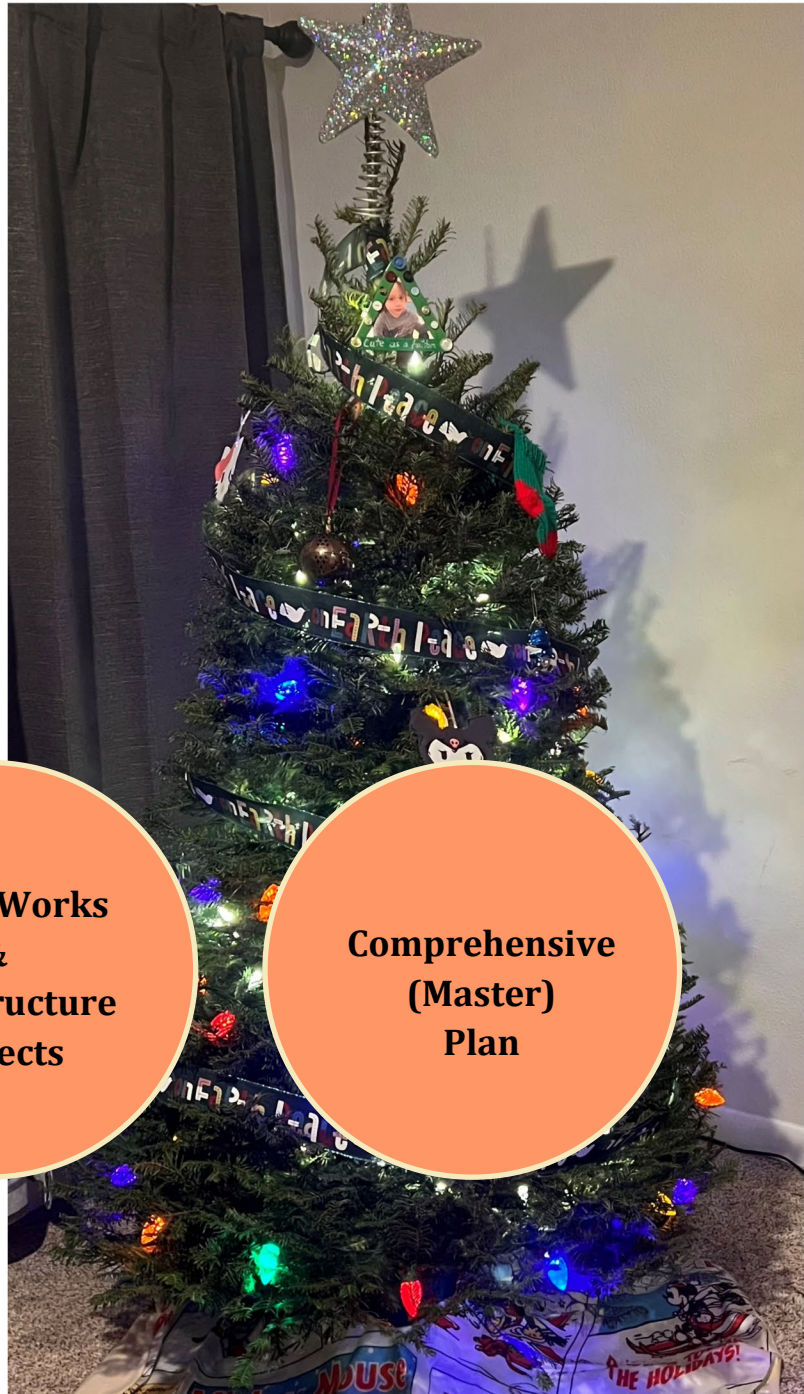




**December '23 –
January '24
Town
Administrator's
Report**



**A Year in Review
2023**

**Public Works
&
Infrastructure
Projects**

**Comprehensive
(Master)
Plan**

A Year in Review - 2023

Putting Action to Plans and Preparing for the Next 20 Years

Construction on Key Projects, Utilities, and Parks throughout
2023 & Planning for Paonia in the '40's

Change can be exceptionally hard, even harder when children are involved, harder still when one of them needs special attention. In 2023, my family and I were welcomed into this inclusive, vibrant, and colorful community – it's safe to say that we're in love with Paonia, and we've adjusted to life in the North Fork very well. I'm especially grateful for how welcoming and open everyone has been with Sebastian, it has certainly made the transition much easier than we could have ever hoped. We're appreciative for a worldclass K-8 with exceptional programs for kids like our son, and for a community of students that welcome him with open arms, that's something to be celebrated!

