



# Utility Rates Public Hearing

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**Council Chambers  
6:00 pm | January 8, 2026**

Visit [Chandleraz.gov/ProposedUtilityRates](https://Chandleraz.gov/ProposedUtilityRates) for  
more information



# Agenda



- **Utilities Rate Change Outreach**
- **Rate Analysis & Revenue Requirements**
- **Major Utility Rate Cost Drivers**
- **Rate Change Overviews**
  - **Water**
  - **Wastewater**
  - **Reclaimed**
  - **Solid Waste**
- **Utility Rate Comparisons**
- **Proposed Ordinances**

# Water, Wastewater, Reclaimed & Solid Waste Rate Change Outreach

## Public Outreach: Website



Public meeting schedule, Council action schedule, process timeline



Rate changes in % and \$ by classification



Monthly bill calculator, FAQs, Feedback button

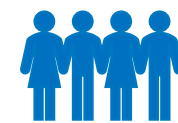


Last Cost of Service (COS) study presentations, COS report

## Public Outreach: Meetings



City Council Work Sessions, Public Hearing, Notice of Intent, and ongoing updates



Residential and Non-Residential public meetings 10/9/25 and 10/14/2025



Met with Chamber, Multi-housing group, emailed 88 HOAs



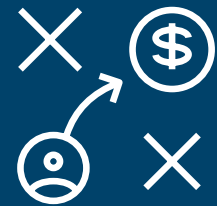
Met with individual stakeholders as needed and provided bill change effect estimates

**Information was also communicated in CityScope, Social media posts, and media releases**

**Feedback provided included 2 emails, 1 letter, 5 website comments and 43 captured social media comments, with a mix of understanding the need, to not in favor of rate changes, to comments not related to utility rates**

# Rate Analysis and Revenue Requirement

City's Financial Plan Review  
(completed annually)



What is the funding requirement?

	Water	Wastewater	Reclaimed	Solid Waste
<b>FY 2025-26</b> Mar. 2026	<b>15%</b>	<b>15%</b>	<b>18%</b>	<b>6%</b>
FY 2026 – 27 (Estimate only subject to change)	7.5%	6.5%	9%	3%

Direction was to allocate revenue requirement equally on all classifications and to adjust the timing of future rate increases to annual adjustments to more quickly address economic trends and smooth the over all impact of revenue requirement needs.

