City of Arvada
City Council Agenda
SEPTEMBER 23, 2024
WORKSHOPS

Councilmembers:
Lauren Simpson, Mayor
Randy Moorman, Mayor Pro-Tem
Shawna Ambrose, District 2
Sharon Davis, At large
Lisa Feret, At large
Bob Fifer, District 4
John Marriott, District 3

Staff Members Usually Present:
Linda Haley, Acting City Manager
Don Wick, Deputy City Manager
Rachel Morris, City Attorney
Jacqueline Rhoades, Director of Public Works
Sharon Israel, Director of Utilities
Jessica Garner, Director of Community & Econ. Dev.
Bryan Archer, Director of Finance
Gabriella Bommer, Director of Human Resources
Rachael Kuroiwa, Director of Communications & Engagement
Kristen Rush, City Clerk

Info: 720-898-7550

THIRD FLOOR CONFERENCE ROOM
EXECUTIVE SESSION
5:00 P.M.

Legal Advice, Pursuant to CRS 24-6-402(4)(b) and Instructions to Negotiators, Pursuant to CRS 24-6-402(4)(e) Relating to Howard Ranch Proposed Metropolitan District

CITY COUNCIL CHAMBERS
6:00 PM

1. Call to Order/Roll Call of Councilmembers
2. Workshops
   A. 2025-2026 Proposed City Manager's Budget Presentation
   B. 2025 Water, Wastewater and Stormwater Rates/Fees Discussion
   C. Staff Updates
3. Adjournment

CITY OF ARVADA

REPORT TO CITY COUNCIL WORKSHOP	AGENDA ITEM 2.A.

TO: THE HONORABLE CITY COUNCIL DATE: September 23, 2024

SUBJECT: 2025-2026 Proposed City Manager's Budget Presentation

Report in Brief

The City adopts a two-year budget with historically small revisions in the second year. This will be the first presentation on the Proposed 2025-2026 Operating and Capital Budget. The City team will present an overview of the City Manager's recommended budget by Work System and Department.

Background

This workshop will continue the budget conversation for the proposed 2025-2026 budget process. On June 17, 2024, the Finance and CMO teams presented the revised 10-year models along with a detailed review of current and previous revenue and expenditure estimates. An update to the 10-year CIP model was also presented.

On August 26, 2024 members from the Infrastructure worksystem along with the Finance and CMO teams presented final recommendations for funding the City’s water and wastewater infrastructure. This was the last presentation in the series of presentations that have gone back over the past two years.

On September 6, 2024, the budget document was provided to the Council and posted to the City's website on September 3. The budget document includes the City Manager's transmittal letter which is also included as an attachment to this agenda packet. The transmittal letter provides an overview of the budget document as well as the major changes and issues associated with the proposed expenditure of nearly $366 million of public funds.

The September 23 presentation will focus on what is being proposed for funding, what was not funded and what areas need to be addressed in the upcoming years. The City Manager's Office and Finance teams will facilitate the presentation in collaboration with Work Systems Leaders, who will be available to provide additional details and information associated with the proposed changes. Additional time has been reserved to discuss the proposed budget on October 14 in order to respond to any questions or requests for additional information generated by the September 23 presentation, if necessary.

Strategic Alignment

The workshop supports the Organizational and Service Effectiveness Priority Area within the City Council Strategic Plan. Specifically, consideration of the Proposed 2025-2026 Operating and Capital Budget aligns with the following Priority Area Principle:

Provides a well-managed, fiscally responsible government that operates effectively and efficiently while identifying revenue requirements to sustain current service levels and achieve future requested levels of service.

Next Steps

The final series of budget presentations will occur on October 14. In addition to responding to questions and/or providing additional information generated by the September 23 presentations, the Utility Rate Models and proposed pay plan will be reviewed.

The first reading of the 2025-2026 Proposed Budget will occur on October 7 with the second reading scheduled for October 21.

Prepared by:
Debra Nielson, Deputy Director of Finance

Reviewed by:

Approved by:

Jenna Belec, Executive Assistant	9/4/2024
Bryan Archer, Director of Finance	9/4/2024
Gail Walker, Legal Specialist-Contracts	9/4/2024
Laura Hemler, Assistant City Attorney	9/4/2024
Rachel Morris, City Attorney	9/6/2024
Linda Haley, Acting City Manager	9/6/2024

Enclosure, exhibits & attachments required to support the report

2025-2026 City Manager's Proposed Budget

September 23, 2024

CITY OF ARVADA

2025-2026 Budget Process

2025 BUDGET PROCESS CALENDAR

JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
Budget Team prepares carryover from 2023.	City Council Strategic Retreat.	Budget website for 2025-2026 goes live.	Finance team update 10-year model.	Departments present capital request with associated operating costs.	Leadership team develops CIP recommendations.

JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Departments develop and present Operating Budgets for 2025-2026.	City Manager and Budget Team prepare recommended 2025-2026 Operating Budget with 10-year revenue and expenditures	Council reviews recommended 2025-2026 operating budget with 10-year revenue and expenditure plans.	Adoption of 2025-2026 Operating Budget and CIP with 10-year considerations	Budget Team reviews and finalizes Budget Book	Publication of final Operational and CIP Budget

2025-2026 Budget Process

Themes

- Addressing City Council priorities in the CCSP (City Council Strategic Plan)
- Mandatory needs to address new laws/regulations and service requirements
- Critical needs for failing/end of life systems
- Maintaining current needs of the CIP
- Maintenance of a competitive total compensation package for employees
- Long-term financial stability/financial resiliency

2024-2030 CCSP

1. Identifying and utilizing new sources of revenue and funding to continue delivering efficient and cost-effective services that promote economic growth.

2. Closing the infrastructure deficit and addressing funding gaps to ensure the sustainability of our community.

3. Expanding our efforts to coordinate services and support to those experiencing homelessness, while seeking long-term solutions to this critical issue

CITY OF ARVADA

Budget Information

Website - www.arvadaco.gov/235/budget

Total 2025 Budget Appropriation - $366,624,299

General Fund - $128,815,169

Budget Highlights

Funded requests - $4,592,256 ($1.8 million enterprise)

Unfunded requests - $21,462,922

4 new positions proposed

All 10-year models balance (except Parks Fund, 2032-2034)

CITY OF ARVADA

We Dream Big and Deliver

Proposed Pay Plan

All Positions

Steps - all eligible (1.75%)

MRA - all employees (3.0%)

Sworn Positions

Revisit changes in APR-25

Health Care

No change to medical (6 years)

Deeper dive on October 14th

We Dream Big and Deliver

CITY OF ARVADA

Funded requests - Positions

General Fund

Senior Probation Officer (permanent, opioid funds offset)

Buildings Fund

HVAC Specialist

Water Fund

Assistant Water Treatment Manager (2026 start)

Plant Maintenance Technician (2026 start)

Stormwater Fund

Utilities Foreman

Utilities Supervisor

Funded Requests - Worksystem

CED - $31,000

INFRASTRUCTURE -$2,736,680

OSE - $819,800

SAFE COMMUNITY - $271,428

VCN - $733,348

CITY OF ARVADA

Funded requests - CED

CED - $31,000 (supplies, dues, licenses)

Funded requests - INFRASTRUCTURE

PUBLIC WORKS - $148,136 (gas, electricity, trash, supplies, snow plow pay)

STREETS - $400,000 (plus an additional $50,000 increase per year)

BUILDINGS - $1,095,648 (asset planner, building maintenance)

WATER - $770,771 (on-call, snow plow pay, backhoe, treatment materials)

WASTEWATER- $123,261 (snow plow pay, electricity, supplies)

STORMWATER - $39,959 (CDL, supplies, M4 permit)

SOLID WASTE - $158,905 (leaf events, overtime, software)

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Funded requests - OSE

FINANCE - $15,000 (external financial audit)

HR - $40,000 (investigations)

IT/COMPUTER FUND - $608,800 (radio's, cyber security, email security, records mgmt)

CMO - $35,000 (BID, Arvada Report)

LEGAL - $121,000 (safety program, software)

CITY OF ARVADA

Funded requests - SAFE COMMUNITY

COURTS - $123,834 (Senior Probation Officer)

POLICE - $147,594 (VOI, Jeffco Crime Lab, Jeffco Juvenile Assessment Center)

Funded requests - VCN

PARKS - $93,978 (on-call pay, snow plow pay, supplies, training)

GOLF - $639,370 (operations, bunker replacement project)

CITY OF ARVADA

Funded requests - One-time

General Fund

Cell phone upgrade(PW) - $26,723

Homelessness - $100,000

Emergency Management - $50,000

DEIA - $50,000

Tax Increment

Jeffco DNA - $29,640

Funded requests - One-time cont.

Water Fund

Security Cameras - $100,000

Equipment - $5,000

Stormwater

Vehicle E-75 - $23,217

CCTV Van - $250,000

CITY OF ARVADA

Unfunded Requests - Worksystem

CED - $506,008

INFRASTRUCTURE -$14,760,806

OSE - $2,641,601

SAFE COMMUNITY - $2,240,988

VCN - $1,288,519

TOTAL - $21,462,922

CITY OF ARVADA

Unfunded requests - CED

CED - $506,008 (Deputy Director, software, supplies, training, AEDA events)

Unfunded requests - INFRASTRUCTURE

PUBLIC WORKS - $2,309,668 (3 positions, Olde town, parking, supplies, temp wages, maintenance)

STREETS - $10,410,000 (concrete, asphalt)

BUILDINGS - $2,041,138 (3 positions, maintenance)

WATER - $TBD

WASTEWATER- $TBD

STORMWATER - $TBD

CITY OF ARVADA

Unfunded requests - OSE

FINANCE - $10,000 (external sales tax auditor)

HR - $217,826 (Leave Administrator, recruitment, job architecture)

IT/COMPUTER FUND - $1,543,016 (5 positions, conference rooms, radio)

CMO - $482,276 (2 positions, Ask Arvada replacement, communication)

LEGAL - $388,483 (Risk/Claims Analyst, law clerk interns, software)

CITY OF ARVADA

Unfunded requests - SAFE COMMUNITY

COURTS - $145,239 (computers, Deputy Court Administrator)

POLICE - $2,095,749 (13 positions, supplies, real time crime center, software)

Unfunded requests - VCN

PARKS - $1,030,519 (5 positions, climate action plan, supplies, temp wages)

GOLF - $258,000 (greens roller, kitchen floor replacement, capital projects)

CITY OF ARVADA

10-year models

CITY OF ARVADA

Ten-Year Financial Models
General Fund - Table 1

PREVIOUS

	2023 Actual	2024 Forecast	2025 Forecast	2026 Forecast	2028 Forecast	2030 Forecast	2032 Forecast	2034 Forecast
REVENUES								
Taxes	$ 102,590,690	$ 103,174,072	$ 105,796,140	$ 108,197,239	$ 112,941,859	$ 118,606,202	$ 124,583,003	$ 131,676,041
Licenses, Permits and Fees	4,142,625	3,961,453	3,940,131	3,939,293	3,999,120	4,061,038	4,125,158	4,202,483
Intergovernmental	5,344,279	5,652,372	5,526,695	5,581,562	5,692,945	5,806,573	5,922,480	6,040,718
Charges for Services	5,043,568	4,672,851	4,795,937	4,722,715	4,987,795	5,269,019	5,567,369	5,883,889
Fines & Forfeits	1,015,577	896,879	906,460	924,865	962,231	1,001,105	1,041,551	1,083,630
Miscellaneous	8,887,962	6,907,622	8,357,561	7,276,687	4,620,573	4,436,606	4,460,748	4,658,904
Other Financing Sources	670,677	-	-	-	-	-	-	-
Revenue Transfer	282,765	2,573,522	2,663,736	2,769,340	2,961,545	3,138,456	3,300,244	3,028,571
Total General Fund Revenue	$ 127,978,143	$ 127,838,771	$ 131,986,660	$ 133,411,701	$ 136,166,068	$ 142,319,000	$ 149,000,553	$ 156,574,236
EXPENDITURES								
Personnel	$ 49,509,581	$ 57,156,603	$ 60,875,889	$ 63,004,940	$ 67,934,290	$ 72,122,515	$ 75,931,869	$ 79,600,053
Services & Charges	14,961,706	24,609,801	15,891,490	16,379,343	17,439,149	18,371,977	19,379,232	20,531,067
Supplies & Expenses	8,745,663	10,926,291	10,867,540	11,121,224	11,758,052	12,438,236	13,158,656	13,936,024
Contract & Leases	6,775,726	7,896,397	5,535,610	5,698,438	5,920,996	6,227,646	6,585,238	6,920,876
Debt Service	207,831	-	-	-	-	-	-	-
Inventory	63,125	21,218	21,854	22,510	23,881	25,335	26,878	28,515
Capital Maintenance	481,777	608,924	549,474	565,689	599,578	635,509	673,604	713,995
Capital Outlay	176,702	9,877,657	82,737	82,819	2,991	3,173	3,366	3,571
Transfers	32,564,948	33,243,593	34,507,848	34,056,699	36,362,203	38,059,181	40,388,396	42,654,683
Other	737	4,164	4,289	4,417	4,686	4,972	5,274	5,596
Total General Fund Expenditures	$ 113,487,797	$ 144,344,649	$ 128,336,731	$ 130,936,079	$ 140,045,827	$ 147,888,543	$ 156,152,513	$ 164,394,380
Fund Balance, Beginning	$ 70,113,845	$ 84,604,191	$ 68,098,314	$ 71,748,242	$ 72,921,438	$ 65,337,995	$ 53,090,466	$ 38,212,587
Fund Balance, Ending	$ 84,604,191	$ 68,098,314	$ 71,748,242	$ 74,223,865	$ 69,041,679	$ 59,768,452	$ 45,938,506	$ 30,392,443
Fund Balance Goal (17% of Expenditures)	$ 19,292,925	$ 24,538,590	$ 21,817,244	$ 22,259,133	$ 23,807,791	$ 25,141,052	$ 26,545,927	$ 27,947,045
Excess/(Deficiency)	$ 65,311,265	$ 43,559,723	$ 49,930,998	$ 51,964,732	$ 45,233,889	$ 34,627,399	$ 19,392,579	$ 2,445,398

Ten-Year Financial Models
General Fund - Table 1

CURRENT

	2023 Actual	2024 Revised	2025 Forecast	2026 Forecast	2028 Forecast	2030 Forecast	2032 Forecast	2034 Forecast
REVENUES								
Taxes	$ 102,590,690	$ 103,174,072	$ 105,796,140	$ 108,197,239	$ 112,941,859	$ 118,469,687	$ 124,519,025	$ 131,687,830
Licenses, Permits and Fees	4,142,625	3,961,453	3,940,131	3,939,293	3,999,120	4,061,038	4,125,158	4,202,483
Intergovernmental	5,344,279	5,652,372	5,526,695	5,581,562	5,692,945	5,806,573	5,922,480	6,040,718
Charges for Services	5,043,568	4,672,851	4,795,937	4,722,715	4,987,795	5,269,019	5,567,369	5,883,889
Fines & Forfeits	1,015,577	896,879	906,460	924,865	962,231	1,001,105	1,041,551	1,083,630
Miscellaneous	8,887,962	7,176,622	8,557,561	7,476,687	4,620,573	4,436,606	4,460,748	4,658,904
Other Financing Sources	670,677	-	-	-	-	-	-	-
Revenue Transfer	282,765	2,573,522	2,663,736	2,769,340	2,961,545	3,138,456	3,300,244	3,028,571
Total General Fund Revenue	$ 127,978,143	$ 128,107,771	$ 132,186,660	$ 133,611,701	$ 136,166,068	$ 142,182,485	$ 148,936,575	$ 156,586,025
EXPENDITURES								
Personnel	$ 49,509,581	$ 57,127,159	$ 61,357,027	$ 63,560,209	$ 68,567,310	$ 72,809,035	$ 76,676,247	$ 80,339,255
Services & Charges	14,961,706	24,634,801	16,304,347	16,564,183	17,631,740	18,549,881	19,565,057	20,725,313
Supplies & Expenses	8,745,663	10,828,316	10,824,373	11,076,762	11,710,879	12,388,188	13,105,833	13,879,980
Contract & Leases	6,775,726	7,896,397	5,602,340	5,775,168	5,997,726	6,304,376	6,661,968	6,997,606
Debt Service	207,831	-	-	-	-	-	-	-
Inventory	63,125	21,218	21,854	22,510	23,881	25,335	26,878	28,515
Capital Maintenance	481,777	608,924	549,474	565,689	599,578	635,509	673,604	713,995
Capital Outlay	176,702	9,877,657	82,737	82,819	2,991	3,173	3,366	3,571
Transfers	32,564,948	32,807,866	34,068,728	33,114,101	35,411,655	37,526,381	39,855,596	42,544,705
Other	737	4,164	4,289	4,417	4,686	4,972	5,274	5,596
Total General Fund Expenditures	$ 113,487,797	$ 143,806,503	$ 128,815,169	$ 130,765,858	$ 139,950,446	$ 148,246,849	$ 156,573,823	$ 165,238,535
Fund Balance, Beginning	$ 70,113,845	$ 84,604,191	$ 68,905,460	$ 72,276,951	$ 74,017,788	$ 66,077,856	$ 52,857,116	$ 36,961,946
Fund Balance, Ending	$ 84,604,191	$ 68,905,460	$ 72,276,951	$ 75,122,794	$ 70,233,410	$ 60,013,492	$ 45,219,868	$ 28,309,436
Fund Balance Goal (17% of Expenditures)	$ 19,292,925	$ 24,447,105	$ 21,898,579	$ 22,230,196	$ 23,791,576	$ 25,201,964	$ 26,617,550	$ 28,090,551
Excess/(Deficiency)	$ 65,311,265	$ 44,458,354	$ 50,378,372	$ 52,892,598	$ 46,441,834	$ 34,811,528	$ 18,602,318	$ 218,885

