



City of Arvada

City Council Agenda

AUGUST 12, 2025

Councilmembers:

Lauren Simpson, Mayor
Randy Moorman, Mayor Pro-Tem
Shawna Ambrose, District 2
Sharon Davis, At large
Bob Fifer, District 4
John Marriott, District 3
Brad Rupert, At large

Staff Members Usually Present:

Don Wick, City Manager
Linda Haley, Deputy City Manager
Rachel Morris, City Attorney
Jacqueline Rhoades, Director of Infrastructure
Jessica Garner, Director of Community & Econ. Dev.
Bryan Archer, Chief Financial Officer
Gabriella Bommer, Director of Human Resources
Ryan Stevenson, Director of Vibrant Community & Neighborhoods
Rachael Kuroiwa, Director of Communications & Engagement
Ed Brady, Chief of Police
Kristen Rush, City Clerk

Info: 720-898-7550

WORKSHOPS

CITY COUNCIL CHAMBERS

6:00 P.M.

1. Call to Order/Roll Call of Councilmembers
2. Workshops
 - A. Water, Sewer and Stormwater Enterprise Funds: 2026 Rate/Fee-Setting Discussion
 - B. Staff Updates
3. Adjournment



REPORT TO CITY COUNCIL WORKSHOP

AGENDA ITEM
2.A.

TO: THE HONORABLE CITY COUNCIL

DATE: August 12, 2025

SUBJECT: Water, Sewer and Stormwater Enterprise Funds: 2026 Rate/Fee-Setting Discussion

Report in Brief

The Infrastructure Work System is returning to City Council to provide responses to questions posed at the July 1 workshop, and present additional draft rates and fee scenarios 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 workshop, the City team will continue the discussion with City Council about how to address the City's water, wastewater and stormwater infrastructure condition and capacity challenges ahead of rate/fee adoption requests later this summer. These rate and fee revenues will help to close existing resource gaps and support the sustainability of the utilities 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 July workshop and provide some additional rate and fee scenarios for City Council to consider. After this workshop, the City team plans to provide another workshop for City Council in September ahead of an October rate/fee adoption request as part of the 2026 budget process.

Strategic Alignment

The information provided in this workshop aligns with the Infrastructure Work System Services within the City Council Strategic Plan. The workshop content is consistent with the work system service INF1: 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 lowest practical levels with accurate billing that supports robust and reliable infrastructure.

Next Steps

The City team will return to City Council in September to provide follow-up information from any requests, and to request direction from City Council about which 2026 water, sewer and stormwater rates and fees.scenarios to request for adoption in October.

Prepared by:
Christine Gray, Utilities Business Manager

Reviewed by:

Approved by:

Jessica Morales, Assistant City Attorney	07/22/2025
Jacqueline Rhoades, Director of Infrastructure	07/22/2025
Bryan Archer, Chief Financial Officer	07/22/2025
Tammy Hedlund, Legal Specialist	07/22/2025
Rachel Morris, City Attorney	07/28/2025
Linda Haley, Deputy City Manager	07/28/2025
Don Wick, City Manager	07/29/2025

Enclosure, exhibits & attachments required to support the report

Water, Sewer and Stormwater Enterprise Funds 2026 Rate/Fee-Setting Discussion

City Council Workshop
August 12, 2025

Tonight's Agenda

- Recap from July 1st Workshop
- Additional Rate/Fee Scenarios
- Rate/Fee Impacts and Comparisons
- Affordability and Assistance Programs
- Next Steps
- Appendix Slides



SB Sheridan at 72nd

Recap from July 1st Workshop

- You'd like to see scenarios that are between those presented on 7/1
- You'd like more concise information from us
- You'd like a Stormwater 101 presentation
- You'd like utility bills to be affordable
- You'd like more clarity about the Capital Improvement Project (CIP) list and to know the consequences of not doing CIP projects (naming + more detailed consequences).
- You'd like an update on the status of billing system projects
- Pumped Zone Surcharge discussion

