



Board of Water Works of Pueblo, Colorado

P. O. Box 400 - Pueblo, Colorado 81002-0400 - 719/584-0250 • www.pueblowater.org

September 1, 2011

John R. Batey, AICP
Executive Director
Urban Renewal Authority of Pueblo
126 N. Mechanic Street
Pueblo, CO 81003

Subject: TIF Reimbursement to Board of Water Works for Water System Improvements to Serve the
St. Charles Industrial Park and the Vestas Towers Facility

Dear Mr. Batey:

This letter shall serve as the formal request from Board of Water Works of Pueblo, Colorado (Board) for reimbursement of its costs for development of the water system to serve the St. Charles Industrial Park and the Vestas Towers Facility. The Board's total unreimbursed expense is \$3,446,732 as detailed in the attached spreadsheet. You have advised that the Board's reimbursement under TIF is capped at \$2,704,000 but we were not aware that a cap had been established. In our original discussions with the Urban Renewal Authority and PEDCO, we were under the impression that we would be reimbursed for our costs that were not paid by the EDA Grant. Is it possible to increase the cap to \$3,446,732 so that all our costs are covered?

You indicated that we can expect reimbursement to begin after July 2014 with complete reimbursement by July 2016, pending the resolution of Vestas' appeal of their assessed valuation. Assuming that schedule is followed, will the reimbursement be paid in equal quarterly payments starting in September 2014 or some other schedule?

Thanks for your assistance in getting the reimbursement set up.

Sincerely,

Terry R. Book, Deputy Executive Director
Board of Water Works of Pueblo, Colorado