Thank you to our community of residents, instructors, businesses, and elected officials for welcoming our family to Town, we're glad to be home.

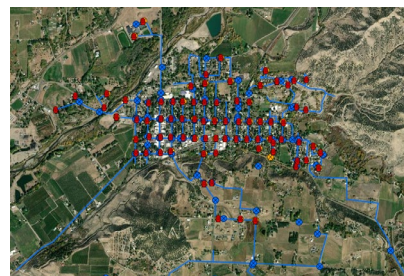
Paonia grew in the metaphorical sense significantly in 2023. I think the job advertisement for Town Administrator put it best, "Paonia is turning away from political strife and toward building a kind, civil, brilliant team – toward a future addressing real problems." What a statement to make – I think it truly captures where Paonia is today and I'm happy to see us making progress towards infrastructure improvements and setting the course for Paonia's future.



Ribbon-cutting at the School Loop Trail with the Paonia K-8 and Paonia Trustees

In 2023, the Town applied for and received numerous grants that will help supplement the many projects that we have planned for 2024. In March 2023, the town began updating its most significant land use planning document, the Comprehensive (Master) Plan after selecting Phoenix Rising Resources to complete it. The Town will be working with the consultant through 2024 to finalize a plan for adoption. The Comprehensive Plan sets the stage for what Paonia will look like twenty years into the future. The Town also completed a Housing Needs Assessment and Housing Action Plan in November 2023, that will also serve as the Housing Element of the Comprehensive Plan.

The Town's Water Engineers, RESPEC (formerly JDS Hydro) have worked diligently with staff to create a Project Needs Assessment (PNA) for Paonia's water system. The



Map of the Paonia Water System in Town Limits

PNA is an important planning tool that shows what is needed to continue to bring clean drinking water to the Town and to continue serving consecutive systems (water companies). Completing the PNA required a 20-year

cashflow analysis that also shows how the Town intends to pay back the loan required to make necessary improvements and maintain a required 1:1.10 ratio of expenditures to revenues. Through forward-thinking Trustees, the Town was able to set incremental rate increases over the next five years to meet the funding requirements.

A Year in Review – 2024, Continued

Infrastructure Improvements & Public Works

Emergency Repairs, Scheduled Repairs, and Improvements to Critical Infrastructure

The Public Works Department had an impressive year accomplishing its major goals and objectives for delivering excellent services to both Residents and businesses in Town. Also, the Water and Wastewater divisions completed an incredible number of upgrades and repairs to both water and wastewater infrastructure throughout 2023.

Water Division

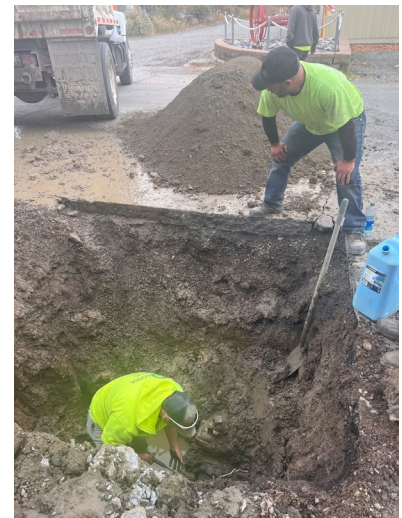
One of the most important aspects of running a utility is that customers have confidence in not only the quality of the water being delivered to them, but also trust that they're receiving value for the service being provided to them. Since 2019, the Town has moved towards rebuilding trust and confidence in its drinking water utility through investments in upgrading facilities and completing maintenance on neglected systems. The Town continued making improvements in 2023 and plans to increase investment in aging infrastructure even further in 2024.

In 2022, the Town installed (50) new radio-read, digital meters throughout its distribution area. In 2023, the Town beat its record by installing (73) new radio-read, digital meters. To further build confidence in its system and reduce the chance of human error, the Town made significant changes to its meter reading process. Historically, meter-reading was a labor-intensive process that relied on printing off meter sheets that had to be filled out after manually reading each meter directly serviced by the Town. In many instances, manually reading the meter meant that the meter pit had to be opened and the meter was read and recorded through line-of-sight observations. By October 2023, the Town had retired the manual read process, which included handwriting the reads on a form that would also need to

be typed into the Town's billing software, and an automated process was instituted.