Water Fund

One-Pager of CIP Projects - Water Fund

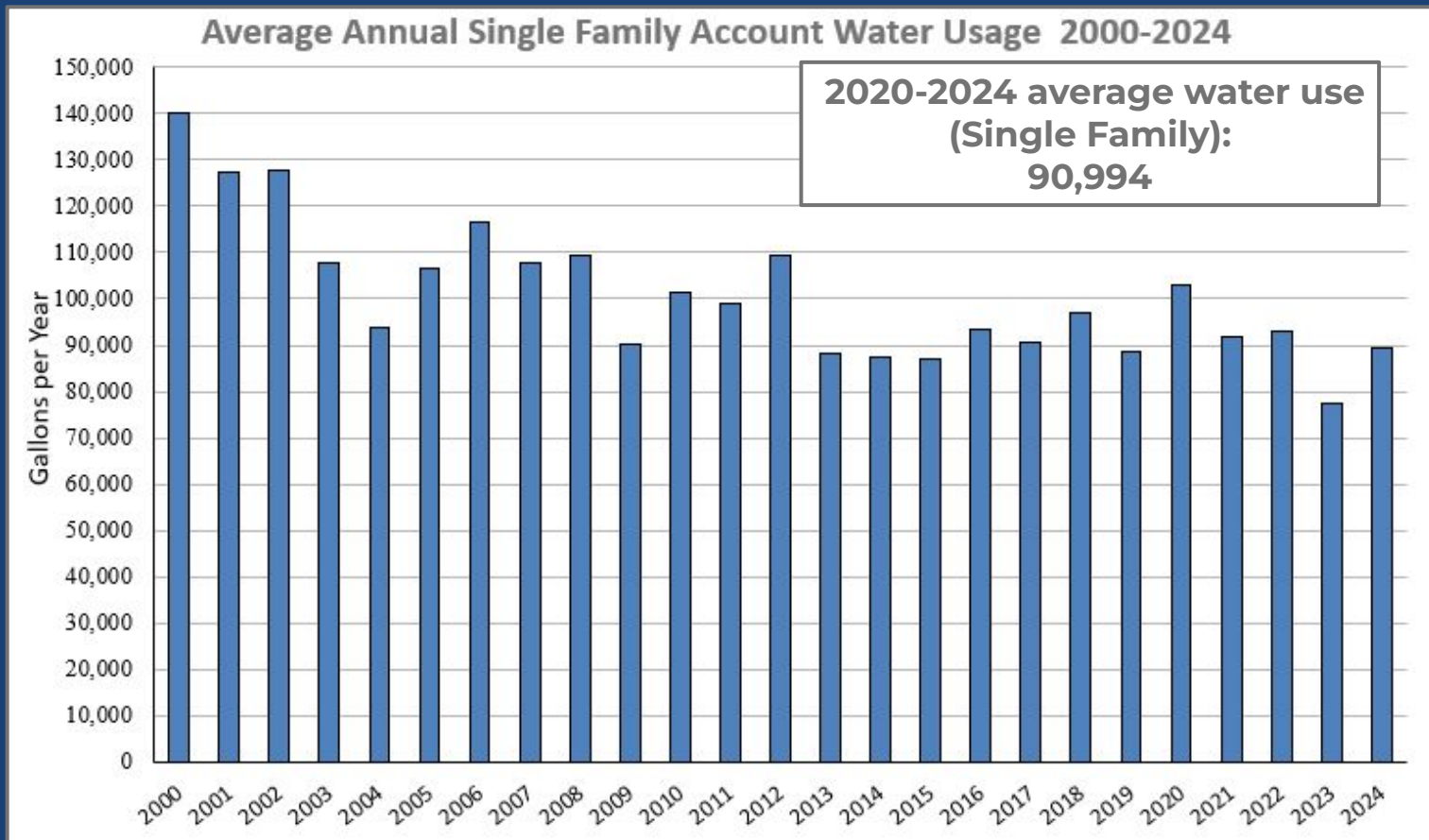
Updated

WATER FUND - Capital Project Description	5/15/25 Project Prioritization	Consequences of not doing this project	Existing to 2035 Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Ralston Water Treatment Plant = RWTP Arvada Water Treatment Plant = AWTP													
Denver Water Moffat Project Participation Gross Reservoir Expansion participation	Very High Critical	This project is a contractual obligation, we are a financial partner in the Denver Water project. Not completing will be a breach of contract and we will likely be subject to legal action.	\$ 31,987,000	16,894,000	15,093,000	-	-	-	-	-	-	-	-
AWTP - Replacement and Expansion Infrastructure Program (incoming pipeline + plant + pump station + outgoing pipeline)	Very High Critical	The AWTP is used primarily during irrigation season. While this plant is not as old as our RWTP, it is not aging well, and requires a significant amount of work to keep it in reliable condition and to meet our Level of Service goals. Replacing the plant is the most cost-effective way to achieve that goal. Not replacing the plant will result in the strong likelihood that many plant components will fail within the next several years, reducing the City's ability to distribute sufficient water to our customers.	\$315,224,000	17,024,000	62,200,000	88,000,000	79,000,000	69,000,000					
RWTP Repairs and Replacement		Not doing would result in a combination of not meeting regulatory requirements and potential treatment process failures.	\$ 13,524,000	2,844,000	4,800,000	630,000	660,000	690,000	720,000	750,000	780,000	810,000	840,000
Raw Water Pump Stations Upgrades and Modifications	High Critical	If not completed, we will not be able to reliably deliver raw water for treatment, which will not allow us to meet peak demand in irrigation season (aka, severely reduced to no outdoor watering). We have a constraint around how much water the RWTP can treat (contractually and practically).	\$ 4,329,499	1,329,833	1,194,833	1,194,833		250,000	360,000				
Utility Billing System Software Upgrade	High Critical	This is a mandatory software upgrade per the vendor. Not completing could result in security weaknesses around our customers' financial information and water use information. Not completing will result in the inability to benefit from system efficiencies (similar to cell phone upgrades or buying a new phone).	\$ 750,000	375,000	375,000								
Zone 6 Piping (Phase 2)	Medium Critical	Not completing will impact the distribution system's resiliency.	\$ 6,500,000			6,500,000							
Risk and Resiliency Assessment - systemwide	Medium Critical	Not completing means that we do not improve or mitigate risk to our entire water system. Risk & resiliency emergency response plans are also a requirement of the America's Water Infrastructure Act (AWIA).	\$ 1,440,000	115,000	120,000	125,000	130,000	140,000	150,000	155,000	160,000	165,000	180,000
RWTP and System Storage Tanks Replacement and Expansion	Medium Critical	Not completing means not having enough storage in the system and a decreased ability to disinfect water before it goes into the distribution system. These are also aging facilities (#80 year old tanks).	\$ 15,000,000						15,000,000				
Water Fill Stations R&R	Medium Critical	Not completing means that our aging fill stations will become unreliable for customers who use them.	\$ 57,000	57,000									
SCADA Master Plan	Medium Critical	Supervisory Control and Data Acquisition (SCADA) is the system that monitors and controls water system processes. Not completing a Master Plan on this timeline will result in a lack of data for SCADA system R&R planning/financing costs. This also includes water system cybersecurity.	\$ 1,863,000	300,000	150,000	150,000	150,000	150,000	363,000	150,000	150,000	150,000	150,000
Raw Water Upgrades, Inspections and Modifications		If not completed, we will not be able to reliably deliver raw water for treatment, which will not allow us to meet peak demand in irrigation season (aka, severely reduced to no outdoor watering). These projects are not as critical as those color-coded red. We have a constraint around how much water the RWTP can treat (contractually and practically).	\$ 1,404,000	80,000	100,000		20,000	100,000	1,104,000				
New Pump Station Infrastructure (Zone 8)	Medium Critical	This project is a combination of providing additional system resiliency in Zone 8 and meeting planned development goals (part of the funding will be provided by a metro district). Not completing this project will result in a less resilient water distribution system and a pause in planned development.	\$ -										
Distribution System R&R and Planning	Low Critical	Not completing will reduce the distribution system's resiliency, and will mean that we do not have current information that can be used for CIP planning.	\$ 5,167,468	0	597,000	627,000	1,053,900	690,900	711,627	732,976	754,965	0	0
Raw Water Planning, Storage and R&R	Low Critical	Not completing this work will result in the lack of knowledge of what projects should be completed to maintain system reliability, a potential lack of raw water storage to help meet customer demand, and reduced raw water system reliability.	\$ 3,975,000	0	0	375,000	200,000	150,000	750,000	0	2,500,000	0	0
Annual Water Line Replacement and Repair	Low Critical	More breaks - customer inconvenience, in the worst case scenarios there could potentially be soil orders, depending on the size of the pipeline, number of customers impacted and other factors.	\$ 97,000,000		5,500,000	6,000,000	6,500,000	7,000,000	7,250,000	15,250,000	16,000,000	16,500,000	17,000,000
Total All Projects			\$498,220,967	\$39,018,833	\$ 90,129,833	\$103,601,833	\$ 87,713,000	\$ 78,170,900	\$26,408,627	\$17,037,976	\$20,344,965	\$17,625,000	\$18,170,000
Total All High Critical			\$ -										
Total Medium Critical			\$365,814,499	\$38,466,833	\$83,662,833	\$89,824,833	\$79,660,000	\$69,940,000	\$1,080,000	\$750,000	\$780,000	\$810,000	\$840,000
Total Low Critical			\$ 19,764,000	\$370,000	\$275,000	\$390,000	\$390,000	\$16,617,000	\$305,000	\$310,000	\$310,000	\$315,000	\$330,000
			\$100,975,000	\$0	\$5,500,000	\$6,375,000	\$6,700,000	\$7,150,000	\$8,000,000	\$15,250,000	\$18,500,000	\$16,500,000	\$17,000,000

2026 Funding Scenario Options (Water Fund)

<u>Scenario Label</u>	<u>Scenario Description = Funds:</u> - All debt service (existing + proposed) - Updated operating expenses - Variable CIP packages	<u>Variable Rate and Fixed Fee Adjustments</u>	<u>2026 Forecasted Combined Revenue Increase + Outyear Debt</u>
A	Minimal CIP - Dark Red projects only	Volumetric: 4% Fixed: 0%	3.4% (\$160 million debt in 2028)
B	NEW - Dark Red + Red projects	Volumetric: 4% Fixed: 18.3%	6.0% (\$110 million debt in 2028 & \$52.5 million debt in 2030)
C	NEW - Dark Red + Red + Orange projects	Volumetric: 5% Fixed: 18.3%	6.9% (\$120 million debt in 2028 & \$55 million debt in 2030)
D	Fully Funded CIP	Volumetric: 7.5% Fixed: 18.3%	9.0% (\$120 million debt in 2028 & \$80 million debt in 2030)

Historic Single Family Water Use

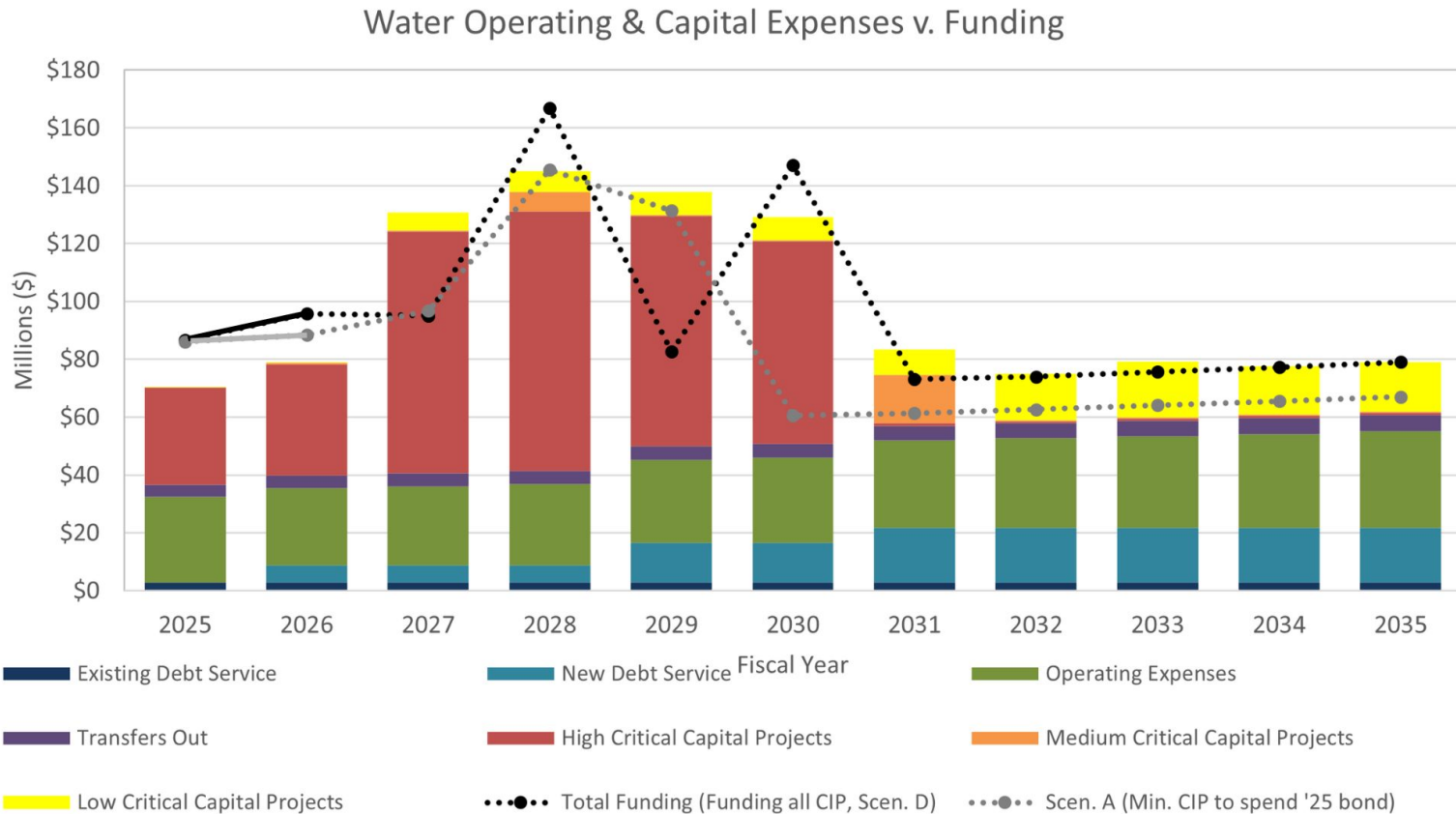


Water Fund - Scenario Impacts to Single Family Homes using 91,000 Gallons per Year

	2025	A - Minimal CIP (Dark Red) Overall Revenue Increase: 3.4%	B - Red CIPs only Overall Revenue Increase: 6.0%	C - Red CIPs + Orange CIPs Overall Revenue Increase: 6.9%	D - All CIP Funded Overall Revenue Increase: 9.0%
Volumetric:	\$563.29	\$586.04	\$586.04	\$591.50	\$605.15
Fixed:	\$130.98	\$130.98	\$154.98	\$154.98	\$154.98
Total:	\$694.27	\$717.02	\$741.02	\$746.48	\$760.13
Bill Increase over 2025:	N/A	3.28%	6.73%	7.5%	9.49%