# Water Rates

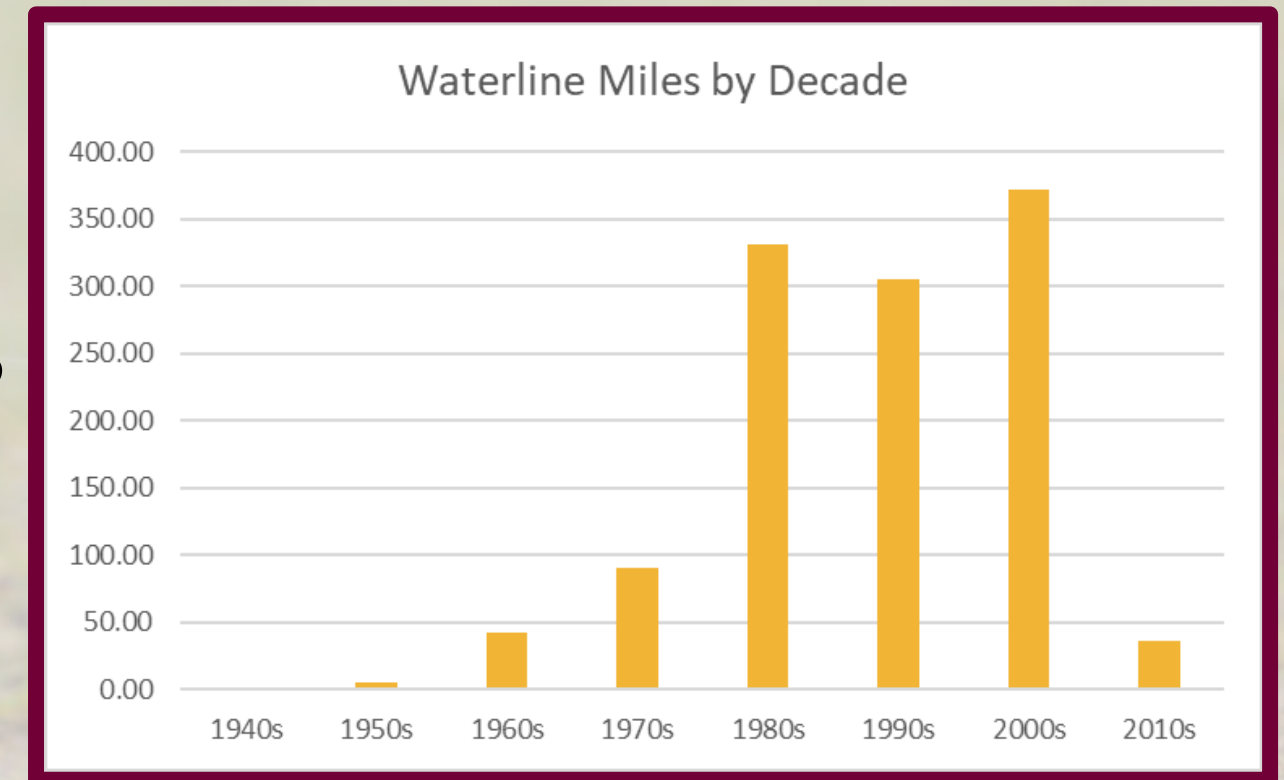


# Major Water Revenue Requirement Drivers

## Aging Infrastructure & Operating Cost Increases

### Known Water Impacts

- Increasing the rate of replacement of highest and high risk watermains over next 30 years
- Added a redundant 48" transmission line to reduce risk of single point of failure
- Increased aging plant improvements and filter media in the 10-year CIP
- Increased water purchase costs for CAP and SRP
- Increased operating cost of treatment chemicals
- Increased power costs (solar savings will help some)
- Increased new and existing personnel costs for certified operators





# Water Revenue Requirement



Revenue Requirement



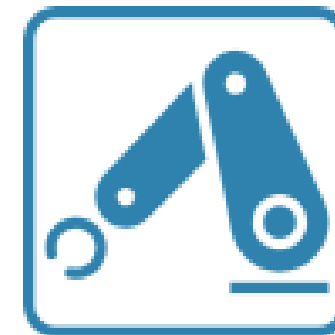
Residential



Multifamily



Non-residential



Industrial



Landscape

\*Outside city rates will continue at 1.4 times in city rates

# Volumetric and Base Water Rate Changes

## (15% Revenue Recovery)

Customer Class	Existing	FY 2025-26 (Mar. 2026)	Rate Change %
<b>Single Family</b>			
First 10 Kgal	\$1.66	<b>\$1.91</b>	15%
Next 10 Kgal	2.15	<b>2.47</b>	15%
Next 40 Kgal	2.73	<b>3.14</b>	15%
Over 60 Kgal	3.39	<b>3.90</b>	15%
<b>Multi-Family</b>			
First 10 Kgal	\$0.91	<b>\$1.05</b>	15%
Next 10 Kgal	1.13	<b>1.30</b>	15%
Next 20 Kgal	1.55	<b>1.78</b>	15%
Over 40 Kgal	2.31	<b>2.66</b>	15%

Existing Conservation Tiers

Existing Conservation Tiers

Customer Class	Existing	FY 2025-26 (Mar. 2026)	Rate Change %
	Per 1,000 Gallons	Current FY	
<b>Non-Residential</b>	\$2.37	<b>\$2.73</b>	15%
<b>Landscape</b>	3.08	<b>3.54</b>	15%
<b>Industrial</b>	2.37	<b>2.73</b>	15%

### Base Charge \$ per Bill

	Existing	FY 2025-26	
<b>5/8"</b>	\$9.72	<b>\$11.18</b>	15%
<b>3/4"</b>	11.10	<b>12.77</b>	15%
<b>1"</b>	14.17	<b>16.30</b>	15%
<b>1.5" to 12"</b>	Various		<b>15%</b>

# Water Average Bill Example

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<b>Water- Avg. Bill Examples</b>	<b>Current Rate</b>	<b>As of Mar. 2 2026</b>
Residential Avg. Bill (10,000 gal. 5/8" meter)	\$26.32	\$30.27
Multifamily Avg. Bill (500k ga. 6" meter)	\$1,291.32	\$1,485.02
Non-Residential Avg. Bill (200k gal. 2" meter)	\$505.40	\$581.21
Landscape Avg. Bill (200k gal. 1" meter)	\$630.17	\$724.70



