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TOWN CLERK, TREASURER
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Dear Water and Wastewater Utility Customers,

1/26/2025

We've received many questions at Town Hall about our water and wastewater utilities and operations. Common questions include: "Why are rates increasing?" and "Why are we receiving violation notices?" and "Why are our rates going up if the quality of our water is getting worse?" Although we regularly discuss this topic in Town Board meetings, which is reported on in the newspaper, I am sending this letter to each of our utility customers in the utility bill, in the hopes of reaching everyone. This letter aims to address the questions and concerns we receive. Please remember, we are always available at Town Hall to answer any questions or address any concerns you may have.

The Town of Akron operates its water utility independently from the general operations of the town. Water and wastewater utilities are managed through two separate financial accounts in the town's budget, called Enterprise Funds. These funds are different from the town's General Fund and must remain separate and independent, as required by state regulations for statutory towns.

This means that General Funds, which come from sales tax and a small amount of property tax, are used for operations like street maintenance, the library, general services, the Fire Department, law enforcement and Parks and Recreation. Meanwhile, utility fees for water and sewer go directly into their respective enterprise funds and must be used exclusively to support the operations and maintenance of those systems.

By law, we cannot co-mingle money from water and sewer enterprise funds to the general fund or vice versa. Additionally, water funds cannot be used for sewer expenses, and sewer funds cannot be used for water expenses. Each utility must be financially self-sustaining and operate solely from the fees collected.

From 2020 to 2023, the Town of Akron completed a Water and Wastewater Utility Master Plan. This project served as an initial review of the town's utility systems, providing insights into their condition and future needs.

For many years, the town has followed an "if it's not broken, don't fix it" approach to managing the water and wastewater systems. This mindset, paired with the town's commitment to keeping utility rates as low as possible, allowed the town to prioritize day-to-day maintenance and repairs over costly replacements. However, the Master Plan highlighted that while the system has been well-maintained by our dedicated staff, much of the infrastructure has reached and exceeded well past its expected lifespan.

Nearly all pumps and electrical components essential to providing water are approximately two to three decades old and overdue for replacement. The town's water delivery system, primarily made up of cast iron pipes installed in the late 1800s and early 1900s, is also showing signs of age and deterioration. About 15%-20% of the system consists of asbestos cement (AC) pipe having a lifespan of 50-70 years, while the newest sections, mostly installed in the 1970s, are comprised of PVC pipe with an expected



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lifespan of 80-100 years. Most importantly, the town does not have any lead transmission pipelines.

While the “if it’s not broken, don’t fix it” approach has helped Akron avoid consistent rate increases for many years, it has also left the town without sufficient financial reserves in the water and wastewater funds to afford large-scale replacement projects. Now, with aging infrastructure beginning to fail, it is our responsibility to plan for the future. Adjusting rates to align with current standards will allow us to maintain safe and reliable services while beginning the necessary upgrades to our utility systems.

As of January 2025, the residential base rate went from \$18.20 to \$23.20 for the first 1000 gallons used. In comparison, the state average for a minimum water bill in 2024 was \$55.00. While we do not aim to match the state average, we have been mandated by the state to raise our rates to qualify for the grants and loans, if we intend to apply for them, to help fund the needed critical system replacement projects.

Our Water and Wastewater Utility Master Plan, completed in 2023, identified approximately \$60 million in necessary system replacements and improvements based on 2023 costs. The Town of Akron cannot undertake any of the projects alone without the financial support of state grants and loans.

Our elected officials firmly believe that planning for system replacements and maintenance is essential to sustaining our community. Without addressing these needs now, the future reliability of our utilities are at risk. Raising rates is a critical step to ensure we can access funding and begin making the investments required to support Akron’s water and wastewater systems for years to come.

As of January 2025, the town began taking the next steps outlined in the Utility Master Plan. We are moving forward with two engineering projects, known as Pre-Engineering Reports, which involve a comprehensive study and assessment of both our water and wastewater systems. These reports will help identify and prioritize the most urgent project needs, while also outlining a long-term strategy for addressing these needs over the next decade or more, with the goal of minimizing the financial impact on our community’s rates.

Additionally, we are conducting a professional rate study for both water and sewer services to ensure we are charging appropriate rates that will support both short- and long-term system replacement and maintenance needs.

