

Council Work Session

2026 Budget Revisions

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- **October 23 work session follow up**
- **\$22k of reduction alternatives for immigration/legal defense funds**
- **Utilities update of 2026 Revisions**

Highlights of the questions and requests included in Council's Thursday Pack materials on October 9 include:

- Clarity on positions in the hiring freeze vs those proposed for elimination, including detail on positions in Sustainability Service and Code Compliance in Community Development
- Additional information on the Camera Radar Red Light program
- Comparative staffing data with S&U Tax Audit programs along the Front Range
- Updated chart on Digital Inclusion reserve estimates to cover the 2026 shortfall of the Grocery Tax Rebate program
- Additional information about the Poudre Flows offer and why staff believes the delay in the planned 2026 funding is not an issue for the City
- Updated information on the community impacts from the proposed reductions in the 2026 Budget Revisions

- **Available 2026 Digital Equity revenue**
 - Impact: No impact to the projected positive cash balance in the Digital Equity Reserve in 2030
- **Decrease to Bridge Asset Management Program**
 - Impact: Decreased ability to respond to unforeseen repairs and maintenance needs; and lowered ability to advance design for scheduled replacements
- **Decrease in Parks Operations and Programming**
 - Impact: Deeper cuts to currently proposed reductions to 4th of July by eliminating City programming and/or partial closures of bathrooms in neighborhood parks

