

**STEAMBOAT LAKE WATER AND SANITATION DISTRICT  
PETITION FOR AMENDMENT TO SERVICE PLAN**

**TABLE OF CONTENTS**

<b>SECTION</b>	<b>DESCRIPTION</b>	<b>Page</b>
1	Executive Summary / Brief History	2
2	Services Provided / Administration	3
3	Financial Plan	4
4	Existing Water Facilities	5
5	Existing Waste Water Facilities	6
6	District Boundaries	6
7	Agreements with other agencies	7
8	Master Plan	7
9	Water Rights	8

**EXHIBITS**

A	Water District Service Plan, April 1972 excerpts
B	Sanitation District Service Plan, April 1972 excerpts
C1	2013 Audit
C2	2015 Budget
D	Map of Water Supply Infrastructure
E	Map of Existing Wastewater Infrastructure
F1	Map of District Boundaries
F2	Snapshot of Filings 1 - 8
F3	Assessor Detailed Maps by Filing (1 – 8)
F4	District Boundaries Legal Description
G	Master Plan, McLaughlin Water Engineers
H1	Water Rights Evaluation, HRS Water Consultants
H2	Water Rights Map
I	Well permits

## SECTION 1 - EXECUTIVE SUMMARY

The Steamboat Lake Water and Sanitation District (SLWSD) is located in northern Routt County, about 20 miles north of the City of Steamboat Springs along Routt County 129, (the Elk River Road). The SLWSD's purpose of providing water and sewer for domestic purposes and water for fire protection has not changed, while infrastructure has been greatly improved. Facilities that have been developed are a fraction of the original plans that were approved in 1972 yet the original, and still active, Service Plans have never been amended. The reason for submitting this Service Plan Amendment is to record events that have occurred in the 43 years since inception and consolidate all pertinent information in one place.

### **Brief History of the District**

The economy of North Routt County was initially supported by mining, beef cattle and sheep. These days it is well known for year-round recreational opportunities including Steamboat, Pearl and Hahn's Peak Lakes, BLM and National Forest Service lands.

It is little wonder that developers saw an opportunity to provide housing for the area. A private corporation was formed in 1971 known as the Steamboat Lake Development Corporation. This Corporation encompassed Filings 1 – 8. Filings 1 – 4 are commonly known today as the Willow Creek Pass Subdivision; Filings 5 – 8 are in close proximity to Hahn's Peak Village. At that time of initial development, two separate Special Districts, one for Water and one for Sanitation, were established in 1972 that encompassed all of these filings. Original plans anticipated a potential of 10,000 vacation homes, providing a maximum of 1,100,000 gallons per day in water usage, 3,500,000 gallons of water storage and wastewater treatment of 1,000,000 gallons per day.

By 1976, water and waste water infrastructure was in place to support homes in portions of Filings 1 and 2. One well was supplying all water and a small wastewater facility was built along County Road 129, a short distance from Clark. The developers walked away from the development before completing any other infrastructure or documentation of what was built.

Home construction proceeded slowly in those early years. It was the paving of County Road 129 in 1993 from Clark north to Columbine that triggered acceleration in home building and since then the Willow Creek Pass Subdivision has become a bedroom community for the City of Steamboat Springs and beyond.

In 1994 the two separate Districts were consolidated into one Steamboat Lake Water and Sanitation District. Improvements to the infrastructure became pressing and fortunately, dedicated property owners serving as volunteers on the Board of Directors, have accomplished many tasks needed to keep up with the expanding population.

*See Exhibits A and B for the original Service Plans excerpts. The complete Service Plans are available at the Routt County Clerk & Recorder's office.*

Replace suggested revision in Section 6, District Boundaries with:

Rules and Regulations have been updated to include Section 9, Petition for Exclusion from the District. Exemption from District is a process defined in Colorado Statutes, C.R.S Sec 32-1-501. Section 9 explains the procedure and provides appropriate forms

**Sections following this brief history specifically address provisions in the Colorado Statute 32-1-202 (2) on what a Service Plan for setting up new Special Districts shall contain. In the case of the SLWSD, the information herein describes what now exists in the District.**

## **SECTION 2 - SERVICES PROVIDED**

*(2) (a): A description of the proposed services.*

### **Purpose**

SLWSD exists to provide water and sanitation services and to maintain a system of fire hydrants for District property owners. The District is subject to requirements by the State of Colorado, including water supply and wastewater testing, permitting for wells, and regular inspection of wells and treatment facilities, submittal of an annual budget and distribution to A and B lot property owners of an annual report generated by the State on water testing results.