Ten-Year Financial Models
Parks - Table 2

	2023 Actual	2024 Revised	2025 Forecast	2026 Forecast	2028 Forecast	2030 Forecast	2032 Forecast	2034 Forecast
REVENUES								
Licenses, Permits and Fees	$ 45,614	$ 68,829	$ 70,894	$ 73,020	$ 77,467	$ 82,185	$ 87,190	$ 92,500
Intergovernmental	6,976,651	9,617,955	7,451,183	7,674,719	8,142,110	8,637,965	9,164,018	9,671,852
Charges for Services	990,172	1,269,075	1,336,323	1,338,639	1,377,206	1,382,344	1,422,531	1,428,314
Miscellaneous	530,190	198,090	199,240	200,321	206,235	212,509	219,165	226,226
Revenue Transfer	5,075,737	5,355,627	5,747,263	5,956,289	6,278,706	6,547,971	6,832,587	7,228,252
Total Revenues	$ 13,618,365	$ 16,509,576	$ 14,804,903	$ 15,242,989	$ 16,081,725	$ 16,862,975	$ 17,725,491	$ 18,647,144
EXPENDITURES								
Personnel	$ 7,075,085	$ 7,296,485	$ 7,712,935	$ 8,027,098	$ 8,652,162	$ 9,226,572	$ 9,735,622	$ 10,207,762
Services & Charges	2,535,666	3,370,674	3,257,444	3,366,048	3,585,363	3,809,257	4,047,196	4,300,194
Supplies & Expenses	2,901,585	3,013,251	3,218,046	3,247,372	3,435,781	3,635,230	3,846,358	4,069,813
Contract & Leases	520,696	938,146	780,308	798,767	837,362	878,308	921,747	967,832
Inventory	(5,443)	2,688	2,768	2,852	3,025	3,209	3,405	3,612
Capital Maintenance	159,544	211,192	218,278	225,576	240,836	257,026	274,201	292,422
Capital Outlay	73,596	2,383,797	-	-	-	-	-	-
Transfers	17,500	-	-	-	-	-	-	-
Other	-	100	100	100	100	100	100	100
Total Expenditures	$ 13,278,228	$ 17,216,332	$ 15,189,880	$ 15,667,813	$ 16,754,630	$ 17,809,702	$ 18,828,629	$ 19,841,736
Fund Balance, Beginning	$ 7,551,596	$ 7,891,733	$ 7,184,977	$ 6,800,000	$ 5,786,979	$ 4,316,284	$ 2,330,709	$ (78,425)
Fund Balance, Ending	$ 7,891,733	$ 7,184,977	$ 6,800,000	$ 6,375,176	$ 5,114,074	$ 3,369,557	$ 1,227,572	$ (1,273,017)
Fund Balance Goal (11% of Expenditures)	$ 1,460,605	$ 1,893,797	$ 1,670,887	$ 1,723,459	$ 1,843,009	$ 1,959,067	$ 2,071,149	$ 2,182,591
Excess/(Deficiency)	$ 6,431,128	$ 5,291,180	$ 5,129,113	$ 4,651,716	$ 3,271,065	$ 1,410,490	$ (843,577)	$ (3,455,607)

Questions

CITY OF ARVADA

CITY OF ARVADA

REPORT TO CITY COUNCIL WORKSHOP	AGENDA ITEM 2.B.

TO: THE HONORABLE CITY COUNCIL DATE: September 23, 2024

SUBJECT: 2025 Water, Wastewater and Stormwater Rates/Fees Discussion

Report in Brief

The Infrastructure Work System will return to City Council to provide responses to questions posed at the August 26 workshop, and present draft rates and fee information for the water, sewer and stormwater funds.

The City team has historically held workshops with City Council ahead of rate/fee adoption requests to provide foundational information and receive questions and concerns from City Council. In this September workshop, the City team will present City Council with funding scenarios to address the City's water, wastewater and stormwater infrastructure condition and capacity challenges. These rate and fee scenarios will help to close existing resource gaps and support the sustainability of the Utilities Department's Level of Service delivery to our residents and businesses.

Background

The City's Infrastructure team continues to prepare for investments in operations and infrastructure as part of our ongoing commitment to continue to provide reliable water, sewer, and stormwater drainage services to our community. Over the past few years, the team has provided information and updates to the Council, including annual budgets and workshops related to the water, sewer, and stormwater master planning efforts.
The focus of this presentation is to respond to City Council's questions from the August workshop and provide some rate and fee scenarios for City Council to consider. After this workshop, the City team will respond to City Council's direction, and return in October to request the adoption of the 2025 water, sewer and stormwater rates/fees as part of the 2025-2026 two-year budget process.

Strategic Alignment

This discussion aligns with the Infrastructure Priority Area of the City Council Strategic Plan, specifically Infrastructure Work System Service 1: Provides the community with a safe, resilient, high-quality water supply, drainage system, wastewater disposal, and solid waste management services for full city build-out, as defined by the Comprehensive Plan. This includes maintaining utility rates at the lowest practical levels with accurate billing that supports robust and reliable infrastructure.

Next Steps

The City team will return to City Council in October to request the adoption of the final 2025 water, sewer and stormwater rates/fees.

Prepared by:
Christine Gray, Utilities Business Manager

Reviewed by:

Approved by:

Sharon Israel, Director of Utilities	9/5/2024
Bryan Archer, Director of Finance	9/5/2024
Jessica Morales, Assistant City Attorney	9/6/2024
Tammy Hedlund, Legal Specialist	9/9/2024
Don Wick, Deputy City Manager	9/9/2024
Rachel Morris, City Attorney	9/10/2024
Linda Haley, Acting City Manager	9/11/2024

Enclosure, exhibits & attachments required to support the report

2024 Capital Improvement Plan (CIP) Project Prioritization Definitions

WATER

Priority	Definition	Description: Water Treatment/Distribution/Raw Water Operations	Impact
Red	High critical	Asset is critical to public/city staff safety, meeting permits/state regulations, and/or the potential for a long term impact to receiving water. Failure of the asset is imminent or occurs regularly. Asset failure will impact large numbers of customers, including multiple pressure zones.	Population impacted > 1 zone/Tier 1 or Tier 2 regulatory violation
Orange	Medium critical	Health and safety concerns are minimal or can be mitigated, and/or the potential for a short term impact to receiving water. Failure of the asset is likely to occur at some stage. Asset failure will not impact multiple zones but will impact between a few customers and a pressure zone.	Population impacted >1 zone/ Tier 3 regulatory violation
Yellow	Low critical	Little to no impact to public/city safety, meeting regulations, and/or receiving water. Failure of asset is not likely to occur within the budget cycle or asset failure will impact fewer than 20-30 connections.	No regulatory violation or small number of people impacted by failure

WASTEWATER

Priority	Definition	Description	Impact
Red	High critical	Asset is critical to public/city staff safety, meeting permits/state regulations, and/or the potential for a long term impact to receiving water. Failure of the asset is imminent or occurs regularly. **Includes the CRT and NTL programs. Asset failure will impact large numbers of customers.**	Population impacted > 1 zone/Tier 1 or Tier 2 regulatory violation
Orange	Medium critical	Health and safety concerns are minimal or can be mitigated, and/or the potential for a short term impact to receiving water. Failure of the asset is likely to occur at some stage. Asset failure will impact a larger area such as a subdivision or more.	Population impacted >1 zone/ Tier 3 regulatory violation
Yellow	Low critical	Little to no impact to public/city safety, meeting regulations, and/or collecting wastewater. Asset failure is not likely to occur within the budget cycle or asset failure will impact fewer than 20-30 connections.	No regulatory violation or small number of people impacted by failure

STORMWATER

Priority	Definition	Further Definition	Impact
Red	High critical	Reactive maintenance/resident calls/minimum Level of Service	Level of Service impacts
Orange	Medium critical	No immediate threat to public safety/still important to meet Level of Service	No immediate threat
Yellow	Low critical	Minimal safety risk	Minimal safety risk

WATER FUND - Capital Project Description	Project Prioritization	2025-2034 Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Pumped Zones Storage Tank Zone 6	High Critical	$ **4,200,000**	-	4,200,000	-	-	-	-	-	-	-	-	-
Pumped Zones Storage Tank Zone 6 - EXTERNAL FUNDING SOURCE=$10,800,000 as of AUG24	High Critical	$ **-**	-	-	-	-	-	-	-	-	-	-	-
Denver Water Moffat Project Participation Gross Reservoir Expansion participation	High Critical	$ **87,688,757**	22,842,757	32,859,000	16,894,000	15,093,000	-	-	-	-	-	-	-
Zone 5 "Purple Line" - EXTERNAL FUNDING SOURCE 65%	High Critical	$ **2,015,000**	2,015,000	-	-	-	-	-	-	-	-	-	-
Zone 5 "Purple Line" - CITY PORTION 35%	High Critical	$ **1,008,553**	1,008,553	-	-	-	-	-	-	-	-	-	-
Sliplining of 54" Transmission Main	High Critical	$ **1,100,000**	1,100,000	-	-	-	-	-	-	-	-	-	-
Water Treatment Plant Repair Program	High Critical	$ **7,382,000**	570,000	542,000	569,000	597,000	627,000	658,000	691,000	726,000	762,000	800,000	840,000
Chemical System Improvements	High Critical	$ **1,618,004**	373,004	108,000	1,137,000	-	-	-	-	-	-	-	-
2024 Water Line Replacement	High Critical	$ **10,927,684**	10,927,684	-	-	-	-	-	-	-	-	-	-
Water Treatment Plant Replacement Project - pilot project + construction in out years	High Critical	$ **293,851,000**	757,000	7,711,000	7,858,000	70,721,000	65,600,000	68,880,000	72,324,000	-	-	-	-
Water Treatment Plant Replacement Project - land acquisition	High Critical	$ **10,000,000**	10,000,000	-	-	-	-	-	-	-	-	-	-
Distribution System Storage/Pump/Pipe	High Critical	$ **6,050,000**	6,050,000	-	-	-	-	-	-	-	-	-	-
Gross Reservoir Expansion Delivery infrastructure	High Critical	$ **1,224,000**	-	-	-	597,000	627,000	-	-	-	-	-	-
Carbon Dioxide System and Lime Chemical Feed Systems @ RWTP	High Critical	$ **1,679,000**	-	542,000	1,137,000	-	-	-	-	-	-	-	-
Security Cameras	High Critical	$ **165,000**	-	108,000	57,000	-	-	-	-	-	-	-	-
Water Fill Station R&R	High Critical	$ **138,000**	-	81,000	57,000	-	-	-	-	-	-	-	-
Arvada/Blunn Reservoir Studies	High Critical	$ **126,000**	-	108,000	-	18,000	-	-	-	-	-	-	-
Arvada/Blunn Reservoir Outlet Slide Gate Upgrades and Modifications	High Critical	$ **1,694,000**	-	65,000	-	-	-	-	-	1,068,000	561,000	-	-
Raw Water Pump Stations Upgrades and Modifications	High Critical	$ **4,079,500**	-	1,842,500	1,771,000	-	466,000	-	-	-	-	-	-
SCADA master plan and projects	High Critical	$ **3,022,000**	-	-	171,000	299,000	313,000	329,000	346,000	363,000	381,000	400,000	420,000
Reservoir Actuator & Electrical Compliance Project	High Critical	$ **958,339**	958,339										
Water Distribution System R&R	Medium Critical	$ **5,850,256**	1,093,256	-	-	597,000	627,000	658,000	553,000	400,000	610,000	640,000	672,000
Zephyr Tank (Pumped Zones Storage Tank Zone 5)	Medium Critical	$ **-**	-	-	-	-	-	-	-	-	-	-	-
Zephyr Tank (Pumped Zones Storage Tank Zone 5) - EXTERNAL FUNDING	Medium Critical	$ **3,600,000**	3,600,000	-	-	-	-	-	-	-	-	-	-
Pumped Zones Pump Station	Medium Critical	$ **6,726,000**	1,400,000	3,791,000	1,535,000	-	-	-	-	-	-	-	-
New Pump Station infrastructure	Medium Critical	$ **6,498,000**	-	6,498,000	-	-	-	-	-	-	-	-	-
Ralston Plant and System Storage Tanks Replacement and Expansion (Zone 4)	Medium Critical	$ **7,511,000**	-	-	-	-	-	-	-	653,000	6,858,000	-	-
Risk/Resiliency/Emergency Response Assessment	Medium Critical	$ **1,561,000**	200,000	108,000	114,000	119,000	125,000	132,000	138,000	145,000	152,000	160,000	168,000
Raw Water Pump Stations Upgrades and Modifications	Medium Critical	$ **468,000**	-	-	171,000	-	-	-	-	-	297,000	-	-
Croke Canal/Church Canal/Ralston Creek Operational & WQ Improvements	Medium Critical	$ **152,000**	-	152,000	-	-	-	-	-	-	-	-	-
Raw Water Pipeline Inspections & Upgrades	Medium Critical	$ **182,000**	-	-	57,000	125,000	-	-	-	-	-	-	-
Water Resources Master Plan	Low Critical	$ **376,000**	-	-	-	-	376,000	-	-	-	-	-	-
Hydraulic Modeling	Low Critical	$ **732,000**	50,000	54,000	57,000	60,000	63,000	66,000	69,000	73,000	76,000	80,000	84,000
2023 Water Replacement - BOND FUNDING	Low Critical	$ **4,500,000**	4,500,000	-	-	-	-	-	-	-	-	-	-
Annual Water Line projects	Low Critical	$ **107,569,000**	8,318,000	9,013,000	10,007,000	10,923,000	12,543,000	13,170,000	13,829,000	14,520,000	15,246,000	-	-
Highway 93 Lakes Water Storage Project	Low Critical	$ **2,448,000**	-	-	-	2,448,000	-	-	-	-	-	-	-
Distribution System Master Plan Update	Low Critical	$ **795,000**	400,000	-	-	-	-	395,000	-	-	-	-	-
Raw Water Infrastructure Upgrades	Low Critical	$ **2,826,000**	-	23,000	39,000	60,000	63,000	138,000	138,000	363,000	762,000	400,000	840,000
Haines and Piquette Ditch Upgrades	Low Critical	$ **1,260,000**	-	-	-	-	-	-	-	-	-	-	1,260,000
Arvada Reservoir Water Quality Improvements	Low Critical	$ **239,000**	-	-	-	239,000	-	-	-	-	-	-	-
Total All Projects		$ **592,220,093**	**$ 76,163,593**	**$ 67,805,500**	**$ 41,631,000**	**$ 101,896,000**	**$ 81,430,000**	**$ 84,426,000**	**$ 88,088,000**	**$ 18,311,000**	**$ 25,705,000**	**$ 2,480,000**	**$ 4,284,000**
Total All High Critical		$ 438,926,837	56,602,337	48,166,500	29,651,000	87,325,000	67,633,000	69,867,000	73,361,000	2,157,000	1,704,000	1,200,000	1,260,000
Total Medium Critical		$ 32,548,256	6,293,256	10,549,000	1,877,000	841,000	752,000	790,000	691,000	1,198,000	7,917,000	800,000	840,000
Total Low Critical		$ 120,745,000	13,268,000	9,090,000	10,103,000	13,730,000	13,045,000	13,769,000	14,036,000	14,956,000	16,084,000	480,000	2,184,000
Existing Debt Service		$ 31,633,300	2,874,550	2,875,050	2,878,550	2,874,800	2,874,050	2,876,050	2,875,550	2,877,550	2,876,800	2,873,300	2,877,050
Operating Expenses		$ 405,847,080	31,680,748	32,109,862	33,559,176	34,128,879	35,322,652	36,588,665	37,707,598	39,072,235	40,489,628	41,986,246	43,201,390
Total		$ **1,029,700,473**	**$ 110,718,891**	**$ 102,790,412**	**$ 78,068,726**	**$ 138,899,679**	**$ 119,626,702**	**$ 123,890,715**	**$ 128,671,148**	**$ 60,260,785**	**$ 69,071,428**	**$ 47,339,546**	**$ 50,362,440**

