



# **2023 Water & Sewer Budget and Rate Review**

**Water and Sewer Board  
Presented July 20, 2022**

# Presentation Agenda

- **Water & Sewer Finance Overview**
- **Capital Funds**
  - Review budgets and major projects
- **Operating Funds**
  - Review budget increase requests
- **Rates**
  - Review proposed 2023 rate increases



# Water & Sewer Enterprise Funds

- Supported through rates and fees
- Each fund is a separate “line of business”
- Separate from the General fund (tax supported)
  - Annual transfers occur to the General fund for services provided to Water and Sewer by General fund departments (Finance, HR, etc.)



# Water Sub-Funds and Revenues

The water fund is divided into 5 “sub-funds” for tracking purposes

- **Operating fund**
  - \$ Rates
- **Capital New Construction fund**
  - \$ Plant Investment Fees and Bonds
- **Capital Replacement fund**
  - \$ Rates (depreciation) and Bonds
- **Acquisition fund**
  - \$ Bonds & Cash-in-lieu payments
- **Debt Service fund**
  - \$ Rates (revenue in/debt service payment out)



# Sewer Sub-Funds and Revenues

The sewer fund is divided into 4 “sub-funds” for tracking purposes

- **Operating fund**
  - \$ Rates
- **Capital New Construction fund**
  - \$ Bonds and Plant Investment Fees
- **Capital Replacement fund**
  - \$ Rates (depreciation) and Bonds
- **Debt Service fund**
  - \$ Rates (revenue in/debt service payment out)



# Financial Practices

- **Annual rate modeling and budgeting each Spring**
- **Operations and capital project managers submit draft budgets**
- **Utility finance staff model a 10-Year cash flow for each sub-fund**
  - **Determine when bonds are needed**
  - **Determine necessary rate increases**
  - **There's some flexibility within the sub-funds**
    - **Example: Additional cash funding of capital projects through transfers**



# 2023 Big Picture

- **Inflationary impacts**
  - Regulatory driven investments at the Wastewater Treatment and Reclamation Facility – Additional ~\$32M in WTRF project costs over next 5 years
  - Cut \$45M from the 5-year Water CIP to offset Sewer CIP increases and manage customer bill impacts
- **Utility Billing transitioning to W&S**
  - Utility Billing software conversion project slowly restarting
- **Operations Investments**
  - Staffing – New positions, classification & compensation
  - Inflationary impacts (chemicals, power, outside legal support)