# Water Conservation

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- **Tiered rates encourage conservation**
  - Low water users pay less per gallon for the water they use, high water users pay more
- **Chandler offers free water-wise workshops, site visits, and retrofit kits (homes built prior to 1992)**
- **Current conservation rebate programs**
  - Residential and commercial grass removal
  - Non-functional turf removal
  - Smart irrigation controller installation





# Wastewater Rates



# Major Wastewater Revenue Requirement Drivers

## Aging infrastructure & Operating Cost Increases

### Known Wastewater Impacts

- Increasing the rate of replacement of the highest risk lines and 7,000 manholes in the highest, high, and moderate risk over 30 years
- Added 66" redundant line underneath Loop 202 to allow for existing pipe rehab
- Added Ocotillo Water Reclamation Facility Influent Pump Station construction
- Increased aging plant improvements in the 10-year CIP
- Increased operating costs including treatment chemicals
- Increased power costs (solar savings will help some)
- Increased new and existing personnel costs for certified operators



# Wastewater Revenue Requirement



Revenue Requirement



Residential



Multifamily



Non-residential

\*Outside city rates will continue at 1.6 times in city rates

# Wastewater Rate Changes

## (15% Revenue Recovery)

Customer Class	Existing	FY 2025-26 (Mar. 2026)	Rate Change %
		Current FY	
Residential Base*	\$27.65	<b>\$31.80</b>	15%
Multifamily Base*	\$12.92	<b>\$14.86</b>	15%
Non-Residential			
Volumetric**	\$4.37	<b>\$5.03</b>	15%
Customer Charge	\$9.58	<b>\$11.02</b>	15%

\* Monthly Charge per Dwelling Unit / Flat Rate

\*\* Per 1,000 Gallons%

# Wastewater Average Bill Example

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<b>Wastewater- Avg. Bill Example</b>	<b>Current Rate</b>	<b>As of Mar. 2 2026</b>
Residential Base Avg. Bill (Flat Fee)	\$27.65	\$31.80
Multifamily Avg. Bill (150 units)	\$1,938.00	\$2,228.70
Non-Residential Avg. Bill (200k gal. 2" meter)	\$883.58	\$1,016.12





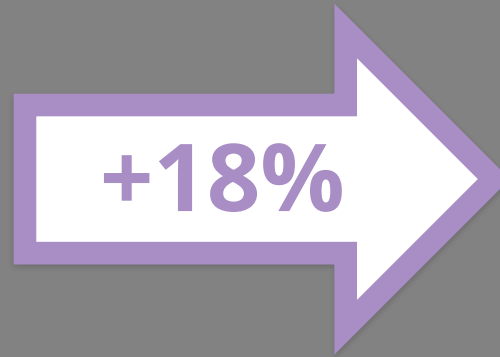
# Reclaimed Water Rates



# Reclaimed Water Volume Rate Change and Average Bill Example



Revenue Requirement



All Reclaimed Customers	Existing	FY 2023-24 (Jan. 2024)
\$ per 1,000 gallons	\$0.80	<b>\$0.94</b>
Change - \$		<b>\$0.14</b>
Change - %		<b>+18%</b>



Reclaimed- Avg. Bill Example	Current Rate	As of Mar. 2 2026
Monthly Average (850k gal)	\$ 680.00	\$802.40

\*Outside city rates will continue at 1.4 times in city rates

# Solid Waste Rates



# Solid Waste Rate Change and Average Bill Example

FY 2025-26

Proposed for  
Mar. 2026

**All Covered Residences**

**+6%**

<b>Solid Waste- Avg. Bill Example</b>	<b>Current Rate</b>	<b>As of Mar. 2 2026</b>
Monthly Fee (Flat Fee)	\$19.86	\$21.05
Alley Collection Fee	\$1.61	\$1.71

**Major rate driver is collection contract increases  
These will be part of February Fee Schedule Adjustments**

# Solid Waste Fee Updates in February Fee Resolution

In addition to general rate changes discussed:

- Initial Cost of containers for newly constructed residences from \$148 to \$150
- Adjusts the Special Collection fee for curbside collection from \$18.50 to \$23.50
- Adjusts the Special Collection fee for alley from \$35 to \$41.50
- Adjusts the fee for additional bulk collections above free allocation from \$35 to \$43
- Adjusts RSWCC per ton fees above the initial 400 lbs. covered as free from \$50 to \$70
- RSWCC visit costs for first 400 lbs (after all free visits used) from \$10 to \$14

\*All of these are to adjust costs to the current city cost for full cost recovery