Automating the meter reading process has saved the Town hundreds of labor hours a year, and greatly reduced the number of errors with billing. Gone are the days of estimating a read because the meter reader couldn't open the meter pit to read it because the snow was too deep. Public Works staff are planning to finish installing new meters in 2024 and will continue until 100% of the direct-billed customers are on radio-read meters.

Replacing meters for utility customers, including master meters for water companies has been an important part of rebuilding confidence in the water system, but the amount of leak repairs completed in 2023 also helps to ensure confidence in the system. Between March 2023 and December 2023, (18) water leaks were repaired on water mains throughout the distribution area.



Half of the leaks in 2023 were along the 8" Steel distribution line that runs from the water treatment plant to distribute service the rest of Town. These leaks cost a significant amount of town resources to repair and significant investment in replacing nearly 9,000 linear feet of this distribution line are part of the Phase 1 Water Improvement plan for 2024.

The most impressive part of the leaks repaired in 2023 is the response time that Public Works had from first recognizing the leak to repairing it. The average response in 2023, from when a leak was found to when a leak was repaired is 24 hours, (1) day. This is an incredible achievement on behalf of our staff that needs to be celebrated and is a testament to both the training of our employees and the diligence that they have in caring for the system. I argue that this is the best way to rebuild confidence in our water system – repairs are completed timely and in such a way as to significantly mitigate the Town's water loss.

I rest easier knowing that the Public Works team is rigorously monitoring our water system.

Wastewater Division

The Public Works team also completed critical wastewater repairs on main collection lines.



Unfortunately, there were four emergency sewer main repairs and one planned repair at Dorris Avenue. The emergency repairs caused the Town to complete a

budget amendment for FY-2023 due to the cost associated with completing them. The first repair began in March 2023 with the failure of a section of sewer main along Poplar Avenue. Repairs to the sewer collections system are difficult due to the depth, and confined spaces that most repairs require, and require the Town to contract with companies to do the work.

The Poplar Avenue emergency sewer repair was first discovered when a sinkhole appeared in the area. A homeowner was also partially responsible for the repair, but the Town also contracted with Tribble & Sons Construction to complete the repair for portions that were the Town's responsibility. The cost for this repair was \$4,884.00.

The First Street Emergency Sewer Repair cost the Town \$30,954.55 for a contractor, Roop Excavating, to

complete the work. The Public Works team also assisted with this repair and kept the costs down as much as possible.

Unfortunately, the next emergency repair was necessary only a month later and was discovered due to a sewer backup along the commercial corridor of the Town. The emergency repairs along the Grand Avenue alley had an associated cost for the repair of \$239,765.46, but due to the efforts of Town Staff nearly \$30,000 was saved through their efforts. Again, this project was contracted to Roop Excavating due to the size and scope of work associated with the repair.

The fourth emergency repair was also discovered with a major sewer backup along Main Street, and it was completed by Roop Excavating at a cost of \$59,925.43. The Town elected to repair and replace the crumbling vitreous clay pipe with plastic pipe and bring the infrastructure up to current standards. In most cases, manholes and other appurtenances were also replaced and brought up to current standards. These repairs and replacements marked a new way of doing business for the Town, rather than make short term fixes for problems, long term repairs are completed so that the Town's wastewater collections system benefits from better repair and replacement practices.

The only planned wastewater project for FY-2023 was at Dorris Avenue. The Town received EIAF Grant Funding to assist with the repairs, and competitively bid the project out. An award was made to K&D Construction in the amount of \$299,339.50 which was higher than anticipated construction costs, but they were the lowest most responsive and responsible bidder. Due to unforeseen circumstances with services lines and depth of the sewer main, additional work was required outside of the original scope of work, and two change orders were required which brought the total not-to-exceed contract price to \$373,991.77.

Each contractor that the Town worked with in 2023 provided excellent services and performed their trade in a consistent professional manner. In my opinion, these contractors provided great value to the Town with the work that they completed, and the Town would be lucky to have them bid on future projects.

Parks & Recreation Division

FY-2023 was a major year for improvements at Town Park, \$37,750.00 was invested in the Skate Park through a project that was funded in part from the Skate Park Project (formerly the Tony Hawk Foundation).

Construction of the new facilities was managed by the North Fork Pool, Park & Recreation District. The project was the culmination of multiple years of fundraising, planning, and public input from



Residents of all ages. The upgraded facilities include concrete poured, steel-capped ramps, rails and ridges and replaces removable fixtures that were nearing their useful life.