SEWER FUND - Capital Project Description	Project Prioritization	2025-2034 Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
NTL 7, W. 81st & Teller to W. 72nd & Sheridan - 2022 BOND FUNDING	High Critical	**$ 17,615,358**	4,841,712	12,773,647	-	-	-	-	-	-	-	-	-
NTL2 + NTL3 + Alkire Force Main: 86th Avenue & Alkire Street - 2022 BOND FUNDING	High Critical	**$ 9,064,450**	1,021,718	8,042,733	-	-	-	-	-	-	-	-	-
NTL 8 Phase 1, 68th & Sheridan to Tennyson & W. 68th Ave	High Critical	**$ 7,089,491**	-	-	326,931	6,041,678	720,882	-	-	-	-	-	-
NTL 8 Phase 2, Tennyson & W. 64th to Tennyson & W 68th Ave	High Critical	**$ 7,470,365**	-	-	261,545	5,767,056	1,441,764	-	-	-	-	-	-
NTL 6, 80th Ave. to Chase Circle	High Critical	**$ 6,893,005**	-	-	-	1,125,949	5,767,056	-	-	-	-	-	-
NTL 5, Little Dry Creek, Kipling to 80th Ave.	High Critical	**$ 8,550,691**	-	-	-	411,933	8,138,758	-	-	-	-	-	-
NTL Sewer System Condition Assessment Results	High Critical	**$ 7,262,000**	-	-	330,000	3,785,000	3,147,000	-	-	-	-	-	-
CRT 6, Phase 2 - W. 69th from Coors to Urban (goes West)	High Critical	**$ 6,220,883**	-	280,226	3,530,851	2,409,806	-	-	-	-	-	-	-
CRT 9, Union from W. 75th to W. 71st	High Critical	**$ 5,028,504**	-	124,545	4,903,959	-	-	-	-	-	-	-	-
CRT 5, W. 69th from Eldridge to Coors	High Critical	**$ 2,591,056**	-	-	-	1,524,151	1,066,905	-	-	-	-	-	-
CRT 8, W. 75th from Ward to Union	High Critical	**$ 1,303,274**	-	88,961	1,214,313	-	-	-	-	-	-	-	-
CRT Sewer System Condition Assessment Results	High Critical	**$ 7,262,000**	-	-	330,000	3,785,000	3,147,000	-	-	-	-	-	-
CRT 4, W. 68th Avenue & Indiana Street	High Critical	**$ 742,508**	-	-	-	288,353	454,156	-	-	-	-	-	-
CRT 3, Westwoods Circle & W. 66th Circle	High Critical	**$ 431,156**	-	-	-	27,462	403,694	-	-	-	-	-	-
CRT 6 Ralston Trunk Sewer Improvements - W. 69th from Coors to Urban	High Critical	**$ 5,989,997**	5,542,119	447,878	-	-	-	-	-	-	-	-	-
CRT 7 Ralston Trunk Sewer Improvements - Simms to Pierson	High Critical	**$ 5,491,575**	4,866,253	625,322	-	-	-	-	-	-	-	-	-
NTL 10, 61st & Tennyson	High Critical	**$ 17,371,656**	5,933,281	11,438,375	-	-	-	-	-	-	-	-	-
Long term spending Assumption	High Critical	**$ 22,526,284**	-	-	-	-	-	3,027,705	3,179,090	3,338,044	3,504,946	3,680,194	5,796,305
Sewer System Replacement	Low Critical	**$ 17,001,246**	1,927,246	980,000	1,080,000	1,192,000	1,452,000	1,524,000	1,601,000	1,681,000	1,765,000	1,853,000	1,946,000
Infiltration Elimination Program	Low Critical	**$ 11,580,000**	-	921,000	967,000	1,015,000	1,066,000	1,119,000	1,175,000	1,234,000	1,295,000	1,360,000	1,428,000
Oversizing of Replacement Pipelines for Additional Capacity	Low Critical	**$ 3,073,000**	-	325,000	353,000	376,000	439,000	-	286,000	300,000	315,000	331,000	348,000
Wastewater Master Plan Update	Low Critical	**$ 1,124,000**	-	433,000	-	-	-	-	691,000	-	-	-	-
Total		**$ 171,682,499**	**$ 24,132,328**	**$ 36,480,686**	**$ 13,297,598**	**$ 27,749,387**	**$ 27,244,215**	**$ 5,670,705**	**$ 6,932,090**	**$ 6,553,044**	**$ 6,879,946**	**$ 7,224,194**	**$ 9,518,305**
* *Project will likely require additional bond funds to begin and/or complete*													

Total All High Critical	138,904,253	22,205,082	33,821,686	10,897,598	25,166,387	24,287,215	3,027,705	3,179,090	3,338,044	3,504,946	3,680,194	5,796,305
Total Medium Critical	-	-	-	-	-	-	-	-	-	-	-	-
Total Low Critical	32,778,246	1,927,246	2,659,000	2,400,000	2,583,000	2,957,000	2,643,000	3,753,000	3,215,000	3,375,000	3,544,000	3,722,000
Existing Debt Service	31,831,266	2,893,956	2,894,706	2,893,456	2,895,206	2,894,706	2,891,956	2,891,956	2,894,456	2,894,206	2,891,206	2,895,456
Operating Expenses	223,987,748	17,419,493	16,510,338	17,418,120	18,235,922	19,096,088	20,000,956	20,953,001	21,954,840	23,009,240	24,122,286	25,267,463
Total	**$ 427,501,513**	**$ 44,445,778**	**$ 55,885,730**	**$ 33,609,174**	**$ 48,880,515**	**$ 49,235,009**	**$ 28,563,616**	**$ 30,777,047**	**$ 31,402,341**	**$ 32,783,393**	**$ 34,237,686**	**$ 37,681,224**

STORMWATER FUND - Capital Project Description	Project Prioritization	2025-2034 Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Arvada Center Detention Pond - IGA	High Critical	**$ 1,581,000**	$ 150,000	$ 500,000	$ 1,081,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Drainage Improvement Projects	High Critical	**$ 26,591,000**	777,476	1,400,000	1,625,000	1,838,000	2,079,000	2,353,000	2,662,000	3,011,000	3,407,000	3,855,000	4,361,000
MHFD Joint Maintenance	High Critical	**$ 971,000**	74,439	30,000	85,000	90,000	94,000	99,000	104,000	109,000	114,000	120,000	126,000
Van Bibber Creek from Oak St to Kipling Pkwy - IGA	High Critical	**$ 260,000**	500,000	100,000	100,000	60,000	-	-	-	-	-	-	-
Ralston Creek at Ward Road	High Critical	**$ 2,220,000**	-	-	1,083,000	1,137,000	-	-	-	-	-	-	-
Ralston Creek Improvements - Vance Street to Wadsworth By-Pass 2	High Critical	**$ 757,288**		200,000	232,050	325,238							
Mile High Flood District Joint Master Plan Studies	Medium Critical	**$ 855,183**	529,157	68,000	71,000	75,000	78,750	82,688	86,822	91,163	95,721	100,507	105,533
Juchem Ditch City Funded Improvements	Medium Critical	**$ 598,000**	-	108,000	114,000	119,000	125,000	132,000	-	-	-	-	-
Stormwater Facility Aeration Projects	Low Critical	**$ 524,000**	-	111,000	83,000	47,000	56,000	227,000					-
Ralston Creek Improvements - Vance Street to Wadsworth By-Pass 1	Low Critical	**$ 1,259,000**	-	259,000	500,000	500,000	-						
Feasibility Study	Low Critical	**$ -**	200,000				-	-	-	-	-	-	-
Church Ditch at 74th Avenue	Low Critical	**$ 596,000**	-	596,000	-								-
Total		**$ 36,212,471**	**$ 2,231,072**	**$ 3,372,000**	**$ 4,974,050**	**$ 4,191,238**	**$ 2,432,750**	**$ 2,893,688**	**$ 2,852,822**	**$ 3,211,163**	**$ 3,616,721**	**$ 4,075,507**	**$ 4,592,533**

Total All High Critical	32,380,288	1,501,915	2,230,000	4,206,050	3,450,238	2,173,000	2,452,000	2,766,000	3,120,000	3,521,000	3,975,000	4,487,000
Total Medium Critical	1,453,183	529,157	176,000	185,000	194,000	203,750	214,688	86,822	91,163	95,721	100,507	105,533
Total Low Critical	2,379,000	200,000	966,000	583,000	547,000	56,000	227,000	-	-	-	-	-
2025 Existing Debt Service	-	-	-	-	-	-	-	-	-	-	-	-
2025 Operating Expenses	47,718,523	4,085,153	3,955,792	3,907,545	3,991,827	4,120,150	4,252,646	4,389,381	4,530,563	4,676,337	4,826,855	4,982,272
Total	**$ 83,930,993**	**$ 6,316,225**	**$ 7,327,792**	**$ 8,881,595**	**$ 8,183,065**	**$ 6,552,900**	**$ 7,146,334**	**$ 7,242,203**	**$ 7,741,726**	**$ 8,293,058**	**$ 8,902,362**	**$ 9,574,805**

Water, Sewer and Stormwater Enterprise Funds 2025 Revenue Increase Scenario Options

City Council Workshop
September 23, 2024

CITY OF ARVADA

Tonight's Workshop Topics

- Review of recent rate/fee-setting workshops timeline
- August 26th workshop - recap of discussion
- Review funding scenarios for each fund (Stormwater, Water, Sewer) - **Requesting your direction for October 7th and October 21st adoption requests**
- Utility bill assistance program recommendations
- Next steps: October adoption requests

Rate and Fee-setting Timeline:

Date	Content
July 22	April 8th themes; the ‘why?’ and ‘how?’ of the rate/fee setting process; discussion and policy direction
August 26	Rate/fee ranges and responses to Council feedback and direction, affordability and assistance program information
September 23 - **tonight**	Review 8/26 questions/comments, finalize 2025 water, sewer and stormwater rates/fees
October 7	1st Reading to adopt 2025 rates/fees
October 21	Public Hearing and 2nd Reading to adopt 2025 rates/fees

Follow Up to Questions/Comments

- Enterprise Fund expenses:
  - Please show existing and proposed new debt service
- Enterprise Fund revenues:
  - Be prepared for revenue fluctuations in the financial model
  - Keep tiers as they are for now, and research surcharge options for highest water users to support conservation programs
  - Show revenue and expenses for each scenario
- Bonding/Loans:
  - We will talk with the bond issuing organizations to see how/if we can offer our residents any proposed revenues bonds to purchase
  - All of the scenarios include some amount of bonds
  - Future Councils will appreciate the appropriate use of debt now
- Funding Scenario options:
  - The "Bottom Line" amount shown is in addition to current bills
  - Households use different amounts of water. The model uses a baseline assumption of 95,000 gallons/year.
  - Show historic rates for further back in time

Follow Up to Questions/Comments, cont.:

- CIP One Pager and Projects:
    - Research what revenue generating options exist for the existing Arvada Water Treatment Plant property after facility is replaced.
    - The current one-pager reflects current best information from master plans. Ongoing planning will inform future/outyear capital needs.
    - Looking into the future - examine pumped zone surcharges
    - Be aware of/prepare for/manage construction fatigue around the City
    - Sewer CIP is a combination of R&R and Growth. We need to complete to address both components. We cannot separate out the Repair & Replacement (R&R) projects from the growth projects and only do those.
    - Level of Service impacts, costs of Sanitary Sewer Overflows (SSOs) are approx. $35,000/SSO

We can come back to you in a future workshop to talk about capital project work completed to date.

Follow Up to Questions/Comments, cont.:

- Stormwater:
  - We are scheduling a Stormwater 101 Workshop in early 2025 to cover the three major components of the stormwater program: operations, regulatory, and engineering. This will include an update on stormwater drainage improvement projects and the overall Master Planning efforts
  - We should and do use MHFD wherever possible.
    - In 2024, $650,000 for Arvada capital projects and $450,000 toward stream maintenance including vegetation removal, repairs and environmental permitting
  - Two new FTE in 2025 to support operations, including proactive inspections and maintenance.

- Assistance Programs:
  - Evaluate the costs/benefits of a bill round-up program.
  - We will move forward with a partnership with Community Table
  - We will use the City's existing Housing Rebate customer list as a basis for performing an outreach effort to see if those same income-qualifying customers are also struggling with paying their utility bill.
  - City Council is interested in more info on liens for non-payment. We will come back with more information.

The Bottom Line:

Funding Everything =
+$12.82/month
for a typical single family home
with summer irrigation

Stormwater Fund

Stormwater Basics

The City’s three stormwater teams protect the City’s waterways, address spills/dumping, help the City prepare for floods, and administer site disturbance permits for construction

- We maintain 180 miles of stormwater pipelines, 118 miles of waterways/open channels, 10 city-owned stormwater lakes, 253 facilities
- We partner with Mile High Flood District (MHFD) whenever possible to leverage their funding for maintenance activities and capital improvements/master planning projects.
- We’re currently managing 112 active construction sites
- We manage our Municipal Separate Storm Sewer (MS4) permit, which is issued for discharges of urban stormwater into streams, rivers and lakes

Stormwater Basics, continued

- There are three main workgroups with a total of 10.5 FTE in the proposed 2025/2026 budget book
  - Stormwater also funds portions of other positions in the Infrastructure and VCN work systems.
- The total 2024 Stormwater O&M budget: $4.1 million

Regulatory Team

Functions: Ensure that the City complies with our MS4 permit; inspect and maintain City owned open channels and waterbodies, surface water quality sampling, environmental and air quality response.

FTEs: 4.0

Operations Team

Functions: Inspect/maintain 180 miles of pipeline); respond to sinkholes and other impacts to City streets/infrastructure

FTEs: 2.5 + 2.0 new FTE

Engineering Team

Functions: Coordinate projects with MHFD; manage in-house projects; process floodplain permits; maintain CRS ranking; manage and update floodplain studies and master plans

FTEs: 2.0

Stormwater Impact Photos

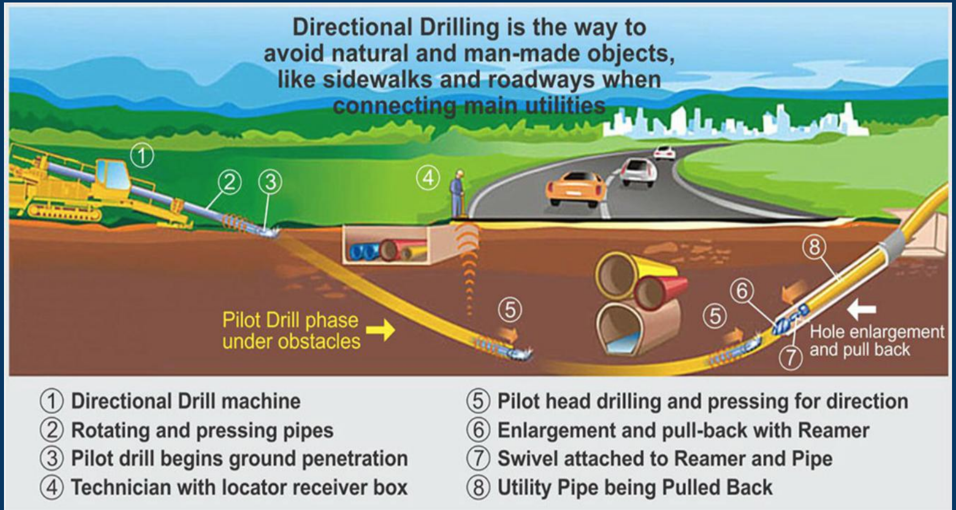
We've also managed 21 spill/dump incidents in 2024 YTD

Directional Drilling Damage (Bore Hits)

What is a bore? A directional drill is used to install conduit, or pipe underground without an open trench and in difficult areas.

How does damage occur? Failure to verify or pre-mark area, lack of knowledge, blatant disregard.

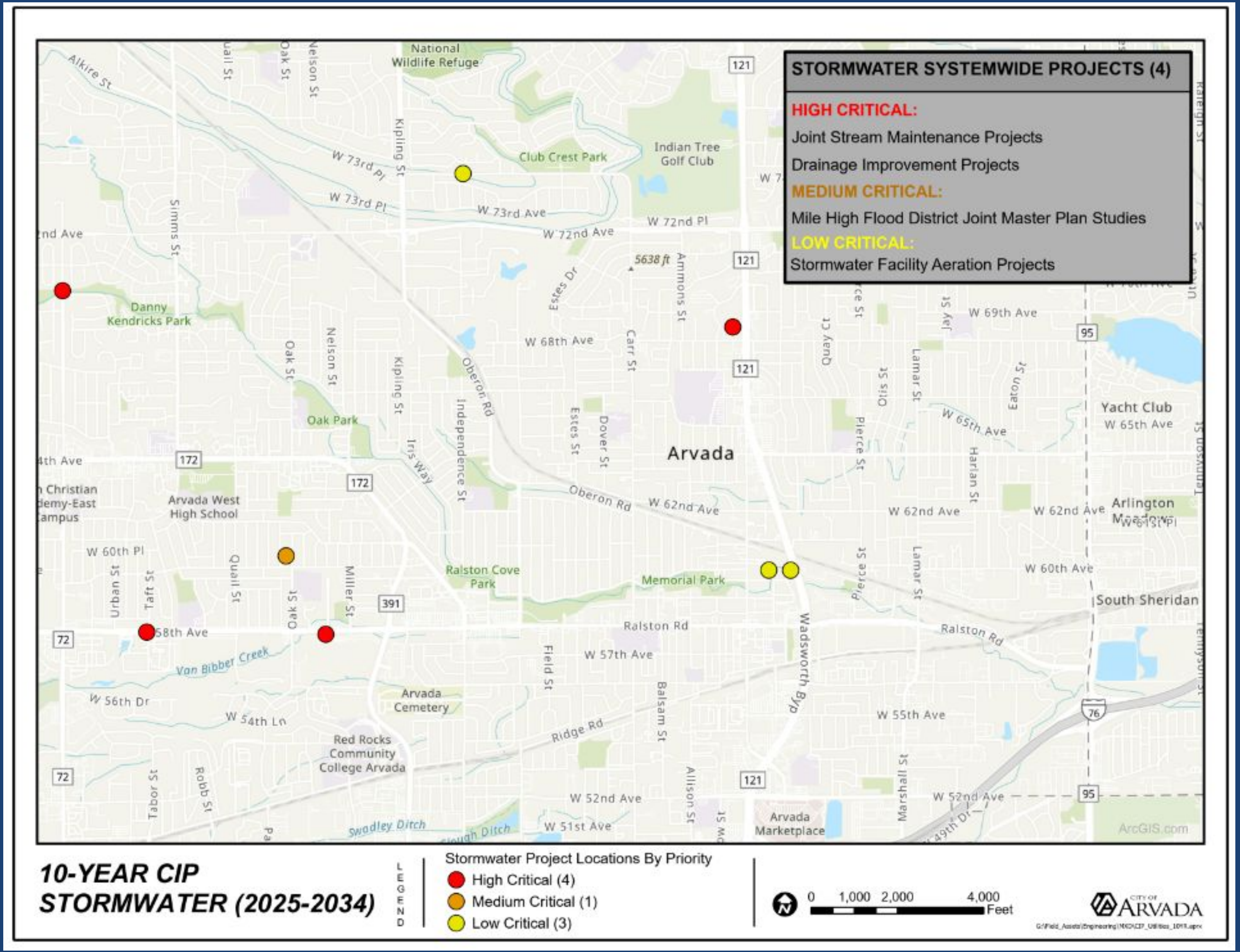
Impacts? Significant staff time and resources to identify/resolve. Project delays.



The Underground Damage Prevention and Risk teams are currently seeking **$202,863** in reimbursement from 11 different contractor damages in the last **2 years**.

