



Legislation Text

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Department of Utilities

Reference: Presentation of the Ken Mitchell Reservoir Storage Complex Master Plan

To: Mayor Richard N. McLean and Members of City Council

Through: Clint Blackhurst, Acting City Manager
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PURPOSE

To present the summary of the Ken Mitchell Water Reservoir Storage Complex including historical perspective of various transactions and changes from the initial plan, but focusing on the recent (past 24 months) of effort and investment in Cell 1, and future investments necessary to complete Erger's Pond and Cell 3. Water has long been a limited resource in Colorado, and as the State's population and Brighton's population continue to grow, it becomes increasingly imperative to use our water supplies responsibly and thoughtfully, and this requires significant amounts of storage in order to outlast the fairly frequent and significant droughts that effect the front range.

BACKGROUND

Gravel mining at the Ken Mitchell site began in the early 1990's and has gone through several iterations during that time. As the mining has neared completion various additional projects/requirements have been necessary to bring it to operational status. The Ken Mitchell storage complex currently consists of about 1,800 AF in Erger's Pond, and 2,600 AF in Cell #3. Cell #2 has been backfilled and no water storage has been contemplated there since about 2006. Cell #1 has been expanded in the past few years to a current estimate of 2,700AF.

Significant amounts of money were invested in the acquisition of these storage vessels and significant additional money (in excess of \$12M) has been invested in the recent completion of Cell #1. Cell #3 and Erger's Pond will require similar additional investments to reach completion. A good rule of thumb for storage acquisition costs in the past decade is approximately \$4,000/AF, with additional completion costs ranging from \$2,000-\$5,000/AF depending on designed resiliency and various nuances of the storage vessels themselves and their locations along the river. So, for a storage complex like Ken Mitchell (7,100AF, or nearly 2.5 BILLION gallons) it would not be extreme to estimate a total investment of nearly \$50M in the infrastructure. And, at the current rough value for water acquisitions of \$20,000/AF, the completed facilities will hold over \$140M worth of water when full.

FINANCIAL IMPACT

There is significant financial impact associated with the completion of the Reservoir Storage Complex over the next 5-7

years. These estimated costs are included in the Enterprise Cash Flow Model and worked into the appropriate rate or connection fee calculations. Further, these expenses should largely be viewed as 'insurance' that the already substantial investment in the storage complex is maintained and preserved for the long-term.

STAFF RECOMMENDATION

There are significant benefits associated with the completion of the reservoir storage complex. Staff recommends the master plan for the completion of the complex be endorsed by Council in future annual budgets.

OPTIONS FOR COUNCIL CONSIDERATION

No action is required at this time.

ATTACHMENTS

- Draft Ken Mitchell Reservoir Complex Utilities Master Plan Presentation
- Figure Identifying Key Features of the Complex