# Water Capital and Operating

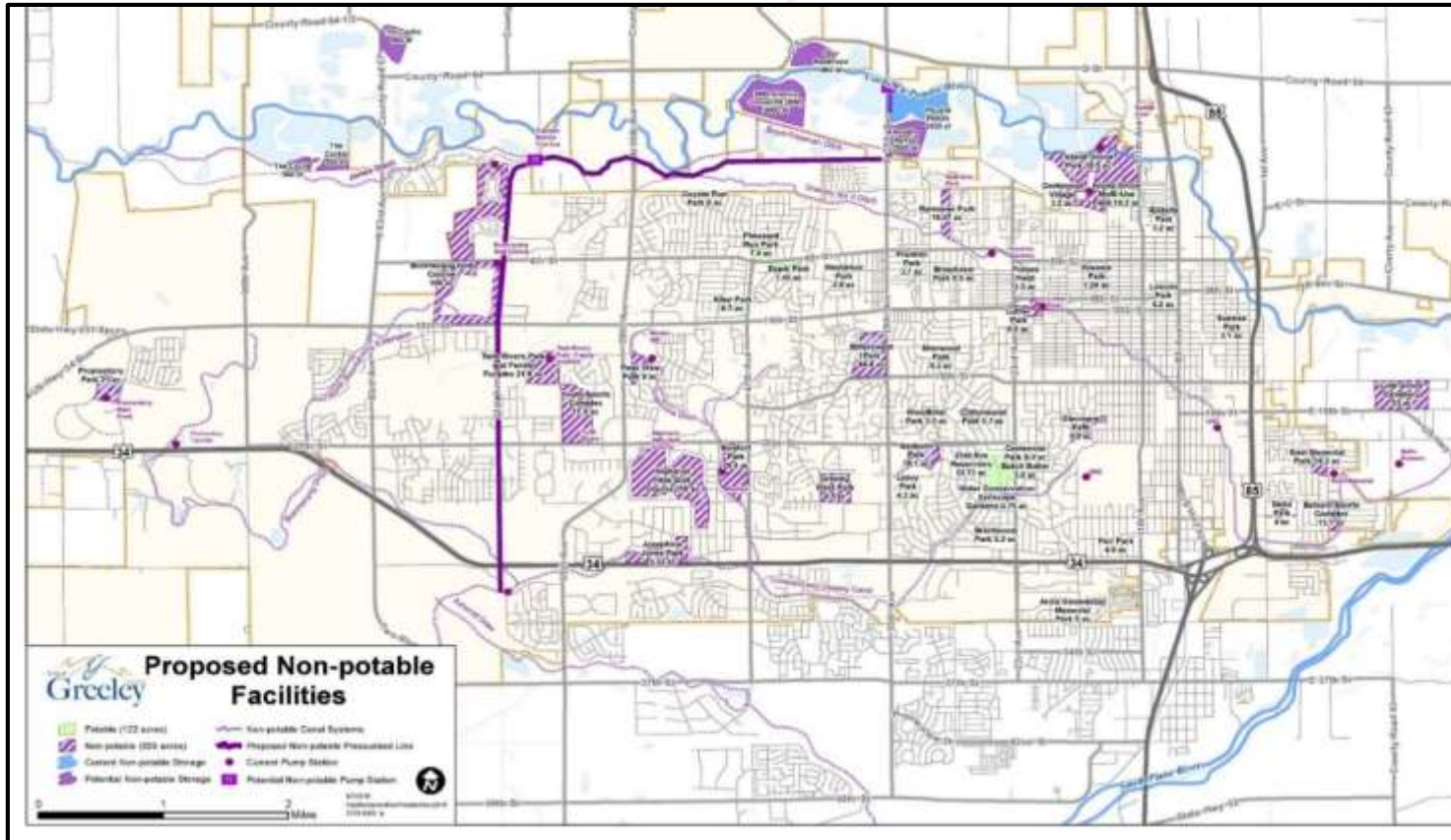




# 2023 Water New Construction (Fund 422)

<b>2023 Project List</b>	
<b>Non-Potable Expansion Projects</b>	<b>3,830,000</b>
<b>O St &amp; 59th Roundabout Waterline</b>	<b>1,108,374</b>
<b>Bellvue 2 Million Gallon Clearwell</b>	<b>750,000</b>
<b>F St &amp; 47th Ave Waterlines</b>	<b>590,000</b>
<b>Windy Gap Firing</b>	<b>515,000</b>
<b>*Ogilvy Bypass Structure</b>	<b>200,000</b>
<b>Distribution Line Extension &amp; Oversizing</b>	<b>154,210</b>
<b>*O Street Waterline Extension 23<sup>rd</sup>-25<sup>th</sup></b>	<b>125,000</b>
<b>35<sup>th</sup> Ave Waterline Extension</b>	<b>115,000</b>
<b>Bellvue Pipeline – Gold Hill Segment</b>	<b>85,000</b>
<b>Water Taps</b>	<b>75,000</b>
<b>New Construction Meters</b>	<b>45,000</b>
<b>12 Projects Total:</b>	<b>\$7,592,584</b>

# Large Strategic Investments: Non-Potable System Expansion

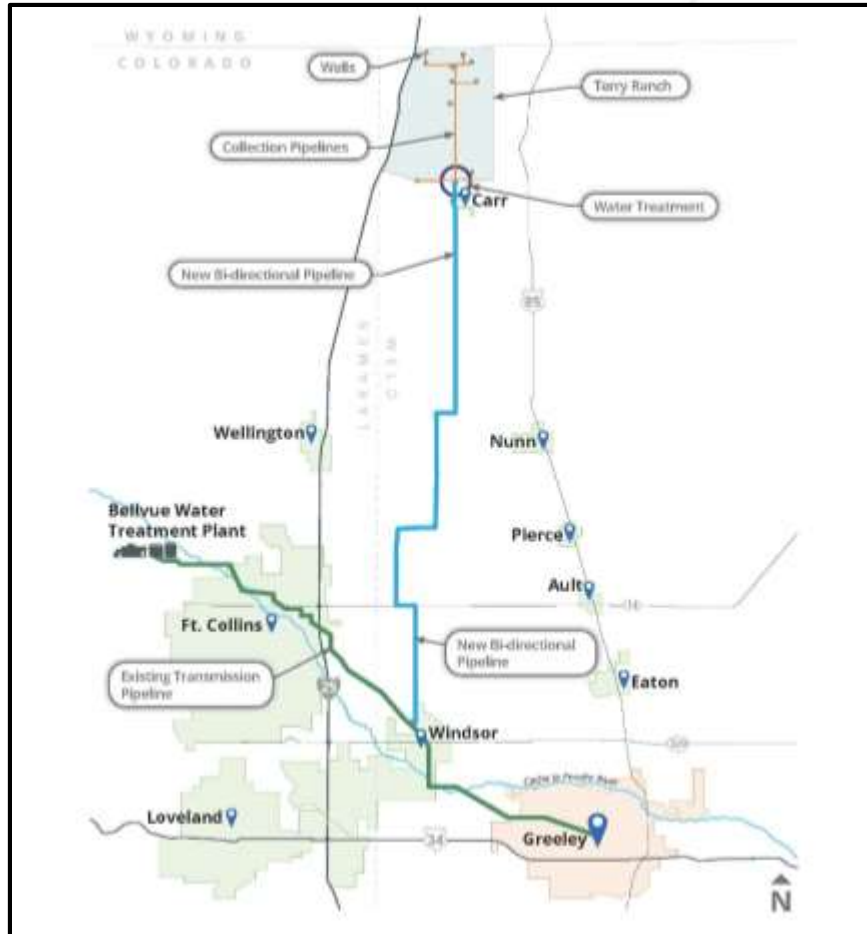


**2023 Project Cost: \$3,830,000  
(annual system investment) –  
Reduced from \$5M/annually**

**Funds non-potable infrastructure  
for new development and retro-  
fitting existing developments.**



# Large Water Supply Investment: Terry Ranch Water System Development



**Funded in 2022, project ongoing :  
\$36,515,000**

**\$25M funded through Wing Foot  
contribution ('21 Master PSA).**



# 2023 Water Replacement/Rehab (Fund 423)

2023 Project List	
Utility Billing Replacement-Water	3,000,000
Treated Water Reservoir Rehabilitation	2,390,410
* Lead Service Line Replacements	2,137,727
Distribution Pipeline Replacement	1,895,000
Suburban Ditch Non-Potable Replacement	1,295,420
Non-Potable Replacement Rehabilitation	1,160,000
Transmission System Rehabilitation	1,000,000
Capital Outlay Replacement - Water	965,077
Advanced Metering Infrastructure	700,000
Bellvue Water Treatment Plant General Rehabilitation	500,000
Boyd Water Treatment Plant - General Rehabilitation	490,000
Risk and Resiliency Projects	315,200
Instrumentation & Controls - Water	195,800

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# 2023 Water Replacement/Rehab (Fund 423)

2023 Project List Continued	
SCADA Upgrades High Mountain Reservoirs	124,000
Meter Replacement	100,000
Valve Replacement	100,000
Fire Hydrant Replacement	77,000
Ancillary System Improvements	50,000
18 Projects Total:	\$16,495,634

\* Project new to CIP



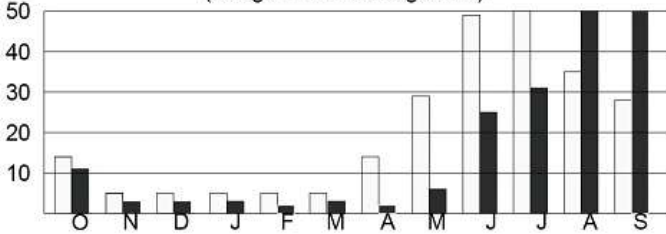
# Utility Billing Replacement



City of Greeley  
Director of Finance  
P.O. Box 1928  
Greeley, CO 80632-1928

## Statement of Account for Utility Service(s)

THIS BILL SHOWS A PREVIOUS AMOUNT DUE.  
PLEASE REMIT AT EARLIEST CONVENIENCE.  
IF PYMT HAS BEEN MADE, THANK YOU.

