

# City of Flagstaff, AZ

## Water, Reclaimed Water, & Wastewater Cost-of-Service Study

*Consideration of Notice of Intention to Increase Water Services Rates or Rate Components, or Fees or Service Charges*

*City Council Meeting  
April 16, 2024*



## Why are we here?

*We are asking Flagstaff City Council to adopt a notice of intention to increase water services rates or rate components, fees, or service charges.*

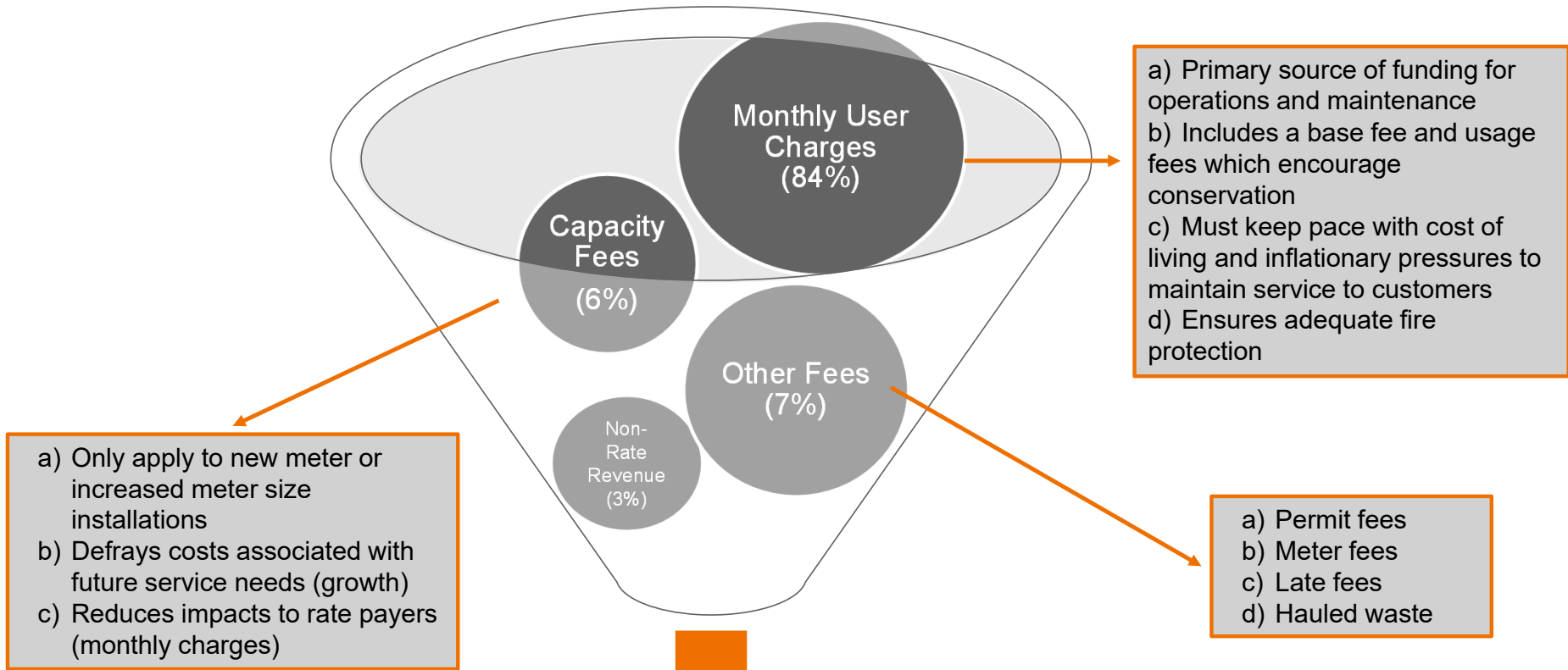


# Agenda

1. Financial Plans
2. Capacity Fees
3. Miscellaneous Fees
4. Cost-of-Service Rates
5. Approve Resolution
6. Next Steps



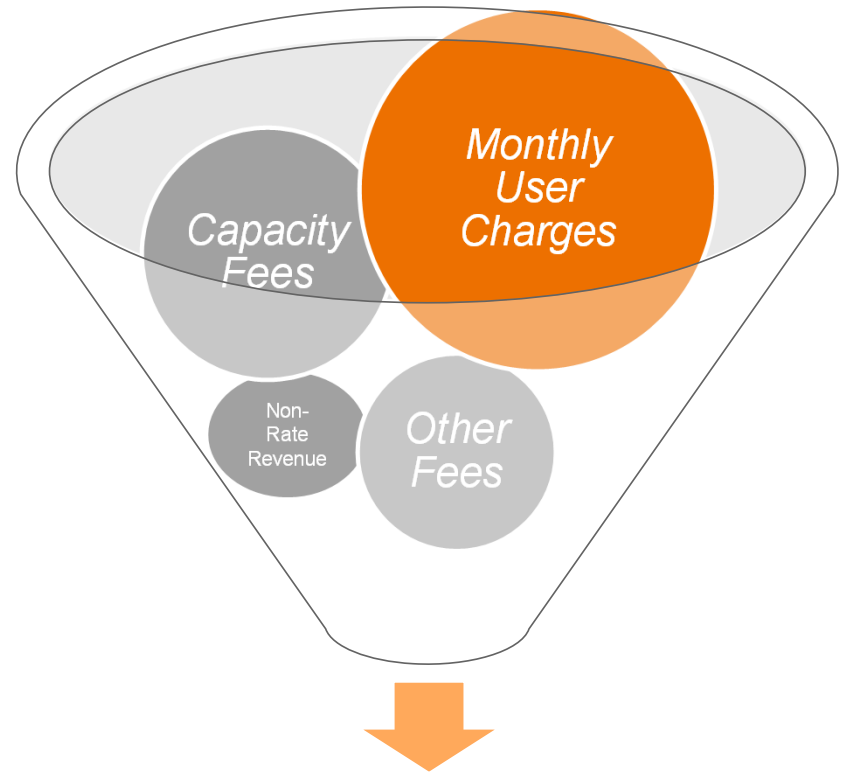
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# How We Fund Our Water Services Needs



# Financial Planning



*How we fund our Water Services Needs*



# Key Financial Assumptions & Adjustments

Assumption	Details
Growth	1.00% annually*
Reserve Targets	90 days O&M
Debt Service Coverage	Target: 1.25x Minimum: 1.20x
Base Operating Budget	“Balanced” O&M budget adjusted to reflect average spending rate, carry-forwards, one-time requests, and operating capital
Cost Escalation Factors	Default inflation factor at 3.5% Chemical, Utilities, Equipment Maintenance at 6.00%
CIP Escalation	Full CIP adjusted for 4% annual cost escalation beginning in FY 2025
Funding Sources	Rate revenues, fund balances, debt, grant funding, and capacity fees
Grant Funding	\$21.9M in Water; \$3.2M in Reclaimed Water
Major Projects	Water – Red Gap Ranch Pipeline Design & Construction Wastewater – Wildcat Hill Wastewater Treatment Plant Design & Expansion