Water Fund - 10 Year Projected Financial Forecast

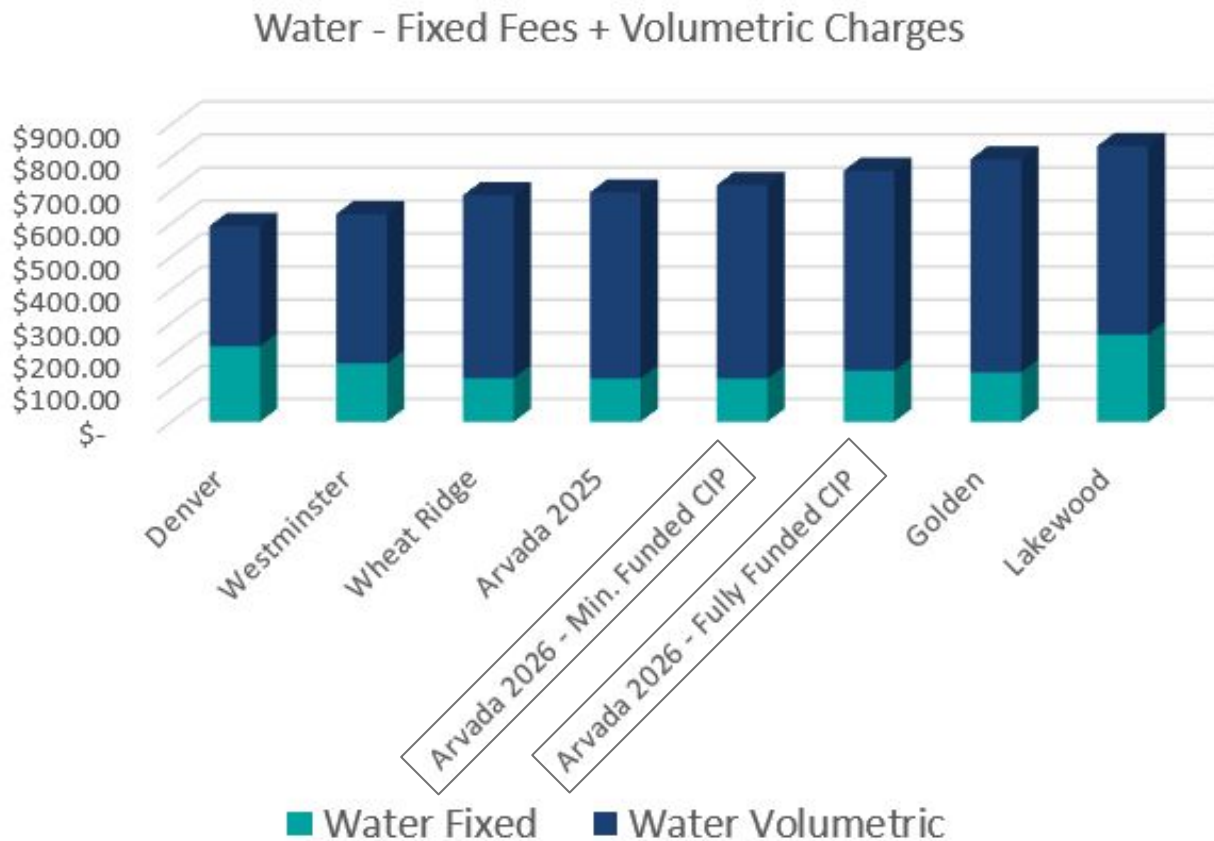
CIP Funding Scenarios A (Minimal) and D (Fully Funded)



Water Fund - Typical Single Family Annual Bill Comparisons with Our Closest City Neighbors*

(2025 current
and proposed
2026
*Updated to
91,000 gallons*)

*Updated to
include Denver



Wastewater Fund



One-Pager of CIP Projects - Wastewater Fund

Updated

WASTEWATER FUND - Capital Project Description	Project Prioritization	Consequences of not doing	% Growth	% R&R	2026-2035 Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
CRT = Central Ralston Trunk Pipeline NTL = North Trunk Pipeline															
NTL 2/NTL 3/Alkire Force Mains	High Critical	Potential sewer spills + paused planned development			\$ 4,000,000	4,000,000									
CRT 8/9, Union from W. 75th to W. 71st	High Critical	Potential sewer spills + paused planned development			\$ 4,880,000	530,000	4,350,000								
CRT 5/6 from Eldridge to Apex Center	High Critical	Potential sewer spills + paused planned development			\$ 7,088,333	2,225,000	4,863,333								
Sewer System Replacement	High Critical	Potential sewer spills			\$ 16,137,862	1,080,000	1,192,000	1,452,000	1,524,000	1,601,000	1,681,050	1,765,103	1,853,358	1,946,026	2,043,327
North Trunk Line - remaining phases	High Critical				\$ 36,623,333	1,595,833	14,440,000	17,295,833	3,291,667						
NTL Sewer System Condition Assessment Results	Medium Critical	Potential sewer spills + potential sewer line failures			\$ 7,262,000	330,000	3,785,000	3,147,000							
CRT Sewer System Condition Assessment Results	Medium Critical	Potential sewer spills + potential sewer line			\$ 7,262,000	330,000	3,785,000	3,147,000							
		Funds to address city-responsible sewer line impacts of development. Not funding means that new developer-installed sewer lines will not be sufficiently sized to meet upstream flows that are the City's responsibility, potentially leading to sanitary sewer overflows at customer properties.			\$ 3,400,000	353,000	375,000	440,000		286,000	389,200	389,200	389,200	389,200	389,200
Oversizing of Replacement Pipelines for Additional Capacity	Low Critical														
Trenchless Sewer Program	Low Critical	More info and pay more in treatment. Sooner need for full replacement			\$ 12,159,248	967,000	1,015,000	1,066,000	1,119,000	1,175,000	1,233,750	1,295,438	1,360,209	1,428,220	1,499,631
Wastewater System Planning Update	Low Critical	The Master Plan supports how the 10 year model of projects is accurately created. Not doing this work will not provide the City team			\$ 691,000					691,000					
CRT 3 and 4, W68th & Indiana and Westwoods/W 66th	Low Critical	Sewer not meeting standards and could halt development			\$ 825,000			230,000	595,000						
Total All Projects					\$ 84,360,443	\$ 4,655,833	\$ 24,592,000	\$ 26,777,833	\$ 6,529,667	\$ 3,753,000	\$ 3,304,000	\$ 3,449,740	\$ 3,602,767	\$ 3,763,445	\$ 3,932,158
Total All High Critical					\$ 52,761,195	\$ 2,675,833	\$ 15,632,000	\$ 18,747,833	\$ 4,815,667	\$ 1,601,000	\$ 1,681,050	\$ 1,765,103	\$ 1,853,358	\$ 1,946,026	\$ 2,043,327
Total Medium Critical					\$ 14,524,000	\$ 660,000	\$ 7,570,000	\$ 6,204,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Low Critical					\$ 17,075,248	\$ 1,320,000	\$ 1,390,000	\$ 1,736,000	\$ 1,714,000	\$ 2,152,000	\$ 1,622,950	\$ 1,684,638	\$ 1,749,409	\$ 1,817,420	\$ 1,888,831

2026 Funding Scenario Options (Wastewater Fund)

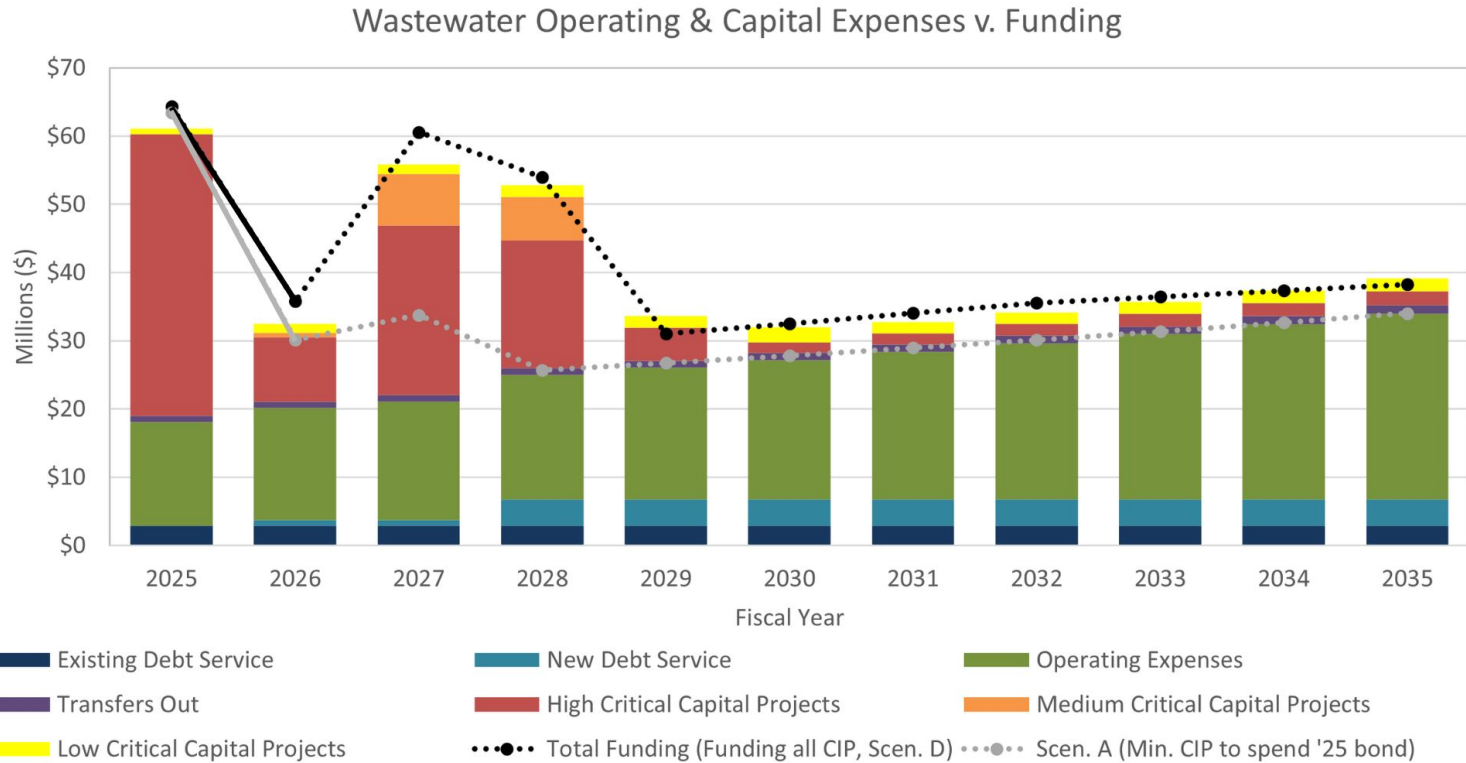
<u>Scenario Label</u>	<u>Scenario Description = Funds:</u> - All debt service (existing + proposed) - All operating expenses - Variable CIP packages	<u>Variable Rate and Fixed Fee Adjustments</u>	<u>2026 Forecasted Combined Revenue Increase + Outyear Debt</u>
A	Minimal CIP- Dark Red projects only	Volumetric: 7% Fixed: 0%	6.1% (\$0 future debt)
B	NEW - Very Dark Red + Red projects	Volumetric: 11% Fixed: 0%	9.6% (\$30 million debt in 2027)
C	NEW - Dark Red + Red + Orange projects	Volumetric: 12% Fixed: 0%	10.5% (\$45 million debt in 2027)
D	Fully Funded CIP	Volumetric: 13% Fixed: 0%	11.3% (\$55 million debt in 2027)

