



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



PRESENTATION CONTENTS

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

PURPOSE OF THE STUDY

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

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

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

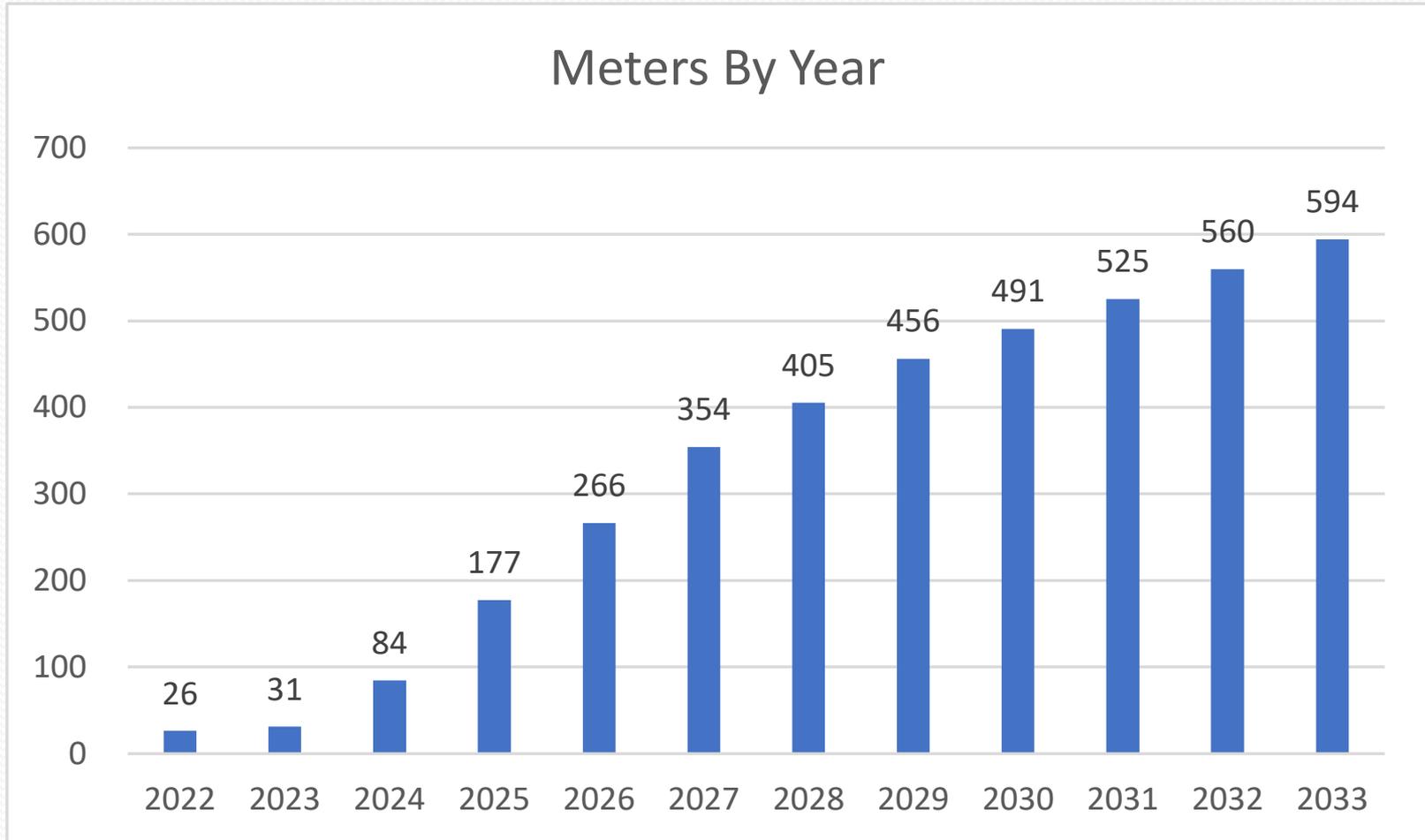
BACKGROUND AND ASSUMPTIONS (CONT)

