



August 16, 2022

Commissioner Matt Jones
Commissioner Claire Levy
Commissioner Marta Loachamin

Commissioner's Office
PO Box 471
Boulder, CO 80306

Dear Commissioners:

Thank you for accepting the invitation to meet with us at the Superior Town hall on August 31st. The past few months have been a blizzard of activity as our community starts to move forward after the devastation of the Marshall Fire. As the fire and the aftermath have had a material impact on our community, we have several items we would like to discuss related to recovery, rebuilding, and resilience.

Along with the complete destruction of approximately 1,084 homes and multiple businesses, our three communities suffered extensive damage which have led to significant costs. These costs to both our Town and the City of Louisville are likely to put a significant long-term economic strain on our budgets. On behalf of our residents, and your constituents, we'd like to discuss the below areas of support.

1. Direct Financial Support to Superior

We request that Boulder County assist the residents of Superior in a manner that is commensurate with their contributions to the County as a whole. Our total request of **\$5.5M** falls within three primary areas that are directly related to the Marshall Fire: Private Property Debris Removal (PPDR) contribution, lost revenues, and water treatment facility upgrades.

As background, we've attempted to summarize the revenues and funds available to the County relative to our requests:

- Boulder County had nearly \$50M in general fund reserves at the end of 2020. This exceeded the "target" amount by \$16M. As the County has asked for an extension to the release of its FY2021 financials, we do not have insight into the current status of the County general fund or its reserves.
- Boulder County received nearly \$60M from the US Federal Government under the American Rescue Plan Act (ARP). The allocation of these funds was based entirely on population. With

Superior and Louisville representing nearly 10% of the total County, \$6M of these funds were provided as a result of your constituents who reside in these municipalities. Although a robust discussion on the use of these funds has been ongoing, facilitating the recovery and rebuild process would be an appropriate and valuable use of these funds.

- Boulder County received approximately \$6.5M in property taxes from Superior homeowners and businesses last year in addition to the 0.985% sales and use tax levied on all purchases within Town.

Given the expansive and devastating impacts of the Marshall Fire, we believe there is no more important time than now to deploy funds from the reserve account and allocate funds from ARP. Your constituents in Superior and Louisville have played a direct role in the County accumulating these funds, and now is the time support these residents. To this end, we respectfully request your financial help on the following items:

A. PPDR Contribution

We thank Boulder County for its leadership on vendor selection and contract negotiations for the coordinated cleanup. We also thank our Colorado Delegation and President Biden for their support. As result of all the relevant parties working together, the local share of the PPDR was reduced to 10% and split equally with the state. We request that Boulder County treat all residents of the County equally by covering the PPDR costs for all residents in Boulder County. Currently, Boulder County is covering these costs *only for* those residents in Unincorporated Boulder County and contributing \$0 towards Superior and Louisville residents.

Fire victims in all three municipalities pay the same taxes to the County. The County is creating inequity and inequality by not covering these costs for all its residents. The County's general fund reserve is greater than that of Superior and Louisville combined. By not contributing equally towards the costs of the PPDR for all of its residents, the county is putting a tremendous and inequitable economic strain on Louisville and Superior. This will impact Superior's ability to provide necessary services to its residents and contribute to future county-wide goals and initiatives. The total expense to the County for this contribution is approximately **\$2.5 – 3M** (based on 5% of the DRC contract of \$60M) for the entirety of Superior.

B. Lost Revenues Due to Fire Impacts

Superior's financial statements demonstrate an ongoing negative impact from the fire on Town sales tax receipts. While most municipalities are seeing double digit growth in sales and use tax proceeds relative to 2021, Superior is tracking at 11% below 2021 through June. This equates to the Town running a \$0.6M deficit relative to 2021 when we likely would have seen at least \$0.5M in increased revenues relative to the growth others have seen. This suggests we're operating at a **\$1M deficit** to where the Town would be had the Marshall Fire not occurred. Two of our top ten retailers remain closed at the time of this writing.