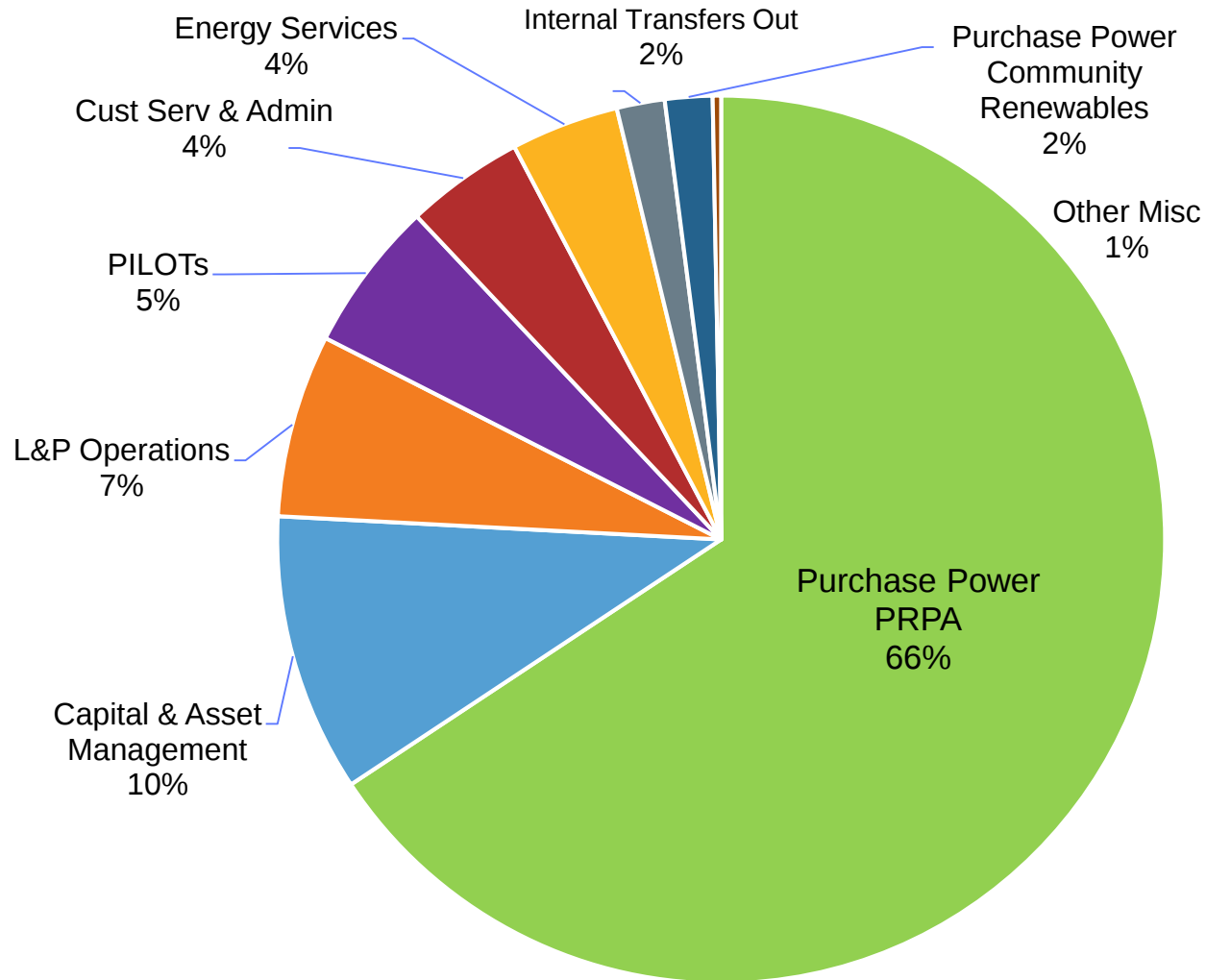


Utilities 2026 Budget Revisions

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What questions does City Council have regarding the proposed 2026 Utilities budget and revisions?

2026 Budget - \$183.5M



PRPA Wholesale

- 6.3% Increase

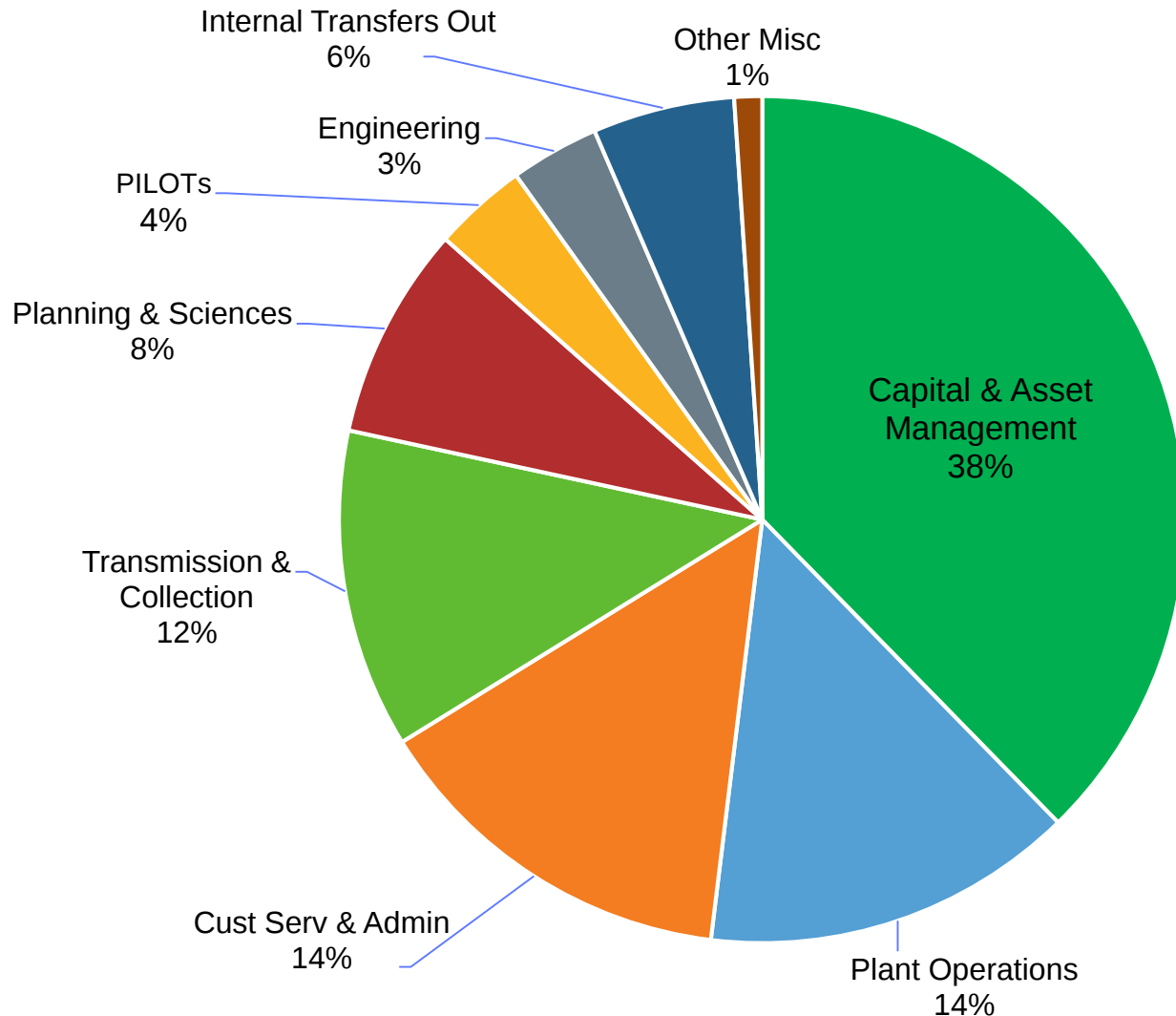
Capital Investment

- Cable Replacement
- Transformers

Operational Technology

- Distributed Energy Resource Management (DERMS)