Wastewater Fund - Scenario Impacts to Single Family Homes using 48,000 Gallons per Year

	2025	A - Minimal CIP Overall Revenue Increase: 6.1%	B - Red CIPs only Overall Revenue Increase: 9.0%	C - Red CIPs + Orange CIPs Overall Revenue Increase: 10.5%	D - All CIP Funded Overall Revenue Increase: 11.3%
Volumetric:	\$358.08	\$383.04	\$397.44	\$401.28	\$404.63
Fixed:	\$62.64	\$62.64	\$62.64	\$62.64	\$62.64
Total:	\$420.72	\$445.68	\$460.08	\$463.92	\$467.27
Overall Bill Increase over 2025:	N/A	5.9%	9.4%	10.3%	11.06%

Wastewater Fund - 10 Year Projected Financial Forecast

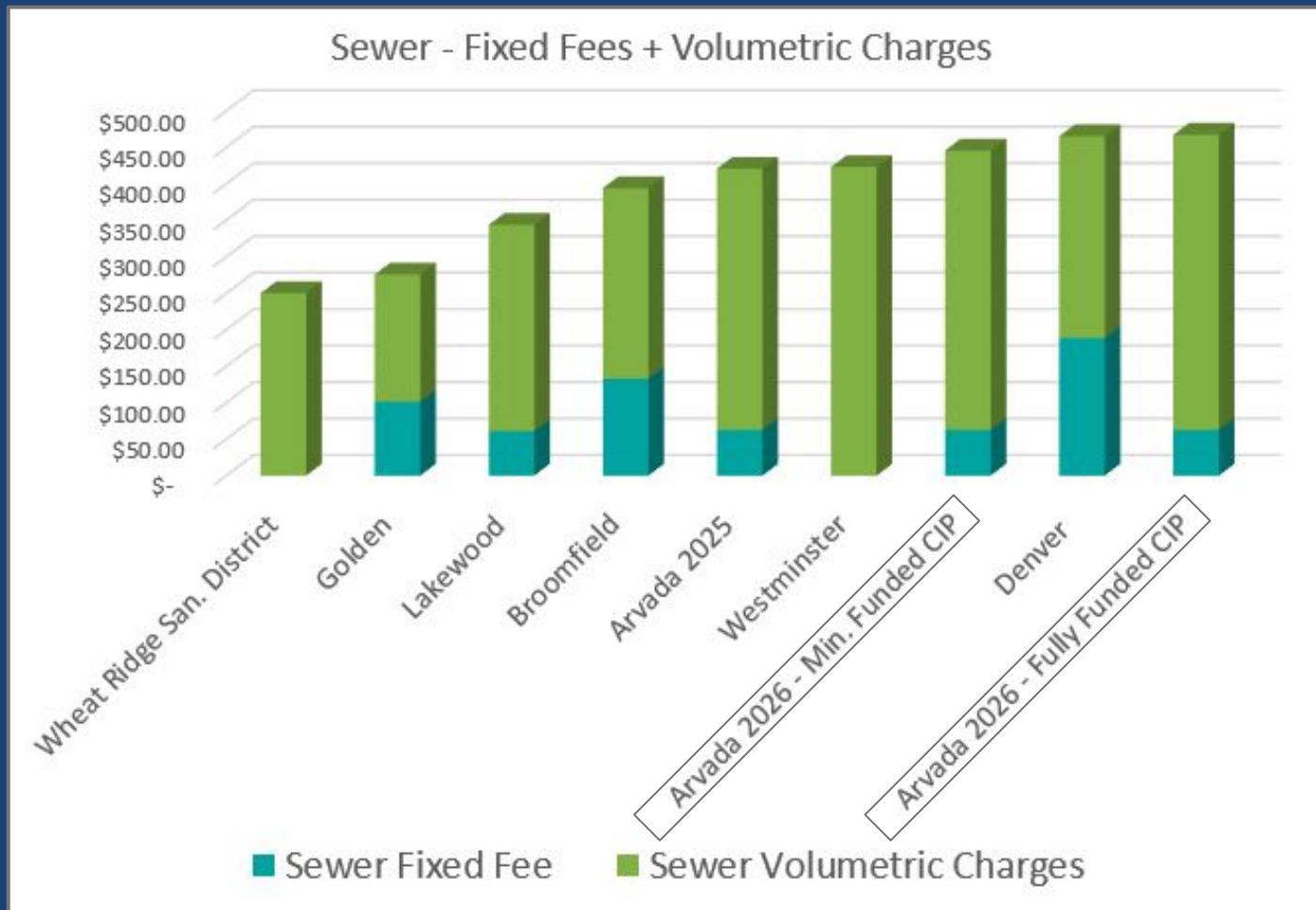
CIP Funding Scenarios A (Minimal) and D (Fully Funded)



Wastewater Fund - Single Family Annual Bill Comparisons with Our Closest City Neighbors*

(2025 current and proposed 2026)

*Updated to include Denver



Stormwater Fund

One-Pager of CIP Projects - Stormwater Fund

STORMWATER FUND - Capital Project Description	Project Prioritization	2026-2035 Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Drainage Improvements	High Critical	\$ 11,994,175	712,000	793,000	882,000	982,000	1,090,020
Pomona Lake Improvements - potential MHFD funded (\$2.4M total cost per 2025)	Medium Critical	\$ 1,200,000	200,000	500,000	500,000		
Joint Stream Maintenance	Low Critical	\$ 352,478	30,747	31,669	32,619	33,598	34,606
Ralston Creek Stabilization at Creekside Park	High Critical	\$ 133,000		133,000			
W 58th Ave Storm Sewer Taft St to Simms St	High Critical	\$ 5,400,000	20,000	5,380,000			
4927 Allison Street and 5685 Sheridan Frontage Rd	High Critical	\$ 300,000	300,000				
Arvada Center Regional Detention Pond - MHFD project (\$3-\$5M total cost depending on alternative chosen)	Medium Critical	\$ 1,100,000	600,000	500,000			
Master Plan Studies	Medium Critical	\$ 890,000	71,000	75,000	79,000	83,000	87,000
Stormwater Facility Aeration	Low Critical	\$ 418,320	81,200	84,000	70,000	183,120	
Van Bibber (Oak St. to Kipling Pkwy):	TBD	TBD					
Total All Projects		\$ 6,185,478	\$ 2,014,947	\$ 7,496,669	\$ 1,563,619	\$ 1,281,718	\$ 1,211,626
		\$ -					
Total All High Critical		\$ 19,379,654	1,262,747	6,837,669	1,414,619	1,015,598	1,124,626
Total Medium Critical		\$ 1,990,000	671,000	575,000	79,000	83,000	87,000
Total Low Critical		\$ 418,320	81,200	84,000	70,000	183,120	

The City team is reviewing the Stormwater Fund projects and prioritization process in 2025-26.

Funding Scenario for 2026 (Stormwater Fund)

<u>Funding Scenario</u>	<u>Description</u>	<u>Variable Rate and Fixed Fee Adjustments:</u>	<u>2026 Forecasted Overall Revenue Increase</u>
<u>Minimal Increase*</u>	Minimal Increase to Cover Operational Expenses and Drainage Improvements Projects	Variable: 6% (\$600,000 for Drainage Improvement Projects)	6%

*The City team is reviewing the Stormwater Fund projects and prioritization process in 2025-26.

Stormwater Fund - Scenario Impacts to Typical Single Family Bills

Scenario A, Minimal CIP. 3,000 square feet of impervious surface area:

<u>2025:</u>	<u>2026 Scenario A:</u>	<u>Increase:</u>
\$67.50	\$71.55	6%

Historic & Projected Monthly Average Single Family Stormwater Bills 2021 - 2035*

The City team will return with this information once we have a more solid understanding of the outyear CIP projects and priorities.

