

AGENDA ITEM SUMMARY

City Council



STAFF

Christina Schroeder, Director, Plant Operations
Joe Wimmer, Director, Utilities Finance

SUBJECT

First Reading of Ordinance No. 044, 2026, Amending Section 26-289(5)(a) of the Code of the City of Fort Collins to Revise the Charges for Disposal at the Fort Collins Regional Sanitary Waste Transit Station for Septic Tanks, Vaults, Privies, and Portable Toilets.

EXECUTIVE SUMMARY

The purpose of this item is to increase septage receiving fees to fund operations and the construction of a new septage receiving station at the Drake Water Reclamation Facility (DWRf). The existing station requires upgrades to ensure permit compliance, resolve safety challenges, and manage significantly increased usage. The increase would be a phased-in approach for fee increases to full cost recovery, beginning with an increase in July 2026, with subsequent increases January 1, 2027, and January 1, 2028.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

The septage receiving station at the DWRf provides a critical waste disposal service for Northern Colorado. Historically, the DWRf has processed septage, portable toilet, and pit toilet waste from haulers serving Weld and Larimer Counties, including Fort Collins wastewater utility customers. As other jurisdictions have closed their receiving stations, the volume of waste diverted to the DWRf has surged, placing additional strain on the aging infrastructure.

The septage receiving station must be upgraded and relocated from the current Headworks Building location to meet permit requirements, address safety concerns, and manage increased demand.

Engineering design has been completed for a proposed 2027 Capital Project to include a new two lane septage receiving station at the DWRf. Construction will include two concrete truck bays sloped to drains, piping with quick-connect fittings, a new approximately 1,000 ft aggregate access road, an irrigation ditch crossing, fencing, electrical and controls, and a storage shed with non-potable water for clean-up and routine washdown.

Fort Collins Utilities has not adjusted the fees charged to waste haulers in several years. Because current rates do not cover the operational costs for providing this service, a fee increase is necessary to fully fund the construction costs of the new station and support ongoing maintenance.

Existing 2026 septage receiving fee: \$0.09/gallon

Rates to recover existing operational cost and upcoming capital project financing:

Rate (\$/gal Capital)	\$ 0.045
Rate (\$/gal Treatment)	\$ 0.075
Rate (\$/gal O&M)	\$ 0.042
Total cost/gal	\$ 0.162

The proposed approach to increase fees to the target \$0.16/gallon is to phase-in increases from 2026 to 2028, allowing haulers and customers to have a more predictable and steady cost planning.

	2026 (current)	July 1, 2026	January 1, 2027	January 1, 2028
Fee \$/gal	\$0.09	\$0.11	\$0.13	\$0.16
% change		21.5%	21.5%	21.5%

Fort Collins Utilities has applied for a \$1,000,000 Energy/Mineral Impact Assistance Fund Grant through the Colorado Department of Local Affairs. The septage receiving station capital project is believed to be a strong candidate as Fort Collins Utilities has become a regional service provider, and fee increases for haulers are likely to be passed down to septage customers, many of whom reside in rural communities within Weld and Larimer Counties. An award of grant funds may alter the City's planned fee increases for 2028, as applicable to a reduction in project costs.

CITY FINANCIAL IMPACTS

Septage receiving fee revenues totaled \$488,363 in 2025. A fee adjustment to \$0.16/gallon would result in a revenue increase of \$380,000 annually, as compared to a revenue-equivalent rate increase of 1.3% to wastewater customer rates.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

March 5, 2026 Council Finance Committee – supportive of planned fee adjustment.

March 19, 2026 Water Commission – supportive of planned fee adjustment.)

PUBLIC OUTREACH

Notification of anticipated fee increases to septage haulers is planned for March 2026, with additional notification planned following fee adoption. Additionally, all haulers are required annually to attend an on-site meeting to obtain a permit allowing use of the facility. These meetings are offered twice per year, at which updates of fees and plans for the capital project will be communicated.

ATTACHMENTS / LINKS

1. 2024 Septage Rate Evaluation
2. Council Finance Committee Meeting Minutes, March 5, 2026
3. Water Commission Meeting Minutes, March 19, 2026
4. Septage Receiving Fees Presentation
5. Ordinance No. 044, 2026