- 52 Bore damages since 2017
- 10 Bore damages in 2023
- 7 Bore damages in 2024 YTD

Stormwater Fund - CIP



Stormwater Fund - CIP

- **Ongoing Efforts to Address Major Projects**
- Color-coded based on criticality, risk and vulnerability
  - **Red** total 2025: $2,230,000 (highest criticality)
  - **Orange** total 2025: $176,000 (medium criticality)
  - **Yellow** total 2025: $966,000 (low criticality)

Total all 2025 CIP projects: $3,372,000

Total all 2025-2034 CIP projects: $36,212,471

Potential consequences of not implementing and/or deferring projects:

- Level of Service impacts
- Increased flooding events on major streets
- Reputation impacts for economic development
- Inflation impacts for project costs

Stormwater Fund - 2025 Proposed Expenses

Expense Category	**2025 Estimated Amount**
Existing Debt Payments	$0
Proposed Debt Payments (TBD, depends on amount of issue/loan)	Ranges from $0 - $600,000
Proposed Operating Budget *(two requested FTEs in 2025)*	$3,956,000
Proposed Capital Improvement Plan (CIP) Budget - **fully funded**	$3,372,000
Total:	**$7,328,000 - $7,928,000**

Three Funding Scenarios for 2025 (Stormwater Fund) All Scenarios include 2.0 Maintenance FTEs in 2025

Funding Scenario	2025 Increase in Dollars (for typical Single Family home 3,000 square feet of impervious area)	2025 Forecasted Overall Revenue Increase	2025 Debt/Loan Amount to Fund 2025-2026 CIP	To Consider….
(A): 0% variable increase (no fixed fee)	$0	0%	$10,250,000 (2026)	Funds 100% of 2025 Operating expenses. Only funds 8% of 2025 CIP. Deferral of 92% (~$3.1 million) is phased over 2026/2027. Much higher rates in 2026/2027 to fully fund CIP would potentially lead to revenue overcollection in outyears.
(B): Budget Book: 5% increase	+$2.97/year +$0.50/avg bimonthly bill +$0.25 avg/month	5%	$11,000,000 (2026). $13 million additional in outyears.	Funds 100% of 2025 Operating expenses. Only funds 12% of 2025 CIP. Deferral of 88% to 2026 (~$3.0 million) means higher rates needed to fully fund CIP in outyears. Higher overall cumulative increases by 2034.
(C):Fully fund all 2025 Capital Projects	+$8.17/year +$1.36 avg/bimonthly bill +$0.68 avg/month	13.75%	$8,300,000 (2025). $17 million in outyears.	Funds 100% of 2025 Operating expenses and 100% of 2025 CIP expenses. Lower debt would require higher rates.

Stormwater Fund - Scenario Impacts to Two Single Family Bills

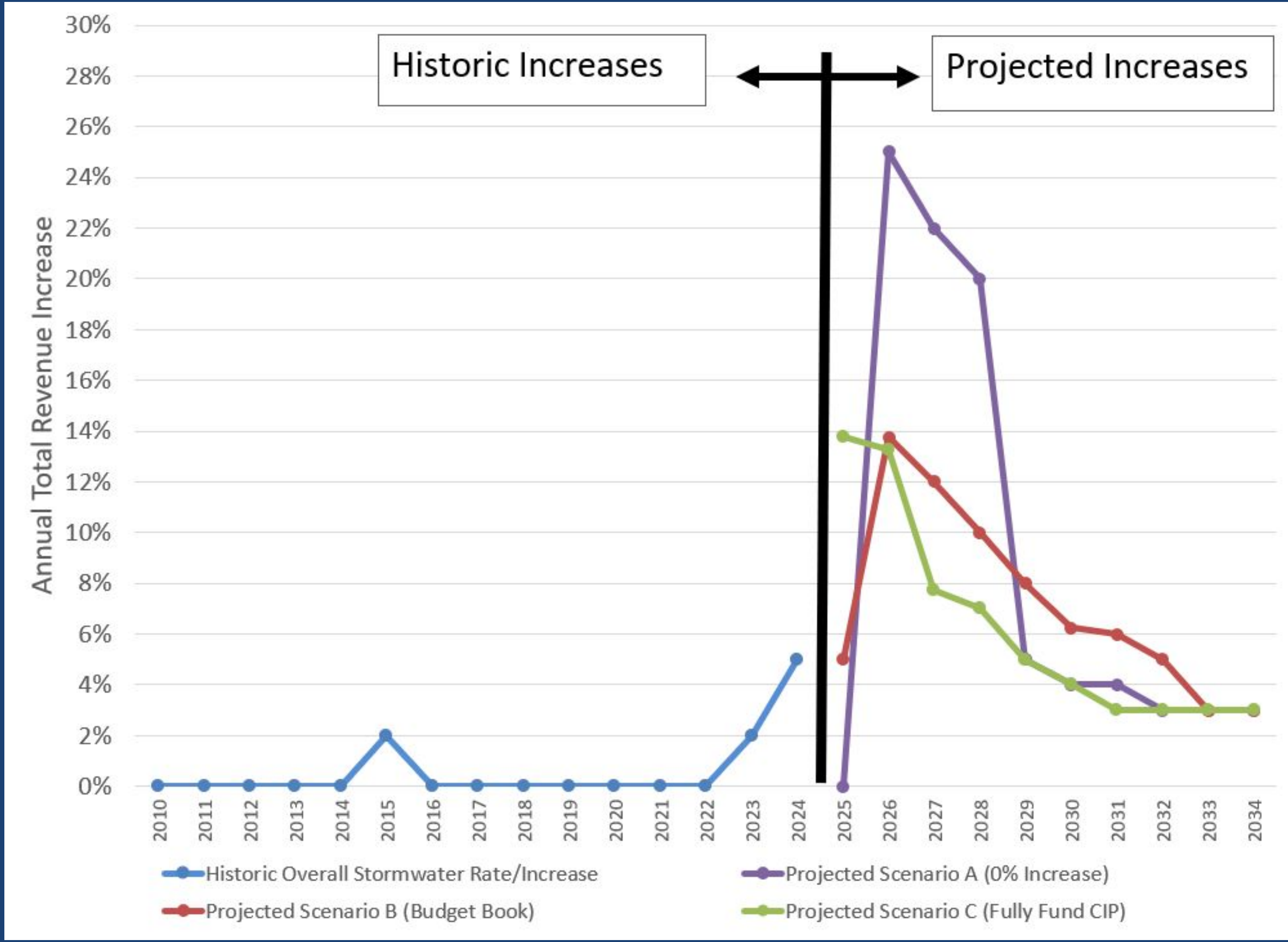
Scenario B, Budget Book. 3,000 square feet of impervious surface:

2024:	2025 Scenario B:	Increase:
$59.40	**$62.37**	**5%**

Scenario C, Fully Funded CIP. 3,000 square feet of impervious surface:

2024:	2025 Scenario C:	Increase:
$59.40	**$67.57**	**13.75%**

Historic and Projected Stormwater Rate Increases (Scenarios A, B & C)



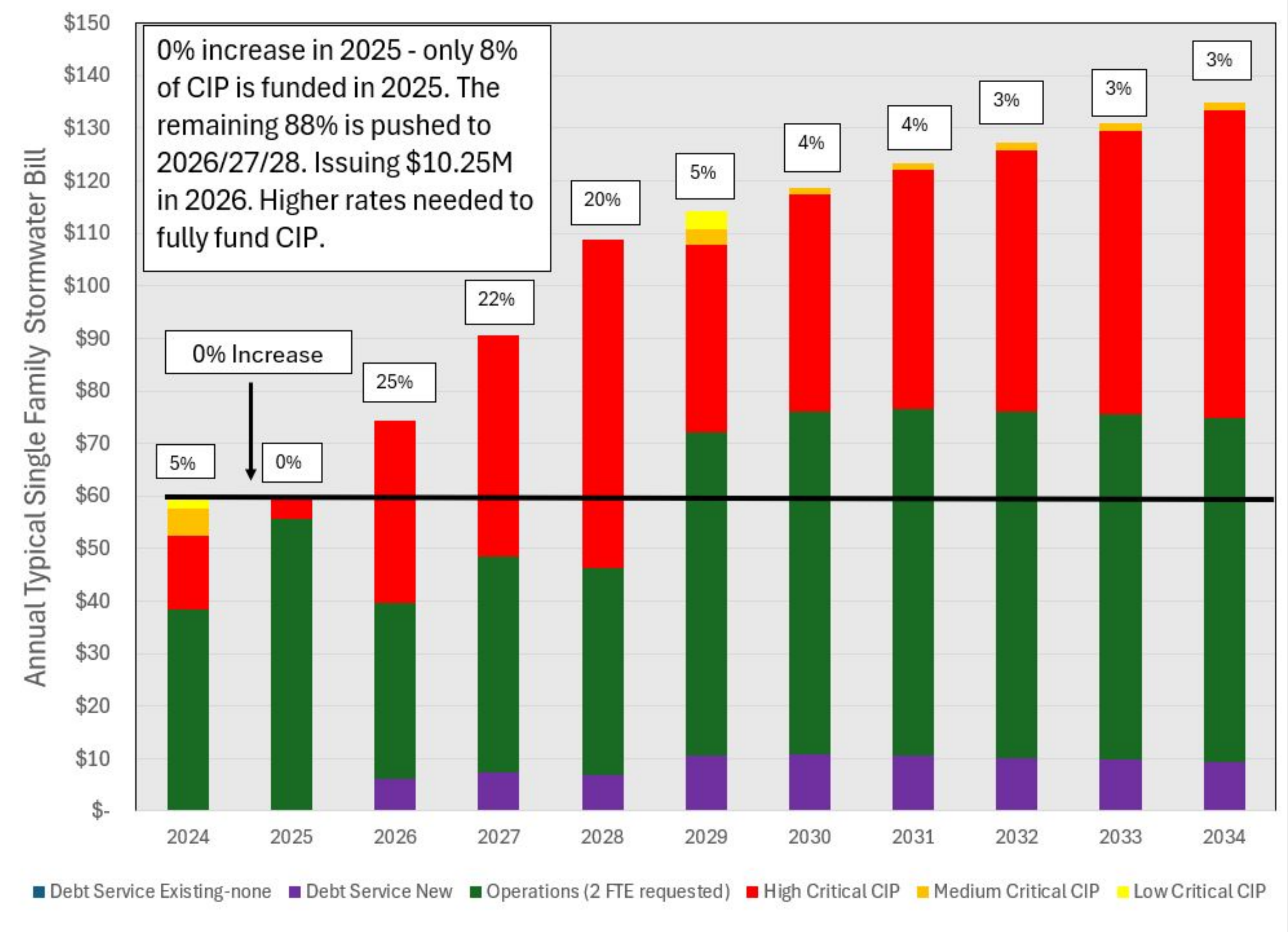
Scenarios A, B & C include debt to manage increases

Stormwater Fund: 2025 Revenues & Expenses, All Scenarios

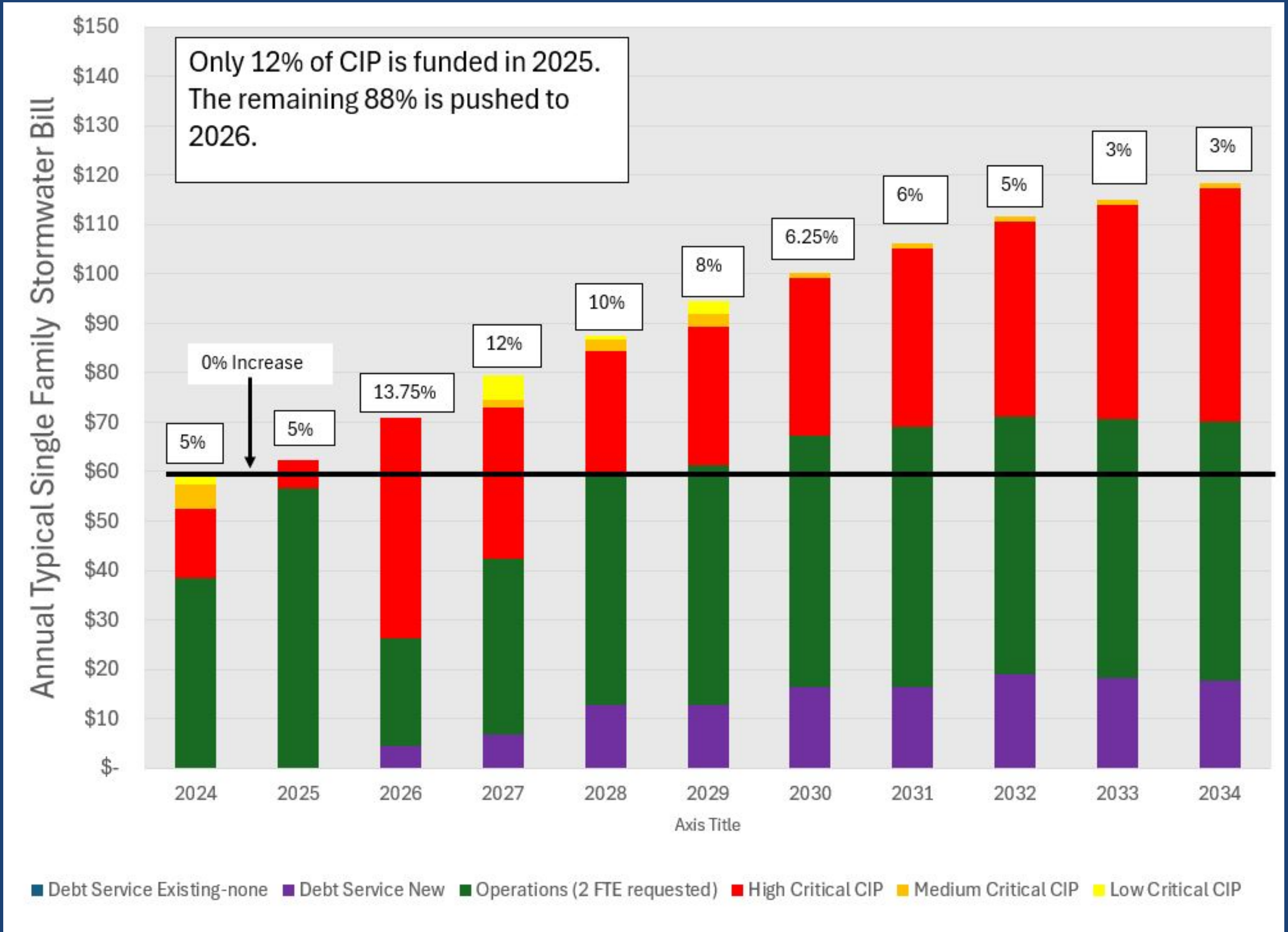
Revenues:	**Scenario A (0%)**	**Scenario B (5%)**	**Scenario C (13.75%)**
Existing Rate Revenues	$4,215,003	$4,215,003	$4,215,003
New Rate Revenues	$0	$210,750	$579,563
Non-Rate Revenues	$35,487	$35,487	$35,487
Bond Proceeds + Reserve Funding	$0	$0	$8,883,737
TOTAL:	**$4,250,490**	**$4,461,240**	**$13,713,790**

Expenses	**Scenario A**	**Scenario B**	**Scenario C**
Existing Debt Service	$0	$0	$0
New Debt Service	$0	$0	$583,737
Operating Expenses	$3,955,792	$3,955,792	$3,955,792
Capital Improvement Program	$269,760 (8% of ‘25 CIP)	$404,640 (12% of ‘25 CIP)	$3,372,000
Use of Fund Reserves/Bond Proceeds	$24,937	$100,808	$5,802,260
TOTAL:	**$4,250,490**	**$4,461,240**	**$13,713,789**

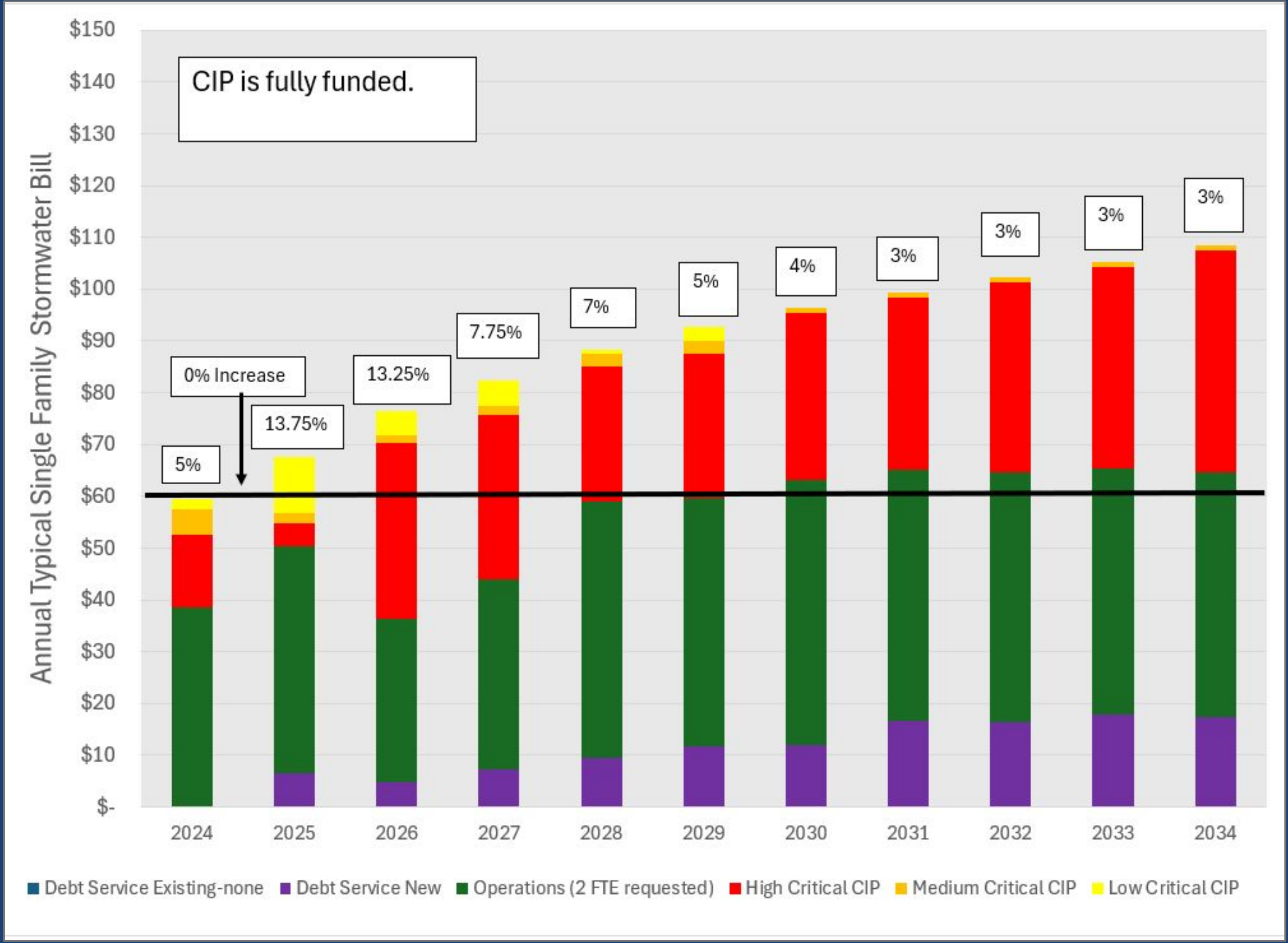
Stormwater - Expense Cost Allocation and Outyear Increases to Fully Fund CIP/Scenario A - 0% Increase