ACCOUNT INFORMATION						WATER CHARGES					
Account Number	222-222222-22					BUDGET: Indoor	7	Outdoor	21	Total	28
Service Location	2000 GREELEY AVENUE CT					RESIDENTIAL WATER					
Persons in Household:	4	Irrigable Area:	7799			Used	Rate	Amount			
						Water Budget (0% to 100%)	28	3.97	\$108.64		
						Inefficient Use (>100% to 130%)	9	4.85	\$42.66		
						Excessive Use (>130% to 150%)	5	6.62	\$30.20		
						Unsustainable Use (>150%)	8	8.82	\$68.96		
						Base Charge	\$11.83				
METER INFORMATION						BILLING SUMMARY					
Meter ID	Date	Curr Read	Date	Prev Read	Usage	Payments	\$165.74-				
97403425U	09/28	750	08/28	700	50	Bal Fwd	\$10.74				
						RESIDENTIAL WATER	\$262.29				
						RESIDENTIAL SEWER	\$15.72				
						STORMWATER	\$11.09				
CONSUMPTION HISTORY						CURRENT CHARGES					
(Usage in thousand gallons)						\$289.10					
						TOTAL DUE ON 10/18/17					
						\$299.84					

**Est. Project Cost: \$5.4M**  
**\$3,000,000 Water**  
**\$1,200,000 Sewer**  
**\$1,202,000 Stormwater**



# Largest Investments: Advanced Metering Infrastructure



**Total Project Cost: \$13,232,000**  
**\$3.5M in WaterSmart grants**

**Project will continue until 2025**



# 2023 Water Acquisition (Fund 424)

2023 Project List	
Future Water Acquisition - Phase II	5,521,109
Development of Parcel B – Poudre Ponds	1,010,000
Non-Tributary Groundwater SLB Change Case	1,000,000
Life After Lawn	153,000
Water Supply & Storage Change Case Ph 2	100,000
Overland Trail	35,000
6 Projects Total:	\$7,819,109





# Largest Investments: Non-Tributary Groundwater State Land Board Change Case



**2023 Project Cost: \$1,000,000**  
**Water Court case to obtain**  
**decree for State Land Board**  
**lease water rights.**

**SLB is checkerboarded with**  
**Terry Ranch property**



# Budget Increase Requests – Water

Dept. Rank	Title	New FTEs	2023 One-Time	2023 Ongoing
1	Water and Sewer Priority Operating Increases	0	\$270,000	\$632,114
2	Department Organizational Changes	1.5	\$4,900	\$189,201
3	Utility Billing Organizational Investments	TBD	\$0	\$300,000
5	Instrumentation & Electrician Lead-Water	1.0	\$41,600	\$138,109
6	Distribution System O&M Coordinator	1.0	\$55,500	\$94,495
7	Utility Locator Contract to Permanent FTEs & Vehicles	0	\$82,300	\$6,100
8	Distribution System Seasonal Maintenance	0	\$0	\$69,000
10	W&S Maintenance Technician-Transmission & Distribution	1.0	\$0	\$73,809
12	Instrumentation & Controls SUV	0	38,500	\$1,700
13	Water Conservation SUV and Trailer	0	\$44,000	\$1,700
14	Treated Water Reservoirs Operations	0	\$0	\$50,000
18	W&S Supervisory and Leadership Training	0	\$0	\$17,000
19	Regional Water Advocacy Group Planning	0	\$5,000	\$0
	Aerial Photography/GIS Data Capture (IT Request)		\$60,000	\$0
	Water Sundry (Operating Contingency)		\$0	\$250,000
	Lobbying Services (CMO Request)		\$0	\$120,000
	Classification and Compensation		\$0	\$200,000
			<b>\$601,800</b>	<b>\$2,143,228</b>

