

Water Commission REGULAR MEETING

Excerpt from DRAFT Unapproved minutes

Thursday, October 16, 26 – 5:30 PM

222 Laporte Ave., 1st Floor, Colorado River Room

1. CALL TO ORDER

a. 5:31 PM

2. ROLL CALL

- a. Commissioners Present (In Person): Chairperson Laura Chartrand, Commissioners Paul Herman, Carson Madryga, Nick Martin, Nicole Ng, Jordan Radin
- b. Commissioners Present (via Teams): N/A
- c. Commissioners Absent: Vice Chair James Bishop, Commissions Rick Kahn and Greg Steed
- d. Staff Members Present (In Person): Jill Oropeza, Katherine Martinez, Gina Shubin, Joe Wimmer, Randy Reuscher, Nicole Poncelet-Johnson
- e. Staff Members Present (via Teams): N/A
- f. Guests: Rob Graves, Lori Graves

6. NEW BUSINESS

b. Regular (Action) Items

i. 2026 Utility Rates

Utilities Finance Director Joe Wimmer and Utility Rates Manager Randy Reuscher presented 2026 proposed utility rate increases for Water Commission's review and discussion in advance of the scheduled Nov. 3 adoption by City Council: electric 6%, water 9%, wastewater 8%, stormwater 6% as presented in the 2025-2026 City Manager Recommended City Budget; staff presented the proposed rates at the Oct. 14 City Council work session this week.

Revenues from the proposed rate increases are needed to support ongoing operation and maintenance costs including replacement of aging infrastructure. As costs change over time, rate adjustment is necessary; rates remained flat during the first few years of the COVID-19 pandemic. Major capital investments driving rate increases include Halligan Water Supply Project, water main replacement program, Drake Water Reclamation Facility projects, One Water Laboratory Design, Drake substation, and Platte River Power Authority (PRPA) Integrated Resource Plan.

Discussion Highlights

Commissioners commented on or inquired about various related topics including how rates compare to other Colorado cities (staff presented a chart of comparisons and noted Boulder and Greeley– highest costs

on the list--receive electricity from Xcel Energy); whether City Council pushed back on the proposed rate increases (Mr. Wimmer replied Council received the proposal favorably at its work session; Mr. Reuscher mentioned Council received advanced notice of the proposed rate increases during the 2024-2025 City budget process; last year's rate increases (Mr. Reuscher replied rate increases were 7% water, 6% stormwater, 6% wastewater)(info at <https://www.fcgov.com/utilities/business/manage-your-account/rates>); whether rate increases last year and this year are outliers (Mr. Reuscher Mr. Wimmer responded that considering the past decade, this trend is likely to continue);

whether the 9% water rate increase by itself would cover the Halligan Water Supply Project debt (Mr. Wimmer responded it would not and would likely take a few more years of the same to cover Halligan alone); how rates would be affected by a hypothetical delay in the Halligan project (Mr. Wimmer replied if that were the case, a rate increase to pay for debt issuance would be delayed; One Water Executive Director Nicole Poncelet-Johnson stated Utilities Finance staff have done a great job of preparing for the next couple of years, and emphasized several years of no rate increases for all three water utilities, meaning we weren't keeping up with inflation and didn't have money going into reserves for capital improvements;

Halligan debt and what rate increases will be needed in the future (Mr. Wimmer clarified these are estimated preliminary Halligan expenses; need \$15 million to cover Halligan debt alone; the Water Fund brings in about \$45 million revenue per year so a third of that would need to increase to cover Halligan; issue of Halligan is geared toward drought years and therefore may not be needed some years when snowpack is good (Ms. Poncelet-Johnson stated water storage projects take an average of 20 to 30 years to receive permit approvals and to build; long-term planning is required for capital projects, and there will be years when we need to use Halligan water storage; if we don't built it, the City must implement water restrictions during drought years;

whether there's a way to monetize Halligan water during years it's not needed to mitigate rate increases (Ms. Poncelet-Johnson replied staff is actively researching that topic on multiple fronts through there is a limitation on what we can do given the project's history; Mr. Reuscher noted that to provide context, there were probably similar conversations about Horsetooth Reservoir in the 1950s, and the city is fortunate to have it as a water source; Mr. Wimmer added growth will help pay for the project via water supply requirement fees for new housing); employment costs as it relates to increasing health insurance premiums (Mr. Wimmer replied non-capital improvements project part of the City budget increased 3% to 3.5% based on inflationary increases to operations costs).

Commissioner Radin moved to recommend Council adopt the proposed 2026 water, wastewater, and stormwater utility rates, to

become effective Jan. 1, 2026.

Commissioner Herman seconded the motion

Discussion on the motion: none

Vote on the motion: it passed unanimously, **6-0**

This is an excerpt from draft minutes to be approved by the Chair and a vote of the Water Commission on 12/04/2025.