# Financial Planning Scenario Recap

	Water	Wastewater	Reclaimed Water
<b>Scenario 1 – Status Quo</b>	<ul style="list-style-type: none"> <li>• Base O&amp;M Budget Assumptions + Escalation               <ul style="list-style-type: none"> <li>• 90% Execution of O&amp;M Budget</li> <li>• Approved CIP from Finance</li> </ul> </li> </ul>		
<b>Scenario 2 – CPI</b>	<ul style="list-style-type: none"> <li>• Base O&amp;M Budget + Escalation</li> <li>• 90% Execution of O&amp;M Budget               <ul style="list-style-type: none"> <li>• Adjusted CIP</li> </ul> </li> </ul>		
<b>Scenario 3 – “Fix &amp; Go”</b>	<ul style="list-style-type: none"> <li>• Base Budget + Escalation               <ul style="list-style-type: none"> <li>• 90% O&amp;M Execution</li> </ul> </li> <li>• Variable Executed Full CIP</li> <li>• One-time catch up to FY2024</li> </ul>		
<b>Scenario 4 – Levelized</b>	<ul style="list-style-type: none"> <li>• Base Budget + Escalation               <ul style="list-style-type: none"> <li>• 90% O&amp;M Execution</li> </ul> </li> <li>• Variable Executed Full CIP</li> <li>• Smoothed 5-year rate plan to catch up</li> </ul>		
<b>Scenario 5 – Alternative Option</b>	<ul style="list-style-type: none"> <li>• 90% Base Budget + Escalation</li> <li>• Full CIP + Unfunded Projects</li> <li>• Level plan of rate increases</li> </ul>	<ul style="list-style-type: none"> <li>• 90% Base Budget + Escalation</li> <li>• Full CIP + Unfunded Projects</li> <li>• Level plan of rate increases</li> </ul>	<ul style="list-style-type: none"> <li>• 90% Base Budget + Escalation</li> <li>• Full CIP + Unfunded Projects</li> <li>• Level plan of rate increases tied to Water Fund</li> </ul>

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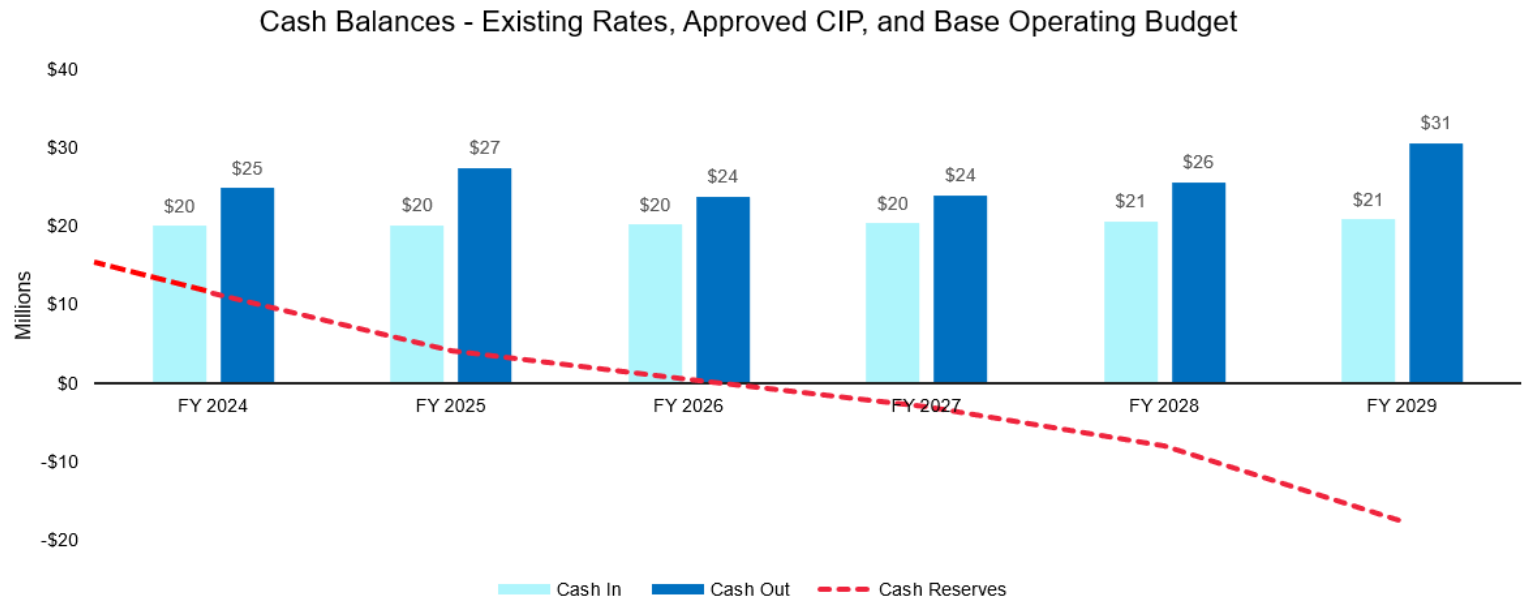
# Water Fund



