

# ROADWAY IMPROVEMENT FEE

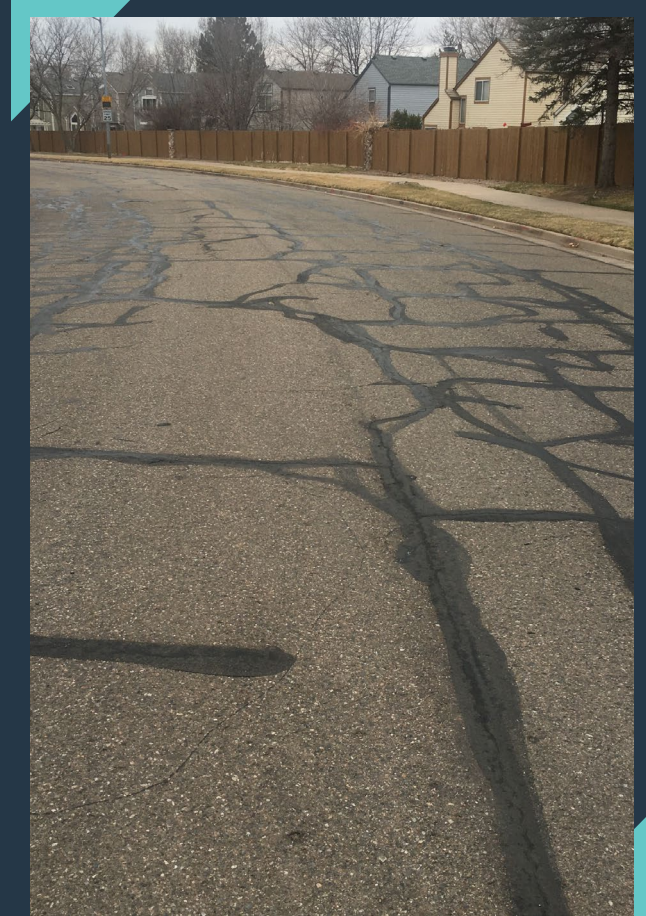
August 5, 2024

Purpose:

Present Options for Increasing the Fee in  
Order to Fund Roadway Infrastructure

# Pavement Maintenance

- The **condition** of the City's asphalt pavement is **measured annually**.
- The current score is **57 out of 100**, which is graded as "**Fair**" or acceptable condition.
- PWU's pavement condition model predicts that if current **funding levels** for asphalt maintenance are **not increased**, the condition of the City's pavement will not remain the same but **will deteriorate over time** to an unacceptable condition.
- The same model indicates that approximately **\$16 million** is needed for asphalt maintenance annually to hold the current score. In comparison, the 2024 funding for this purpose is approximately **\$8.6 million**.