# Sewer Capital and Operating

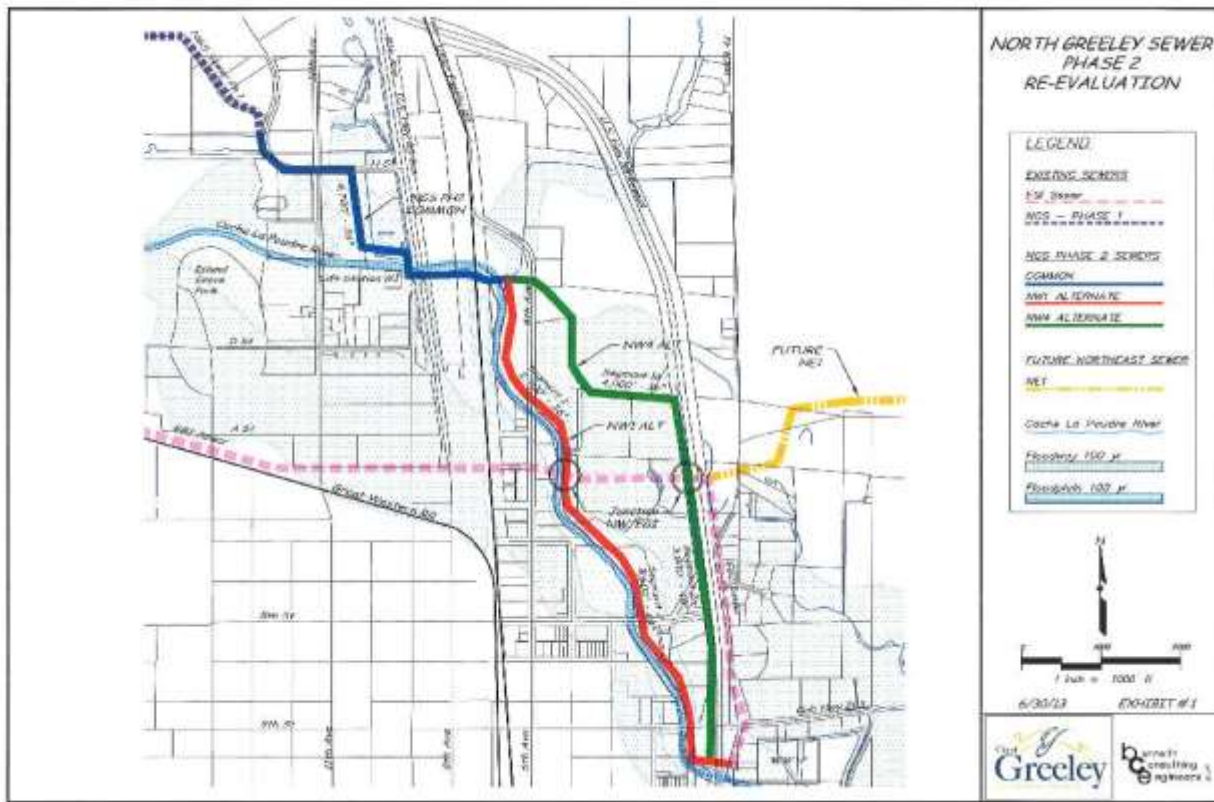


# 2023 Sewer New Construction (Fund 412)

2023 Project List	
North Greeley Sewer Phase 2A	198,000
Highland Hills Sewer 25 <sup>th</sup> Street Diversion	195,000
Additional Sanitary Sewer Manholes & Sewer Taps	69,000
3 Projects Total:	\$462,000



# Largest Investments: North Greeley Sewer Phase 2A



**Total Project Cost: \$6,556,000**

**Project will allow growth to occur north of Poudre River.**



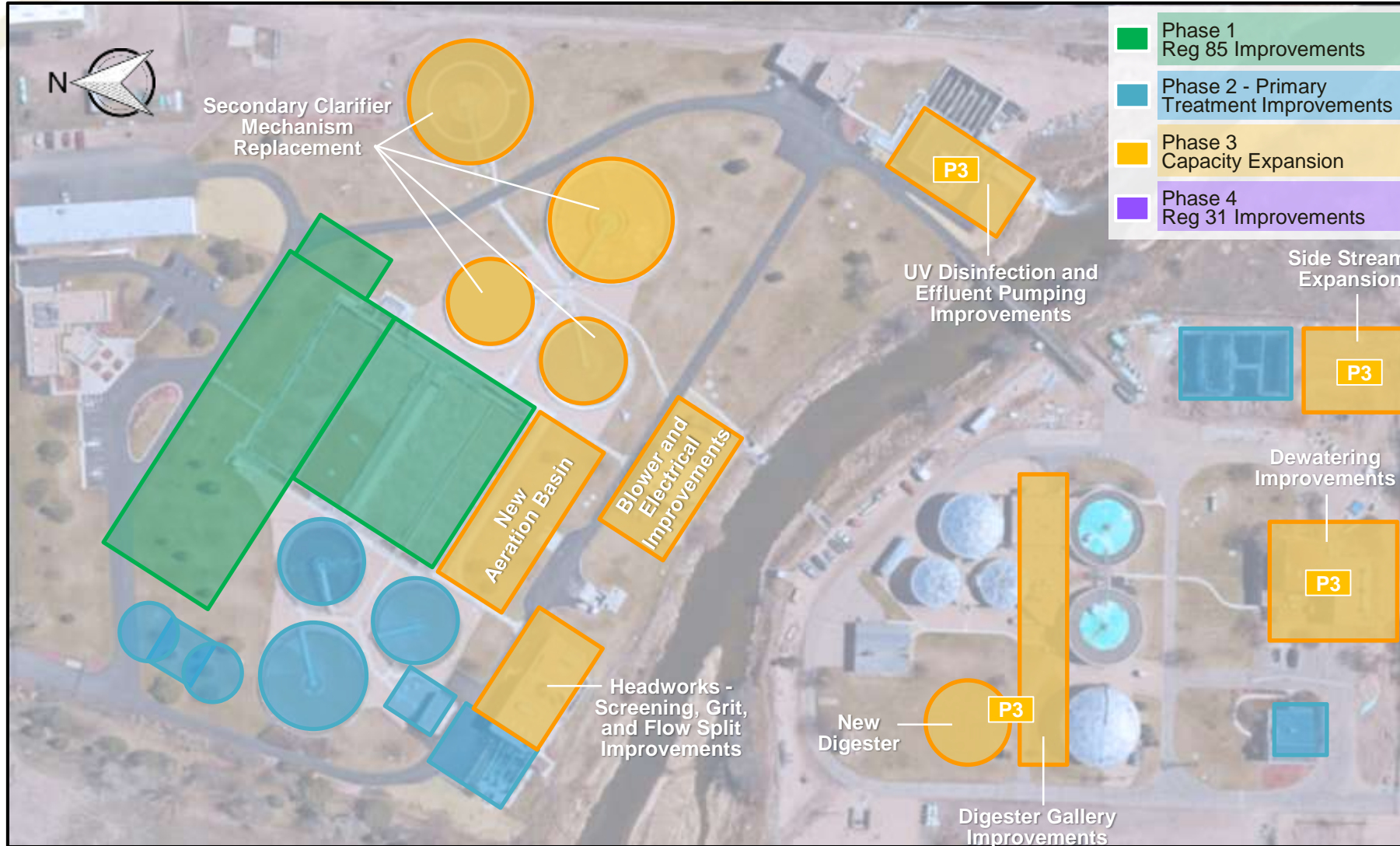


# 2023 Sewer Replacement/Rehab (Fund 413)

2023 Project List Continued	
WTRF Generator Replacement	3,780,000
Utility Billing Replacement-Sewer	1,200,000
General Rehabilitation Projects	656,000
Trenchless Main and Collector Rehabilitation	420,000
Capital Outlay Replacement - Sewer	388,424
* WTRF Primary Treatment Ph 2	370,000
Sewer Collection System Rehabilitation	285,000
WWC Sewer System Rehabilitation	180,000
Wastewater Flow Monitoring Program	85,000
Instrumentation and Controls - Wastewater	75,000
8 <sup>th</sup> Ave Sanitary/Storm Sewer Manhole Conflict	66,000
WTRF Stream Temperature Assessment	52,000
12 Projects Total:	\$7,557,424

\* Project new to CIP

# Future Years - WTRF Primary Treatment Phase 2/3



**Phase 2 project  
budget 2023-2025:  
\$43,651,650**  
**This project  
reflects most of  
the increase in the  
Sewer CIP**