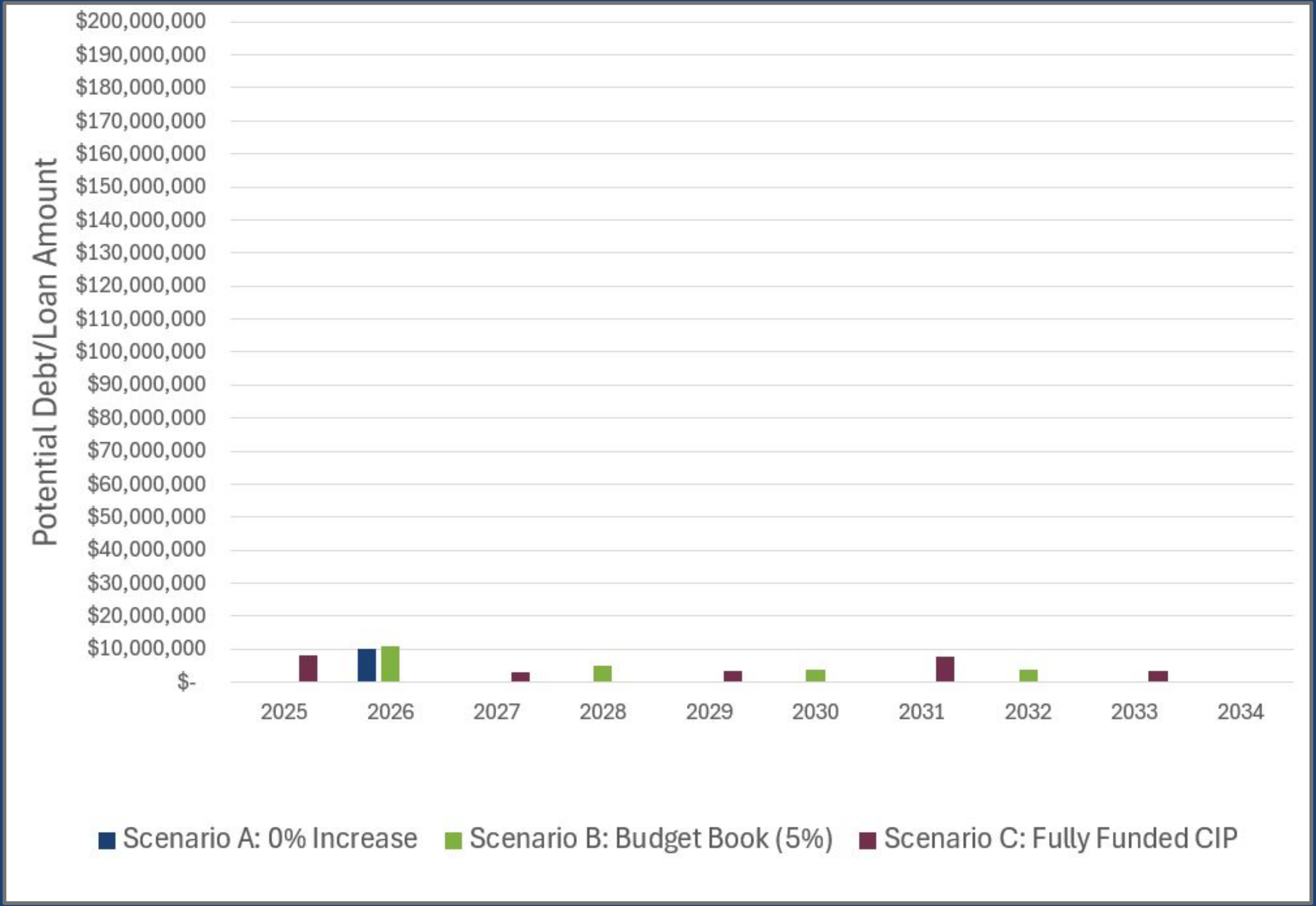
Stormwater - Expense Cost Allocation and Outyear Increases to Fully Fund CIP/Scenario B - 5% Increase



Stormwater - Expense Cost Allocation and Outyear Increases to Fully Fund CIP/Scenario C - 13.75% Increase



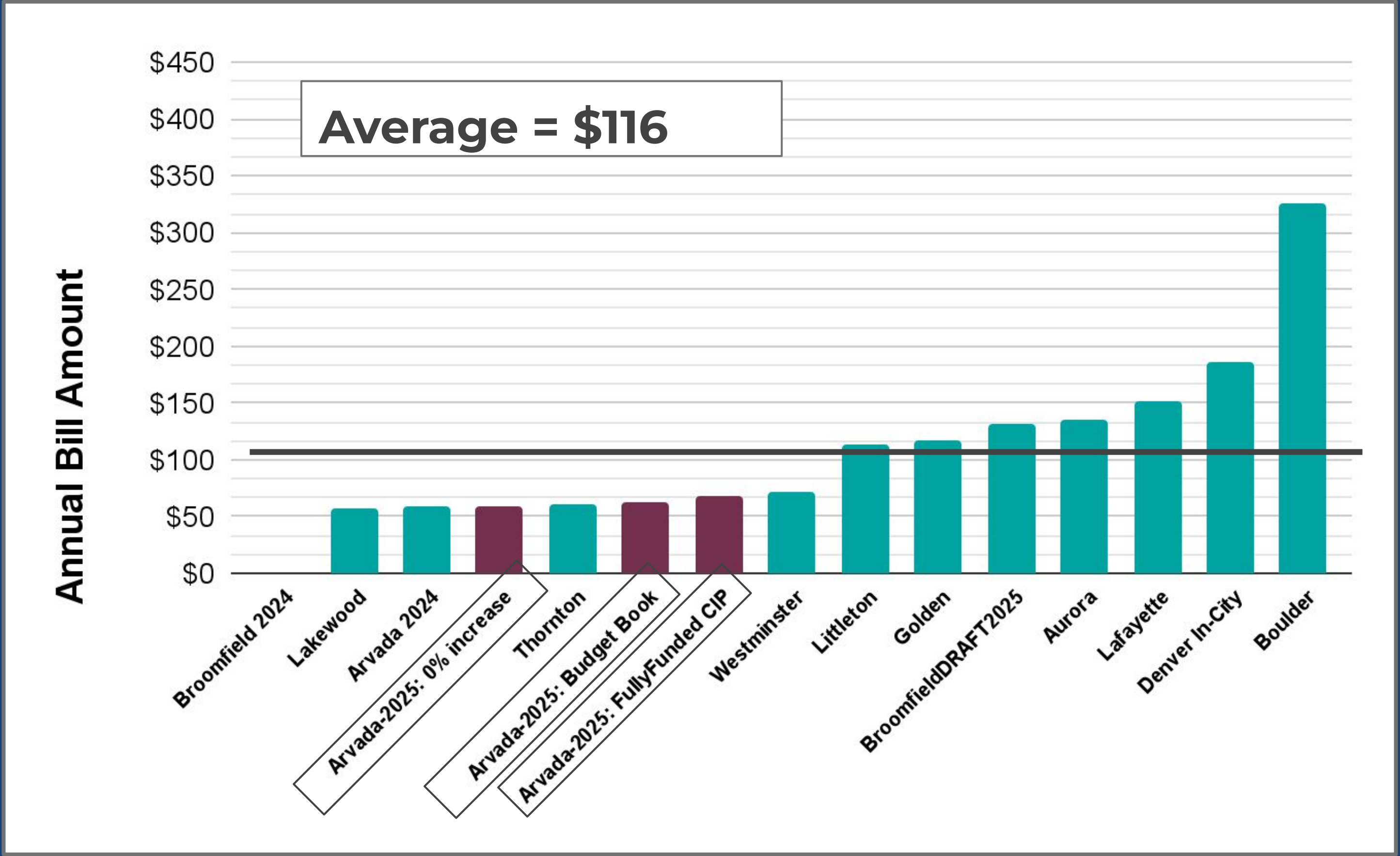
Stormwater Fund, All Scenarios - Potential Debt/Loans to Fully Fund All CIP



Total 2025-2034:

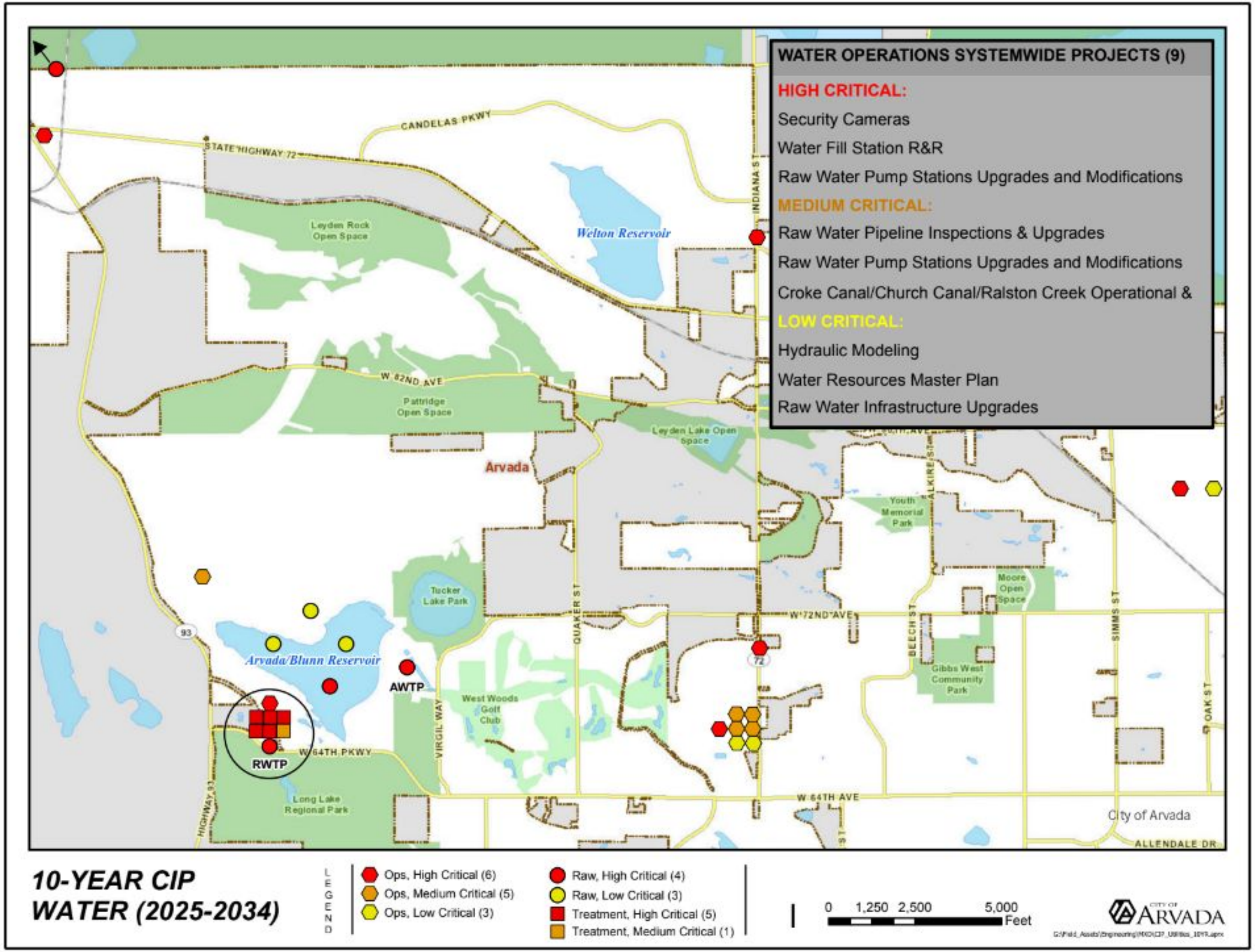
A: $10,250,000
B: $24,000,000
C: $28,850,000

Stormwater 2025 Increase Comparison to 2024 Neighbor Rates
Annual Bill, Single Family Home, 3,000 Square Feet of Impervious Area
All Three Funding Scenarios Represented



Water Fund

Water Fund - CIP



Water Fund - CIP

- **Big project push in 2019-2031**
- Color-coded based on criticality, risk and vulnerability
    - **Red** total 2025: $48,166,500 (highest criticality)
    - **Orange** total 2025: $10,549,000 (medium criticality)
    - **Yellow** total 2025: $9,090,000 (low criticality)

Total all 2025 CIP projects: $67,805,500
Total all 2025-2034 CIP projects: $592,220,093

<u>Potential consequences of not implementing and/or deferring projects:</u>

- Level of Service impacts
- Watering restrictions
- Slowed planned development
- Reputation impacts for economic development
- Inflation impacts for project costs

Water Fund - 2025 Proposed Expenses

Expense Category	**2025 Estimated Amount**
Existing Debt Payments	$2,875,050
Proposed 2025 Debt Payments (TBD, depends on amount of issue/loan)	Ranges from $6,000,000 - $6,300,000
Proposed Operating Budget *(includes 1 temporary position in 2025, 2 FTE positions in 2026)*	$32,109,862
Proposed Capital Improvement Plan (CIP) Budget - **fully funded**	$67,805,500
Total:	**$108,790,412 - 109,090,412**

Two Funding Scenarios for 2025 (Water Fund)

Funding Scenario	Variable Rate and Fixed Fee Adjustments:	2025 Forecasted Overall Revenue Increase	2025 Debt/Loan Amount to Fund 2025-2026 CIP	To Consider….
(B) Budget Book	Variable: 10.00% Fixed ($2/month): 22.43%	11.29%	$90,000,000 ($313 million additional by 2034)	Funds 100% of 2025 CIP. Higher overall cumulative increases by 2034.
(C):Fully Fund All 2025 Capital Projects	Variable: 12.00% Fixed ($2/month): 22.43%	13.04%	$85,800,000 ($325 million additional by 2034)	Funds 100% of 2025 CIP. Lower overall cumulative increases by 2034 compared to Scenario B.