Actual Cost	November 10, 2010	July 28, 2011
Phase I - 12"/16"/24" Pipeline and 1.5 MG Tank (2008)	Phase I - 12"/16"/24" Pipeline and 1.5 MG Tank (2009)	Phase I - 12"/16"/24" Pipeline and 1.5 MG Tank (2009)
Item	Item	Item
12" water main-Material	12" water main-Material	12" water main-Material
12" water main-Installation	12" water main-Installation	12" water main-Installation
Surface Replacement	Surface Replacement	Surface Replacement
(Installation of 12" water main shall be performed by Board forces and will be billed as "in-kind services")	(Installation of 12" water main shall be performed by Board forces and will be billed as "in-kind services")	(Installation of 12" water main shall be performed by Board forces and will be billed as "in-kind services")
16" & 24" water main-Material	16" & 24" water main-Material	16" & 24" water main-Material
16" & 24" water main-Install (Contractor)	16" & 24" water main-Install (Contractor)	16" & 24" water main-Install (Contractor)
16" & 24" water main-Install (Board)	16" & 24" water main-Install (Board)	16" & 24" water main-Install (Board)
Pipeline Engineering	Pipeline Engineering	Pipeline Engineering
(Pipeline Engineering and Install) (Board) shall be limited to Board contract administration and field inspection by Board forces related to the 16" and 24" pipeline installation and will be billed as "in-kind services")	(Pipeline Engineering and Install) (Board) shall be limited to Board contract administration and field inspection by Board forces related to the 16" and 24" pipeline installation and will be billed as "in-kind services")	(Pipeline Engineering and Install) (Board) shall be limited to Board contract administration and field inspection by Board forces related to the 16" and 24" pipeline installation and will be billed as "in-kind services")
1.5 MG Tank	1.5 MG Tank	1.5 MG Tank
Tank Engineering	Tank Engineering	Tank Engineering
(Not Eligible for Reimbursement)	(Not Eligible for Reimbursement)	(Not Eligible for Reimbursement)
Control Equipment-Material	Control Equipment-Material	Control Equipment-Material
Control Equipment-Install	Control Equipment-Install	Control Equipment-Install
(Installation of Control Equipment shall be performed by Board forces and will be billed as "in-kind services")	(Installation of Control Equipment shall be performed by Board forces and will be billed as "in-kind services")	(Installation of Control Equipment shall be performed by Board forces and will be billed as "in-kind services")
Site Fencing	Site Fencing	Site Fencing
Retention/Detention Ponds(Inc in Pipe Install Costs)	Retention/Detention Ponds(Inc in Pipe Install Costs)	Retention/Detention Ponds(Inc in Pipe Install Costs)
24"/20" on-site piping - Material	24"/20" on-site piping - Material	24"/20" on-site piping - Material
24"/20" on-site piping - Install	24"/20" on-site piping - Install	24"/20" on-site piping - Install
(Installation of 24"/20" piping shall be performed by Board forces and will be billed as "in-kind services")	(Installation of 24"/20" piping shall be performed by Board forces and will be billed as "in-kind services")	(Installation of 24"/20" piping shall be performed by Board forces and will be billed as "in-kind services")
Provide Electrical Service - San Isabel Electric	Provide Electrical Service - San Isabel Electric	Provide Electrical Service - San Isabel Electric
Provide Telephone Service - Qwest	Provide Telephone Service - Qwest	Provide Telephone Service - Qwest
Legal Expenses and Title Review	Legal Expenses and Title Review	Legal Expenses and Title Review
Materials & Geotechnical Testing	Materials & Geotechnical Testing	Materials & Geotechnical Testing
Contingency	Contingency	Contingency
Landscaping-Material	Landscaping-Material	Landscaping-Material
Landscaping-Install (Contractor)	Landscaping-Install (Contractor)	Landscaping-Install (Contractor)
Landscaping-Install (Board)	Landscaping-Install (Board)	Landscaping-Install (Board)
Lighting-Material	Lighting-Material	Lighting-Material
Lighting-Install (Contractor)	Lighting-Install (Contractor)	Lighting-Install (Contractor)
Lighting-Install (Board)	Lighting-Install (Board)	Lighting-Install (Board)
Sub-Total Phase I	Sub-Total Phase I	Sub-Total Phase I
Phase I(a) - 16"/24" Pipeline Lake Ave. and Prairie Ave. (2009)	Phase I(a) - 16"/24" Pipeline Lake Ave. and Prairie Ave. (2009)	Phase I(a) - 16"/24" Pipeline Lake Ave. and Prairie Ave. (2009)
16" & 24" water main-Material	16" & 24" water main-Material	16" & 24" water main-Material
16" & 24" water main-Install	16" & 24" water main-Install	16" & 24" water main-Install
Pipeline Engineering	Pipeline Engineering	Pipeline Engineering
(Pipeline Engineering shall be limited to Board contract administration and field inspection by Board forces related to the 16" and 24" pipeline installation and will be billed as "in-kind services")	(Pipeline Engineering shall be limited to Board contract administration and field inspection by Board forces related to the 16" and 24" pipeline installation and will be billed as "in-kind services")	(Pipeline Engineering shall be limited to Board contract administration and field inspection by Board forces related to the 16" and 24" pipeline installation and will be billed as "in-kind services")
Pipeline Surveying	Pipeline Surveying	Pipeline Surveying
Sub-Total Phase I(a)	Sub-Total Phase I(a)	Sub-Total Phase I(a)
Total Phases I & I(a)	Total Phases I & I(a)	Total Phases I & I(a)
EDA Grant	EDA Grant	EDA Grant
Ineligible Items Not Paid by EDA Grant:	Ineligible Items Not Paid by EDA Grant:	Ineligible Items Not Paid by EDA Grant:
Black & Veatch - Engineering	Black & Veatch - Engineering	Black & Veatch - Engineering
Kumar & Associates - Tank Soil Borings	Kumar & Associates - Tank Soil Borings	Kumar & Associates - Tank Soil Borings
NorthStar Engineering - Phase Ia Pipeline	NorthStar Engineering - Phase Ia Pipeline	NorthStar Engineering - Phase Ia Pipeline
Leverington & Associates - Surveying	Leverington & Associates - Surveying	Leverington & Associates - Surveying
Don Claussen - Landscape Design	Don Claussen - Landscape Design	Don Claussen - Landscape Design
CURRENT PENDING TIF REIMBURSEMENT	CURRENT PENDING TIF REIMBURSEMENT	CURRENT PENDING TIF REIMBURSEMENT