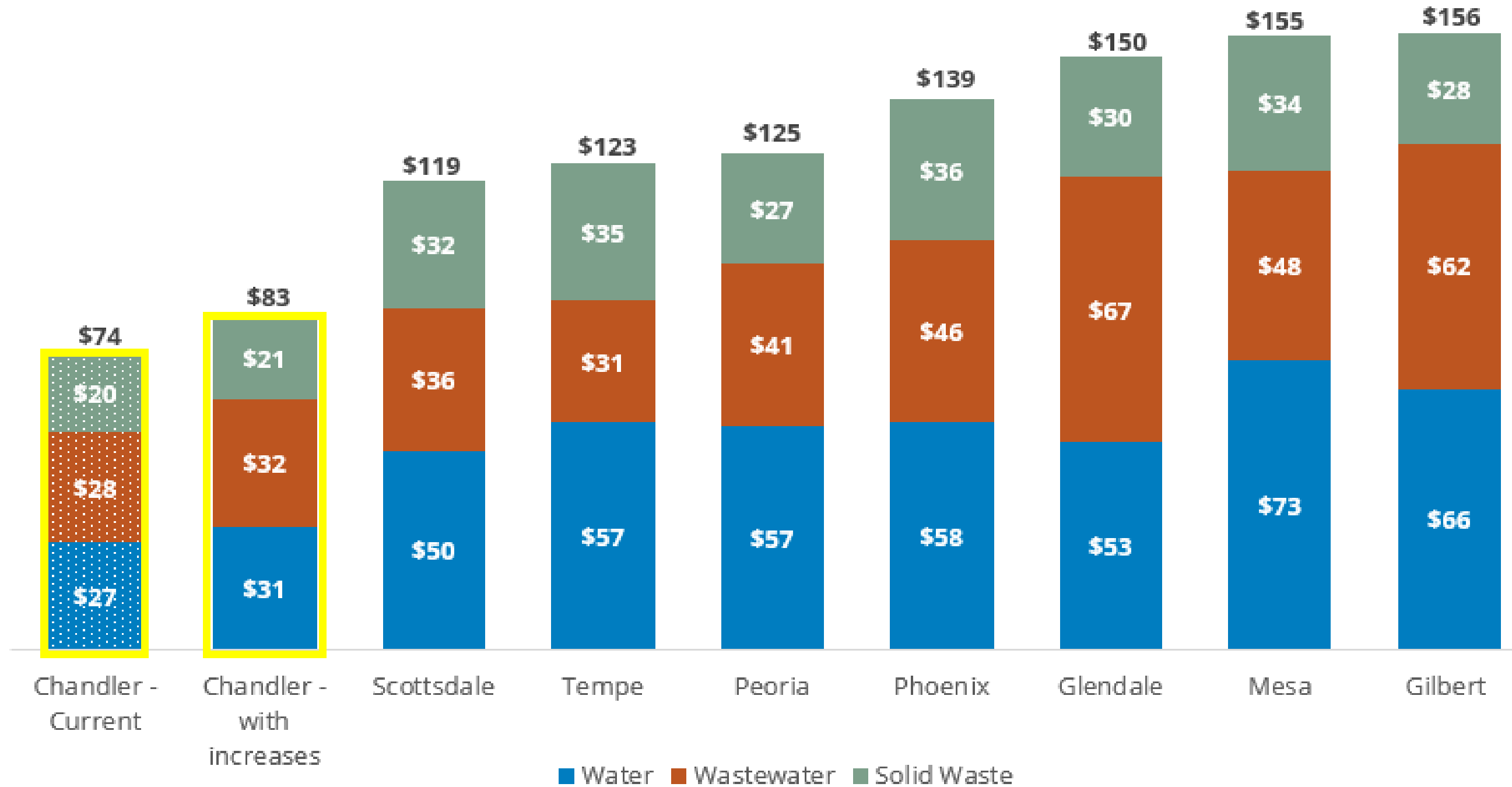


# Combined Average Customer Bill Example

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<b>Combined Average Bill Examples</b>	<b>Current Rate</b>	<b>As of Mar. 2 2026</b>
Residential Combined Avg. Bill	\$73.83	\$83.12
Multifamily Combined Avg. Bill	\$3,229.32	\$3,713.72
Non-Residential Combined Avg. Bill	\$1,388.98	\$1,597.33

