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Brighton Non-Potable Water Rates

CITY COUNCIL STUDY SESSION – September 27, 2022

City Staff Representatives: Scott Olsen, Assistant Director of Utilities

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Presentation Contents

- Background Information
- Non-Potable Rate Study (Willdan)
- Next Steps
- Further Discussion?

STRATEGIC FOCUS AREA
Financially Responsible

STRATEGIC FOCUS AREA
Supportive, Sustainable Infrastructure

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Background

- City agreed to complete a non-potable rate study in the Comprehensive Funding Agreement between the City and Prairie Center (THF)
- The rate study needed to be completed to further explore variables that contribute to the rate charged for non-potable water consumption (i.e. existing customer, future demand and use, cost to maintain/replace the system.
- As Council previously approved, JR Engineering is currently looking at irrigation demands and the amount of future development Lutz Reservoir will support

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NON-POTABLE WATER RATE STUDY

Presented by ***Kevin Burnett***
Michael Cronan

WILLDAN Financial Services

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PRESENTATION CONTENTS

- Introduction
- Purpose of the study
- Background and assumptions
- Proposed Rates
- Questions and Discussion

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PURPOSE OF THE STUDY

- Evaluate cost of providing non-potable water to current and future customers
  - Annual maintenance costs
  - Projected flows

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Background and Assumptions

- Non-potable will remain a component of the water utility
  - Not a separate enterprise fund
    - Cost prohibitive to create a new enterprise fund without support from the water enterprise for capital costs
    - Non-potable system is intended to be a water saving incentive program to customers. A separate enterprise would render this goal unattainable
    - Debt repayment and major capital (Lutz pump station, irrigation lines) are already incorporated in water model and water rates

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Background and Assumptions (cont)

- Only direct costs are being recovered
  - Pipeline repair and maintenance $125/LF, 50-year life
  - 10% more linear feet of pipes per year
  - Meter maintenance costs $200 per meter
- Model is being provided to City staff
  - Costs can be updated and/or added (staff, equipment etc)
  - Linear feet of pipes can be adjusted
  - Timing and scale of development can be modified/adjusted

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Background and Assumptions (cont)

- New development is projected for:
  - Farmlore
  - Prairie Center
  - Bromley Farms
  - Case Farms
  - Other individual developments

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Growth Projections

Area	Additional Meters
Farmlore	14
Prairie Center (Residential)	85
Prairie Center (Commercial)	340
Prairie Center (Irrigation)	2
Case Farms (Residential)	70
Cas Farms (Commercial)	12
LDS Church	1
27th Avenue Median	1
Bromley Farms	43
Total	568

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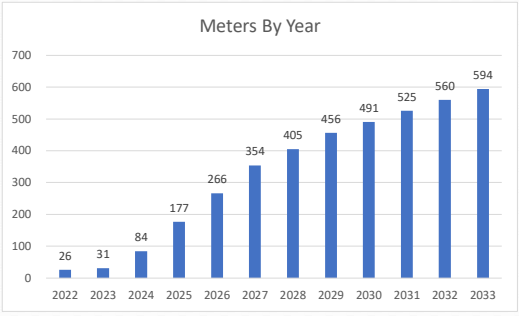
Growth Projections - Meters



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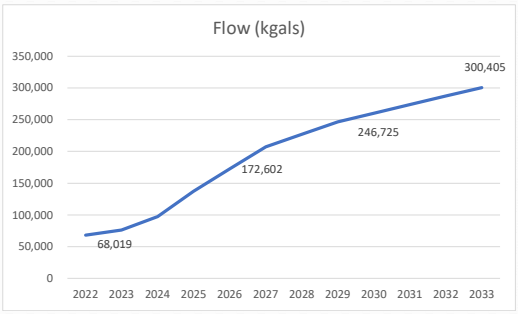
Growth Projections - Flow



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Non-Potable Rate

Metric	2023
Annual Cost	$199,882
Annual Flows	76,385,848
Rate $/kgals	$2.61

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Existing vs Proposed Rates

Service	Rate
Non-Potable – Proposed 2023	$2.61
Non-Potable – Existing	3.22
Two Meters – Indoor – Outdoor	4.90 8.42
Combined Meter	6.21

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Questions & Discussion

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Next Steps

- City staff will present an Ordinance for City Council's consideration in the coming weeks to have a new rate effective on January 1, 2023
- Input recived from City Council tonight will be incorporate into that proposed Ordinance

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Further Discussion?

Direction to place on future agenda?

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