Our water and wastewater utilities are governed by the Colorado Department of Public Health and Environment (CDPHE) and the Water Quality Control Division. They provide the regulations which we must meet. For our water utility, they do regular three year inspections and dictate to us how we must operate and the standard in which we must abide by. These regulations are to ensure that we are providing clean and healthy drinking water to everyone in our community. These regulations oversee our water operations from pumping out of our wells, transporting water through our transmission line system to our water disinfection plant, into our holding tank and then again through the pipeline delivery system throughout town to the meter, where each of our water system customers then receive water from the meter, through their service line into their homes and businesses.



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The CDPHE conducts a Sanitary Survey in each community on a three-year rotation. This survey is a comprehensive inspection of a town's water system operations and maintenance activities. Akron's last Sanitary Survey was completed in 2016. Due to the COVID19 lockdowns and related delays, our next survey did not occur until 2024.

During the 2024 Sanitary Survey, the CDPHE identified several violations related to the town's recordkeeping and operations documents. One area of concern was outdated documentation for our well blending program. While the town has never failed a safe drinking water test and the actual blending of water from our 10 wells has been properly maintained, the documents describing these procedures had not been updated in several decades.

Another significant issue was our backflow prevention and cross-connection control program. Violations were issued because our program documentation was deemed insufficient, and some businesses lacked the required backflow prevention devices. To address this, the town worked with the identified businesses to install the necessary devices to comply with state water quality protection requirements.

The violation letters you have received this past year are formatted using a state-mandated template that does not allow us to provide additional context. However, it's important to emphasize that none of these violations pertain to the quality of Akron's drinking water. These violations strictly relate to records management and program documentation.

The violations are tied to documentation and practices dating back to 2016 when the state adopted its backflow and cross-connection control regulations. Although Akron implemented a basic program at the time, the 2024 Sanitary Survey inspector determined that our program lacked sufficient detail. Despite significant administrative work and coordination with state officials and support from the Colorado Rural Water Association technical assistance team, we are still working to meet the updated requirements. Our next review is on February 6th, where we anticipate finding out if we've successfully met the shifting requirements and resolved the inspectors ongoing concerns.

Between 2018 and 2020, the town was informed that to continue using chlorine gas for drinking water disinfection, we would need to hire a water operator with an "A" license, the highest license level available, previously only a "D" water operator license was required. The Water Quality Control Division and CDPHE changed their regulations, deeming chlorine gas too dangerous, encouraging water utilities to transition away from using it. While chlorine gas has been a simple, very affordable, and effective disinfection method for the town to use for decades past, in order to have an attainable license level to operate under, the town received the recommendation of transitioning from chlorine gas to liquid Sodium Hypochlorite. This change promised to reduce licensing requirements from an "A" license to a "C" license, which would be more attainable for our staff based on their level of experience and qualifications.

In 2021, the town moved forward with the engineering and then construction project, which was completed in December 2024. However, CDPHE issued a notice to the town stating that the new disinfection system requires a "B" licensed operator, putting the town back into violation status.



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Although the new disinfection method is still simple to operate, multiple factors impact the required license level requirement, including different well water contaminants removal, production volume we can achieve, and the disinfection method we use. To comply with CDPHE requirements, the town had to hire a subcontracting consultant operator with a "B" license so that we can continue operating our water system and fulfill the licensed operator violation requirement.

Wastewater Utility

The Town of Akron’s sewer utility consists of two main components: collection and discharge. The collection system includes all the pipes that transport wastewater—from both your toilet and faucet, shower, washing machine, etc. — to our treatment facility, where both black and gray water is processed, disinfected, and treated. This is where our sewer ponds are located.

Currently, we use a mechanical screw drive extraction system along with a Sodium Hypochlorite disinfection. Afterward, the disinfected water passes through a series of filtration treatments in our aerated, lined sewer ponds, which is also part of the disinfection process. The treated water is then discharged from the ponds into a dry creek bed, known as Surveyor Creek. Although Surveyor Creek is dry for much of the year, state river system records show that it ultimately flows into the Republican River.

Both the collection and discharge systems are currently operated under one small systems license, which is managed by our in-house water operator. A larger system or different method of collection and discharge often requires the operator to hold two different licenses. The town operates this discharge process under what is called a “General Permit,” which is regulated by CDPHE and the Water Quality Control Division.