# Average Residential Cost Comparison for Water, Wastewater and Solid Waste



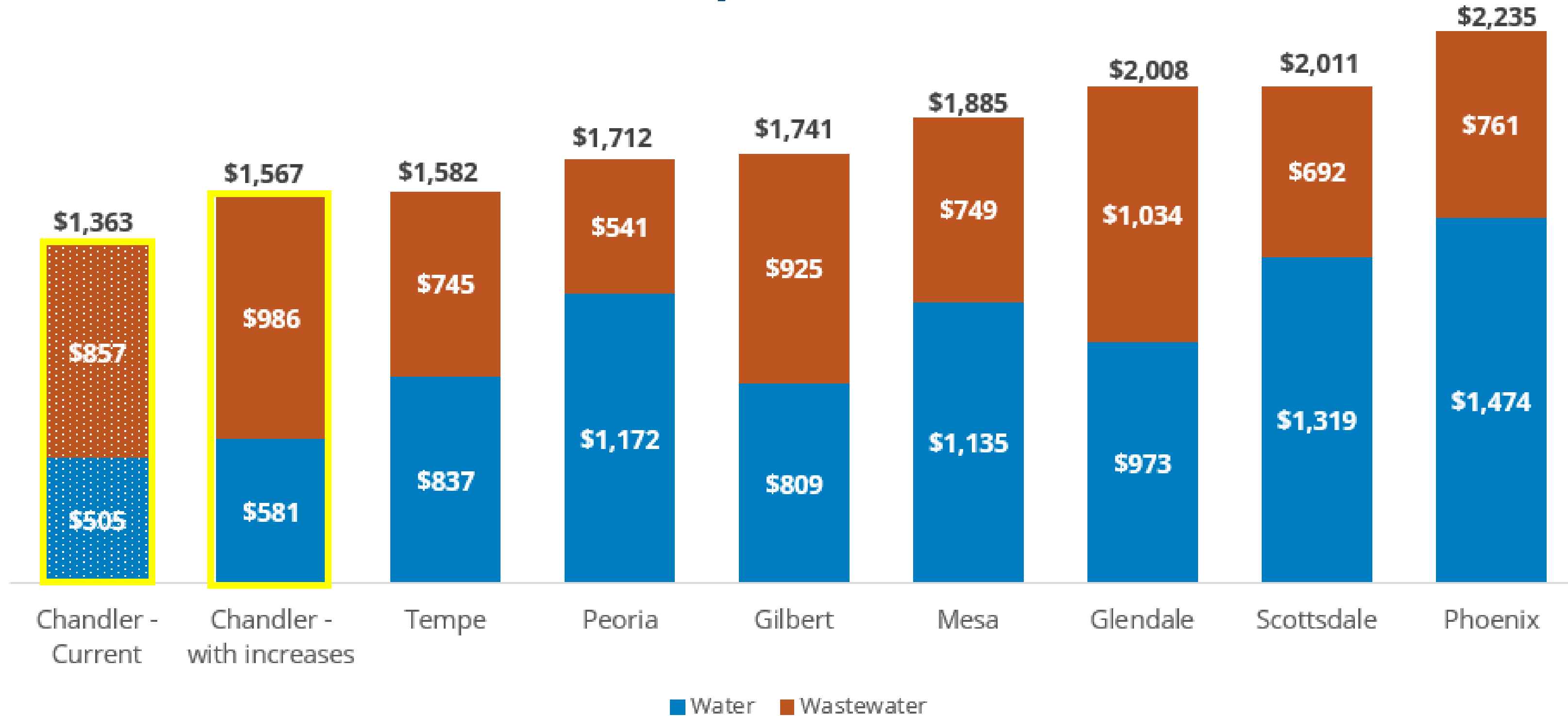
Estimated based on current adopted rates by city (some cities may be increasing rates which are not included). Includes 10Kgal of monthly usage, on a 5/8" meter.