# Initial Rate Study 5-Year Financial Outlook - Water

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Exhaust Cash Reserves by FY26 Due to ~\$5M Annual Funding Gap



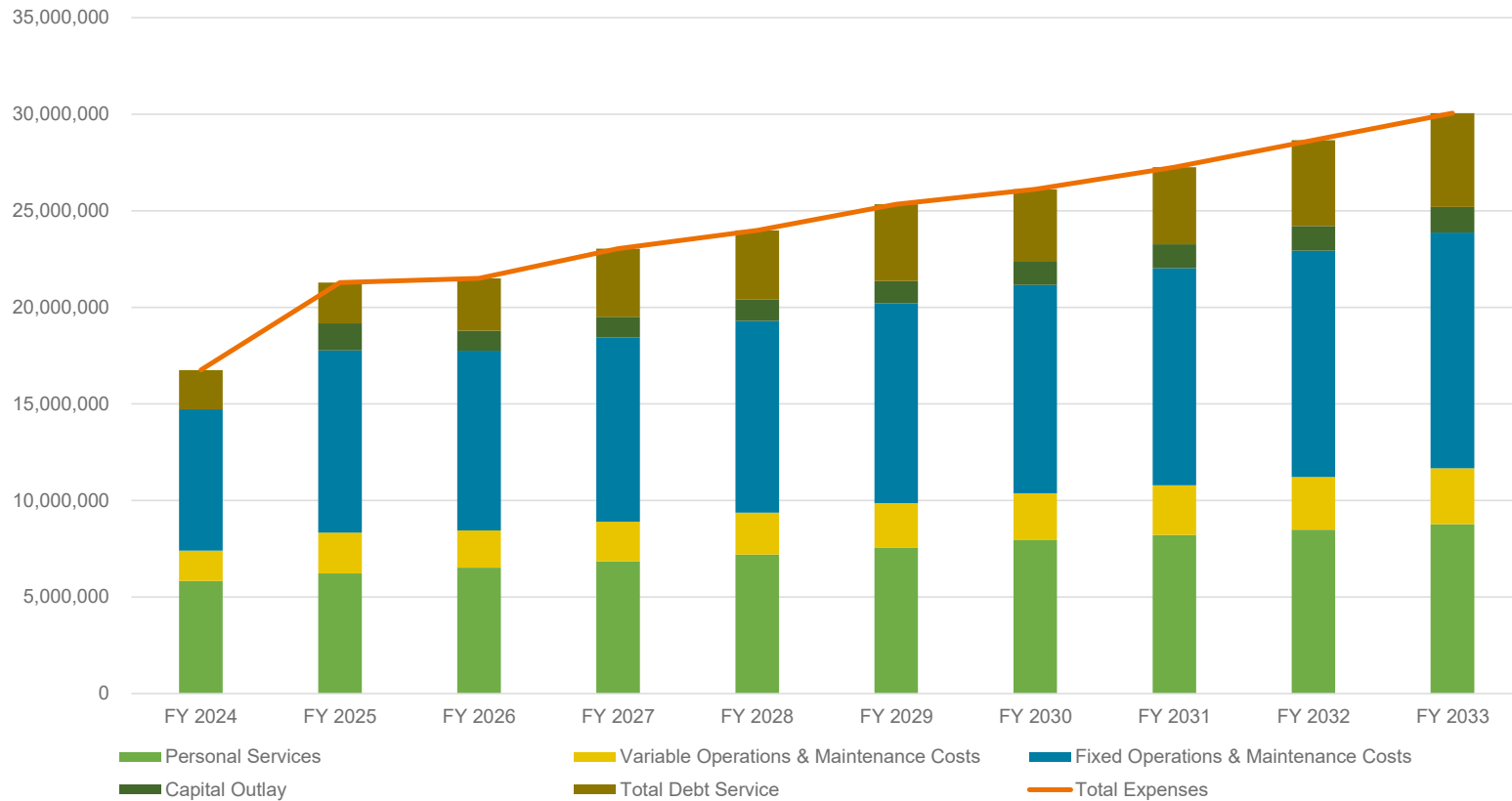
Differences from Balanced 5-Year Plan:

