



# Northwest Lakewood Sanitation District

Serving 4,400 Sewer  
Connections in  
Jefferson County

## Summer 2008 Newsletter

[ Issue 3 ] Summer 2008

### CITIZENS ADVISORY COMMITTEE RECOMMENDS MILL LEVY INCREASE AND BONDING AUTHORITY FOR NORTHWEST LAKEWOOD SANITATION DISTRICT

The Northwest Lakewood Sanitation District's elected Board recently appointed a Citizens Advisory Committee (CAC) to review necessary sanitary sewer system repairs and improvements and to make recommendations on sources of funding to address those needs. The six volunteer CAC members, all eligible voters residing within the District, appreciate the opportunity to represent the citizens of the District in this effort.

Over the last two months, the Board of Directors and their consultants have openly shared District financial, operations, maintenance and sewer system condition records. The CAC has found the District to be an efficient, fiscally responsible utility provider which for years has operated successfully without a mill levy increase and without incurring debt. However, after more than 50 years of operation, the District finds itself faced with a problem shared by sewer utilities across the nation – an aging sewer system reaching the end of its life expectancy (at the same time that costs of sewage treatment are rising rapidly due to stricter water quality standards). Over the next several years, it will be necessary for the District to systematically repair or replace aging pipes before their condition deteriorates to the point of failure. Failure puts customers at risk of sewage-flooded basements, the environment at risk of pollution from

sewage overflows and spills and the District at risk of liability for damages and fines. The District's current revenues are not sufficient to cover the cost of this project which could extend over a 20-year period.

The CAC understands that the Board of Directors previously proposed an annual fee of \$100 per household to fund this project. This proposal met with substantial opposition due to a lack of public input. The CAC believes that the Board reacted appropriately to this opposition by gaining public input through newsletter distribution, creation of a district website, a customer survey and appointment of the CAC. The CAC agrees with the majority of survey respondents who felt that a mill levy increase is preferable to an annual fee. The increased mill levy, as with the current mill levy, will be collected as part of property taxes which may qualify as an income tax deduction. The initially proposed fee would not have been tax deductible.

The CAC recognizes the need for increased revenues to fund this multi-year project and recognizes the income tax advantages of a mill levy increase to generate the revenue. Also, the CAC realizes that the issuance of bonds may be necessary if reserves in a given year are not sufficient to cover project costs. Bonding could be used to provide the District with substantial funds early in the project

to proactively address the most critical system needs, thereby avoiding later more costly emergency repairs.

Therefore, the CAC recommends that the Board take the following actions and recommends voter approval of these actions.

1) A November ballot question asking for a 3.500 mill levy increase raising the District total authorized mill levy to 11.196 and allowing the District to retain and use collected revenues to replenish reserves for emergency repairs; repay debt that may be necessary to fund system rehabilitation and improvements; and, fund ongoing operations and maintenance.

2) A November ballot question allowing for the issuance of up to \$5,000,000 in debt with a repayment cost up to \$10,500,000 at an interest rate not to exceed 8% (without increasing taxes above the 3.5 mill increase proposed above) to finance the costs of scheduled and emergency repair, replacement and improvement of the District's sanitary sewer system.

The proposed 3.500 mill increase will generate approximately \$600,000 in total additional annual revenue for the District. On an individual homeowner basis, this equates to a property tax increase of approximately \$98 per year for a home valued at \$350,000. Even with the increase, the charge for services provided by the District

**CITIZENS ADVISORY COMMITTEE  
RECOMMENDS MILL LEVY INCREASE AND  
BONDING AUTHORITY FOR NORTHWEST  
LAKEWOOD SANITATION DISTRICT  
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compares favorably with other local sanitary sewer service providers.

The CAC understands that the District faces a significant challenge in gaining approval of these recommendations. The November ballot will be crowded and hard economic times make any request for a tax increase a long-shot at best. However, a failing sanitary sewer system is not an option. The District must raise the necessary revenue. If the request for a mill levy increase fails and costs exceed available revenues and reserves, the Board will need to impose a fee to cover the shortfall.

The CAC believes the interests of the District and its customers will best

be met through the recommended mill levy increase and bonding authority.

**COMMUNITY MEETINGS — PLEASE COME**

The Northwest Lakewood Sanitation District has scheduled a Community Meeting for Tuesday, September 2, 2008. This meeting is being held to present information, answer questions and inform the residents as to the proposed November ballot questions; that if passed, would allow for the necessary funding to facilitate the required rehabilitation and improvements of the aging sanitary sewer system. **This meeting will be held Tuesday, September 2, 2008, 6:00 p.m., at the offices of Martin/Martin Consulting Engineers located at 12499 West Colfax Ave., Lakewood, CO**

In addition, the Applewood Valley Association will be holding their Annual Meeting, Tuesday, September

23, 2008. The Association has invited the Northwest Lakewood Citizen's Advisory Committee (CAC) and the Northwest Lakewood Sanitation District Board of Directors to repeat the information presented at the September 2nd Community Meeting. **This meeting will be held on September 23, 2008, 6:30 p.m., at the Applewood Valley United Methodist Church located at 2035 Ellis St., (20th and Ellis) Golden, CO.**

Visit us at:  
www.nlsd.us

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