# Average Multi-Family Cost Comparison for Water, Wastewater



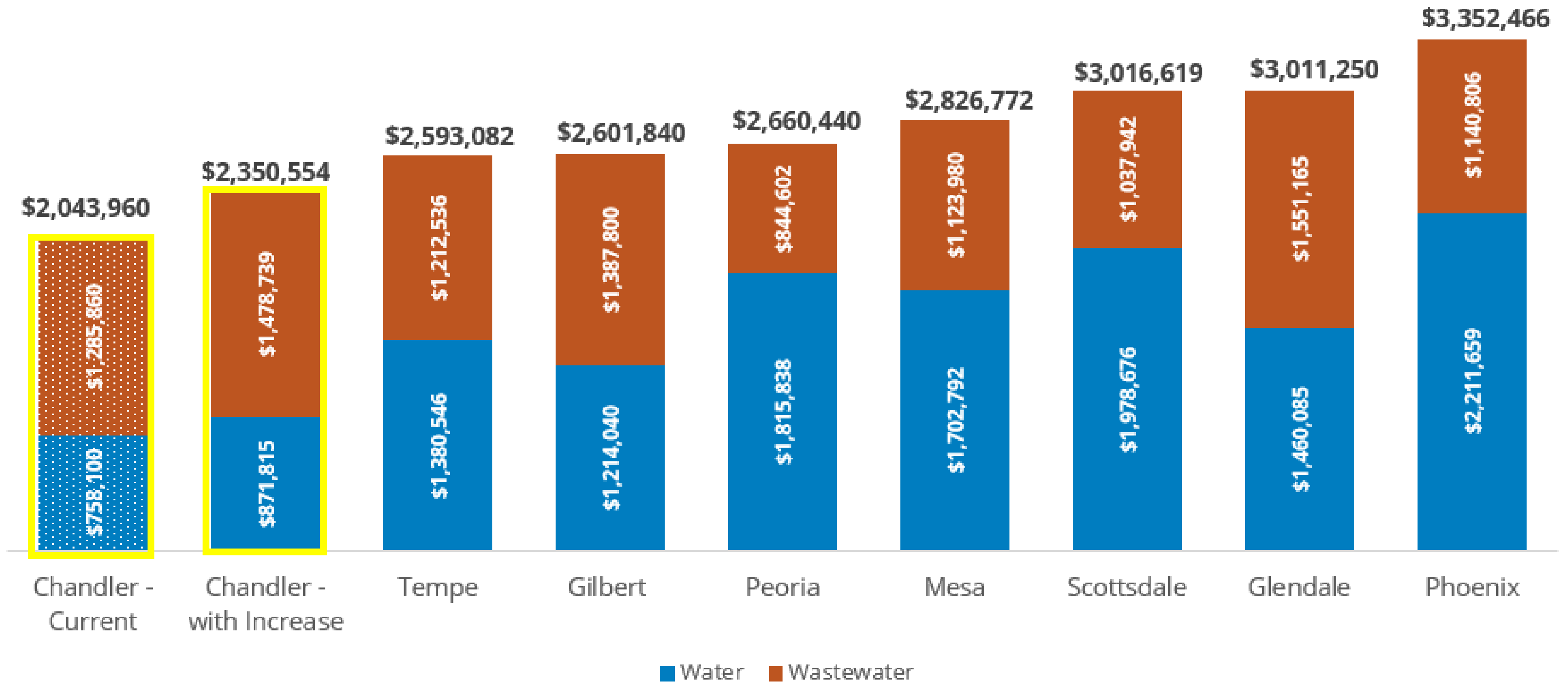
Estimated based on current adopted rates by city (some cities may be increasing rates which are not included). Includes 500Kgal of monthly usage, a 6" meter, and 150 units.