Public Works was forced to make significant investments to Apple Valley Park due to a vehicle collision with the maintenance and storage garage. The Town is working with CIRSA, its insurance provider, to make sure that costs are paid by the Town's policy and ultimately recovered from the at-fault party's insurance provider. Removing the debris and making the area safe cost approximately \$7,200.00 with an additional amount necessary to replace the structure that was demolished and removed.

Apple Valley Park hosted its first major Pickleball Tournament through a partnership with the North Fork Pool, Park & Recreation District, and The Learning Council. The event drew crowds from all over the Western Slope and even a few from outside of the state. To get ready for the event, the Town invested \$6,044.92 in installing electric hookups and improving the lighting in Apple Valley Park. This work was in addition to staff time and resources to make sure the event went off without any issue.

The FY-2024 budget will continue investing in the Town's Park spaces and improvements are scheduled for both Apple Valley Park and Town Park.

Restroom improvements are coming for Town Park with walled doors, and toilet partitions being major installation items. The Town also intends to upgrade the fixtures in the restrooms including installing water fountains with bottle filling stations. The most impressive feature coming to Town Park is free wi-fi for anyone using the park. Dedicated connections will also be available during festivals and events at the park for vendors that may need to utilize internet service. The wireless internet is being planned, installed, and provided through a partnership with the Town, Elevate Fiber, and the Town's IT service provider Phonz+.

With the internet coming to Town Park, so will cameras on critical park facilities. In FY-2023, an estimated \$12,000.00 was used to cleanup and repair vandalism in Town Park. Much of the vandalism was perpetrated by unknown vandals due to the lack of surveillance in pavilions, the gazebo and at the Teen Center. With wi-fi coming to the park, the Town can install cameras at critical locations to help ensure vandals will provide restitution if they choose to destroy or damage Town property.

Streets Division

The Public Works Department fixed numerous potholes throughout Town and removed dangerous trees from intersections throughout FY-2023. The Town also continued its longstanding partnership with Delta County for paving sections of Town through a cost share up to \$15,000.00. In 2023, the Town spent \$16,905.67 paving the 100 block to the 200 block of Niagara Avenue.

The Town plans to eclipse investment in roadways for FY-2024, with nearly \$1.2 Million planned for capital improvements to the 5th Street and Grand Avenue intersection, and the purchase of a small asphalt roller. The Town will also continue to partner with Delta County and is planning to pave public parking lots behind Town Hall and on Main Street.

Investing in an asphalt roller for the Streets Division will significantly assist the Town in repairing potholes, and when repairs are needed after the roadway has been excavated for utility repairs. The Public Works Department also plans to hire a new full-time employee with his/her home division within Streets for 2024.

Comprehensive (Master) Plan

While working on completing the FY-2022 Audit and beginning the FY-2023 Audit, my focus will be on ensuring that the Comprehensive Plan is adopted this year. On January 5th, 2024, I met with the consulting firm, Phoenix Rising Resources, to go over expectations and a timeline to finish the project. I'm pleased to report that we've got a path forward that I believe is not only achievable but will also result in a Comprehensive Plan that we can be proud of adopting.

- 1/17 Plan Commission Meeting with Status Update
- 1/22 Survey Questions from Consultant for Publication
- 1/23 Status Update for Board of Trustees
- 2/2 Staff Meeting with Consulting Firm
- 2/27 Status Update for Board of Trustees
- 2/28 Future Land Use Public Input Meeting with Plan Commission **Public Hearing**
- 3/1 Staff Meeting with Consulting Firm
- 3/13 Draft Element Presentation to Plan Commission (Infrastructure: Water, Sewer & Treatment, Urban Forest, Sanitation & Resource Recovery) **Public Hearing**
- 3/26 Status Update for Board of Trustees
- 3/29 Staff Meeting with Consulting Firm
- 4/3 Draft Element Presentation to Plan Commission (Transportation, Governance & Community Participation) **Public Hearing**
- 4/23 Status Update for Board of Trustees
- 4/26 Staff Meeting with Consulting Firm
- 5/1 Draft Element Presentation to Plan Commission (Growth Framework, Economic Development, Parks, Recreation & Trails) **Public Hearing**
- 5/28 Status Update for Board of Trustees
- 6/5 Final Draft Presentation and Adoption at Plan Commission Meeting **Public Hearing**

The Town entered into a \$52,395.00 agreement with Phoenix Rising Resources on February 28, 2023. The Town also received \$25,000.00 for the project from DOLA. In 2023, the Town spent \$30,193.51 on Phoenix Rising Resources for work towards deliverables and has \$22,201.49 left on the contract with the consultant to finish the project in FY-2024.