2026 Budget - \$103.7M



Capital Investment

- Halligan Water Supply Project
- Water Main Replacement Program
- Drake Water Reclamation Facility Projects
- OneWater Laboratory Design

Operations

- OneWater Operator & Engineering
- GIS Utility Network

Halligan Project Mitigation Credits \$10,357,500

Wetland Credits Requirement (17.94 acres); est. \$3.1M

Stream Credits Requirement (8,348 ft); est. \$19.3M

Poudre North Fork Mitigation Bank

- Under contract
- 19.9 wetland credits
- 1,514 stream credits

RMNP Moraine Mitigation Bank

- 6,834 stream credits needed
- Contract pending



Halligan Project Mitigation Credits: Timeline

- Mitigation plan must be approved before construction
- Record of Decision (ROD) expected: **August 2026**
- Pending CWCB Water Project Loan (\$100M), appropriation of Water Fund Reserves

Customer Information System (CIS) Operational Extension \$702,480



- Operational budget needed for continuing legacy systems until go-live
- CIS replacement go-live date May 2026

<u>Utility</u>	<u>2026 Rate Increase</u>
 Electric	6%
 Water	9%
 Wastewater	8%
 Stormwater	6%

2025-2026 City Manager's Recommend Budget

RESIDENTIAL MONTHLY BILL COMPARISON

2025 to 2026

	2025 RATES	2026 RATES	% CHANGE	\$ CHANGE
 ELECTRIC 620 kilowatt-hours/month	\$85.05	\$90.15	6.0%	\$5.10
 WATER 7,000 gallons/month	\$45.37	\$49.45	9.0%	\$4.08
 WASTEWATER 3,300 gallons/month WQA	\$35.40	\$38.23	8.0%	\$2.83
 STORMWATER 8,000 sq.ft. lot, light runoff	\$24.48	\$25.95	6.0%	\$1.47
AVG. Utility Bill Total	\$190.30	\$203.78	7.1%	\$13.48



COMMERCIAL MONTHLY BILL COMPARISON

2025 to 2026

	2025 RATES	2026 RATES	% CHANGE	\$ CHANGE
 ELECTRIC 5,000 kilowatt-hours/month	\$635.62	\$673.76	6.0%	\$38.14
 WATER 70,000 gallons/month	\$259.99	\$283.39	9.0%	\$23.40
 WASTEWATER 30,000 gallons/month WQA	\$149.20	\$161.14	8.0%	\$11.94
 STORMWATER 1.5 acre lot, medium runoff	\$199.94	\$211.94	6.0%	\$12.00
AVG. Utility Bill Total	\$1,244.75	\$1,330.22	6.9%	\$85.47

RESIDENTIAL MONTHLY BILL COMPARISON

2026 UTILITY RATES

	 ELECTRIC	 WATER	 WASTEWATER	 STORMWATER	UTILITY TOTAL
FORT COLLINS	\$100.15	\$61.86	\$42.31	\$25.95	\$230.26
LONGMONT	\$94.09	\$83.40	\$44.34	\$18.85	\$240.69
LOVELAND	\$106.75	\$64.25	\$44.61	\$26.25	\$241.86
COLORADO SPRINGS	\$110.35	\$110.11	\$36.26	N/A	\$256.72
BOULDER	\$108.38	\$78.00	\$54.42	\$29.88	\$270.68
GREELEY	\$108.38	\$82.71	\$40.50	\$42.44	\$274.03



LEAP & IQAP

Reduced Rates

- Income-Qualified Assistance Program



Outreach

- Water Conservation resources
- Energy Services programs
- Utilities Insights Newsletter
- Direct customer engagement



One-Time Payment Assistance

- Payment Assistance Fund
- Utilities Emergency Fund



Retrofit Programs

- Larimer County Conservation Corps Water and Energy Program (LCCC)
- Colorado Affordable Residential Energy (CARE)

2027/28 Budget Preparation

- **Capital Planning**

- Enterprise Project Management Office (EPMO)
- Strategic Asset Management Plans
- Asset Replacement Analysis

- **Major Projects**

- Halligan Water Supply Project
- Drake Water Reclamation Facility Preliminary Treatment
- OneWater Quality Lab
- Drake Substation
- PRPA Integrated Resource Plan

- **Long-Term Financial Modeling**

- Capital Financing
- Long-Term Rate Scenarios

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