# Average Non-Residential Cost Comparison for Water, Wastewater



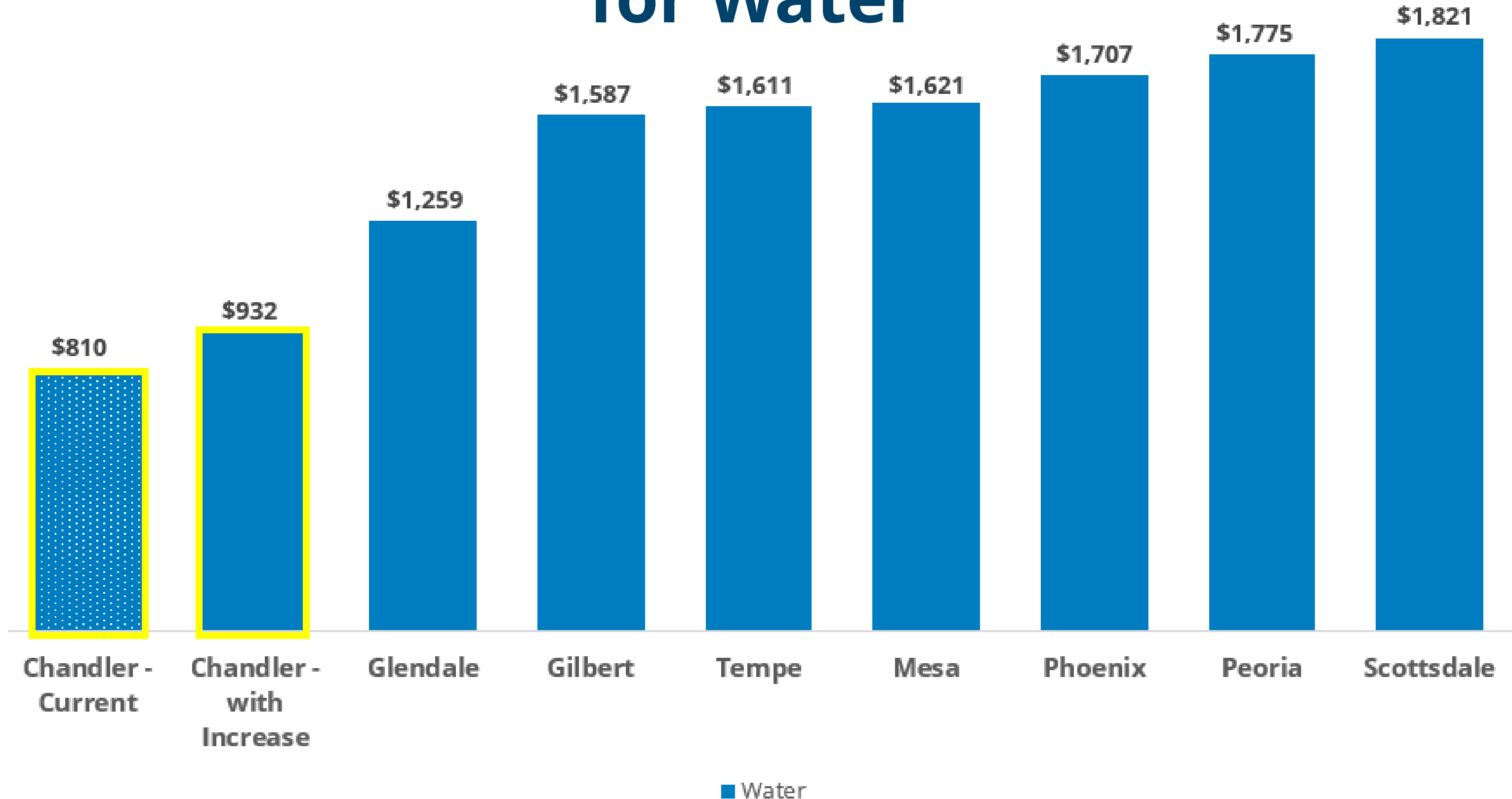
Estimated based on current adopted rates by city (some cities may be increasing rates which are not included). Includes 200Kgal of monthly usage, and a 2" meter.

