

## Larimer County Immediate Needs Grant

In response to the COVID-19 public health emergency beginning March 2020, Boxelder Sanitation District approved the waiver of multiple fees in connection with the cost of sewer service for its customers. The result of these waivers reduced the District's revenue, which required the District to assess its projected expenditure and make necessary adjustments, such as delay or reduction in the size and cost of capital project. The following is a list of those fees:

1. Late and administrative fees were waived for April and May of 2020 for a loss of revenue for the District of \$5,915.00.
2. To provide additional financial relief, on March 26, 2020, the Board of Directors approved a temporary waiver of the "rehabilitation and replacement" fee for the remainder of 2020. This fee is a portion of the monthly service charges to all customers in the District. This temporary rate change was approved at a public hearing April 28, 2020.

The rehabilitation and replacement fee was implemented in 2017 to fund improvements to ageing collection system infrastructure including pipe lining and manhole repairs. To offset the budget shortfall due to the temporary waiver of fees, planned rehabilitation projects for 2020 were suspended. For residential customers, the monthly rehabilitation fee is \$15. Commercial customers pay a proportional amount. The District bills approximately 6500 customers. The 2020 Budget revenue for rehabilitation was \$1,299,330. As a result of the suspension the rehabilitation revenue for 2020 (January through March) was only \$322,211 resulting in a loss of revenue of \$977,119.

As the COVID-19 public health emergency progressed through 2020, the Board of Directors continued the waiver of the rehabilitation fee in the 2021 Budget and is expected to do the same for the 2022 Budget. While the District has expended some reserve funds in 2021 for critical rehabilitation, the estimated loss of revenue over the pandemic period is expected to near \$3,000,000.

The customer base of the District is primarily residential and fairly diverse, but with a significant number of customers that may qualify for affordable housing. This includes 4 mobile home parks and subsidized multi-family housing. Commercial properties include many small businesses.