Estimated Costs

Phase II – 12", 16" & 24" pipeline (2010/2011)

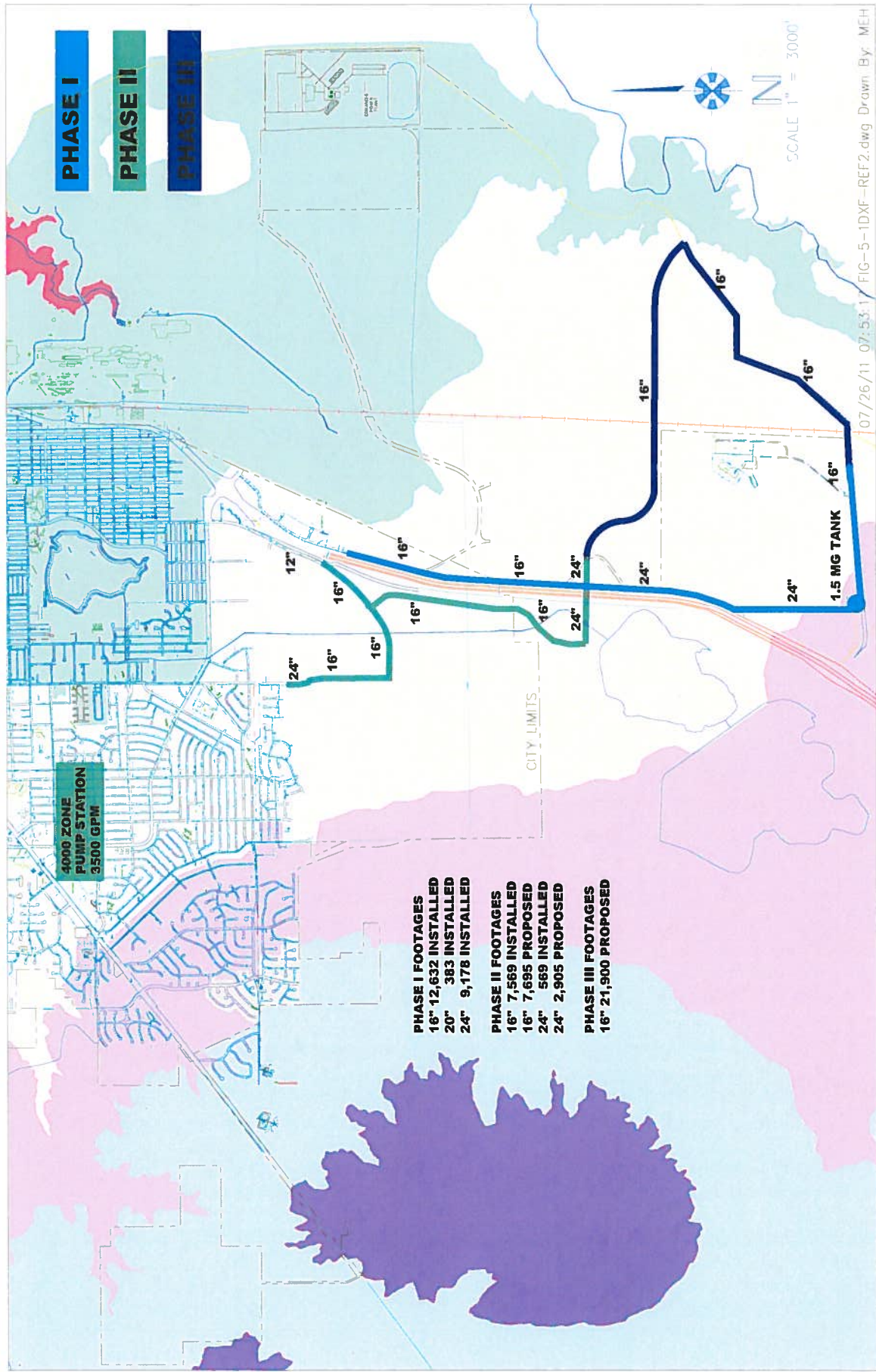
Item	Quantity	Units	Unit Cost	Total	Quantity	Units	Unit Cost	Total
12" water main	2,250	L.F.	\$53	\$119,250	0	L.F.	\$53	\$0
16" water main	12,765	L.F.	\$82	\$1,046,730	7,695	L.F.	\$82	\$630,990
24" water main	1,955	L.F.	\$102	\$199,410	2,905	L.F.	\$102	\$296,310
Highway Bore	1	L.S.	\$70,000	\$70,000	1	L.S.	\$70,000	\$70,000
Total Phase II				\$1,435,390				\$997,300
EDA Grant				\$0				\$0
Future TIF Reimbursement				\$1,435,390				\$997,300

