



APPROVED MINUTES

Fiscal Leadership on Water (FLOW) Committee
Thursday, February 5, 2026, 6:00 - 8:00 p.m.
Broomfield Municipal Shops
3951 W 144th Ave. - Flume Conference Room

Roll Call

Members Present: Jeff Fredericks, Gary Klaphake, Steve Pierotti, Sam Taylor, Kevin Wegener.
Art Umble and Chris Kyea were virtually present.

Absent: 0

Facilitator: Jane Clary - present

Staff Liaison: Ken Rutt, Director of Water Utilities Department

Staff in Attendance: Ken Rutt, Director of Water Utilities, Graham Clark, Director of Finance,
Jeff Ruger, Deputy Director of Water Utilities, Mark Lorie, Deputy Director of Water Utilities, Branden Roe, Planning
Manager, Shawn DeSotel, Distribution & Collections Superintendent, Nancy Andzulis, Senior Operations Manager,

The meeting was called to order by Chair, Steve Pierotti, at 6:01 p.m.

Administrative and Procedural Updates

- **Approval of Agenda and Minutes:** The committee unanimously approved the meeting agenda and the minutes from the previous session, incorporating minor revisions to the draft.
- **Updated Flow Procedures:** Section M of the flow procedures was adopted unanimously to align with the guidelines established in Resolution 2025-85.
- **Public Outreach:** Regarding the recent water breaks, for neighborhood notifications involving street closures, the department utilized the city webpage, message boards, and direct communication with residents in the impacted area.

Financial Performance and Revenue Trends - [Revenue Update 2025 Presentation](#)

Graham Clark

- **2025 Revenue Results:** Total revenue for the Water and Sewer funds came in remarkably close to budget, with the Sewer fund within \$100,000 of projections.
- **Development and License Fees:** While development fees exceeded expectations in 2025 due to accurate forecasting, there has been a general five-year decline in this revenue stream since 2021.
- **Utility Rate Impacts:** A 1% change in rates currently equates to approximately **\$300,000** in revenue; despite significant rate increases, total revenue has remained relatively flat due to the drop in development-related fees.
- **Operational Costs:** Uncontrollable costs are rising, including a looming **9.6% increase in electricity rates** from Xcel Energy, 12.1% increase from United Power (Water Treatment Facility) and a consistent **5% annual increase** in Denver Water rates.
- **Bond Sale Success:** The January 6 bond sale was highly successful, receiving 13 times more bids than the **\$100 million** offered, which allowed the city to reprice and save approximately **\$1 million** in interest over 20 years.

Drought Outlook and Conservation Measures - [Drought Update Presentation](#) Mark Lorie

- **Snowpack Status:** Current snowpack levels in critical watersheds are **44% to 46% below normal**, tracking at or below all-time record lows.
- **Drought Watch:** The city manager has been advised to declare a "Drought Watch" starting Monday, February 9, to increase public awareness without yet imposing mandatory restrictions.
- **Potential Restrictions:** If conditions do not improve by May, the staff may recommend "Drought Condition 1," which mandates a reduction in lawn irrigation to twice per week and aims for a **10% total reduction** in water use.
- **Financial Mitigation:** If Denver Water curtails Broomfield's supply, the reduced cost to purchase Denver Water will offset a majority of the estimated revenue loss from lower customer usage.

Water Resources Master Planning Mark Lorie. Sidenote: There was a request to see the Potable and Reuse Master Model Scope of Work and Summary of Water & Sewer Bond Financing. Ken sent this to the committee via email on 2/6/26.

- **Integrated System Modeling:** A new master planning process has begun to evaluate the future of **Great Western Reservoir**, comparing the costs of rehabilitation versus decommissioning.
- **Storage Alternatives:** The team is investigating the **Heit Pit** (a gravel pit reservoir) and **Siena Reservoir** as potential components for raw water storage for the reuse system or for indirect potable reuse, as well as potential for supplementing the reuse system with potable water.
- **Reuse System Capacity:** The model will be used to evaluate reuse system capacity with vs without Great Western and alternatives to inform decisions about future projects and development.

Stormwater and Infrastructure Management - Ken Rutt

- **Pond Prioritization:** The city maintains **44 stormwater ponds** and has developed a matrix to prioritize maintenance based on safety, water quality, and regulatory mandates.
- **Budgeting:** The 2026 budget includes approximately **\$900,000** for stormwater maintenance, the stormwater team is working through the process of prioritization of the backlog of projects. For example: the city is coordinating with Mile High Flood District related to the significant dredging and channel work needed at **Plaster Reservoir**.
- **Chemical Cost Escalation:** Operational expenses for treatment have surged, with some essential chemicals increasing **300% to 500%** in cost since 2020.

Advisory Committee Highlights

Reporting Period: July 2025 - February 2026

Subject: Utility Financial Stability, Drought Preparedness, and Infrastructure Resilience

Committee Learning and Key Findings

Over the past seven months, the Advisory Committee has conducted a deep dive into the operations, finances, and long-term planning of Broomfield's Water, Sewer, and Stormwater utilities. Key takeaways include:

- **Operational Excellence:** The department is managed very well and with high technical proficiency, utilizing a long-term asset management plan to avoid "run-to-fail" scenarios.
- **Revenue Shifts:** The committee recognized a fundamental shift in revenue; as Broomfield approaches build-out, the utility is transitioning from a reliance on development (license) fees to a more stable, base-rate-funding model.
- **The Value of Reuse:** Reclaimed water serves as a vital psychological and physical buffer during droughts, keeping public spaces green without depleting the potable (drinking) water supply.

Financial Stewardship and Bond Performance

Broomfield's standing in the financial market remains exceptionally strong:

- **Bond Market Success:** The January 2026 bond sale was oversubscribed by 13 times. This high demand allowed Broomfield—a AA-rated entity—to secure interest rates on par with AAA-rated agencies, saving taxpayers approximately **\$1 million** in interest over the life of the 20-year bond.
- **Budget Accuracy:** 2025 revenue results were remarkably accurate, with the Sewer fund ending within **\$100,000** of the projected budget.

Critical Concerns: Drought and Inflationary Pressure

The staff and the committee are closely monitoring two significant risks to the 2026-2027 fiscal years:

- **Record Low Snowpack:** Current snowpack levels are **44% to 46% below normal**. The committee supports the department's recommendation for a **Drought Watch** and is preparing for potential mandatory restrictions in May should the CBT quota or Denver Water supply be curtailed.
- **Rising Input Costs:** External inflationary pressures are significant, including Xcel Energy's **9.6%** and **United Power's 12.1% increase in electricity** and chemical cost spikes of up to **500%** for essential treatment supplies since 2020.

Future Strategic Decisions

In the coming months, the committee will provide recommendations on the **Water Resources Master Plan**, specifically focusing on the cost-benefit analysis of rehabilitating **Great Western Reservoir**. Our goal remains to maximize existing infrastructure to delay or avoid costly new treatment expansions (estimated at **\$8 million per million gallons** of capacity).

The meeting was adjourned by Chair, Steve Pierotti, at 8:00 p.m.

Next scheduled meeting: March 5, 2026

All upcoming Council items can be found [here](#). Click [here](#) for the FLOW Committee Web Page.