Town of Paonia
Office of the Town Administrator
214 Grand Ave.
Paonia, CO 81428
O: (970) 527-4101
F: (970) 527-4102

December 21, 2023

MEMORANDUM

Paonia Team,

Thank you for an exciting first “year” in Paonia, each of you has been instrumental in keeping the Town moving forward and your hard work is appreciated. During the FY-2024 Budget planning process, the Mayor and Board of Trustees continued investing in us! I’m pleased to present you with a list of changes moving into the new year, and I hope that you’ll be satisfied with them as well.

- 1.) 3% base salary increase for all Employees;
- 2.) Continuing to fund 100% of the base Health Insurance Premiums for Employees electing ‘Employee Only’;
- 3.) Funding 60% of the increase to health insurance premiums for all other selections;
- 4.) Funding Life Insurance death benefit for employees of \$100,000 (it was formerly, \$20,000) at no cost to Employees;
- 5.) Budgeting for Employee advancement through training and conference attendance;
- 6.) Allowing up to 40 Hours of unused vacation time to be rolled over into the next fiscal year.

Going into the next year, I plan to update the employee handbook and personnel policies. Each department head will be your liaison for any changes that you’d like to see in the Town’s employment policies, and they’ll be considered during the revision process. I plan to change the policies to allow for merit-based pay, which has already been budgeted in FY-2024, and providing Town-owned cellphones to each employee.

I look forward to working with each of you next year and hope to bring in a new full-time employee in Public Works and a part-time employee in Town Hall quickly after the new year. Please let me know if you have any questions, or concerns and I’ll be happy to address them.

In Public Service,

Steven A.B. Wynn, M.P.A.
Paonia Town Administrator
E: StefenW@TownofPaonia.com

CC: Paonia Board of Trustees



EXTERNAL MEMORANDUM

To: Cory Heiniger
Public Works Director
Town of Paonia
214 Grand Avenue
Paonia, CO 81428

cc: Project Central File W0333.22002

From: Douglas E. Schwenke
Principal Engineer
RESPEC
5540 Tech Center Drive, Suite 100
Colorado Springs, CO 80919

Date: January 9, 2024

Subject: Tap Moratorium

This memorandum serves as an updated engineering opinion on the existing Town of Paonia (Town) tap moratorium. An engineering opinion on the existing tap moratorium was last provided on May 19, 2023. The following criteria were considered in assessing the necessity for the tap moratorium:

- / Water supply versus demand
- / Infrastructure health
- / Public Works staffing

The format provided below is consistent with RESPEC's previous engineering memorandums addressing the Town's tap moratorium. The intent is to provide new readers with the basics of the Town's water system and allow for easy comparison with past tap moratorium memorandums.

WATER SUPPLY VERSUS DEMAND

The Town's raw water is sourced from a network of springs. These springs are piped to an Upper Facility (Lamborn) or Lower Facility (Clock) where flow is metered and recorded by facility operators. For the sake of this memorandum, the volume of water that reaches each facility is considered 'firm yield'. Not all water produced by each spring (spring production) reaches these facilities. Water rights limit how much water is allowed to be diverted and used by the Town, and some water "spills" before reaching either facility because of the condition of spring collection systems and pipelines.

In previous correspondence regarding the Town's tap moratorium, limited data were identified as one obstacle to providing an engineering opinion. Specifically, RESPEC

5540 TECH CENTER DRIVE
SUITE 100
COLORADO SPRINGS, CO 80919
719.227.0072



requested additional firm yield and water treatment plant outflow (i.e., volume of treated water) data. Since March 2022, Town operators have recorded daily the volume of water reaching the Upper Lamborn Facility and intermittently recorded flows at the Lower Clock Facility. **Table 1** presents a summary of this data.

