

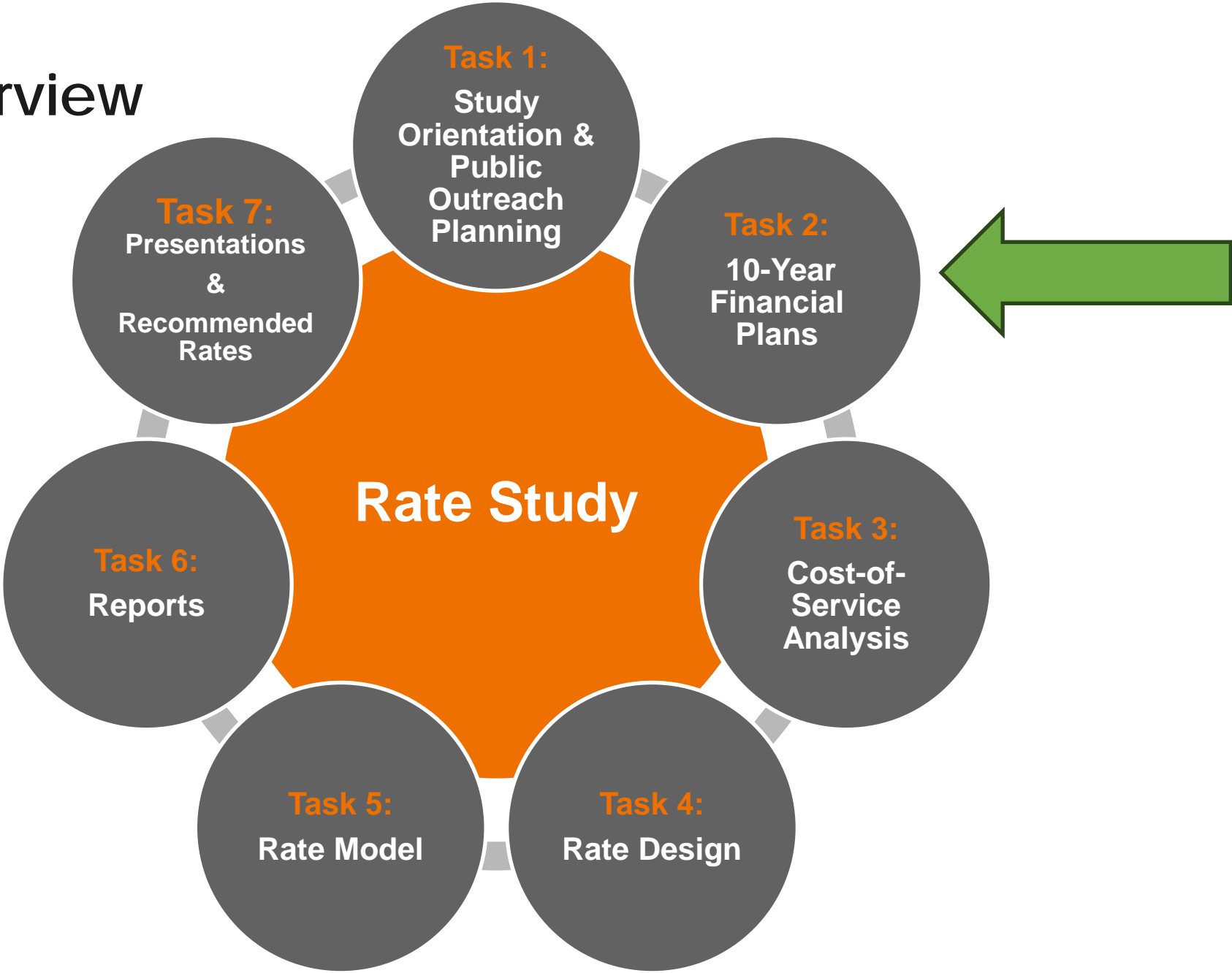
City of Flagstaff, AZ

Water, Reclaimed Water, & Wastewater Cost-of-Service, Rates & Fees Study

*Flagstaff City Council
September 5, 2023*



Scope Overview





The Rate Study Process

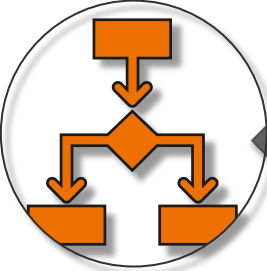
How Much?