**Phase 3 project  
budget 2029-2032:  
\$75,400,000**

# Budget Increase Requests – Sewer

Dept. Rank	Title	New FTEs	2023 One-Time	2023 Ongoing
1	Water and Sewer Priority Operating Increases	0	\$96,000	\$92,939
4	W&S Maintenance Technician-Wastewater Collection	1.0	\$7,400	\$73,951
15	WTRF Maintenance	0	\$0	\$35,000
	Classification and Compensation		\$0	\$100,000
	Sewer Sundry (Contingency)		\$0	\$100,000
			\$103,400	\$401,890



# Water & Sewer

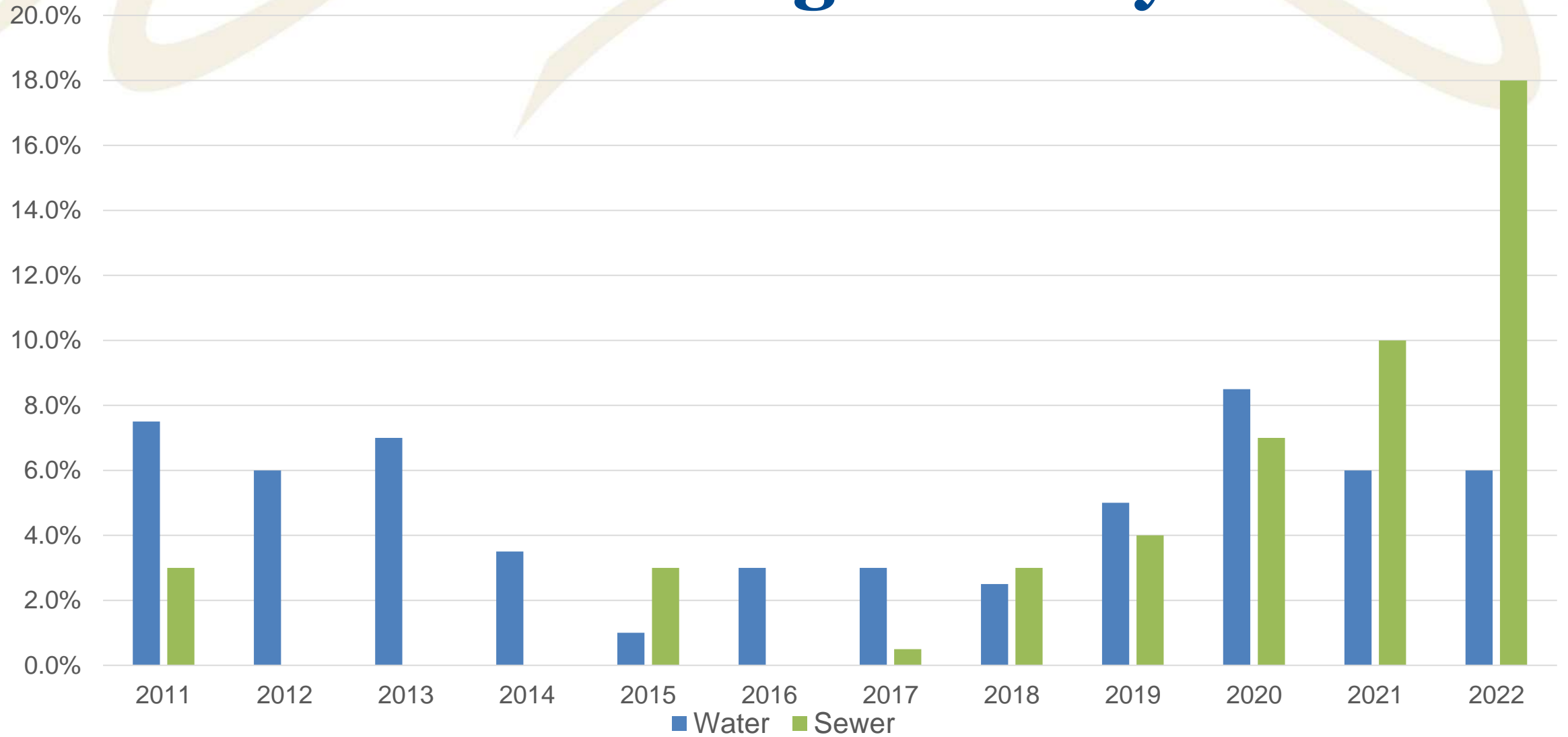
2023 Draft Rate Adjustments

System-Wide Water: 3%

System-Wide Sewer: 18%



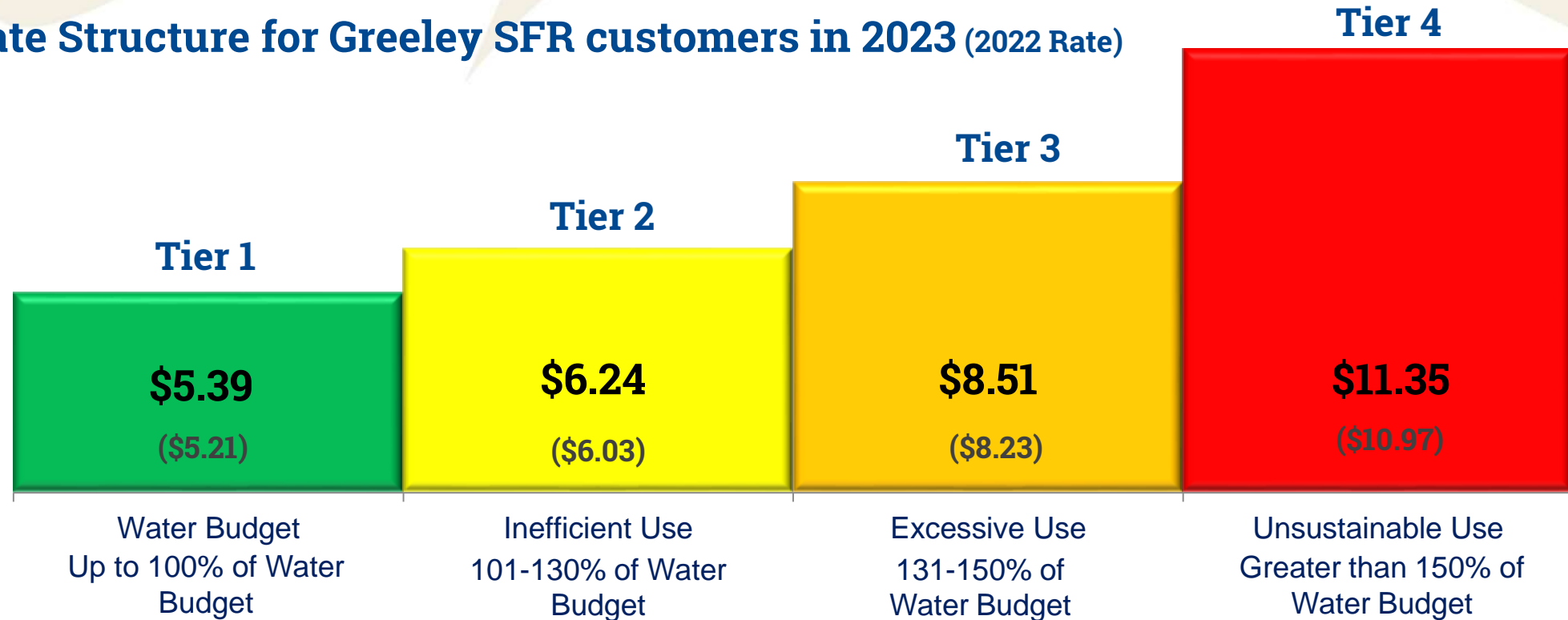
# Rate Change History



**TENTATIVE**

# Residential Water Budget Rate Structure

Rate Structure for Greeley SFR customers in 2023 (2022 Rate)



- **Uniform rate is \$5.64 for customers not on water budget (up from \$5.46)**
- **Monthly service charge is \$17.50 (no change from 2022)**

# **TENTATIVE** 2023 Water Rate Changes

<b>Customer Class</b>	<b>Existing Rate/kgal</b>	<b>% Increase</b>	<b>Proposed Rate/kgal</b>
<b>Inside Residential</b>	<b>Varies</b>	<b>2.5%</b>	<b>Varies</b>
<b>Inside Commercial</b>	<b>\$5.45</b>	<b>2.5%</b>	<b>\$5.60</b>
<b>Inside Industrial</b>	<b>\$4.28</b>	<b>5.5%</b>	<b>\$4.52</b>
<b>Outside Residential</b>	<b>\$11.62</b>	<b>0%</b>	<b>\$11.62</b>
<b>Outside Commercial</b>	<b>\$11.54</b>	<b>0%</b>	<b>\$11.54</b>
<b>Outside Industrial</b>	<b>\$3.75</b>	<b>6.0%</b>	<b>\$3.98</b>
<b>City of Evans</b>	<b>\$4.69</b>	<b>5.5%</b>	<b>\$4.96</b>
<b>Town of Windsor</b>	<b>\$4.95</b>	<b>6.0%</b>	<b>\$5.31</b>