Table 1. Demand Versus Supply Analysis 2017-2019, 2022, 2023

	2017	2018	2019	2022 ^(a)	2023
Metered Flow	Acre-Feet	Acre-Feet	Acre-Feet	Acre-Feet	Acre-Feet
Lamborn Water Treatment Plant Inflow	512.05	579.52	528.60	402.25 ^(b)	427.06 ^(b)
Lamborn Water Treatment Plant Outflow ^(b)	460.33	460.33	460.33	397.96	388.16
Inflow - Outflow Difference (Spill)	169.63	192.02	175.10	4.29	38.9
Customer Demand	263.93	298.83	272.49	241.08	245.71
Water Treatment Plant Outflow - Demand Difference	196.41	161.51	187.85	156.88	142.45
% Difference	42.67	35.08	40.81	39.42	37.70
Clock Inflow ^(d)	—	—	—	153.90 ^(d)	129.52

- (a) 2022 daily water data collection began in March thus data is not representative of a full calendar year.
- (b) Reduced volume into the water treatment plant may be attributed to spring water purposely spilled at the source.
- (c) Water treatment plant outflow between 2016 and 2020 based on a single data point over 5 years.
- (d) Clock inflow data were collected between May-December 2022. Beginning in July 2023, Reynold's spring was diverted to the Lamborn Treatment Facility and spring flows to the Clock facility are mostly intentionally spilled on the mountain because the water is not put to beneficial use.

In Table 1, % Difference depicts unaccounted (i.e. non-revenue) water after treatment. A fraction of this unaccounted water is spilled water from the finished-water tank overflow. Since November 2022, overflow from the finished water tank no longer occurs. The remaining unaccounted water can be attributed to the distribution system (e.g., pipe leaks, unmetered water, meter error). Public Works staff implemented an American Water Works Association (AWWA) program to identify water losses within the distribution system, identify leaks, and reduce the volume of unaccounted water. Some unaccounted water is typical and a continuous area of focus in data collection for a public water system.

In 2023, Town Public Work staff worked with a third-party leak detection company to survey three large sections of the distribution system. This includes In-Town pipelines. Identified leaks have been repaired when they have been discovered. Moreover, replacement of customer and consecutive system water meters have been aimed at improved water demand accounting. In addition to improved metering and data collection at each facility, the Colorado Division of Water Resources manages spring production data. There should be improvements made to the metering of these spring flows as well. While collected Data since March 2022 supports that the Town has adequate supplies to support demand, this data does not represent supply in "dry" years. It is also unknown how much Raw Water is actually available to support existing water rights. The Town is working to secure funding for improved spring metering and engaged its water rights attorney to confirm the Town's allocation of raw spring water, the latter being a substantial effort given the complexity of the Town's water rights. Improved data



collection should remain a priority for better understanding and management of the Town's water system.

Finally, a recent Request for Proposals (RFP) for a hydrogeological study of the Town's raw water collection system targets strategic understanding and management of the Town's raw water resources. Advanced water resource management and improved metering will prove necessary for long-term municipal planning.

INFRASTRUCTURE HEALTH

Critical infrastructure improvements were also suggested by RESPEC in previous memorandums as a starting point for lifting the tap moratorium. RESPEC company, LLC collaborated with Public Works staff to develop a phased approach to capital improvements that prioritizes those critical to lifting the tap moratorium. This initial Phase I Capital Improvement Plan (CIP) includes:

- / Recoating the 2-million-gallon finished-water storage tank at the Upper Lamborn Facility
- / Replacing an 8-inch steel water main on the west loop into Town
- / Installing new raw water spring meters
- / Installing an additional pressure-reducing valve (PRV)

Repairs to the lower Clock finished-water storage tank were not included in the final draft of CIP Phase I Improvements. How to make use of water that can be collected at the Clock facility has become a priority of planned CIP Phase II Improvements. As seen in Table 1, even with raw water spring flows intentionally or unintentionally spilled on the mountain, the volume of water observed reaching the Clock facility represents a meaningful portion of the Town's water portfolio. Budgeting for future water system capital improvement efforts was included in a 20-year cash flow analysis that was submitted as part of Project Needs Assessment (PNA) report. This PNA is a required step in a funding application through the State of Colorado Drinking Water Revolving Fund (DWRP). The Town is currently in the design phase of Phase I Improvements. A loan application for Phase I improvements is expected to be submitted in 2024.

After the completion of CIP Phase I Improvements and with greater confidence in the water supply, the Town will be able to consider additional water services on a case-by-case basis. As planning for the geographical service area evolves, additional infrastructure limitations may be identified, and improvements needed, to support specific water service requests.

PUBLIC WORKS STAFFING

While staffing was not included in RESPEC's previous tap moratorium opinion memorandum, it was identified as a critical limitation of the Town's water system in its 2019 Water System Evaluation report. The Town's water system is unique in its size and complexity, especially for the size of the customer base served. Since 2019, the Town has increased the number of Public Works staff dedicated to its water and wastewater systems. Maintaining adequate staffing levels must continue to be a priority to ensure proper oversight, operation and maintenance of the Town's water and wastewater infrastructure.