1. Base operating budget is adjusted to reflect average spending levels, carry-forwards, one-time requests, and operating capital.
2. 4% annual cost escalation to Approved CIP.
3. FY23 Ending Cash Balance excludes funds restricted for capacity improvements.

\*Values are from the beginning of rate study process and have changed over the last 10 months



# Water Fund Annual Expenses



### Personnel Services

- Salaries & Wages
- Pensions
- Insurance

### Variable Operations & Maintenance Costs

- Miscellaneous Services
- Equipment Maintenance
- Gas, oil, chemicals

### Fixed Operations & Maintenance Costs

- Education
- Equipment
- Buildings & Materials
- Vehicles
- Utilities

### Capital Outlay

- Machinery & Equipment
- Rolling Stock
- OP CIP Programs



# Full Water CIP List

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Project	10-Year Project Cost (\$ Millions)
Beulah/University Waterline Relocation	\$404,103
Rio Flood Control Project - Waterline	\$2,275,000
Aging Water Infrastructure Replacements	\$19,966,000
Water Vault/PRV Replacement Program	\$2,275,512
Radio Read Meter Replacements*	\$4,250,000
Reserve	\$3,000,000
Water System Master Plan	\$284,561
Water Rate Study	\$262,000
SCADA Well Upgrades	\$330,000
New Well and Pumphouse	\$26,248,619
Coconino Estates - Bundle #4	\$938,807
Lake Mary Sedimentation Basins (Flocculations)	\$12,198,994
Solier Waterline 12" Upsizing	\$3,377,150
Lake Mary Land Acquisition	\$3,000,000
McAllister-Well Design/Construction	\$148,912
Switzer Canyon Transmission Line Phase 4	\$6,823,506
Switzer Canyon Transmission Line Phase 5	\$7,000,000
Fort Tuthill Waterline Loop - Phase 2	\$2,000,000
Water Energy Efficiency Upgrades	\$500,000
Water Resources Master Plan	\$145,000
First Ave TREX Waterline Replacement	\$249,750
Fort Tuthill Well	\$7,592,083
Inner Basin Waterline*	\$16,132,576

Project	10-Year Project Cost (\$ Millions)
Inner Basin Line - Schultz to Reservoir Plant	\$8,200,000
Inner Basin Spring Box and Collection Rehab	\$4,200,000
LM Raw Water Pipeline Rehab*	\$16,000,000
Zone B Storage	\$1,050,000
Lake Mary Dam Repairs	\$250,000
Red Gap Ranch Hydrogeologic Study	\$300,000
Red Gap Ranch ROW Survey and Mapping	\$150,000
Red Gap Ranch Water Quality Study	\$400,000
Railroad Springs #3 Storage Tank	\$1,500,000
Red Gap Ranch NEPA Environ Impact Study*	\$1,250,000
Red Gap Ranch ROW Acquisition Segments 1-3	\$2,000,000
Red Gap Ranch Well Completion (10 Wells)	\$450,000
JW Powell Waterline Oversizing	\$2,300,000
Pine Del Waterline Upsizing	\$2,500,000
Red Gap Ranch Geotechnical Investigation*	\$725,000
Red Gap Ranch Well Field Piping Design	\$750,000
Woody Mountain Wellfield Powerline Burial*	\$3,500,000
Fort Valley Shopping Center	\$600,000
ADOT Cast Iron	\$5,500,000
Turquoise WL Replacement	\$1,100,000
East Side Shop New Building for Equipment Storage	\$1,000,000
Annual Unfunded project	\$9,000,000
<b>Total Water 10-Year CIP</b>	<b>\$182,252,573</b>

