☐ N ☒ PA ☐ b.

Is conformance with the 208 plan in question?

Y ☐ N ☒ PA ☐ c.

Is the proliferation of small treatment plants and septic systems creating a significant health problem?

Y ☐ N ☒ PA ☐ d.

Have inter-jurisdictional agreements been signed?

Discussion and References:

21. Public Participation

Y ☐ N ☒ PA ☐ a.

Is there a substantial level of public controversy?

Y ☐ N ☐ PA ☐ b.

Is there adequate evidence of public participation in the project?

Discussion and References:

A public meeting will be held to present the project to the public.

22. Environmental LawsY ☐ N ☒ PA ☐ a.

Does the project threaten to violate any State, Federal or local law or requirement imposed to protect the environment?

Discussion and References:

Prepared By: Sarah Itz, Environmental Specialist, RESPEC
Name, Title, and AffiliationDate: 10-03-2023



ATTACHMENT 23

DOCUMENTATION OF PUBLIC MEETING (PENDING)

