



# Environmental Services Commission

## Minutes

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Center for Urban Waters – 325 E D St  
Zoom Meeting

August 8, 2024

Vice Chair Sutter called the meeting to order at 4:02 p.m.

Commission Members Present: Chad Sutter, Mindi Kellar, Karen DiNicola, Marty Campbell, Jonathan Paul, Eric Sachs, Matthew Benedict, Jeff Paradise, Esther Beaumier\*, and Bruce Martin.

Commission Members Absent: Grant Middleton and David Dailey.

### Public Comment

*The public comment period is reserved for items on the current agenda only. Comments will be limited to the amount of time announced by the chair, presiding officer, or staff liaison, no more than five minutes per person per meeting.*

No Public Comment was received.

### Approval of the June 13, 2024, Meeting Minutes

A motion was made and seconded to approve the minutes of June 13, 2024. Voice vote was taken and carried. The minutes were approved.

### 2025-2026 Revenue Requirement Presentation and Discussion

Christina Curran, Rates & Budget Assistant Division Manager, provided an overview of the City's revenue requirements, cost of service analysis, rate design for 2025-2026, and a baseline budget refresher. She discussed the stormwater rate design, and how wastewater charges are based on flow and strength. She explained that solid waste services are bundled, and commercial services are "pick & choose." She also noted that the baseline budget does not include proposals.

Ms. Curran explained that all three funds have grown in operating and capital costs. The Solid Waste Fund had growth in personnel costs, operating expenses, external services such as disposing of waste, facility maintenance, and indirect costs such as fleet maintenance. The Wastewater Fund also saw personnel cost growth and the Western Slopes contract increased by 36% due to billing adjustments. The Stormwater Fund had the same increase in personnel growth. Ms. Curran stated that indirect costs have also been a big cost driver; inflation affects the capital costs significantly and they are closely monitoring the growth.

She then presented the 2024 six-year revenue forecast based on operating and capital costs previously discussed, noting no change in the previously projected Wastewater revenue

increase, and it is projected to be 7% in 2025 and 2026. She stated Stormwater and Solid Waste revenues need projections both increased. She noted the most striking difference has been in Solid Waste; they had the smallest amount of revenue growth and capital spending has doubled. She then stated Solid Waste revenue increases are proposed at 5.5% in 2025 and 2026. She also stated that Stormwater revenue increases are proposed at 8% in both years as well.

Ms. Curran ended the presentation by reviewing the bill impact to an average residential customer. She mentioned aspects of the Bill Credit Assistance Plan (BCAP) and ways City staff working to increase the BCAP enrollment.

Discussion followed regarding the following topics:

1. Costs and general charges
  - a. Commissioner DiNicola asked to be walked through the rate design.
    - i. Staff explained that residential customers pay the same fixed charge for a portion and another part of the bill is based on water usage during the winter months.
  - b. Vice Chair Sutter asked if rate increases are subject to Utilities & Transportation Commission (UTC) charges.
    - i. Staff stated they believe fees are established in the contract the City has but would verify.
  - c. Commissioner Paul asked how much it costs to serve one solid waste customer.
    - i. Staff stated it is volume-based.
2. Administrative costs and Assistance programs
  - a. Commissioner Paul asked what the cost is to deliver services, administrative, drivers, and admin overhead.
    - i. Staff said the budget is tracked via cost centers and we also have cost categories (personnel versus equipment). All three of our funds pay for costs, and shared services.
  - b. Vice Chair Sutter asked if any of the full-time employees are a shared cost.
    - i. Staff said yes.
  - c. Chair Beaumier asked what are included in employee-related costs.
    - i. Staff said they include items other than salaries, such as uniforms, trainings, etc.
  - d. Vice Chair Sutter asked how many full-time employees are grant writers.
    - i. Staff said no employees are full-time grant writers.
  - e. Commissioner DiNicola asked for an update about offering a smaller can option, particularly for seniors based on the general understanding that they generate less volume.
    - i. Staff said the City has bill credit assistance programs and one designed specifically to provide assistance for elderly and disabled customers. Noting that legally, the utility cannot give lower rates explicitly for a different class (seniors), and that is why there are assistance programs.
3. System Development Charges
  - a. Commissioner DiNicola expressed concern that System Development Charges are not included in the proposed budget as a source of revenue for the department. Commissioner Paul expressed concerns about System Development Charges being implemented.

- i. Staff stated System Development Charges are currently being evaluated and staff will return at future meeting to provide more information.

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### **Commissioner Other Items of Interest**

Kurt Fremont, Business Operations Division Manager, stated that staff will begin drafting the Revenue Recommendation Letter, noting it will be discussed at the next meeting before it is presented to the City Council. He also informed the Commission that Commission Talebi has asked to step down from his duties on the commission at this time.

Mr. Fremont stated staff will present on cost saving measures at the next meeting, along with other follow up questions about wage costs, personnel growth, and System Development Charges.

### **Adjournment**

The meeting adjourned at 5:59 p.m.

DRAFT