BRECKENRIDGE CITY COMMISSION
AGENDA SUMMARY FORM

Subject:	Discussion and any necessary action regarding approval of onboarding NewGen Strategies and Solutions for an updated water/wastewater rate study.
Department:	Administration
Staff Contact:	Cynthia Northrop
Title:	City Manager

BACKGROUND INFORMATION:
In 2021 the City of Breckenridge engaged NewGen Strategies & Solutions to conduct an analysis of our Water and Wastewater rates and operations to develop recommendations for City Commission review and approval. It is my understanding that this was the first water/wastewater rate study conducted in many years.

The Water and Wastewater Funds are enterprise funds of the city and by design are intended to run like a business; in other words, the rate structure should fund the maintenance and operations. We have many challenges (aging system, oversized system for our population and demands out-pacing resources due to high capital cost of replacement and improvements) with our water/wastewater system and have made targeted improvements a priority over the last several years.

In 2021 the City Commission approved the most aggressive schedule of rate increases along with the included improvements necessary for the system as they were trying to catch up.

The purpose of an updated rate study is determining appropriate rate projection schedule based on a systematic and target analysis of the system and its needs. The rate study goal is to provide an assessment of utility financial performance to date and provide any modifications to future rates that may be needed to meet City utility objectives. The ideal rate structure must satisfy seven criteria including legal and regulatory compliance, equity, efficiency, revenue adequacy, affordability, sustainability, and administrative simplicity.

FINANCIAL IMPACT:
The cost of the rate study is $35,000 and is a budgeted, planned expense for FY 25-26.

STAFF RECOMMENDATION:
Consider approval of the 2026 Water and Wastewater Rate Study and authorize the City Manager to execute the documents.