In 2018, the State of Colorado adopted new discharge permit regulations. While all communities knew that the regulations were going to change, we could not anticipate exactly how these changes would affect each of our small communities, until new operating permits were issued.

In November 2024, the town was issued a new discharge permit to operate under. Unfortunately, the requirements of this permit placed us in immediate violation. The new permit includes stricter contaminant removal standards, including for metals and nitrates, which we have not had to meet before. The permit also mandates that we adopt a new sewer treatment system by constructing a new sewer treatment plant by 2029.

Additionally, the permit introduces new immediate testing requirements that will cost the town an additional minimum of \$20,000 annually for laboratory testing alone. These requirements include more frequent transportation of discharge water samples and a new test, costing \$2,500 per quarter, with three samples required to be transported to Lafayette —the only lab in the state performing this test. The transportation of samples and coordination for testing is becoming nearly a full-time job for one person, further burdening our utility operations. Currently, the law requires a very specific chain of custody for the transportation of all water samples, meaning a Town of Akron employee must personally transport the samples to the lab.



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At this time, it is impossible for our current sewer treatment methods to meet the new contaminant removal requirements until a new treatment method is implemented (i.e. a new type of sewer treatment facility is built). As a result, we anticipate being in violation of our discharge permit until the new system is in place, likely by 2029. During this time, we will be required to send violation notices to all system users. Please know that while violation notices you will receive may be concerning, your drinking water remains safe. The violations are related specifically to our discharge permit and not the quality of the water you receive.

Communities across Colorado are currently receiving their new discharge permits. Ours is similar to the permits issued to the Town of Limon (population of 2100) and the Town of Eads (population of 636). We are also waiting to hear what will be mandated for our sister community, the City of Fort Morgan, which has been waiting for its permit for over seven years.

Two of our similar sized neighbor communities in northwestern Colorado are facing \$40 million treatment plant projects just to meet the new permit requirements they received in 2023. Akron is at the very beginning of our compliance schedule and has issued a request for proposals (RFP) for engineering firms to assess our treatment options. The goal is to identify the most affordable solution for our community, both to meet the permit requirements and the long-term maintenance and operations costs and in-house license abilities, this project is to also include the consideration of future permit requirements that we anticipate continuing to become more demanding to meet. This project could lead to the recommendation of a mechanical treatment plant costing tens of millions of dollars, or the consideration of evaporative ponds, which we hope will be a more affordable option. The options we pursue will depend on what the CDPHE will permit for a community of our size, as well as projected state and local population growth.

What once was a simple water and wastewater system that could be maintained and operated by one employee, with the support of on-call and weekend coverage by our Public Works Department has, in a very short time, has become a three-man job, with little to no change in how our system operates, and no change the quality of our water.

What happens if we don't comply? If we fail to resolve our violations and mandates within the deadlines set by CDPHE, the town will begin receiving financial fines. If compliance is still not achieved, these fines will increase, and eventually, we could face a shutdown mandate, preventing us from operating our water and wastewater systems. While it would take many years and extreme circumstances to reach that point, we want to avoid it. Our goal is to continue supporting a vibrant community where residents enjoy a high quality of life, with access to safe drinking water, functional wastewater systems, and the ability to live comfortably in our community.

The Town of Akron staff are working as quickly and diligently as possible to navigate and comply with new regulations, adopting modern practices and approaches. We are committed to being fiscally responsible while advocating for the Akron community to keep utility rates as low as possible. However, to continue operating as a town and maintain a water and wastewater utility, these changes are necessary.



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Thank you for taking the time to read this letter. We hope it helps everyone have a better understanding of why rates are being increased, why we have received—and will continue to receive—violations, and what we are doing to address these issues while working to meet new and rapidly changing water quality control regulations.

If you, as our utility customers, ever have any questions or concerns about what we are navigating, how we are operating, or where fees and funds are being used, please don't hesitate to reach out. Feel free to contact me directly, or our Senior System Operator, Steve Vasquez. We are committed to operating with transparency and sharing as much information as possible, so everyone is informed about what is happening and what we are doing to continue providing service.

Sincerely,

Gillian Laycock
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