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

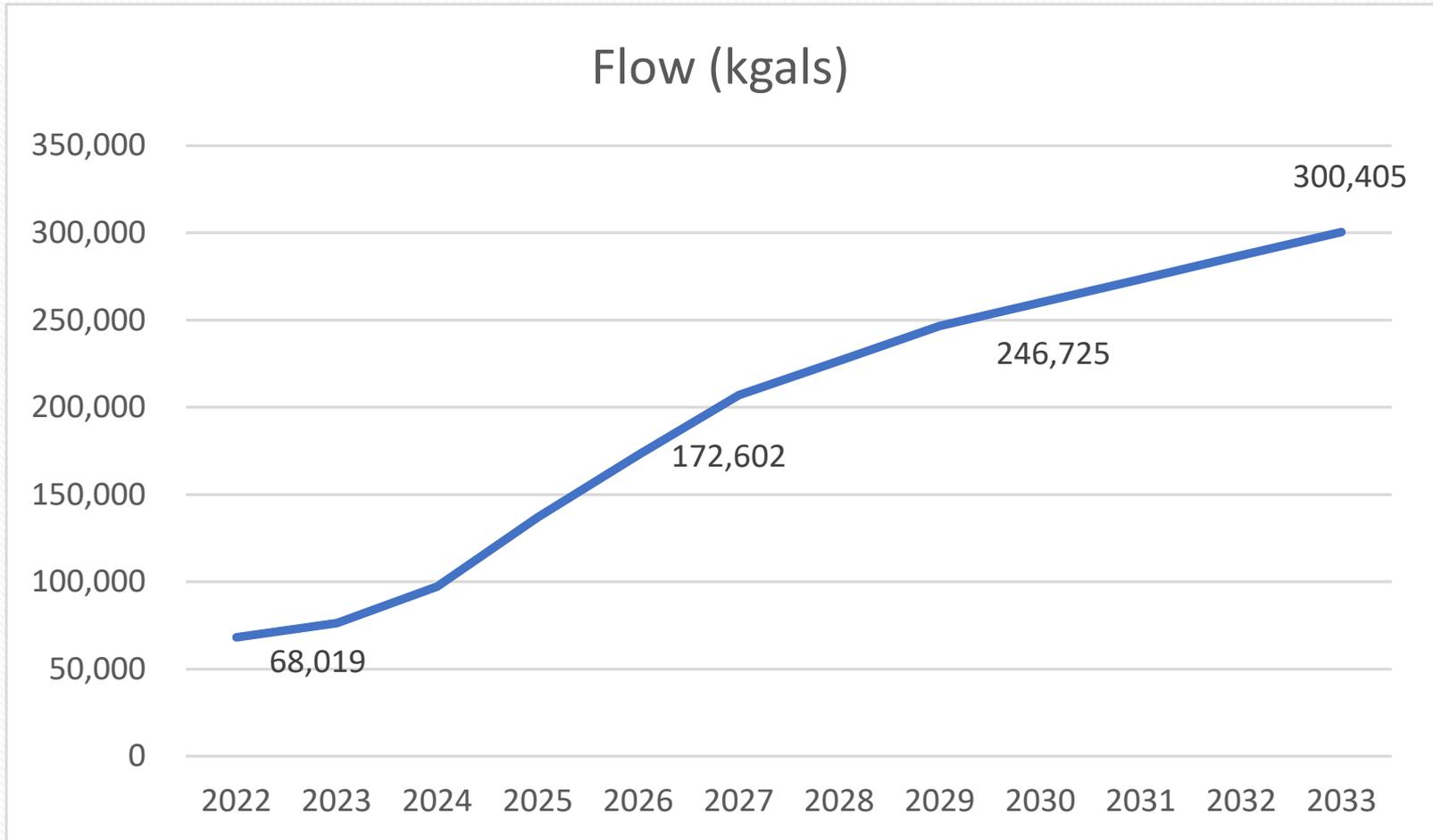
GROWTH PROJECTIONS

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
27 th Avenue Median	1
Bromley Farms	43
Total	568

GROWTH PROJECTIONS - METERS



GROWTH PROJECTIONS - FLOW



NON-POTABLE RATE

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

EXISTING VS PROPOSED RATES

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

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QUESTIONS & DISCUSSION



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 received from City Council tonight will be incorporate into that proposed Ordinance



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Further Discussion?

Direction to place on future agenda?