Stormwater Fund - Single Family Annual Bill Comparisons with Our Closest City Neighbors*

(2025 current and proposed 2026)

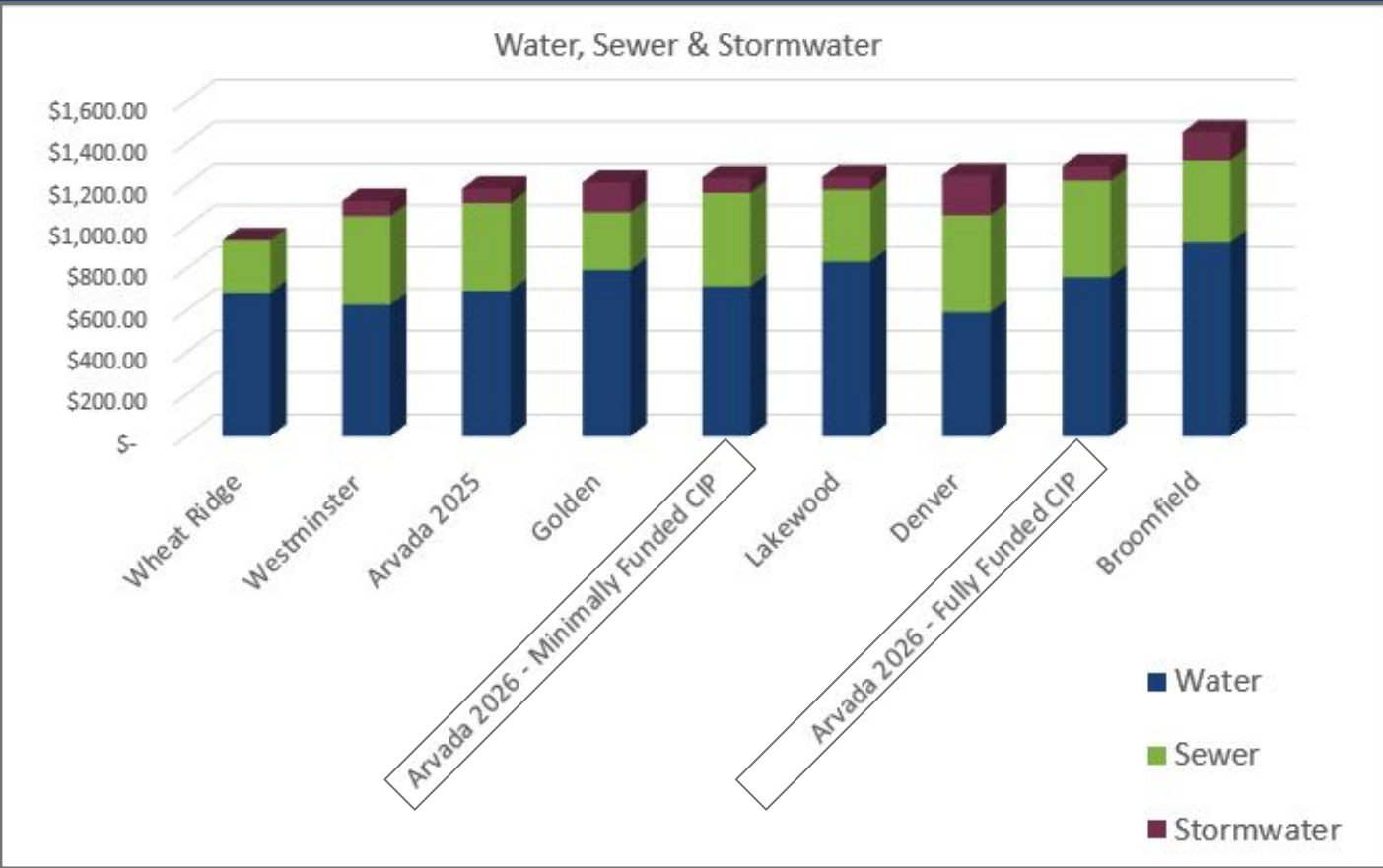
*Updated to include Denver



Water, Sewer & Stormwater - Single Family Annual Bill Comparisons with Our Closest City Neighbors*

(2025 current and proposed 2026)

*Updated to include Denver and to reflect 91,000 gallons of water use



Utility Bill Affordability and Assistance Program Opportunities

AWWA Household Affordability Assessment Framework

- **Household Burden Indicator (HBI)** - basic water and sewer costs as a percent of the 20th percentile household income (i.e. the lowest quintile of income for the service area also known as the LQI)
- **Poverty Prevalence Indicator (PPI)** - percentage of community households at or below the 200% federal poverty level

Utility Bill Affordability Metrics

HBI - W&WW Service Cost as% PPI - Percent of Households Below 200% of FPL of LQI

	>= 35%	20% to 35%	< 20%
>= 5%	Very High Burden	High Burden	Moderate-High Burden
3.5% to 5%	High Burden	Moderate-High Burden	Moderate-Low Burden
< 3.5%	Moderate-High Burden	Moderate-Low Burden	Low Burden

Affordability Metrics		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Poverty Prevalence Indicator	%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Household Burden Indicator	%	1.4%	1.5%	1.6%	1.6%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
Hours at Minimum Wage	#	6	6	7	7	8	8	8	8	8	8	8
Arvada Water Affordability Benchmark		Low Burden	Low Burden	Low Burden	Low Burden	Low Burden	Low Burden	Low Burden	Low Burden	Low Burden	Low Burden	Low Burden

Utility Bill Affordability & Assistance Program Options for Income Qualified Customers

1. Maintain status quo
2. Take operating budget savings (\$150,000) and pilot a bill credit program
 - a. Based on Xcel's Low-income Assistance Program (LEAP)
 - b. \$150/customer annually as a \$25 bimonthly credit (they must pay bill to the City to qualify)
 - c. Funding to potentially include temporary salaries to help with workload (if needed)
 - d. Could be implemented in 2026 (contingent upon County coordination efforts)
3. Expand Option #2. Take operating budget savings and pilot a bill credit program
 - a. Based on Xcel's LEAP program + Medicaid/SNAP, WIC, TANF eligibility OR use a household income limit guide (resident rebate criteria)
 - b. Credit accounts bimonthly
 - c. Funding to potentially include temporary salaries to help with workload (if needed)
4. Allow for hardship credit applications (\$100) once per year



Utility Bill Affordability & Assistance Program

Options: Non-Income Qualified

1. Maintain conservation programs status quo (~\$64,000 of water conservation programs through Resource Central)
2. Increase the overall program amount by an additional \$100,000 and increase our Resource Central program participation for total program of approx. \$164,000:
 - a. Lawn Replacement
 - b. Slow the Flow (STF) Sprinkler Evaluations
 - c. Smart Control Clock Installations (following a completed STF evaluation)
 - d. Additional Garden in a Box discounts
3. Other?

Billing System Updates - Status

<u>Update Description</u>	<u>Completion Status</u>
Utility bills meet Americans with Disabilities Act (ADA) requirements	End of 2025
System software version upgrade	2026
Customer's ability to view their bill online	End of 2025
Automatic recurring credit card payments	TBD
Ability to use alternative payment methods on Paymentus platform (for example Apple Pay, Walmart Pay, etc.)	2026
Eye on Water app - water use app use in coordination with new meter transponders	Soft roll-out 4Q 2025/1Q 2026

Next Steps

City Council Date	Topics to be Discussed
September 9 Workshop	Final discussion about rates/fees scenarios, direction for what scenarios to return with for adoption
October 6, 2025	1st reading for revenue (rates/fees) adjustments
October 20, 2025	Public Hearing/2nd reading for revenue (rates/fees) adjustments

Your Direction on the Following, please:

- What Affordability and Assistance Programs changes would you like us to implement in 2026?
- Do you want to hold the final workshop on 9/9? If yes, what new information would you like to see?
- If not returning on 9/9, what scenario for water, sewer and stormwater would you like us to return with for adoption in October?
- Other items?



Thank you.