Water Fund - Scenario Impacts to Two Single Family Bills

Scenario B, Budget Book. 95 kgal/year bill:

2024:		2025 Scenario B:	Increase:
Fixed:	$106.98	$130.98	22.43%
Volumetric:	$534.85	$589.00	10.00%
Total =	**$641.83**	**$719.98**	**12.17%**

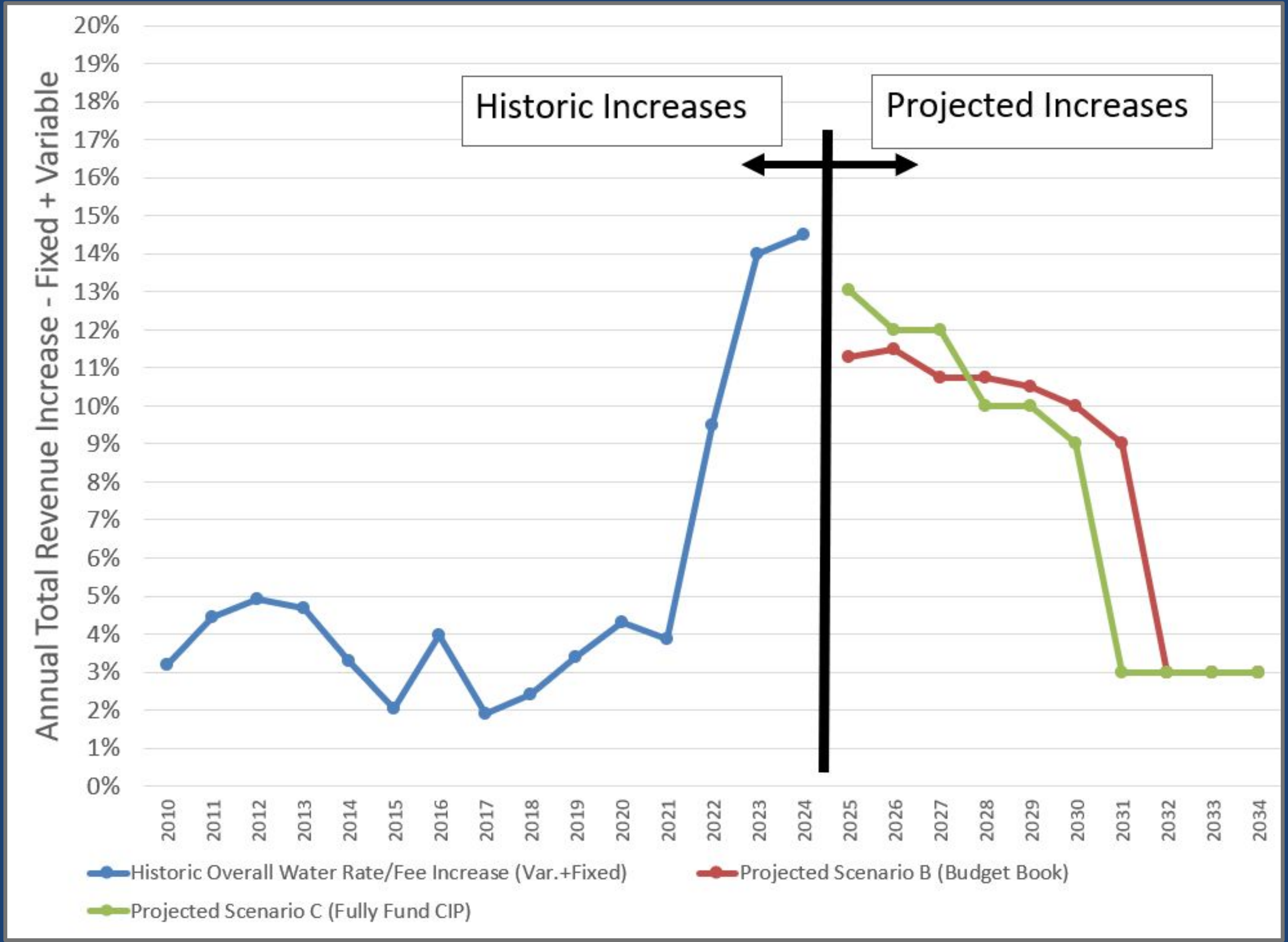
Scenario C, Fully Funded CIP. 95 kgal/year bill:

2024:		2025 Scenario C:	Increase:
Fixed:	$106.98	$130.98	22.43%
Volumetric:	$534.85	$599.45	10.00%
Total =	**$641.83**	**$730.43**	**13.80%**

2025 Single Family Water Bill Impacts for Varying Annual Water Use

Scenario	75,000 Gallons/Year	95,000 Gallons/Year	150,000 Gallons/Year	300,000 Gallons/Year
Scenario B	+$66.75/year +$11.12/bimonthly +$5.56/month	+$78.15/year +$13.02/bimonthly +$6.51/month	+$112.86/year +$18.80/bimonthly +$9.40/month	+$201.00/year +$33.50/bimonthly +$16.75/month
Scenario C	+$75.00/year +$12.50/bimonthly +$6.25/month	+$88.60/year +$14.76/bimonthly +$7.38/month	+$130.08/year +$21.68/bimonthly +$10.84/month	+$274.68/year +$45.78/bimonthly +$22.89/month

Historic and Projected Water Rate Increases (Scenarios B & C)

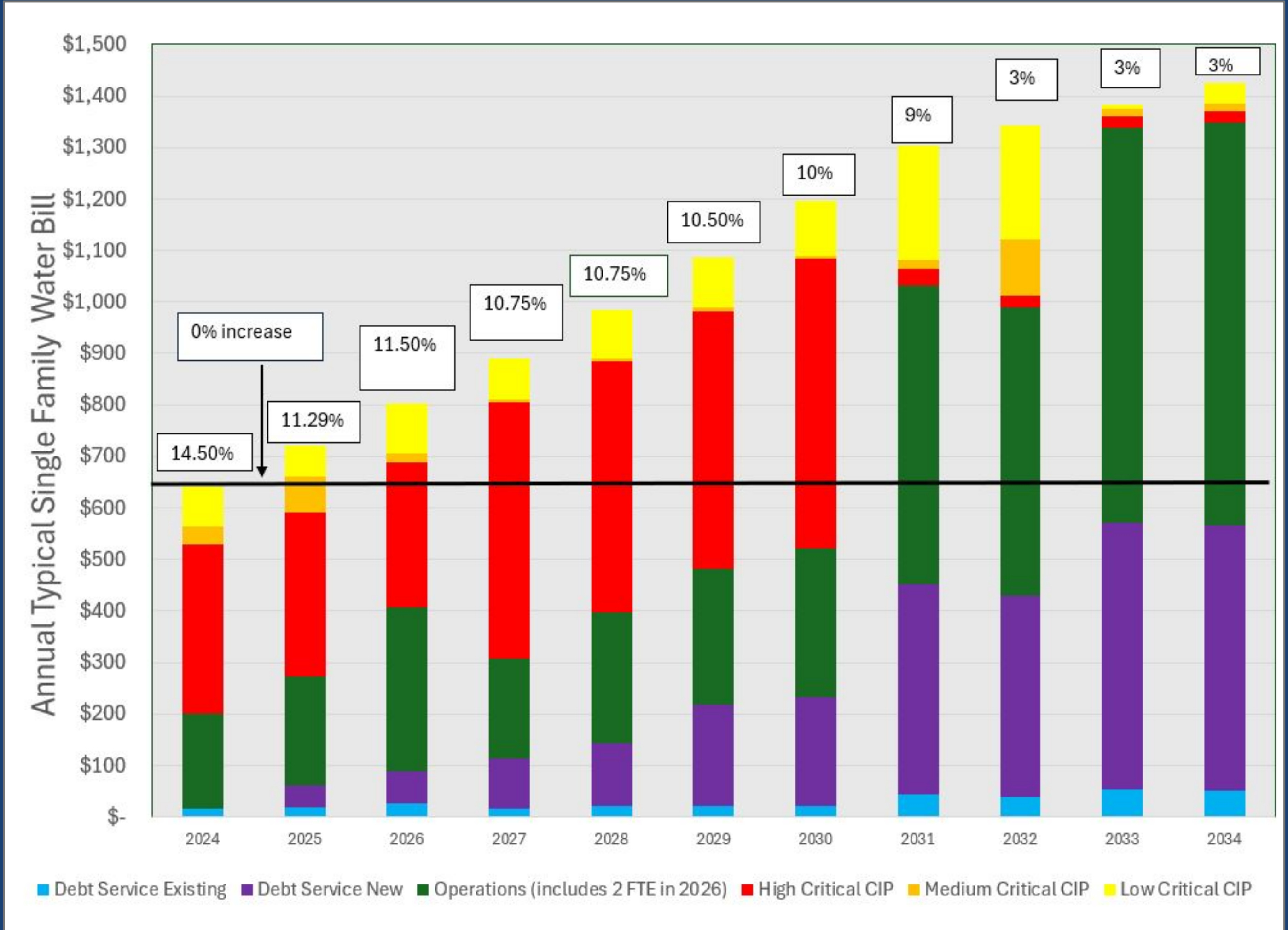


Scenarios B & C include debt to manage increases

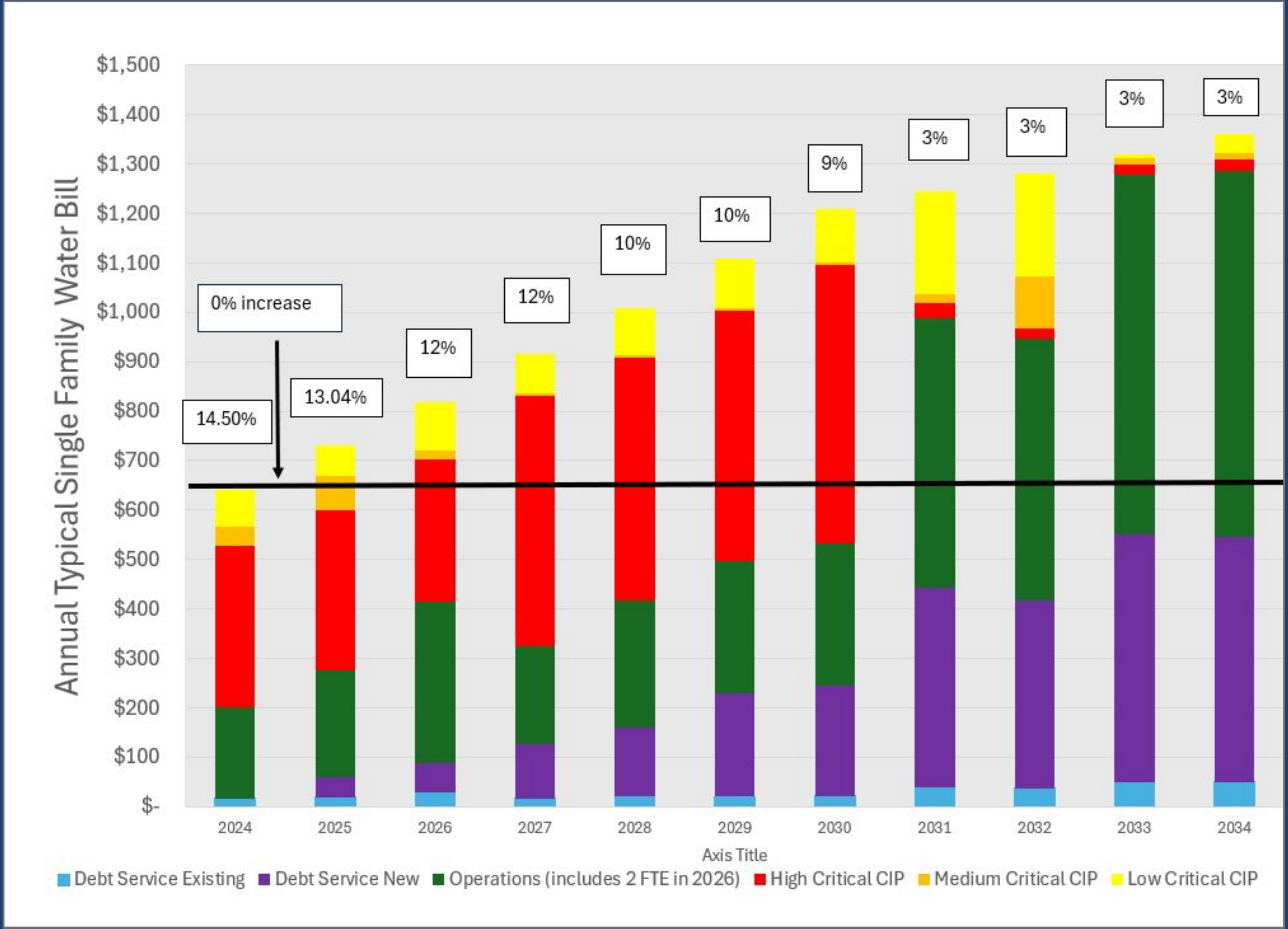
Water Fund: 2025 Revenues and Expenses, Scenarios B & C

Revenues:	**Scenario B (11.29% Total Revenue Increase)**	**Scenario C (13.04%Total Revenue Increase)**
Existing Rate Revenues + New Rate Revenues	$33,996,692 + $3,399,669 = $37,396,361	$33,996,692 + $4,079,603 = $38,076,295
Existing Fixed Revenues + New Fixed Revenues	$4,691,761 + $967,125 = $5,658,886	$4,691,761 + $967,125 = $5,658,886
Non-Rate Revenues	$3,809,123	$3,809,123
System Development Charges	$7,389,312	$7,389,312
Bond Proceeds + Reserve Funding	$96,329,681 ($90 million issue)	$86,834,296 ($85.8 million issue)
TOTAL REVENUES:	**$151,583,362**	**$146,767,911**
Expenses	**Scenario B**	**Scenario C**
Existing Debt Service	$2,875,050	$2,875,050
New Debt Service	$6,329,681	$6,034,296
Operating Expenses	$32,109,862	$32,109,862
Capital Improvement Program	$67,805,500	$67,805,500
(Use of Fund Reserves/Bond Proceeds)/Funding Reserve	$44,463,269	$38,622,269
TOTAL EXPENSES:	**$151,583,362**	**$146,767,911**

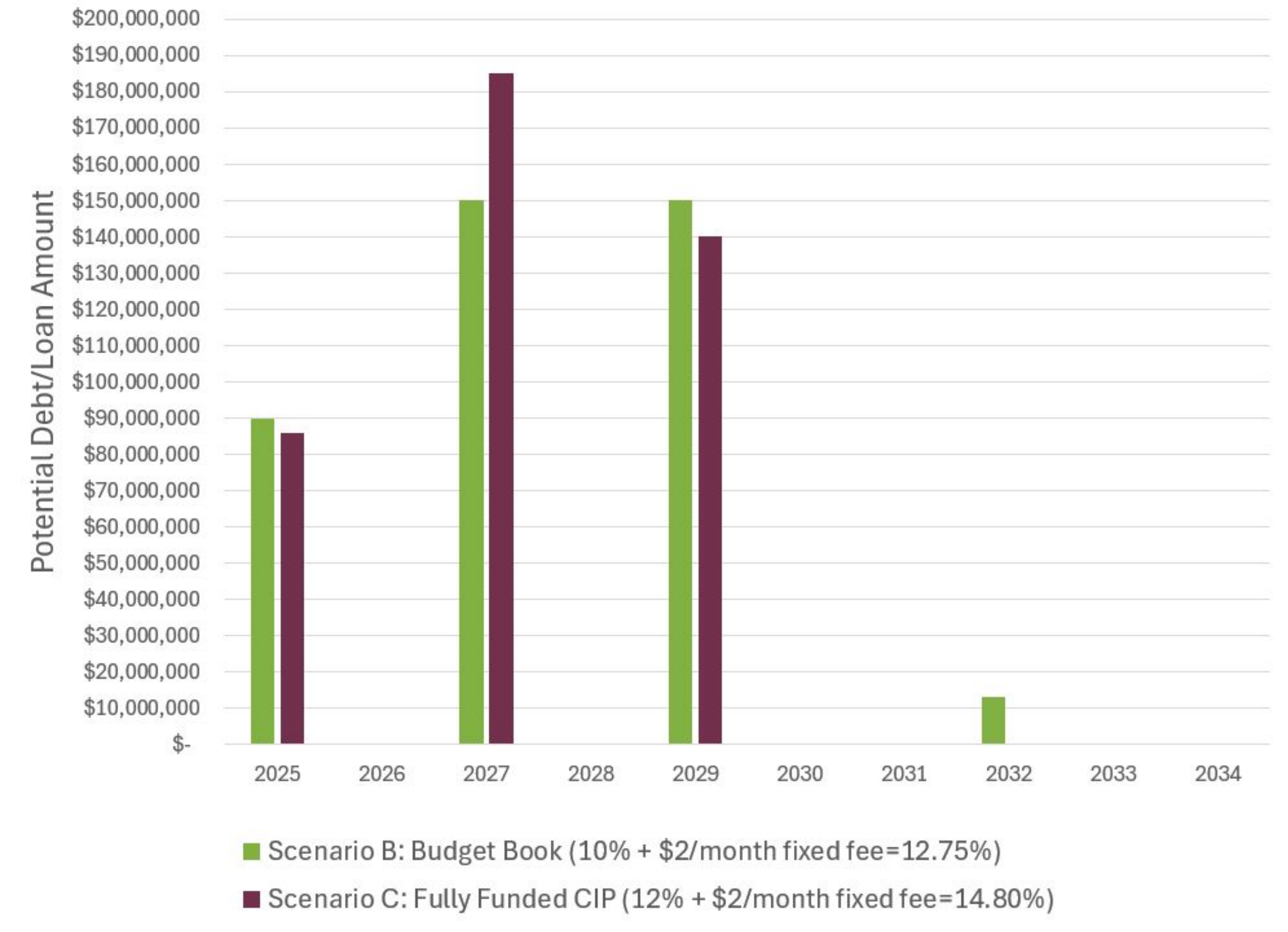
Water - Expense Cost Allocation and Outyear Increases to Fully Fund CIP/Scenario B - 11.29% Overall Revenue Increase



Water - Expense Cost Allocation and Outyear Increases to Fully Fund CIP/Scenario C - 13.04% Overall Revenue Increase