Phase III – 16" pipeline (2014)

Item	Quantity	Units	Unit Cost	Total	Quantity	Units	Unit Cost	Total
16" water main	22,630	L.F.	\$82	\$1,855,660	21,900	L.F.	\$82	\$1,795,800
Railroad Bore	2	Ea.	\$40,000	\$80,000	2	Ea.	\$40,000	\$80,000
Total Phase III				\$1,935,660				\$1,875,800
EDA Grant				\$0				\$0
Future TIF Reimbursement				\$1,935,660				\$1,875,800

Phase IV – 3,500 GPM Pump Station and 30" Pipeline (2017/2018)

Item	Quantity	Units	Unit Cost	Total	Quantity	Units	Unit Cost	Total
Pump Station (Including Engineering)	1	L.S.	\$500,000	\$500,000	1	L.S.	\$500,000	\$500,000
30" water main (Including Engineering)	500	L.F.	\$200	\$100,000	500	L.F.	\$200	\$100,000
Total Phase IV				\$600,000				\$600,000
EDA Grant				\$0				\$0
Future TIF Reimbursement				\$600,000				\$600,000
Grand-Total				\$8,886,495				\$8,924,411
EDA Grant				\$2,457,723				\$2,461,452
Ineligible Items Not Paid by EDA Grant: (Black & Veatch, NorthStar, Kumar)				\$444,232				\$456,873
GRAND TOTAL TIF REIMBURSEMENT				\$6,873,004				\$6,919,832





**Board of Water Works
of Pueblo, Colorado**

319 W. 4th Street • P.O. Box 400 • Pueblo, Colorado 81002-0400 • 719/584-0250

BOARD OF WATER WORKS OF PUEBLO, COLORADO

COMPLETE WATER SERVICE PLAN FOR NEW INDUSTRIAL PARK

EAST OF I-25 AND NORTH OF NEW LIME ROAD

Phase I of the project (Phase I) will include installation of approximately 560' of new 12" water main, approximately 11,640' of new 16" water main and approximately 10,200' of new 24" water main plus a new 1.5 million gallon (MG) storage tank including on-site 24" and 20" piping. This project will allow the Board of Water Works of Pueblo, Colorado (Board) to provide potable water for consumption and reliable fire flows for new businesses/industries that will locate at the new industrial park that will be annexed to the City of Pueblo.

Phase II of the project (Phase II) will consist of approximately 2,250' of 12" water main, 12,765' of 16" water main and 1,955' of 24" water main to provide an alternate supply to the industrial park which will also increase the volume and pressure during periods of high demand.

Phase III of the project (Phase III) will consist of approximately 22,630' of 16" water main to complete the loop in the southern portion of the industrial park which will provide redundancy and increase reliability of service.