8/12 Workshop Appendix slides

2024 Single Family Customers and Percentile Water Use

10th Percentile: 29 Kgals

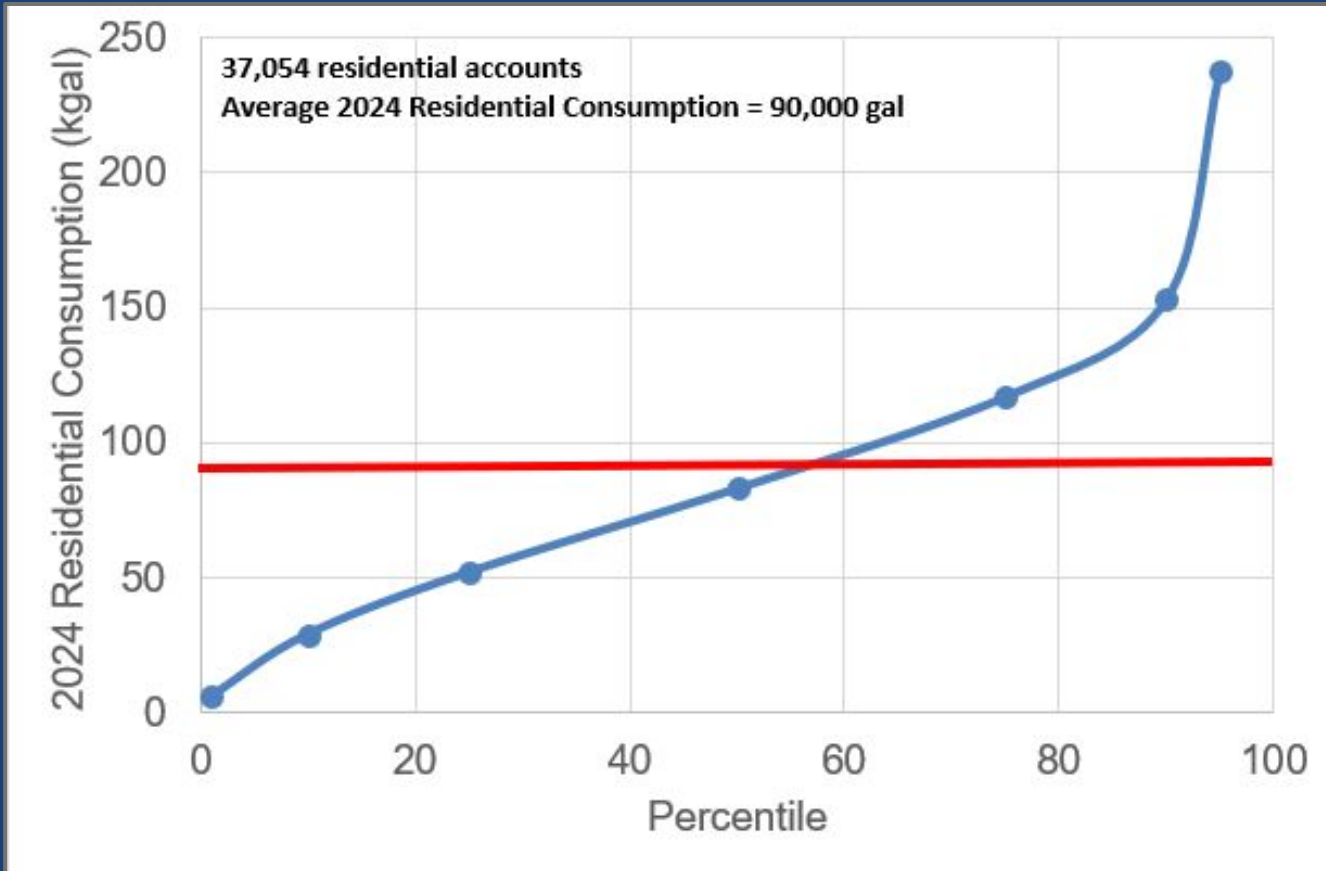
25th Percentile: 52 Kgals

50th Percentile: 83 Kgals

75th Percentile: 117 Kgals

90th Percentile: 153
Kgals

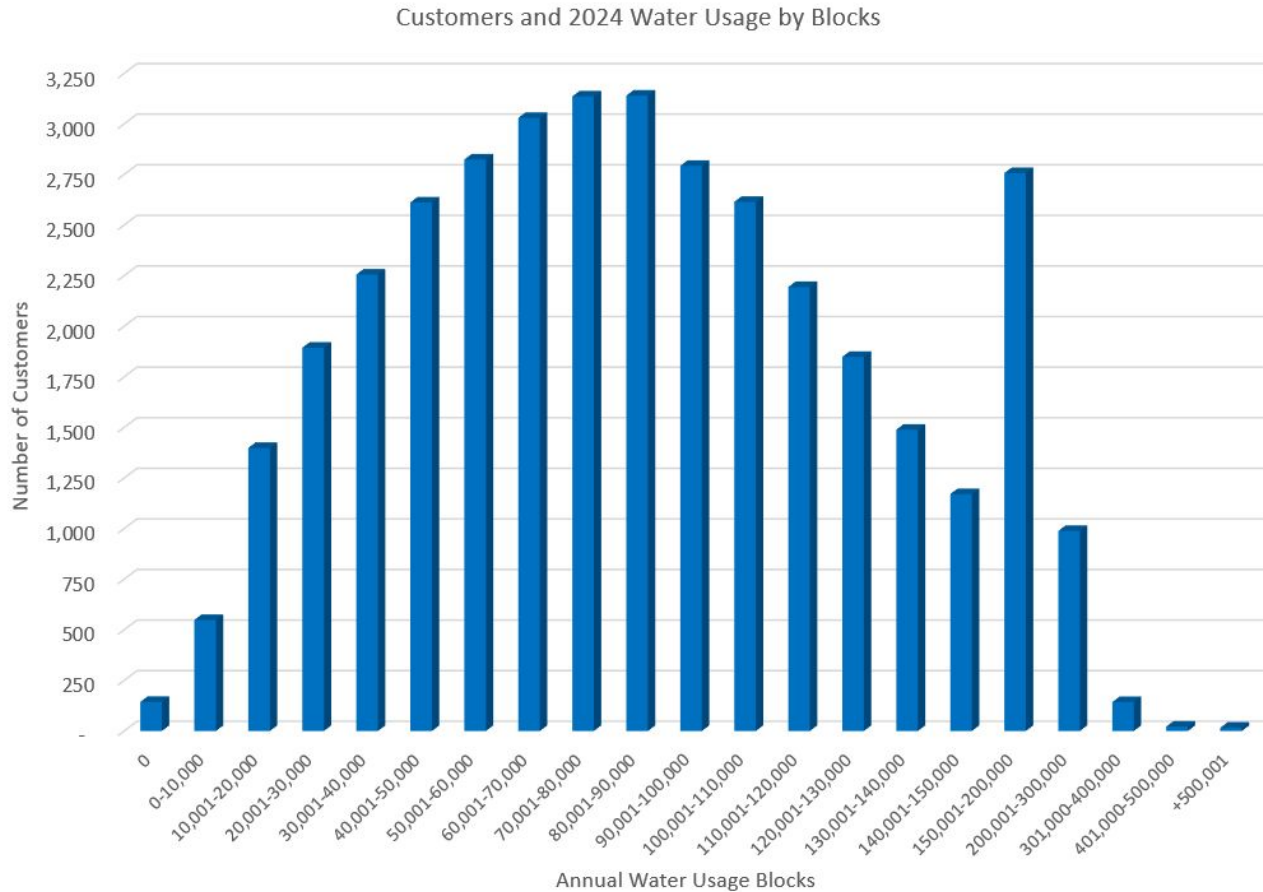
(Kgal = 1,000 gallons)



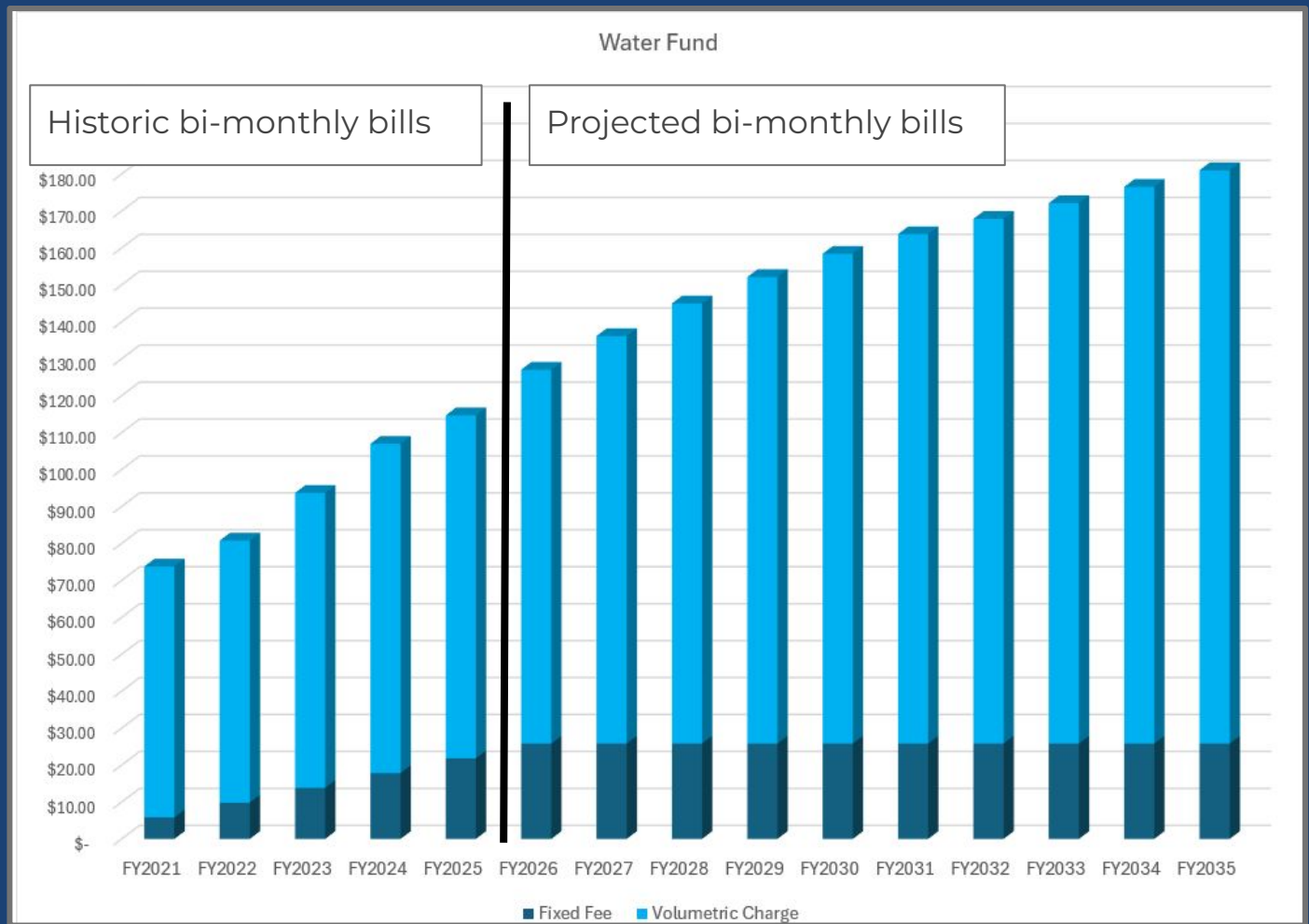
2026 Single Family Water Bill Impacts for Varying Annual Water Use

<u>Scenario</u>	<u>Bill @ 29,000 Gallons/Year 10th percentile</u>	<u>Bill @ 52,000 Gallons/Year 25th percentile</u>	<u>Bill @ 83,000 Gallons/Year 50th percentile</u>	<u>Bill @ 117,000 Gallons/Year 75th percentile</u>	<u>Bill @ 153,000 Gallons/Yr 90th percentile</u>
Scenario D: Fully Funded CIP	Fixed: \$154.98 Volumetric: \$192.85 Total: \$347.83 (+\$37.34 over 2025)	Fixed: \$154.98 Volumetric: \$345.80 Total: \$500.78 (+\$47.92 over 2025)	Fixed: \$154.98 Volumetric: \$551.95 Total: \$706.93 (+\$62.18 over 2025)	Fixed: \$154.98 Volumetric: \$791.41 Total: \$946.39 (+\$78.78 over 2025)	Fixed: \$154.98 Volumetric: \$1,074.23 Total: \$1,229.21 (+\$98.46 over 2025)
Scenario A: Min. Funded CIP	Fixed: \$130.98 Volumetric: \$186.76 Total: \$317.74 (+\$7.25 over 2025)	Fixed: \$130.98 Volumetric: \$334.88 Total: \$465.86 (+\$13.00 over 2025)	Fixed: \$130.98 Volumetric: \$534.52 Total: \$665.50 (+\$20.75 over 2025)	Fixed: \$130.98 Volumetric: \$766.36 Total: \$897.34 (+\$29.73 over 2025)	Fixed: \$130.98 Volumetric: \$1,040.06 Total: \$1,171.04 (+\$40.29 over 2025)