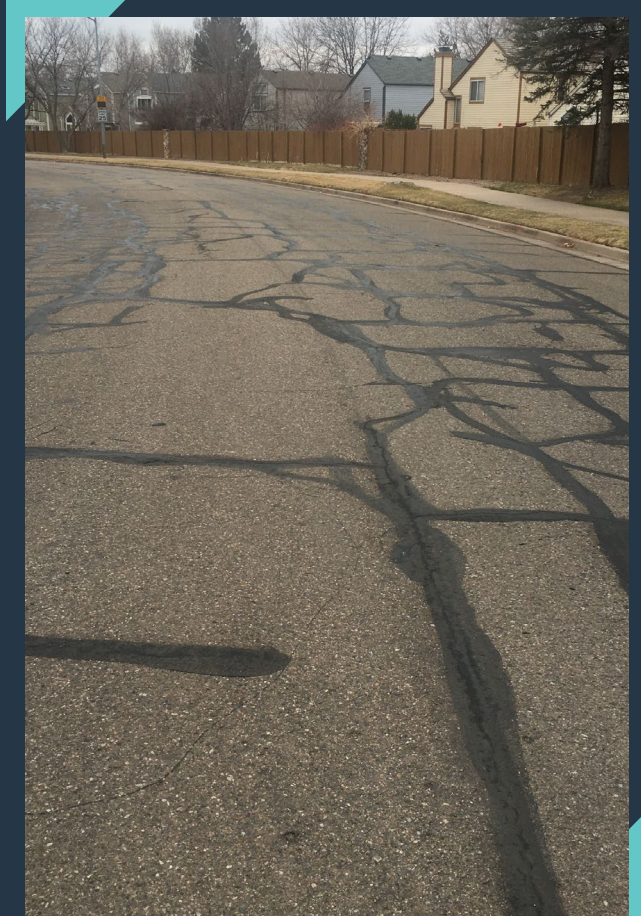


# Roadway Improvement Fee History

Initially approved in 2007 at \$3.00 per water meter account, per month.

Historically increased as follows:

2011	\$4.00 per account
2014	\$5.00 per account
2015	\$6.00 per account
2022	Change to Include Multi-Family





# Roadway Improvement Fee Options

**Option 1** – Make no change to current fee. This would retain net funding in 2025 at the 2024 level of approximately \$8.6 million for asphalt maintenance.

**Option 2** – Increase the fee for residential to \$7.00 per account per month, and increase the fee for nonresidential to \$20.00 per account per month. This option would increase funding by approximately \$0.8 million and result in net funding available for asphalt maintenance of approximately \$9.4 million. - **Recommended**

**Option 3** – Increase the residential fee to \$7.00 per account per month and establish a nonresidential fee rate of \$10.00 per 1,000 square feet, per month. This option would increase funding by approximately \$1.6 million and result in net funding available for asphalt maintenance of approximately \$10.2 million.