<b>Town of Milliken</b>	<b>\$5.98</b>	<b>1.0%</b>	<b>\$6.05</b>

# **TENTATIVE** 2023 Sewer Rate Changes – Inside City

<b>Customer Class</b>	<b>Existing Rate/kgal</b>	<b>% Increase</b>	<b>Proposed Rate/kgal</b>
<b>Single Family</b>	<b>\$3.45</b>	<b>18.0%</b>	<b>\$4.03</b>
<b>Multi-Family</b>	<b>\$3.46</b>	<b>18.0%</b>	<b>\$4.08</b>
<b>Commercial 1</b>	<b>\$3.48</b>	<b>18.0%</b>	<b>\$4.10</b>
<b>Commercial 2</b>	<b>\$4.85</b>	<b>18.0%</b>	<b>\$5.72</b>
<b>Commercial 3</b>	<b>\$6.21</b>	<b>18.0%</b>	<b>\$7.33</b>
<b>Commercial 4</b>	<b>\$7.58</b>	<b>18.0%</b>	<b>\$8.95</b>
<b>Commercial 5</b>	<b>\$8.97</b>	<b>18.0%</b>	<b>\$10.58</b>

- **Monthly service charge increase to \$16.70 from \$14.00 ( + \$2.70 )**

# **TENTATIVE** 2023 Sewer Rate Changes – Industrial

Customer Class	Existing Rate/kgal	% Increase	Proposed Rate/kgal
Industrial SIC 2013	\$16.54	35.0%	\$22.34
Industrial SIC 7218	\$8.10	30.0%	\$10.54
Industrial SIC 2034	\$5.12	45.0%	\$7.44
Industrial SIC 2873	\$35.42	35.0%	\$47.90
Industrial SIC 4212	\$3.46	0%	\$3.40
Industrial SIC 2047	\$14.35	35.0%	\$19.38
Industrial SIC 5169	\$3.47	12.0%	\$3.88
Industrial SIC 7542	\$5.40	51.0%	\$8.16

# **TENTATIVE** 2023 Monthly Residential Bill Estimate

Average Bill	2022	2023	Change	Percent Change
Water	\$70.93	\$72.76	+ \$1.83	2.5%
Sewer	\$27.46	\$32.17	+ \$4.71	18.0%
Total W&S	\$98.39	\$104.93	+ \$6.54	6.5%

Stormwater	\$11.84	\$13.97	+ \$2.13	18.0%
Total Utility Bill	\$110.23	\$118.90	+ \$8.67	8.0%

- **2023 Water Service Charge: \$17.50 (no increase from 2022)**
- **2023 Sewer Service Charge: \$16.70 (\$2.70 increase from 2022)**