2024 Residential Water Use Trends

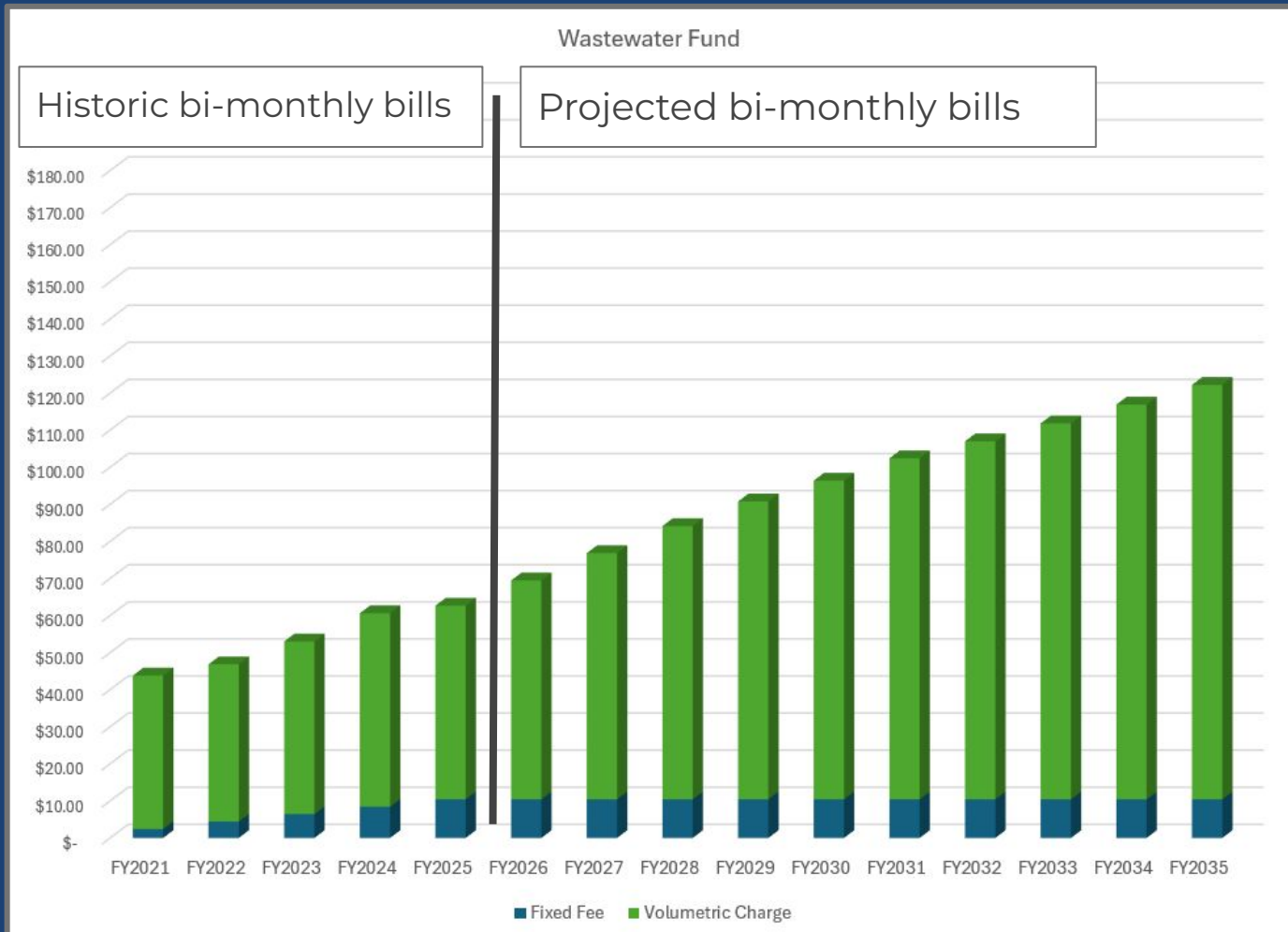


Historic & Projected Bi-Monthly Single Family Water Bills 91,000 Gallons of Use 2021 - 2035*



*2026-2035 are forecasted and based on **Fully Funding the CIP**

Historic & Projected Bi-Monthly Average Typical Single Family Wastewater Bills 2021 - 2035*



*2026-2035 are forecasted and based on **Fully Funding the CIP**

Utility Bill Affordability

The City team is looking at affordability through a few lenses.

- Industry benchmarking
 - Affordability models (EPA, AWWA, others)
 - Case studies of other communities
- Demand for assistance services
 - Includes payment plans, equalization plans, and hardship credits
 - How many households indicated need for assistance services?
 - How many households have current programs supported?
 - Is there an unmet demand for assistance?
- Enhancing leak detection and water use efficiency programs for all customers to reduce the amount of water used and thus reducing their water and wastewater bills.

Assistance Programs Offered By Front Range Utilities

	Arvada	Arapahoe County W&SD	Aurora	Brighton	Broomfield	Castle Rock	Denver Water	Englewood	Erie	Firestone	Ft. Collins	Golden	Lafayette	Lakewood	Littleton	Longmont	Louisville	Northglenn	Roxborough W&SD	Thornton	Westminster
Payment Plans	X									X											
Bill Equalization	X			X		X															
Hardship Credits	X																				X
Bill Credits*				X	X															X	X
Leak/Other Repairs*								X													X
Referral to Non-Profits, City/County/State Programs	X	X	X			X	X		X		X	X	X	X	X	X	X	X	X		

* Income-qualifying eligibility.

City Assistance Program Usage

	Federal Funds (LIHWAP)	Utility Bill Payment Plans	Utility Bill Equalization Plans	\$100 Hardship Credits	Accounts Sent to Jefferson/Adams County for Liens
2020	N/A	695	353	0	0
2021	N/A	638	332	2	80
2022	N/A	1,078	307	0	98
2023	143 total	513	303	2	204
2024	Program discontinued	827	293	23	313
2025 (May)	N/A	258	309	9	TBD

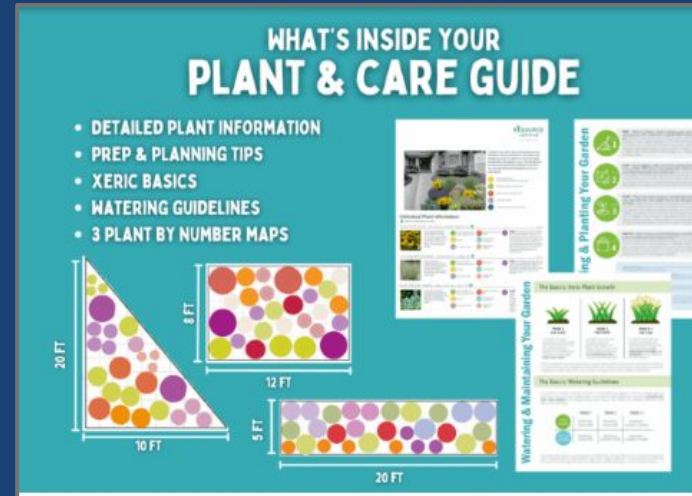
2025 Resource Central Programs

The City partners with Resource Central to offer residents a variety of programs to manage their water use and keep their yard beautiful.

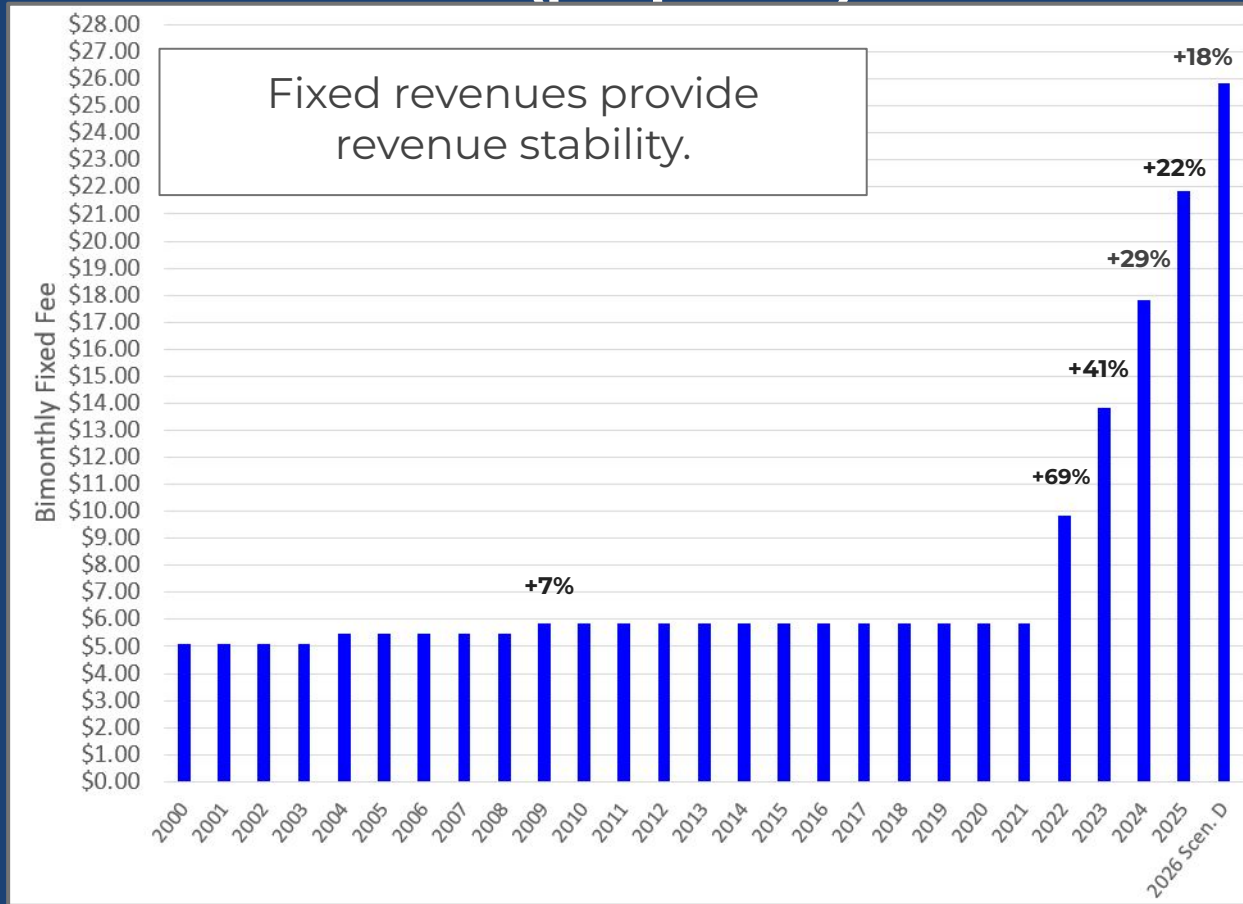
The 2025 programs include:

Program	Contracted Spots/Discounts
Garden in a Box*	600 discounts total, 176 still available + sale on now
Lawn Replacement*	52 offered, 14 projects available
Slow the Flow sprinkler evaluations	100 offered, waitlist is full!