# Average Industrial Cost Comparison for Water, Wastewater

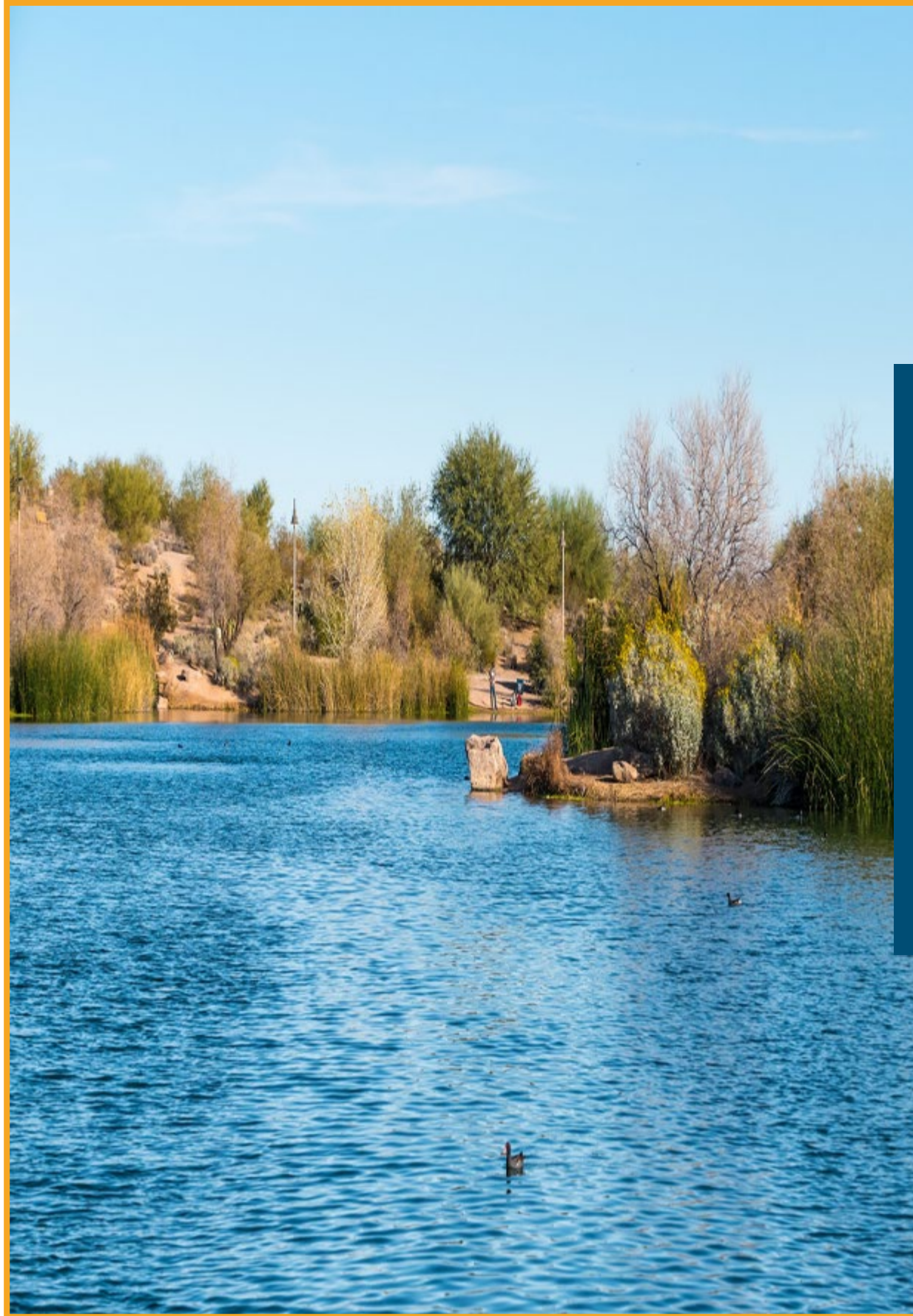


Estimated based on current adopted rates by city (some cities may be increasing rates which are not included). Includes 300Mgal of monthly usage, and an 8" meter.

# Average Landscape Cost Comparison for Water



Estimated based on current adopted rates by city (some cities may be increasing rates which are not included). Includes 300Kgal of monthly usage, and an 2" meter.



# Proposed Ordinance #5148

- Includes **Water, Wastewater, Reclaimed** rate changes
- Updates the fee for services outside normal working hours from \$27 to \$35
- Adjusts language to reflect administrative practice (shall to may)
- Adds clarifying language on using reasonably estimated reads and entering premises for meter and pipe inspection
- Memo allows for the transfer of \$25,000 to support additional Acts-of-kindness funding



# Proposed Ordinance #5149

- Does not include **Solid Waste** rate or fee changes as those will come forward with the Fee Schedule Change Resolution in February
- Adds clarifying language to definition of covered residence (3 or fewer units)
- Adds clarifying language to container spacing (from 2 to 3 feet), Christmas tree collection dates (two full weeks), and documentation requirements for RSWCC usage
- Allows for Home-based business waste to be rejected based on type or quantity
- Removes the requirement for annual tonnage reports from private haulers allowing for those to be provided at the city's request

# Rate Adjustment Timeline

Task or Event	Date
Notice of Intent Adopted (60 days prior to Public Hearing)	<b>Completed October 16, 2025</b>
Public Outreach	<b>Completed Aug-Oct 2025</b>
Notice of Intent Published in Newspaper (20 days prior to Public Hearing)	<b>Completed December 19, 2025</b>
Feedback to Council on Public Outreach	<b>Completed November 13, 2025</b>
Public Hearing / Ordinance First Read	<b>January 8, 2026</b>
Ordinance Final Adoption (Can go into effect 30 days after adoption)	<b>January 22, 2026</b>
Resolution to Update Citywide Fee Schedule (Solid Waste and other rates & fees)	<b>February 26, 2026</b>
Rates and Fees Effective for March Billing Cycle	<b>March 2, 2026</b>

# Questions?