Phase IV of the project (Phase IV) will consist of a 3,500 gallon per minute (gpm) pump station and approximately 500' of 30" water main located at the Hellbeck Tank Site which will provide additional pumping for the 4000 pressure zone.

Listed below is the estimated cost of each phase along with the source of funding:

Estimate for water facilities to serve new industrial park east of I-25, north of Lime Road

Phase I – 12"/16"/24" Pipeline and 1.5 MG Tank (2008)

<u>Item</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total</u>
12" water main-Material	560 Feet	\$30/ft	\$ 17,000
12" water main-Installation	560 Feet	\$23/ft	\$ 13,000
Surface Replacement	560 Feet	\$10/ft	\$ 5,600
(Installation of 12" water main shall be performed by Board forces and will be billed as "in-kind services")			

16" water main-Material	11,640 Feet	\$34/ft	\$ 396,000
16" water main-Install	11,640 Feet	\$34/ft	\$ 396,000
24" water main-Material	10,200 Feet	\$60/ft	\$ 612,000
24" water main-Install	10,200 Feet	\$36/ft	\$ 367,000
Pipeline Engineering	1 LS	\$105,000	\$ 105,000
(Pipeline Engineering shall be limited to Board contract administration and field inspection by Board forces related to the 16" and 24" pipeline installation and will be billed as "in-kind services")			
1.5 MG Tank	1 LS	\$2,850,000	\$2,850,000
Tank Engineering	1 LS	Not Eligible for Reimbursement	
Control Equipment-Material	1 LS	\$10,000	\$ 10,000
Control Equipment-Install	1 LS	\$10,000	\$ 10,000
(Installation of Control Equipment shall be performed by Board forces and will be billed as "in-kind services")			
Site Fencing	1 LS	\$25,000	\$ 25,000
Retention/Detention Ponds	1 LS	\$20,000	\$ 20,000
24"/20" on-site piping-Material	1 LS	\$5,000	\$ 5,000
24"/20" on-site piping-Install	1 LS	\$5,000	\$ 5,000
(Installation of 24"/20" piping shall be performed by Board forces and will be billed as "in-kind services")			
Contingency			\$ 238,000
Grand-Total			\$5,075,000
EDA Grant			\$2,500,000
Ineligible Items Not Paid by EDA Grant (Engineering)			\$ 287,000
TIF Reimbursement			\$2,862,000

Phase II – 12", 16" & 24" pipeline (2010/2011)

<u>Item</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total</u>
12" water main	2,250 Feet	\$53/ft	\$ 119,000
16" water main	12,765 Feet	\$82/ft	\$1,047,000
24" water main	1,955 Feet	\$102/ft	\$ 199,000
Highway Bore	1	\$70,000	\$ 70,000
Sub-Total			\$1,435,000
EDA Grant			\$ 0
TIF Reimbursement			\$1,435,000

Phase III – 16" pipeline (2014)

<u>Item</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total</u>
16" water main	22,630 Feet	\$82/ft	\$1,856,000
Railroad Bore	2	\$40,000	\$ 80,000
Sub-Total			\$1,936,000
EDA Grant			\$ 0
TIF Reimbursement			\$1,936,000

Phase IV – 3,500 GPM Pump Station and 30” Pipeline (2017/2018)

<u>Item</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total</u>
Pump Station	1	\$500,000	\$ 500,000 Inc Eng
30” water main	500	\$200/ft	\$ 100,000 Inc Eng
		Sub-Total	\$ 600,000
		EDA Grant	\$ 0
		TIF Reimbursement	\$ 600,000
		Grand-Total	\$9,046,000
		EDA Grant	\$2,500,000
		Ineligible Items Not Paid by EDA Grant (Engineering)	\$ 287,000
		GRAND TOTAL TIF REIMBURSEMENT	\$6,833,000