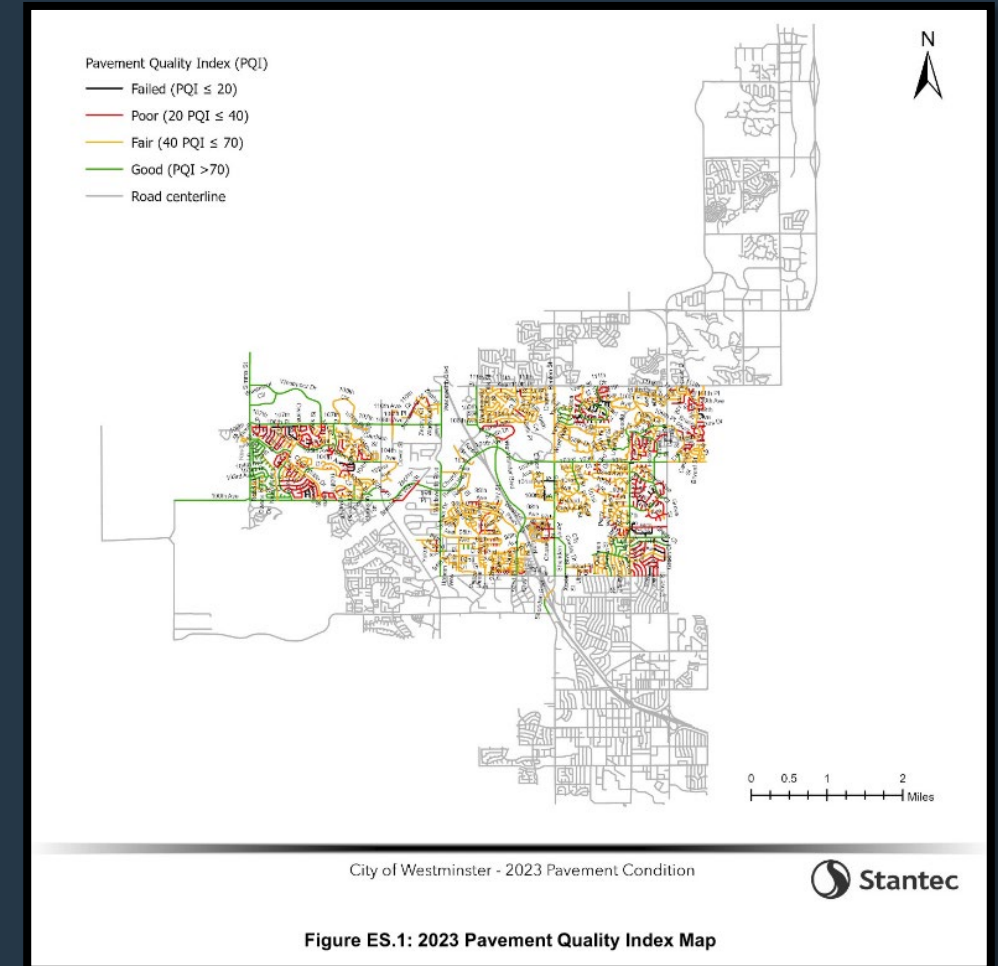


# Impacts on Street Condition

None of these options will completely close the funding gap for asphalt maintenance and further pavement degradation is predicted at these funding levels.

Staff recommends close monitoring of pavement condition trends and further incremental increases as needed.

Street Maintenance Staff will continue to apply best management practices including crack sealing, slurry sealing, and milling and overlay work.



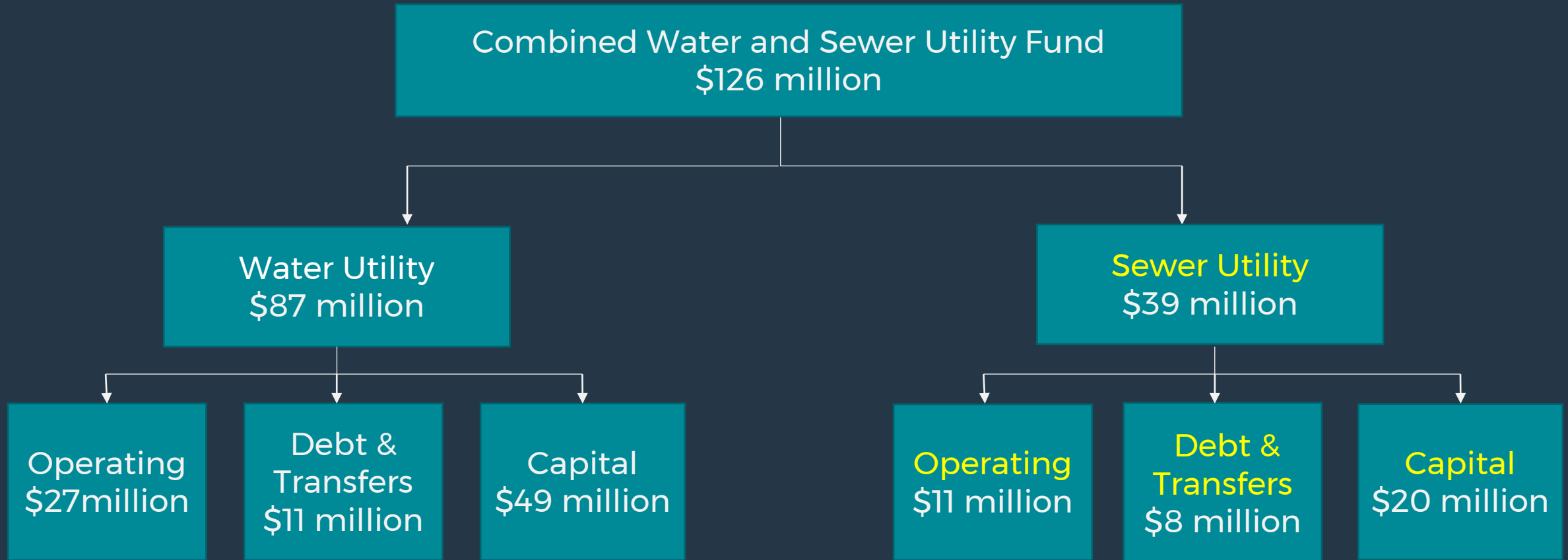
# Stormwater Utility Fee – 2025 Recommendations

The cost-of-service analysis and fee design has not been updated in over 20 years. Rather than propose a change as part of this budget cycle, Staff recommends reviewing and updating the fee calculations and presenting options to City Council next year for consideration as part of the 2026 budget.