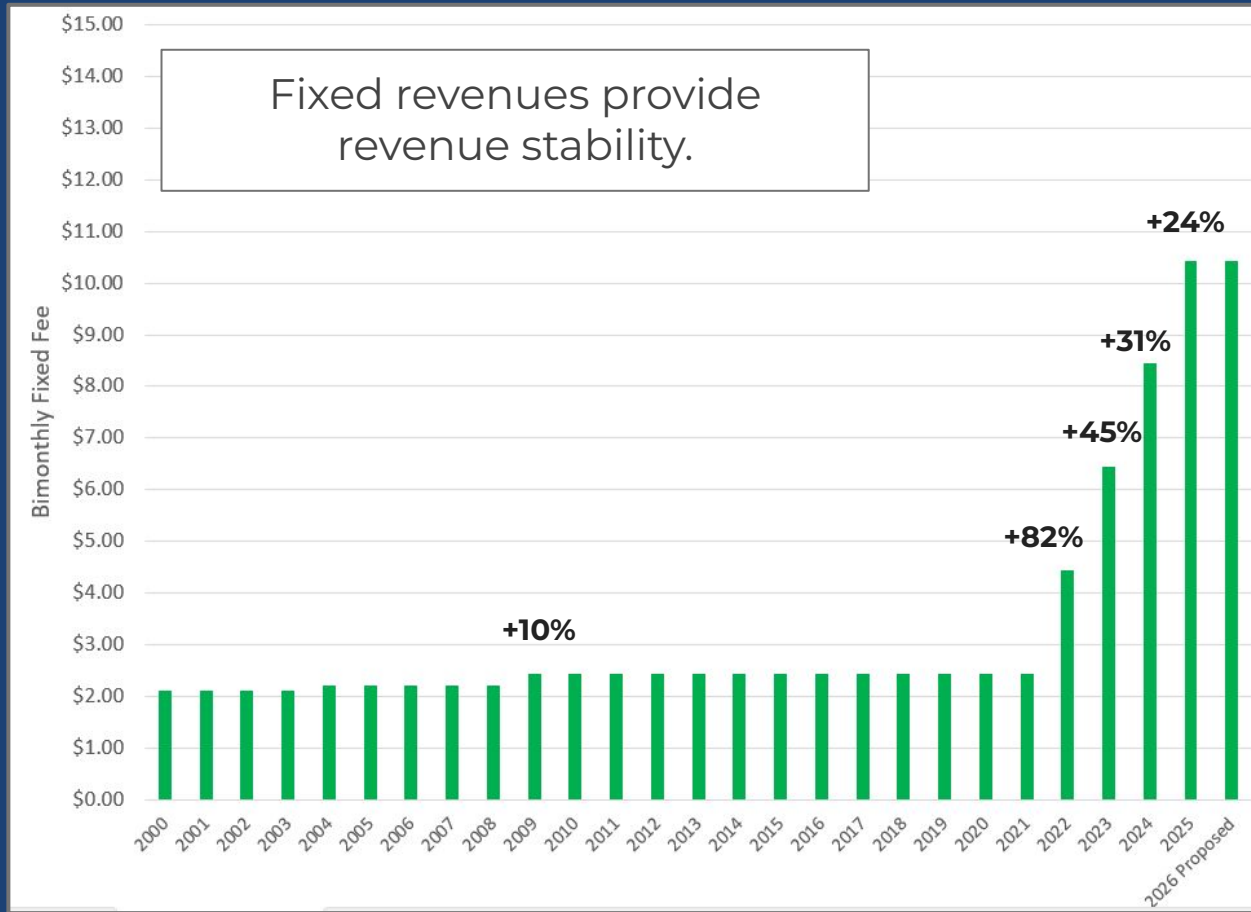
**RC provided matching grant funds to help us increase our Garden in a Box and Lawn Replacement programs*



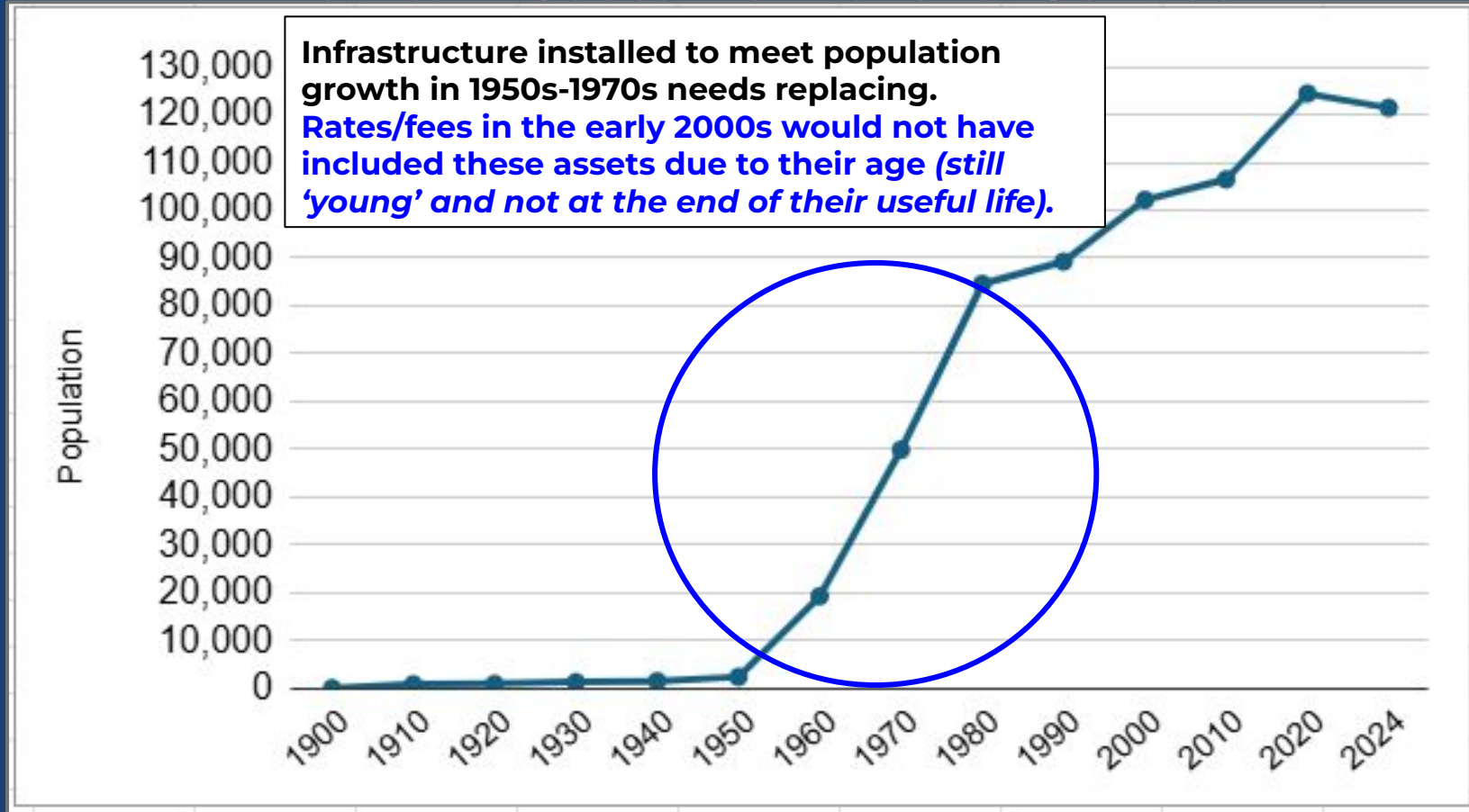
Water Fund - Historic Bimonthly Fixed Fees 2000-2026 (proposed)



Wastewater Fund - Historic Bimonthly Fixed Fees 2000-2026 (proposed)



Managing Significant Aging Infrastructure Needs to Maintain Customer Level of Service



2025 Water and Wastewater Bond Series and Bond History

Water(1961-2001) - Total in 2025 \$ is \$392.9M

Wastewater(1961-2001) - Total in 2025 \$ is \$11.8M

	1959	1961	1965	1968	1974	1975	1978	1982	1985	2001	2022	2025	Total
Water		1.55M	8.6M		3M	3.6M	7.5M	15.8M	30.1M	36.5M	50M	90M	246M
Sewer	0.2M		0.3M	0.7M							50M	15M	66.2M
2025 \$	2.2M	16.7M	91.1M	6.5M	19.8M	21.8M	37.4M	53M	90.2M	66M	110M	105M	619.7M

***We have not issued debt for Stormwater**

CIP Definitions

- CIP are non-routine expenditures that result in the acquisition of land, design and construction of new assets, or the renovation, rehabilitation or expansion of existing capital assets
- Expected useful life > five years
- +\$5,000 cost



REPORT TO CITY COUNCIL

AGENDA ITEM
2.B.

TO: THE HONORABLE CITY COUNCIL

DATE: August 12, 2025

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