# **TENTATIVE** 2023 Monthly Residential Bill Estimate – Comparison From Last Year's Projection

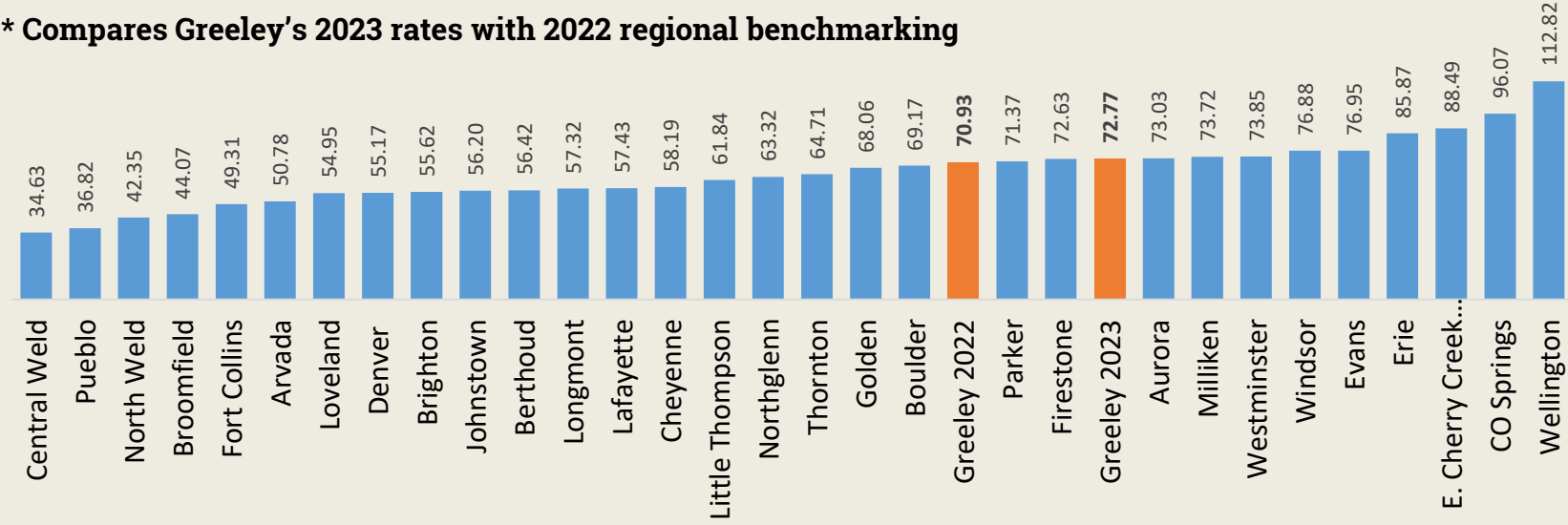
Average Bill	2022	2023 (Projection From Last Year)	2023 (Updated This Year)	Difference
Water	\$70.93	\$73.77 (4%)	\$72.76 (2.5%)	(\$1.01)
Sewer	\$27.46	\$29.93 (9%)	\$32.17 (18%)	+\$2.24
Total W&S	\$98.39	\$103.93	\$104.93	+\$1.23



## Single Family Monthly Water Bill Comparison

Assumes water use of 10,000 gallons per month

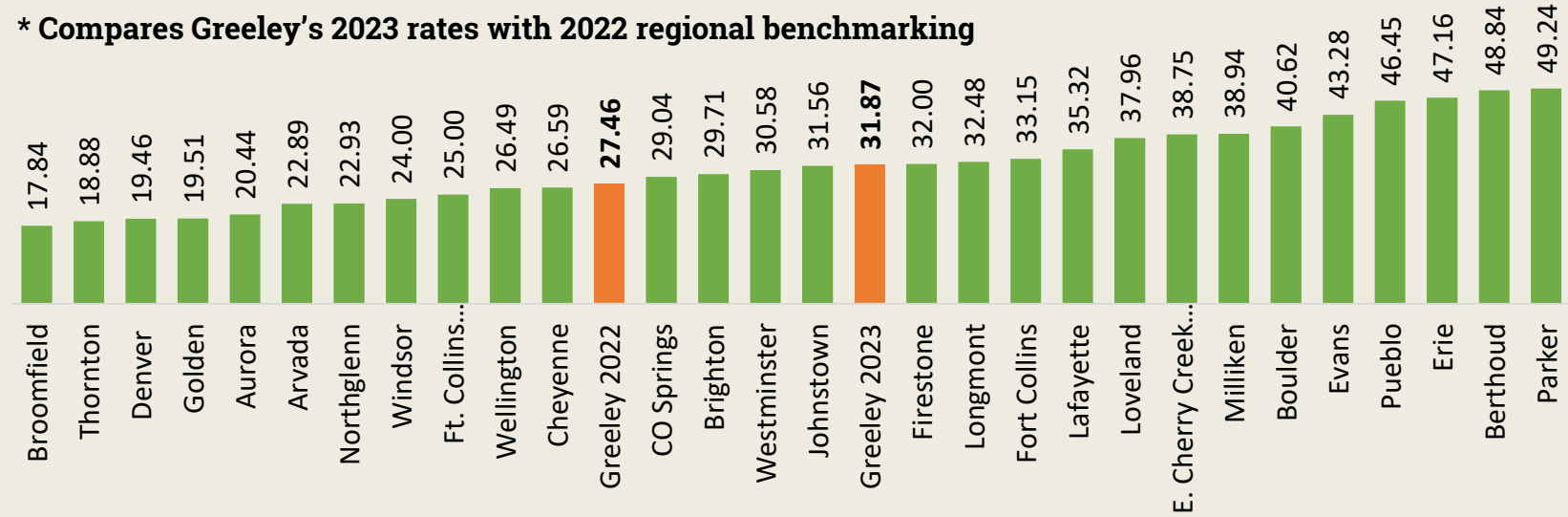
\* Compares Greeley's 2023 rates with 2022 regional benchmarking