Revenue Sufficiency

- Achieve financial policies & targets
- Fund system investment needs
- Sustainably fund operations

From Whom?



Defensible Allocation Methods

- Utilize industry accepted approaches
- Maintain inter and intra class equity
- Determine correct and appropriate units of service

How to Collect?



Simple, Equitable & Sustainable Rates

- Balance affordability and financial objectives
- Accomplish revenue stability
- Clear communication of costs



Policy Strategies

- Strategy 1: Implement water & wastewater rates and charges that are legal, fair, and equitable through a cost-of-service study
- Strategy 2: Develop a Long-Range Financing Plan that sets forth the long-term funding needs of Water Services
- Strategy 3: Establish fees that cover the cost of service, ensuring the utility meets regulatory requirements
- Strategy 4: Discuss forward-thinking or new opportunities for how rates and pricing strategies can help achieve goals of the utility or City



Looking Forward - Key Milestones

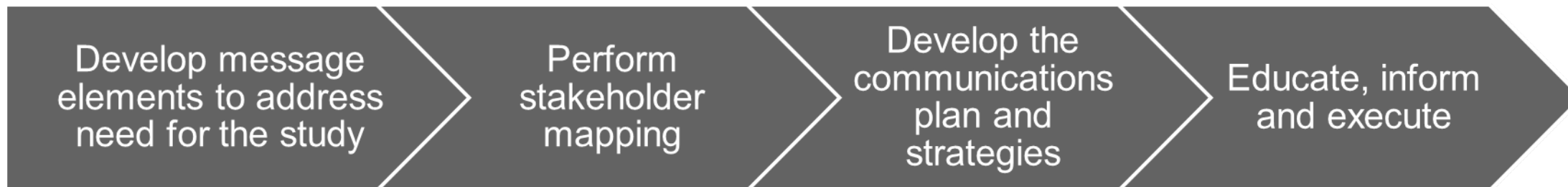
WATER, RECLAIMED WATER, & WASTEWATER STUDY

	2023							2024									
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Rate Study Begins	█																
Monthly Updates to Water Commission	█	█	█	█	█	█	█	█	█	█	█						
Review of current rates and budget forecasts	█	█	█	█													
Develop elements of communication program				█	█												
Small group stakeholder roundtables					**												
Future Stakeholder engagement events/opportunities							**		**	**	**		**				
Kick Off meeting with City Council					█												
Monthly Updates to City Council						█	█	█	█								
Public Work/Study Session					█												
Analysis of all current fees				█	█												
Develop Rate Design to meet community goals					█	█	█										
Develop Draft Rate Study report							█	█									
Present Draft Rate Study to Water Comm and Council									█								
Prepare 2nd Draft of Rate Study to Water Comm and Council										█							
Prepare Final Draft of Rate Study to Water Comm and Council											█						
Final Rate Study Presented to City Council												█					
Presentation of Ordinance to amend rates to Council													█				
Public Hearing on Proposed Rates (1st reading)														█			
Rate Ordinance adoption by City Council															█		
Revised rates become effective																	█

** Planned Community Outreach event



Public Outreach –Communication Plan Elements



Message Elements:

Keeping it Clean

- Meeting or exceeding regulatory requirements
- Keeping it flowing
- Providing high quality water for residents and businesses
- Reclaiming water for tomorrow
- Investing in efficiency

Communication Plan:

- Stakeholder Mapping (ongoing)
- Project Website – CleanWaterFlagstaff.com
- Website serves as primary communication portal – updated regularly
- In-person and virtual events to educate, inform and gather input – starting this month
- Regular updates to Council and Water Commission
- Develop fact sheets/collateral materials



Thank You!

Feedback/Questions?