Recommendation: No fee change for 2025  
Fund Cost-of-Service Study



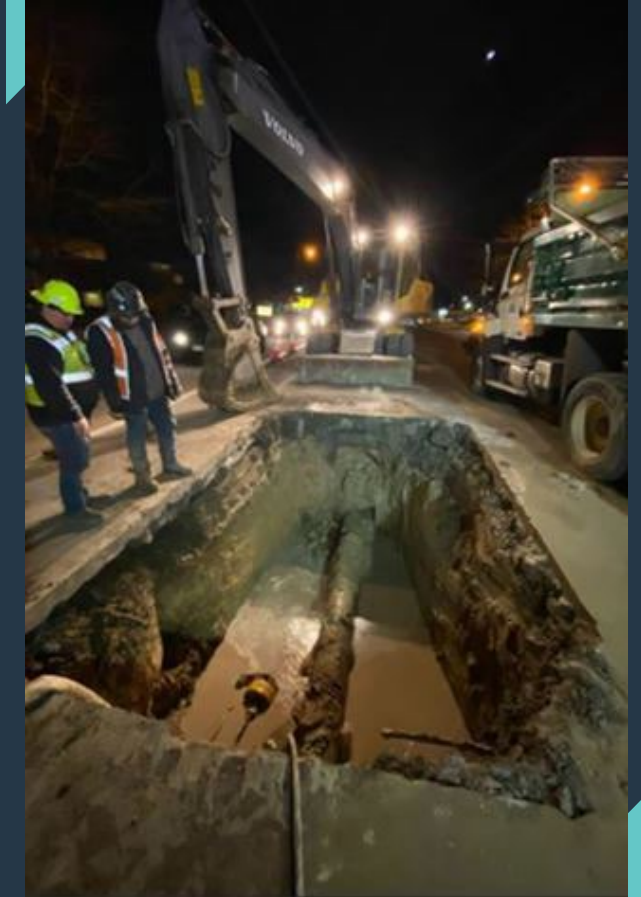
# Sewer Utility Funding from 2024 Budget





# How Sewer Utility Rates are Established

- A **financial plan** is prepared to estimate the amount of rate revenue and debt financing required to fund the City's utility operations in the near and long term.
- **Cost-of-service studies** determine the amount of rate revenues needed from each customer class.
- The **rate design** process then determines how rates should be structured to recover the desired, appropriate amount of revenue.
- Residential Sewer Bills – the average monthly water consumption billed during the sewer rate calculation period of **January through March, determine the customer discharge for billing.**





# Sewer Utility Fund – Capital Improvement Program 2025-2029

## In-Progress Projects:

Big Dry Creek WWTF Electrical Systems – \$1.2M

Historic Westminster Interceptor Sewer – \$3.5M

Little Dry Creek Interceptor Sewer Outfall at 66<sup>th</sup> Ave – \$6M

## Projects Kicking Off:

Big Dry Creek 54” Interceptor Sewer – \$12M

## Regulatory Driven Projects:

Big Dry Creek WWTF Solids Handling Phase 1 & 2 – \$7M

## Big Dry Creek WWTF Priority Projects 2025-2029:

Big Dry Creek WWTF Instruments & Analyzers Repair and Replacement – \$4.6M

Big Dry Creek WWTF Yard Piping and Secondary Clarifiers – \$4.1M

Big Dry Creek WWTF A-basins and Headworks Repair and Rehabilitation – \$7.5M



# Sewer Utility Rate Recommendation for 2025

The recommended rate increase for Sewer charges in 2025 is 6.0%.

This has been the rate increase for the past three budget cycles and results in a balanced cost-revenue analysis for the Sewer System.

# Direction to Staff

## Recommendations

Roadway Improvement Fee: Increase to \$7.00 per month per resident household and \$20 per month per non-resident account

Stormwater Utility: No Fee Change in 2025, Fund Cost-of-Service Study

Sewer Utility: Increase utility rates by 6.0%