C. Superior Water Treatment Facility

A key component of Superior's infrastructure, the Water Treatment Plant (WTP), suffered severe damage from the Marshall Fire. Although water treatment capabilities have been restored and the

system was subsequently flushed throughout the distribution network, the fire deposited a significant amount of ash and debris both on, and near the Town's raw water storage facility – the Terminal Reservoir. This resulted in substantial taste, odor and color changes to the water which led to numerous safety-related complaints/concerns throughout the community for months following the fire. In response, we took several aggressive steps to address these issues:

- **Reservoir Ash Removal:** The Town contracted with a third-party vendor to remove the ash and debris from the banks around the reservoir. This was to prevent the ash deposited on the banks from mixing into the reservoir. This work was completed in early April and removed over 100 cubic yards of debris.
- **Reservoir Draining:** The Town released water from the reservoir into the irrigation system used within our parks network. While this process was completed in May, we hoped the replenishment of the raw water at the Terminal Reservoir would be free of the smoky taste and odor.
- **Granular Activated Carbon System:** Despite the above two actions, the Town continued receiving numerous safety-related complaints regarding to the taste, color, and odor of our water. In response to our community's needs, the Town Board directed Town staff to actively investigate a granular activated carbon (GAC) system to remove compounds causing the issues. Installation of this system represented a significant process revision and required extensive modifications to the WTP. The system went online on July 15th and has proven successful so far. However, the cost of the GAC was significant and total costs are approximately **\$1.2 – 1.5M** to date and may increase further depending on the length of time the GAC is leased from the vendor. FEMA has indicated that this is a cost it will not reimburse the Town for.

2. Use Taxes on Rebuilds

Use taxes play a significant role in the ability of homeowners to rebuild. Currently, the aggregate use tax charged by the County for fire victims is 0.985% and equates to approximately \$3 – 4k per household. Although this may seem a small amount relative to the cost of a home, every dollar matters to fire victims, the majority of which were vastly underinsured.

Further, Superior residents and businesses contribute a disproportionate share towards the many County levied use taxes relative to investments in Superior by the County. For example, Superior residents and businesses have contributed nearly \$5M towards the County transportation tax for the past 12 years without a single project being constructed within the Town of Superior. In addition, there are no planned new projects on the horizon.

Refunding these use taxes via the general fund ensures the County does not run afoul of state constraints on tax collection and will cost the County approximately **\$4M** for all of Louisville and Superior. This step will have a significant impact on our community's ability to help homeowners return.

3. Active Management of County Open Space


Our community members have been asking to see a more robust plan for management of the open space that abuts Superior. As noted in Annex I of the Boulder Hazard Mitigation plan, figure 1-3, the **entire** west side of our Town is deemed to have High or Highest Risk to wildfire. Further, this western edge of Superior abuts Boulder County Open Space and the safety of Superior is directly related to the need for active management of this Open Space. Much has been written about the need to actively manage the open space and even now, nearly eight months after the Marshall fire, our residents have seen no changes.

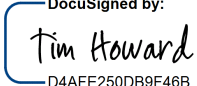
In summary, we are asking for three specific items on behalf of residents who reside in both Boulder County and Superior:

1. Direct financial support of **\$5.5M** to the Town of Superior for expenses incurred as a direct result of the Marshall Fire;
2. A rebate of Boulder County use taxes paid by original homeowners on their rebuilds; and
3. An active and robust management of open space to prevent another grass fire during extreme weather events.

In aggregate, the financial relief being requested for homeowners and the Town of Superior is a fraction of the funds respectively received via ARP, annual property taxes, annual county sales taxes, and the existing general fund. As residents of Boulder County, we hope the financial resources available at the County can be shared equally and equitably to all residents. We look forward to our conversation on August 31st and collaborating further to help impacted residents recover from the Marshall Fire.

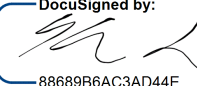
Signed,

DocuSigned by:

03847D2E402D482...
Clint Folsom, Mayor

DocuSigned by:

D4AFE250DB9F46B...
Tim Howard, Trustee

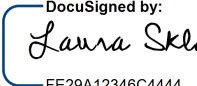
DocuSigned by:

9AF3D07DD02C40B...
Mark Lacis, Mayor Pro-Tem

DocuSigned by:

88689B6AC3AD44E...
Ken Lish, Trustee

DocuSigned by:

F40EF85B979E4A2...
Neal Shah, Trustee

DocuSigned by:

FE29A12346C4444...
Laura Skladzinski, Trustee