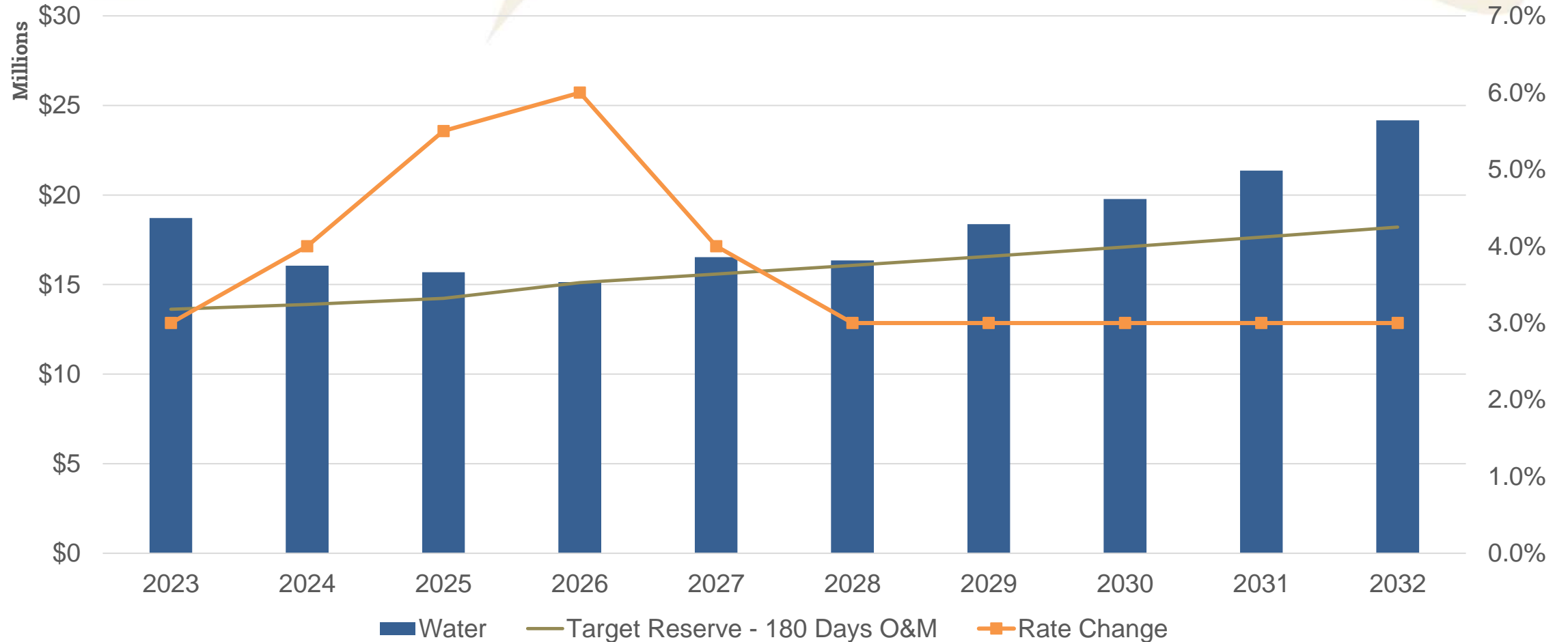
## Single Family Monthly Sewer Bill Comparison

Assumes 3,900 gallons average winter consumption.

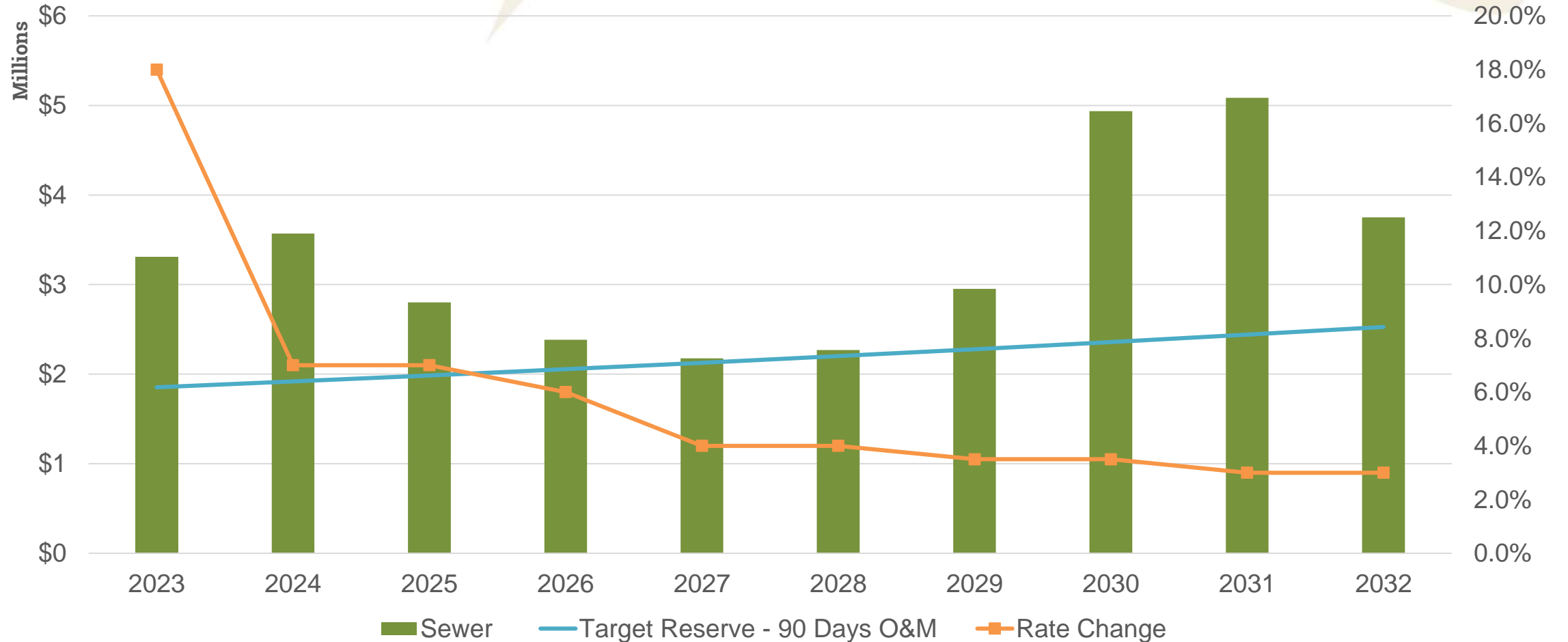
\* Compares Greeley's 2023 rates with 2022 regional benchmarking



# Projected Water Rate Increases & Operating Fund Balances



# Projected Sewer Rate Increases & Operating Fund Balances



# Plant Investment Fees – 3/4” Tap

	2022	2023
<b>Water</b>	<b>\$11,200</b>	<b>\$12,100</b>
<b>Sewer</b>	<b>\$6,800</b>	<b>\$6,900</b>
<b>Total</b>	<b>\$18,000</b>	<b>\$19,000</b>

# Thank You

July 20, 2022