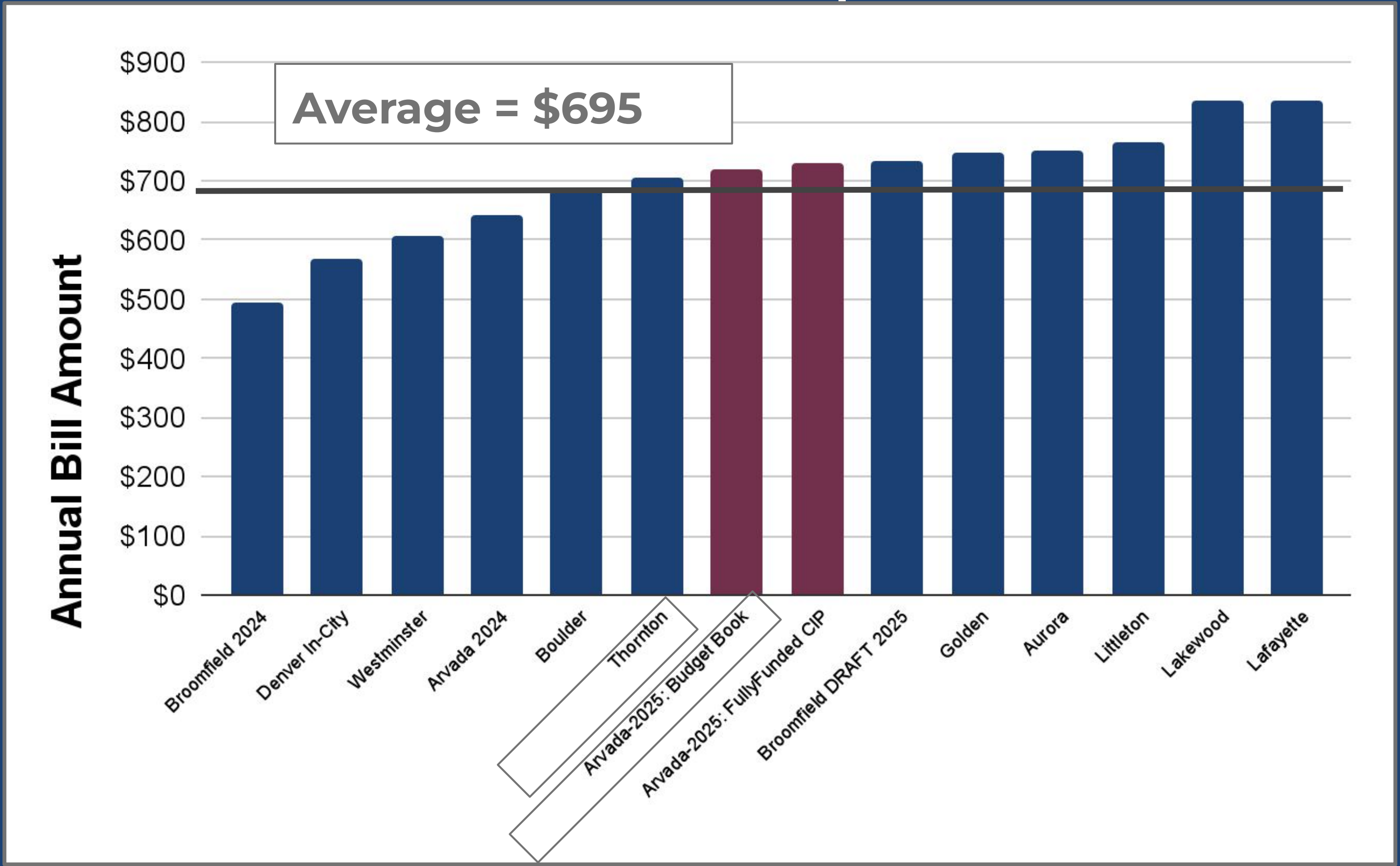
Water Fund, Scenarios B & C - Potential Debt/Loans to Fully Fund All CIP



Total 2025-2034:

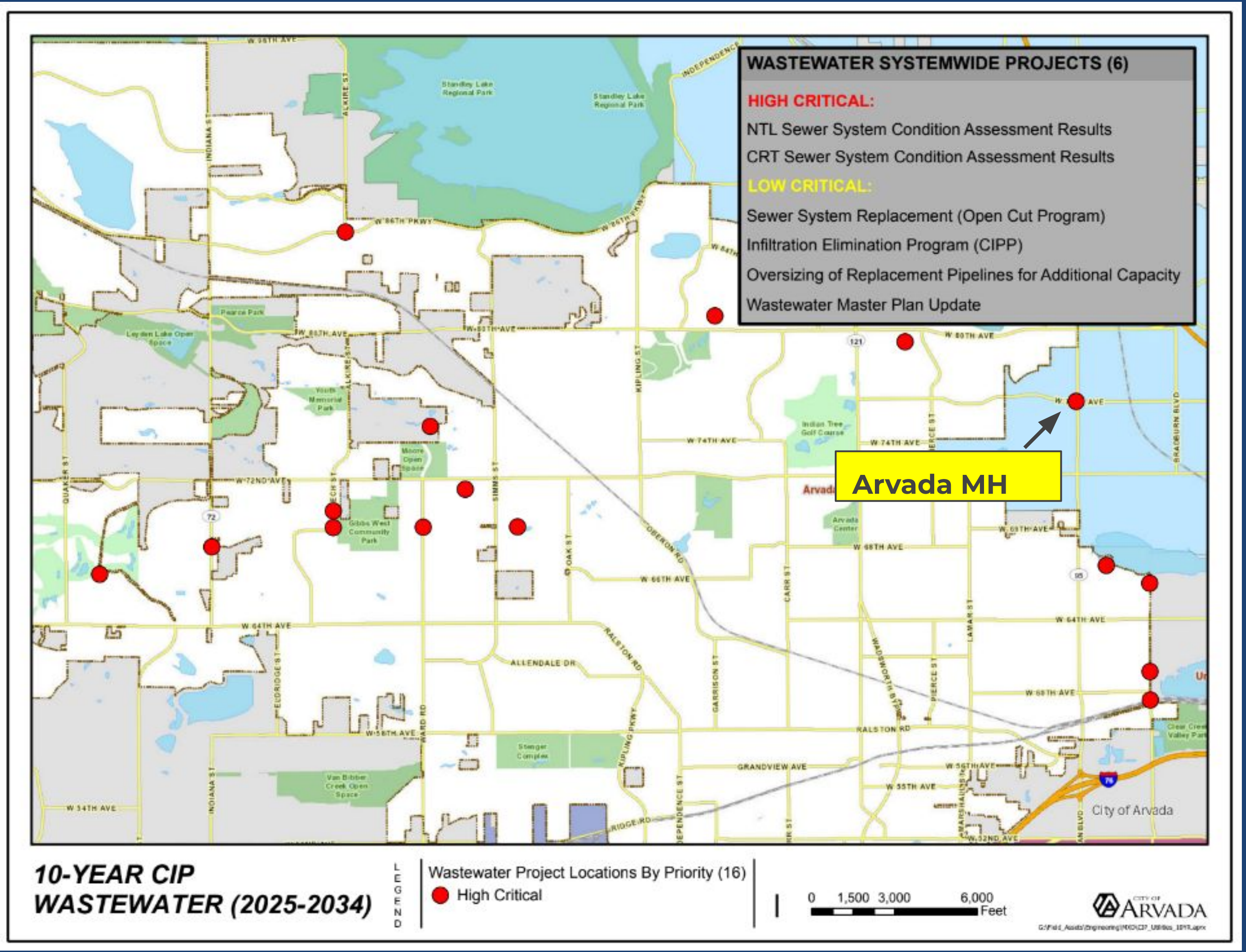
B: $403,000,000
C: $410,800,000

Water Increase Comparison to 2024 Neighbor Rates
Annual Bill, Single Family Home, 95,000 Gallons/Year Use
Scenarios B & C Represented



Sewer Fund

Sewer Fund - CIP



Sewer Fund - CIP

- **Big project push in 2019-2028**
- Color-coded based on criticality, risk and vulnerability
  - **Red** total 2025: $33,821,686 (highest criticality)
  - **Orange** total 2025: $0 (medium criticality)
  - **Yellow** total 2025: $2,659,000 (low criticality)

Total all 2025 CIP projects: $36,480,686
Total all 2025-2034 CIP projects: $171,682,499

Potential consequences of not implementing and/or deferring projects:

- Level of Service impacts
- Slowed planned development
- Reputation impacts for economic development
- Inflation impacts for project costs

Sewer Fund - 2025 Proposed Expenses

Expense Category	**2025 Estimated Amount**
Existing Debt Payments	$2,894,706
Proposed Debt Payments (TBD, depends on amount of issue/loan)	Ranges from $500,000 to $900,000
Proposed Operating Budget *(no requested FTEs)*	$16,510,338
Proposed Capital Improvement Plan (CIP) Budget - **fully funded**	$36,480,686
Total:	**$56,385,730 - $56,785,730**

Two Funding Scenarios for 2025 (Sewer Fund)

Funding Scenario	Variable Rate and Fixed Fee Adjustments	2025 Forecasted Overall Revenue Increase	2025 Debt/Loan Amount to Fund 2025-2026 CIP	To Consider….
(B): Budget Book	Variable: 10.00% Fixed: 23.70%	11.40%	$7,000,000 (Additional $52 million in 2027)	Funds 100% of 2025 Operating expenses. Can only fund 91% of 2025 CIP. Deferring 9% of CIP (~$2.7 million) means impacts to delivering infrastructure for planned development. Higher overall cumulative increases by 2034 compared to Scenario C.
(C):Fully fund all Capital Projects	Variable: 14.50% Fixed: 23.70%	15.40%	$13,000,000 (Additional $42.5 million in 2027)	Funds all of 2025 Operating expenses and all 2025 CIP. Lower overall cumulative increases by 2034 compared to Scenario B.

Sewer Fund - Scenario Impacts to Two Single Family Bills

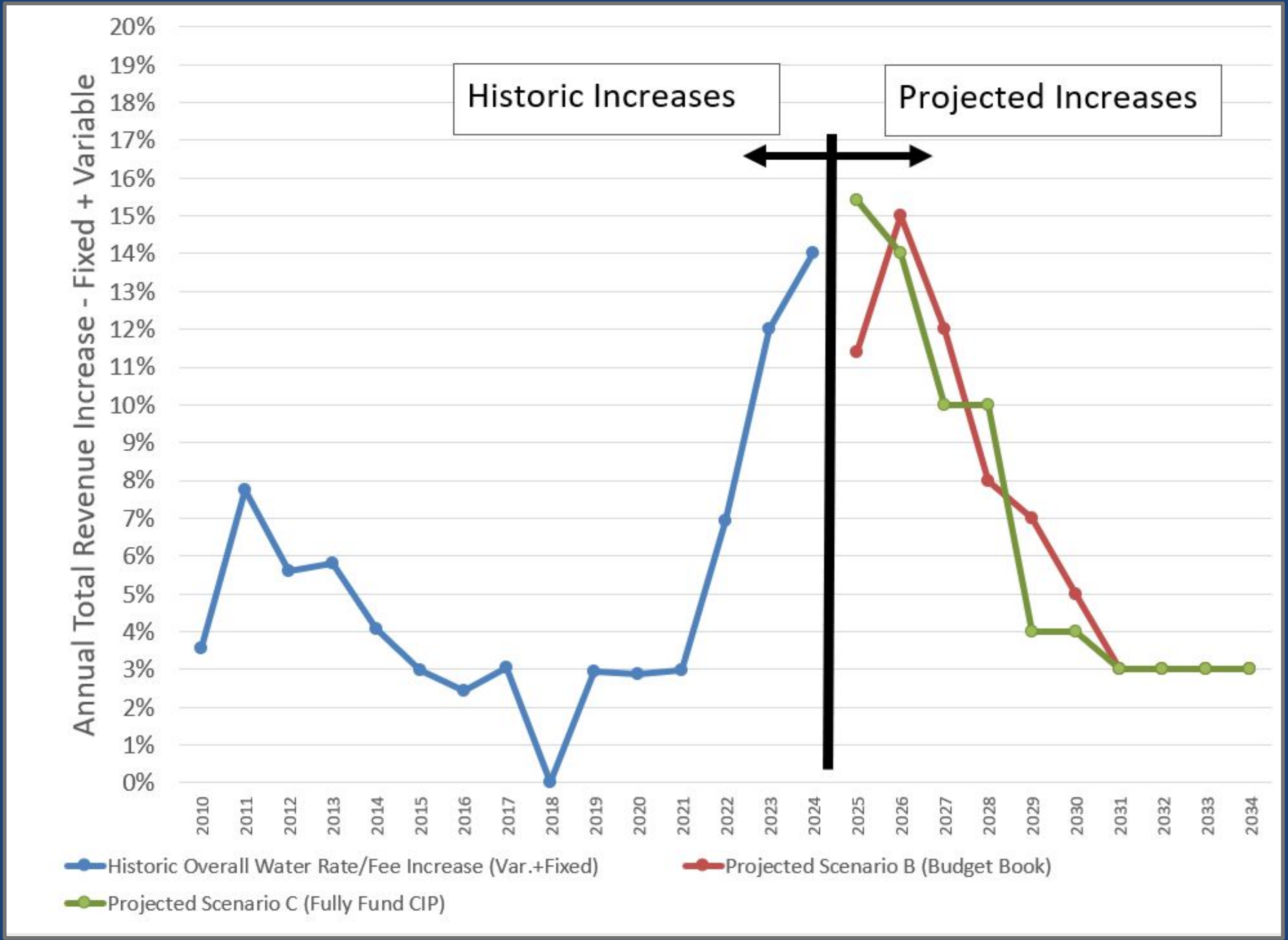
Scenario B, Budget Book. 8kgal/bimonthly bill:

2024:		2025 Scenario B:	Increase:
Fixed:	$50.64	$62.64	23.70%
Volumetric:	$312.96	$344.16	9.97%
Total =	**$363.60**	**$406.80**	**11.88%**

Scenario C, Fully Funded CIP. 8kgal/bimonthly bill:

2024:		2025 Scenario C:	Increase:
Fixed:	$50.64	$62.64	23.70%
Volumetric:	$312.96	$358.08	14.41%
Total =	**$363.60**	**$420.72**	**15.70%**

Historic and Projected Sewer Rate Increases (Scenarios B & C)

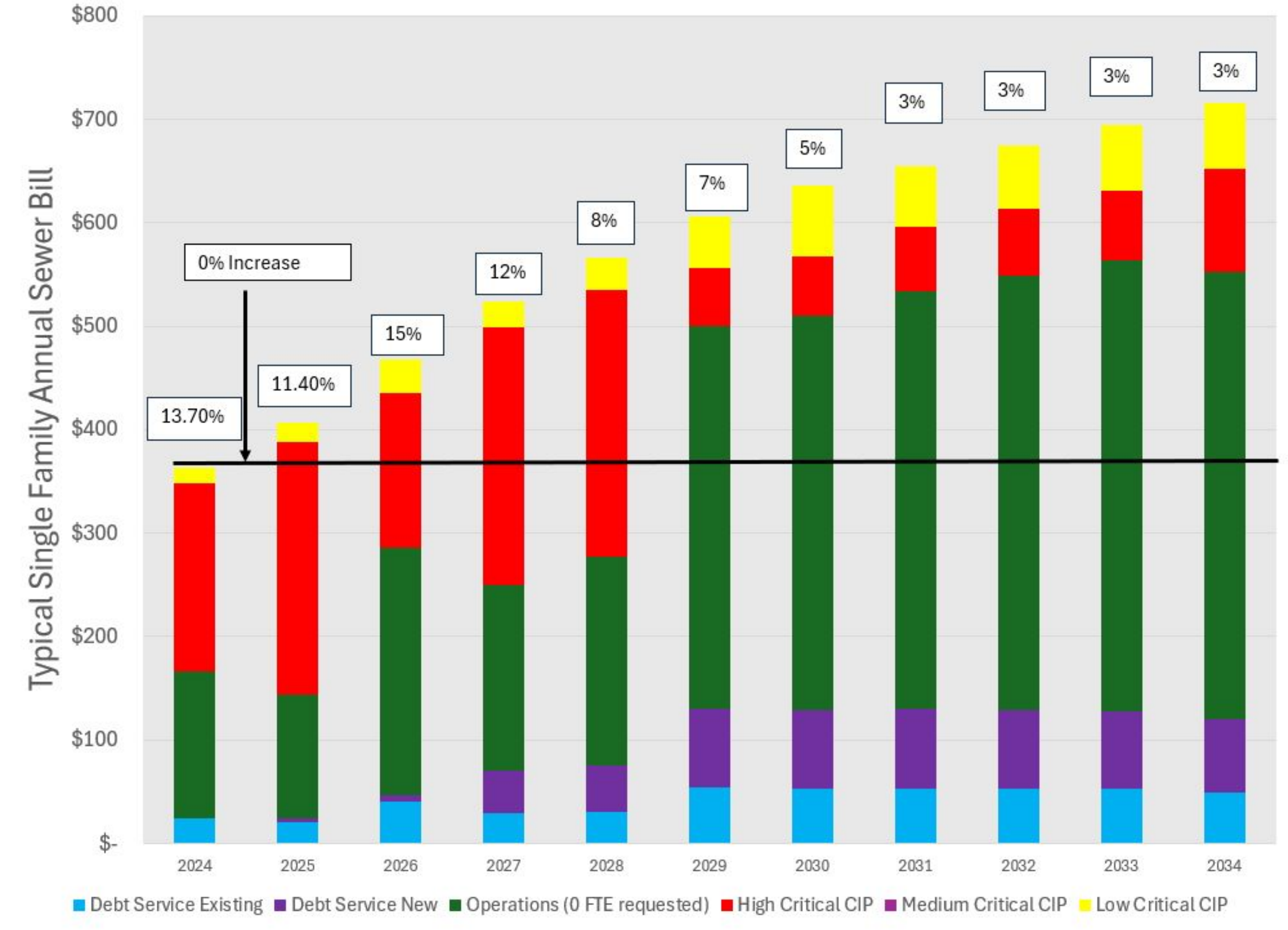


Scenarios B & C include debt to manage increases

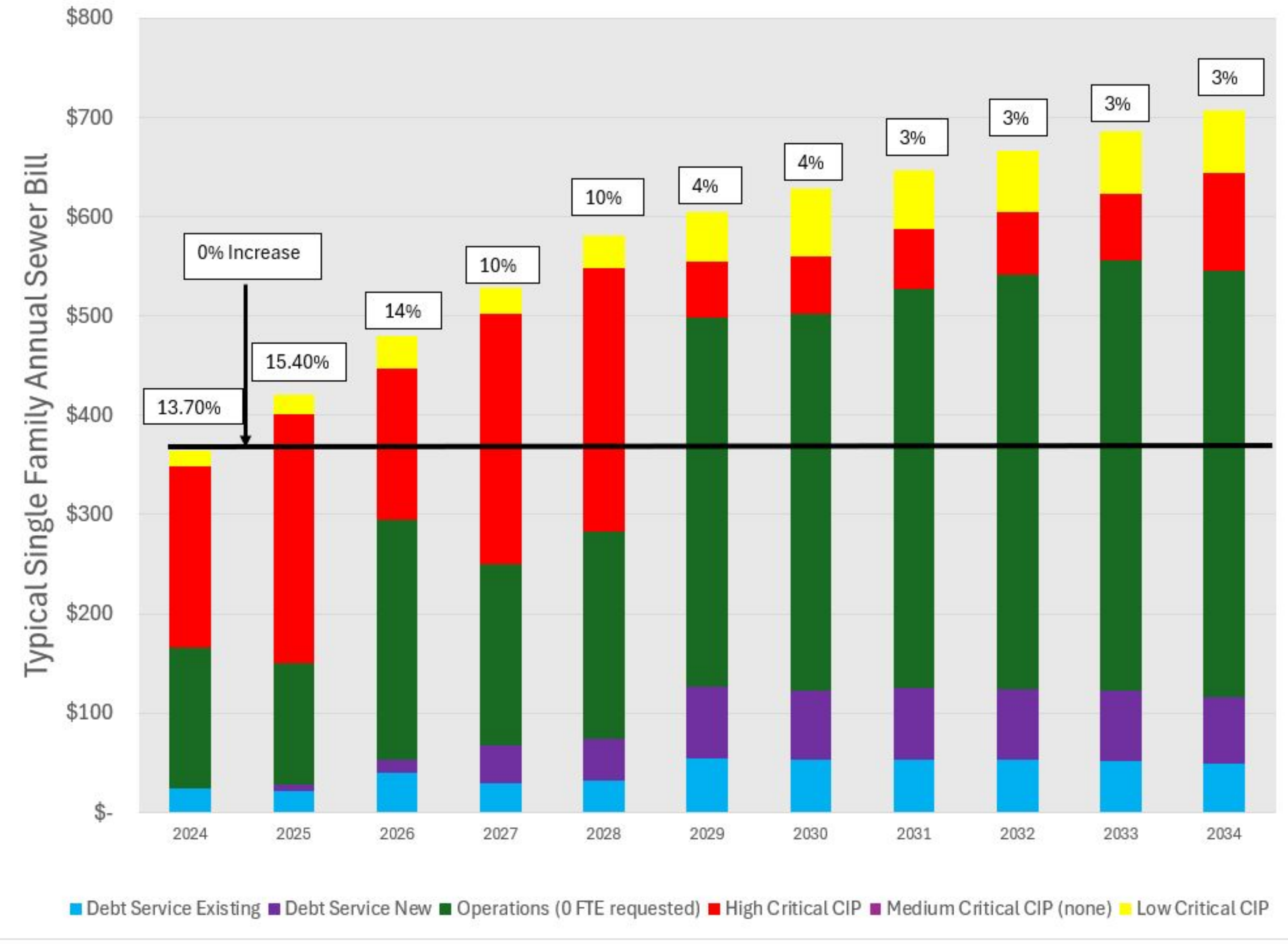
Sewer Fund: 2025 Revenues and Expenses, Scenarios B & C