District properties fall into four categories

- A lots        Lots adjacent to water and sewer with a home built
- B lots        Lots adjacent to water and sewer, but no home built
- C lots        Lots smaller than five acres, not adjacent to water and sewer
- D lots        Lots on five acres or greater, not adjacent to water and sewer; development of well and septic system required when a home is built

In 2006, The Board formalized where extensions to the existing infrastructure could realistically be extended. It was decided that total build-out in Filings 1 and 2 would be approximately 305 homes. Service extensions have been approved on four occasions, adding approximately 22 lots adjacent to water and sewer. Currently there are approximately 136 homes tapped into the system.

### **Administration**

The District has a website at <https://www.colorado.gov/SLWSD>, providing, among other things, Minutes, Rules and Regulations, Newsletters, Water Quality Reports as well as Service and TapFees.

The SLWSD has a Board of Directors comprised of five members, with alternating terms. Those serving on the Board receive a discount on service fees, but for all intents and purposes, it is considered a volunteer Board. It is required by the State of Colorado that elections be held every other year, yet in the history of the District, as far as is known, there has been only one instance when an election had to be held because there were more candidates than open positions.

The Board has two part time operators working approximately 20 hours per month each. Both have certification from the State of Colorado; one manages the water system and one manages the wastewater system. A part time assistant has also been hired to help with necessary administrative activities. The Board also retains private consultants for engineer, legal and accounting services.

Details of the powers of a Special District can be found under Section 32-1-1001 et seq. of the Colorado Statutes.

### SECTION 3 – FINANCIAL PLAN

(2)(b) A financial plan showing how the proposed services are to be financed.

The District receives income from the following sources: User Service fees, Availability of Service fees, new taps into the water and wastewater system, interest income and property taxes. Water and Sewer fees were last raised in 2006. Tap fees for new homes were last raised in 2005. Annual user fees are \$600 for Water and \$600 for Sewer, billed quarterly. Availability of Service fees (for lots adjacent to water and sewer but no home built) are \$300 per year implemented in 2003. Tap fees are a one-time charge of \$12,850 for Water and Sewer combined.

#### Income

User Service Fees	\$163,000
Availability of Service Fees	36,000
Property Tax	69,000 (varies with changes in tax assessments)
Interest income	3,000
Total approximate income	<b>\$263,000</b>

#### Expenses

Administrative	\$ 30,000
Water Supply	84,000
Wastewater	62,000
WW Debt Service*	55,000
Total approximate expense	<b>\$231,000</b>

\*Debt service is for loans received from DOLA for the upgrade of the wastewater treatment plant.

<b>Capital reserves</b>	\$240,000
Approved capital expenditures:	\$66,000

An audit was conducted in 2013. Only if expenditures exceed \$500,000 annually, does the Colorado Statute Local Government Audit Law Section 29-1-601 require an audit. Since the District's expenditures are typically less than \$500,000 per year, the need for an audit is waived. Nevertheless, it is the District's policy to have a formal audit every three years by an independent third party accounting firm.

*See Exhibit C1 for the 2013 Audit and C2 for the 2015 Budget*

## SECTION 4 – WATER FACILITIES

*(2) (c): A preliminary engineering or architectural survey showing how the proposed services are to be provided.*

### **Wells**

The geography within the District boundaries has created an enormous challenge to providing adequate water supply for the District. Basic water infrastructure was put in place in the early 1970's by the original developer. Except for a few service extensions to the existing system, there has been no substantial change to the extent of services within Filings 1 and 2. What has followed is a long, expensive effort to find and store water.

The original development had two wells, one in Filing 1 and one in Filing 2. The Filing 2 well was never brought on line due to a bend in the casing and high iron content. Subsequent attempts to repair this well in F2 were futile. For 31 years, the sole source of water for the District was the well in Filing 1 that produced 25 gallons/minute. An extensive effort has been made to find additional sources of water. In 2000 a monitor well was drilled on a lot owned by the District, but was not brought on line due to poor water quality. In 2002 a drilling attempt was abandoned after drilling down 900 feet. Also In 2002, tests for an alluvial well at Willow Creek proved unsuccessful.

In late 2002 three wells were drilled that yielded about 8 gallons/minute. The most promising of those three was brought on line in 2003. The other two wells have not been brought on line due to low productivity; however, they are maintained as monitor wells with the State of Colorado.

In 2009 the original well that was not functional was replaced, adding an additional pumping capacity of 25 gallons/minute to the system; it required construction of a water treatment plant, built on the same site. In 2015 a replacement for the other original well in Filing 1 was brought on line increasing water production from 20 to 40 gallons/minute. These two projects can provide adequate water supply for many years to come.

*See Exhibit I for active well permits*

### **Storage Capacity**

In 1979 a 25,000 gallon underground water storage tank was installed at a high elevation in Filing 2. In 1996 two additional 50,000 water storage tanks were installed at the same site, bringing total storage capacity to 125,000 gallons. One of the best options to compliment water supply is to add additional storage capacity; this can be done on the lot where the current tanks are located.