Revenues:	**Scenario B (11.40% overall)**	**Scenario C (15.40% overall)**
Existing Rate Revenues + New Rate Revenues	$13,616,012 + $3,158,915 = $16,774,927	$13,616,012 + $3,845,162 = $17,461,174
Existing Fixed Revenues + New Fixed Revenues	$3,314,510 + $433,340 = $3,747,850	$3,314,510 + $433,340 = $3,747,850
Non-Rate Revenues	$1,719,116	$1,719,116
System Development Charges	$761,953	$761,953
Bond Proceeds + Reserve Funding	$7,492,309 ($7 million issue)	$13,914,287 ($13 million issue)
TOTAL:	**$30,496,155**	**$37,604,381**
Expenses:	**Scenario B**	**Scenario C**
Existing Debt Service	$2,894,706	$2,894,706
New Debt Service	$492,309	$914,287
Operating Expenses	$16,510,338	$16,510,338
Capital Improvement Program	$33,197,425 (Deferring 9% of 2025 CIP=$3.3M)	$36,480,686 (100% of 2025 CIP)
Use of Fund Reserves/Bond Proceeds	- $22,598,622	- $19,195,637
TOTAL:	**$30,496,155**	**$37,604,381**

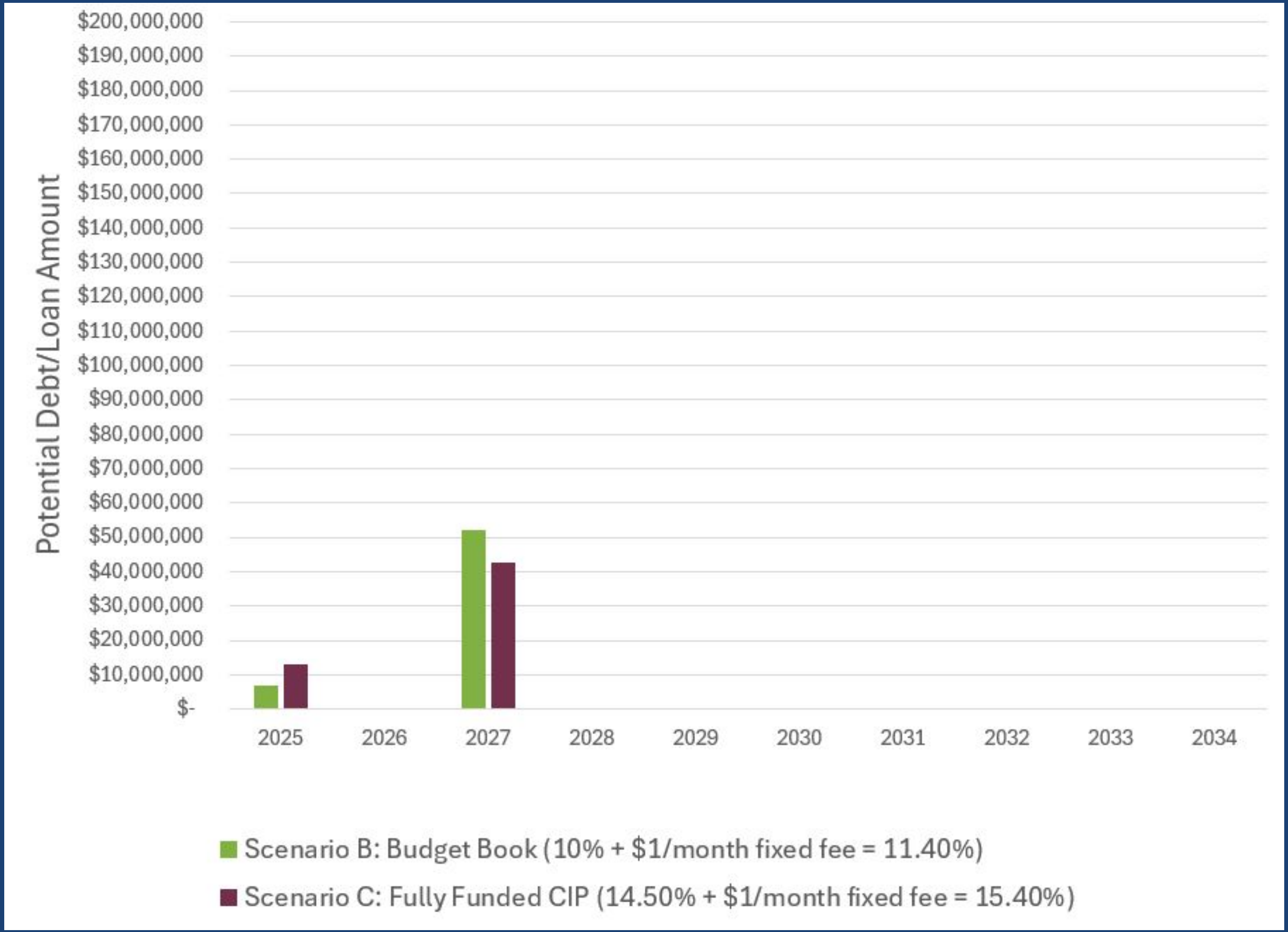
Sewer - Expense Cost Allocation and Outyear Increases to Fully Fund CIP/Scenario B - 11.40% Overall Revenue Increase



Sewer - Expense Cost Allocation and Outyear Increases to Fully Fund CIP/Scenario C - 15.40% Overall Revenue Increase



Sewer Fund, All Scenarios - Potential Debt/Loans to Fully Fund All CIP

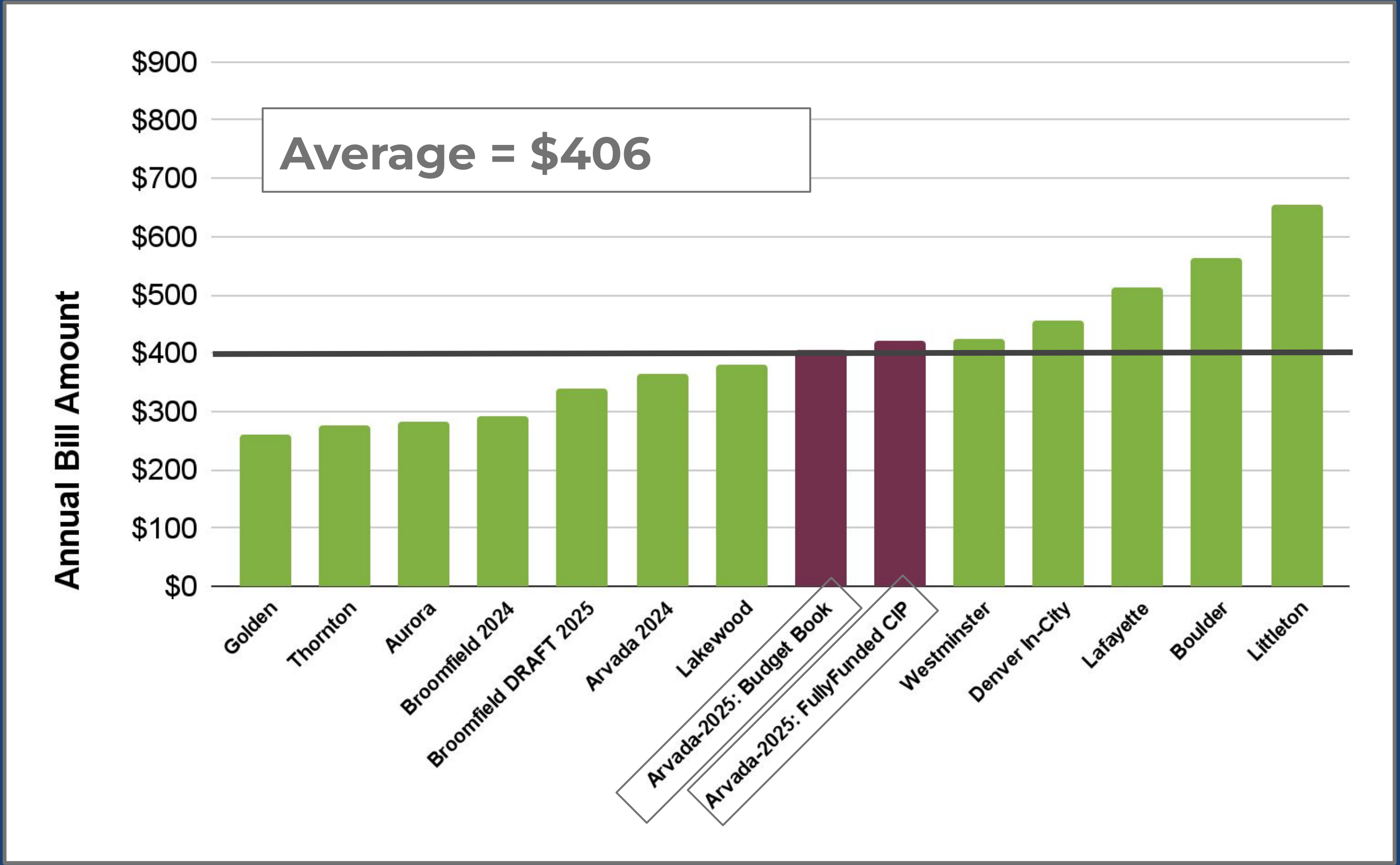


Total 2025-2034:

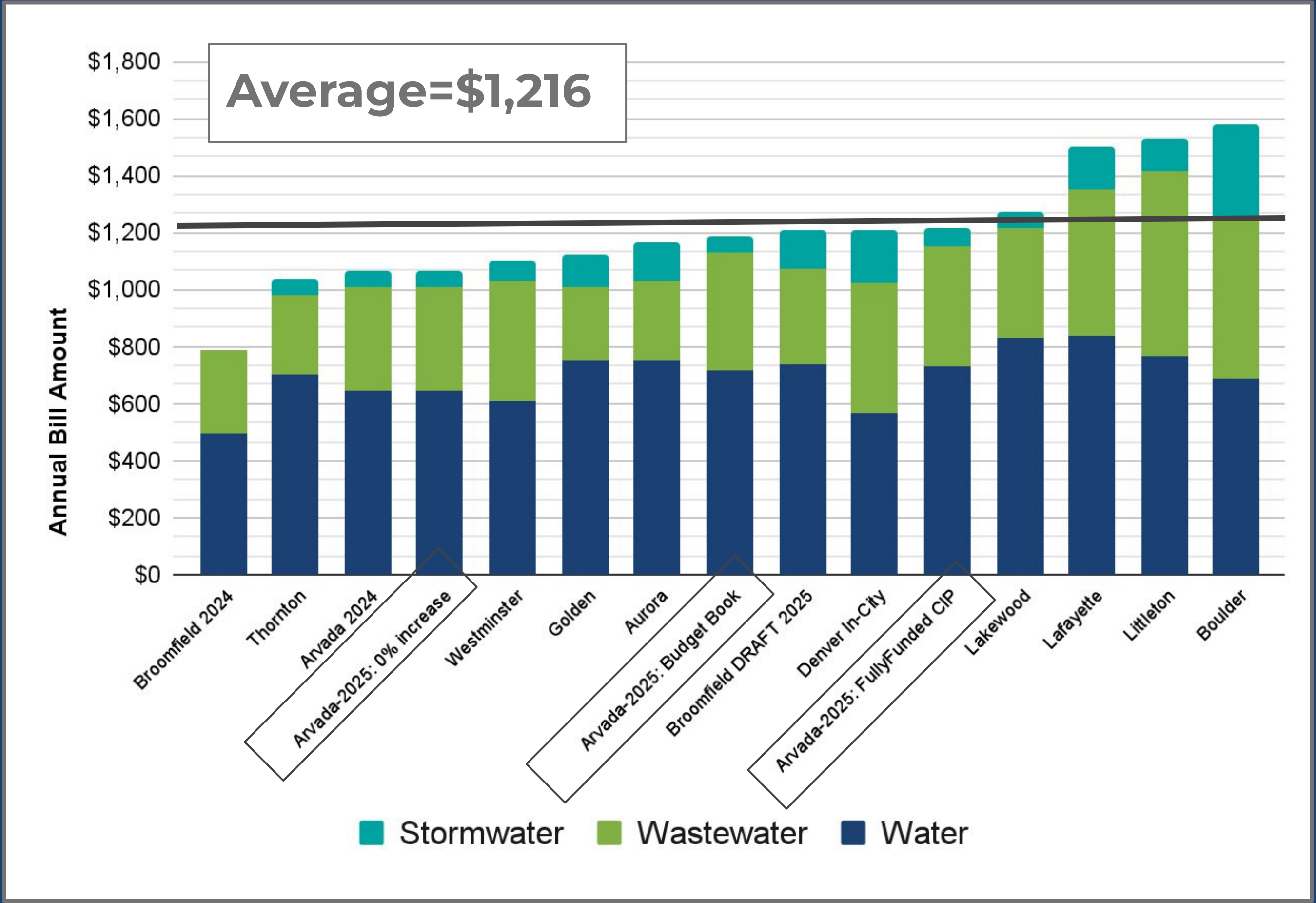
B: $59,000,000

C: $55,500,000

Sewer Increase Comparison to 2024 Neighbor Rates
Annual Bill, Single Family Home, 4,000 Gallons/Month Use
Scenarios B & C Represented



Typical Single Family Water, Sewer & Stormwater Annual Bill - All Scenarios



Utility Bill Assistance Program Recommendations

Utility Bill Assistance Programs - City Team Recommendations:

1 - Refer Residents to Local/Regional Non-Profits for Assistance

- Develop a partnership with **Community Table**

2 - Maintain Existing Programs

- Hardship credit of $100
- Bill equalization (equal monthly/bimonthly payments, requires a true-up once/year
- Bill arrangements: customer-specific, true-up by August
- All work is currently performed by the Utility Billing team.

3a: Leverage the Existing Resident Rebate Program Customer list to Offer $100 Bill Credit to Qualifying Customers

- Using the Resident Rebate Program format = consistent
- Income-qualifying eligibility
- Postcards and emails to notify of program
- 854 2024 housing rebates x $100 = $85,400 of potential assistance

3b: Continue to Research a "Round-Up" Option on Customer Bills and/or a Ralston House-type Donation Assistance Program

- Refine the costs to provide this type of program (software, staffing)
- Refine logistics of a donation check program (similar to Ralston House donations)
- Both types of programs would require approx. 15-25 hrs/week for an FTE to administer the program.
- City team will provide information to City Council

Review and Next Steps

- Proposed timeline + feedback/recap of 8/26 discussion
- Reviewed Stormwater, Water and Sewer Fund rate/fee scenarios. **We are requesting your direction on your preferred rate/fee options.**
- City team recommendation of utility bill assistance program adjustments.
- Next Steps:

September 23 - **tonight**	Review 8/26 questions/comments, finalize 2025 water, sewer and stormwater rates/fees and assistance programs
October 7	1st Reading to adopt 2025 rates/fees
October 21	Public Hearing and 2nd Reading to adopt 2025 rates/fees

End of Slides.
Thank You.

City Council Workshop
September 23, 2024

CITY OF
ARVADA

CITY OF ARVADA

REPORT TO CITY COUNCIL	AGENDA ITEM 2.C.

TO: THE HONORABLE CITY COUNCIL DATE: September 23, 2024

SUBJECT: Staff Updates

Report in Brief

The purpose of this workshop is for staff to provide City Council with brief updates on projects and issues that do not require a full workshop.

Prepared by:
Chris Koch, CCO Admin

Reviewed by:

Approved by:

Enclosure, exhibits & attachments required to support the report