Over the years as pipelines have been replaced or repaired, the District has also installed shut off valves that can isolate sections of pipe that have broken. This has been a major improvement because prior to these valves, a break or major leak would drain all three tanks and the entire Subdivision would be out of water. These valves are well documented and have saved a lot of water and much inconvenience.

### **Fire Hydrants**

A system of 20 fire hydrants was installed by the original developer; since then 2 more hydrants have been added. The system is available to the North Routt Fire Department for firefighting in surrounding areas. In addition to fire protection, this asset has benefited District Members with improved home

insurance rates. The North Routt Fire Department uses the hydrant system for training purposes. All fire hydrants are flushed on an annual basis. The Board has also has a program to replace out-of-date fire hydrants.

*See Exhibit D for a map of the Water Supply Infrastructure.*

### **Water Usage**

The Board has been diligent in developing water conservation guidelines for the District and owners have made good efforts in landscaping consistent with these guidelines. Water usage, of course, varies with weather conditions; average consumption is 160 – 240 gallons/day per single family dwelling. The total monthly average for the District is approximately 500,000, which varies according to the season.

## **SECTION 5 – EXISTING WASTEWATER FACILITIES**

*(2) (c): A preliminary engineering or architectural survey showing how the proposed services are to be provided.*

The original developers built a wastewater treatment plant capable of processing 25,000 gallons of wastewater per day. It is located along County Road 129, several miles south of the Subdivision. In 2001 the State of Colorado mandated that the plant be upgraded to accommodate the increased District population.

Phase I of this upgrade started in the fall of 2004, installing an outfall pipeline from the Treatment Plant to the Elk River. In the summer of 2006, at the site of the existing plant, work started on Phase II and the upgrades were brought on line in the summer of 2007. The Colorado State Department of Local Affairs assisted with \$570,000 in grants and \$700,000 in low interest loans. The District matched the grants from reserves set aside for capital improvements. Current capacity of the plant is now 110,000/day, adequate for the projected build-out.

*See Exhibit E for a map of the Waste Water Infrastructure.*

## **SECTION 6 – DISTRICT BOUNDARIES**

*(2) (d): A map of the proposed special district boundaries and an estimate of the population.*

As previously described in this Amendment, the District is comprised of Filings 1 – 8 with approximately 780 lots, varying in size from .06 of an acre to 5 acres or more. This number will occasionally decrease as lots are consolidated into larger parcels. The lots are all in Tax Districts 16 and 17 and a portion of the Property Tax, allocated per the 6.661 mill levy, is an important source of income for the District. Although the Board has determined that Filings 1 – 4 are the feasible extent of service, there remains an option that a future development may supply the needed infrastructure for a central system in Filings 5 – 8.

Rules and Regulations have been updated to include Section 9, Petition for Exclusion from the District. Exemption from the District is a process defined in Colorado Statutes, C.R.S Sec 32-1-501. Section 9 explains the procedure and provides appropriate forms.

*See Exhibit F1 for a map of current District boundaries, F2 for a snapshot of Filings 1 – 8, F3 for Assessor Detailed Maps by Filings (1 – 8) and F4 for District Boundaries legal descriptions.*

#### **SECTION 7 – ARRANGEMENTS WITH OTHER ENTITIES**

*2) (g) A description of any arrangement or proposed agreement for the performance of any services within the District.*

The SLWSD has an informal arrangement with the North Routt Fire Protection District. The District's fire hydrant system is maintained for fire protection in the local area; the Fire District conducts training using the fire hydrants. There are no Inter-governmental agreements with any other entity, except for the financial agreements with DOLA, referenced in Section 3.

#### **SECTION 8 – MASTER PLAN**

In 2014, the Board commissioned McLaughlin Water Engineers (the District's engineering consultant) to compile a Master Plan. Documentation from the original developers was sparse and often did not reflect what was actually built. Over the course of the last fifteen years, our engineers have been recording all that was learned while doing capital improvement projects or making repairs. The Master Plan includes recommendations from the engineers on future capital improvements.

*See Exhibit G for the Master Plan.*

#### **SECTION 9 – WATER RIGHTS**

The original developers were planning for a large resort community and developed water rights accordingly. The District has both Conditional and Absolute water rights, many of them quite senior to other water users in the Elk River Valley. In 2014, the District commissioned HRS Water Consultants, Inc. to evaluate all of the District's water rights and to make recommendations on how best to manage them. At this time, water rights are adequate to serve the District's needs.

See Exhibit H for the Water Rights Evaluation. Appendices of Court Decrees for all water rights are lengthy had have not been included. They are on file at the Routt County District Court.