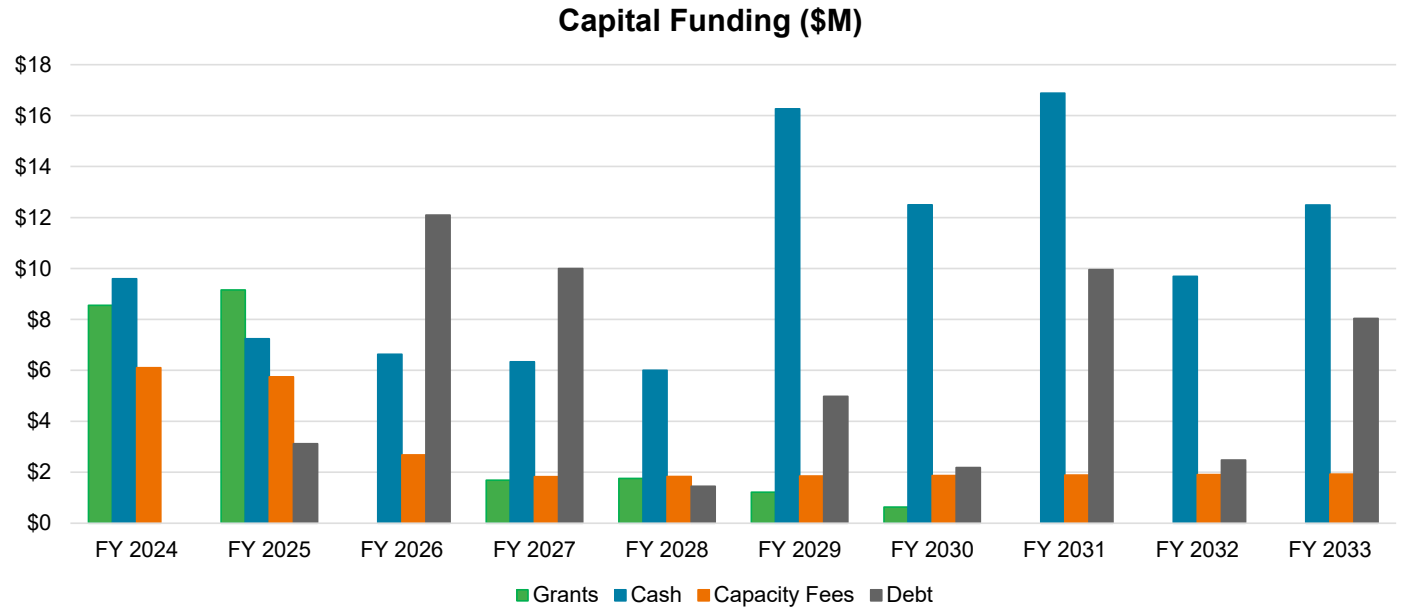
\*Includes grant funding



# Water Fund CIP Funding FY 24-33

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Scenarios	FY 24 – FY 33 CIP Funding Total (\$M)
Cash	\$101.6
Grants	\$23.0
Revenue Debt	\$62.4
Capacity Fees	\$27.6
<b>Total CIP</b>	<b>\$214.6</b>



	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
<b>Total Annual CIP Funding</b>	\$28.95	\$22.66	\$21.62	\$19.84	\$11.03	\$27.96	\$17.18	\$28.73	\$14.07	\$22.46



# Water Fund Rate Projections

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Directed Scenario	FY24-FY33 CIP Funding Level (\$M)	FY24	FY25	FY26	FY27	FY28	FY29	FY30-FY33 Annual
Alternative Option	\$214.6*	0.0%	15.0%	15.0%	15.0%	15.0%	15.0%	5.0%

The Alternative Option includes full-funding of the Water CIP with a levelized plan of annual rate increases

\*Total CIP Funding Level Total includes escalated project costs for FY 2024 – FY 2033



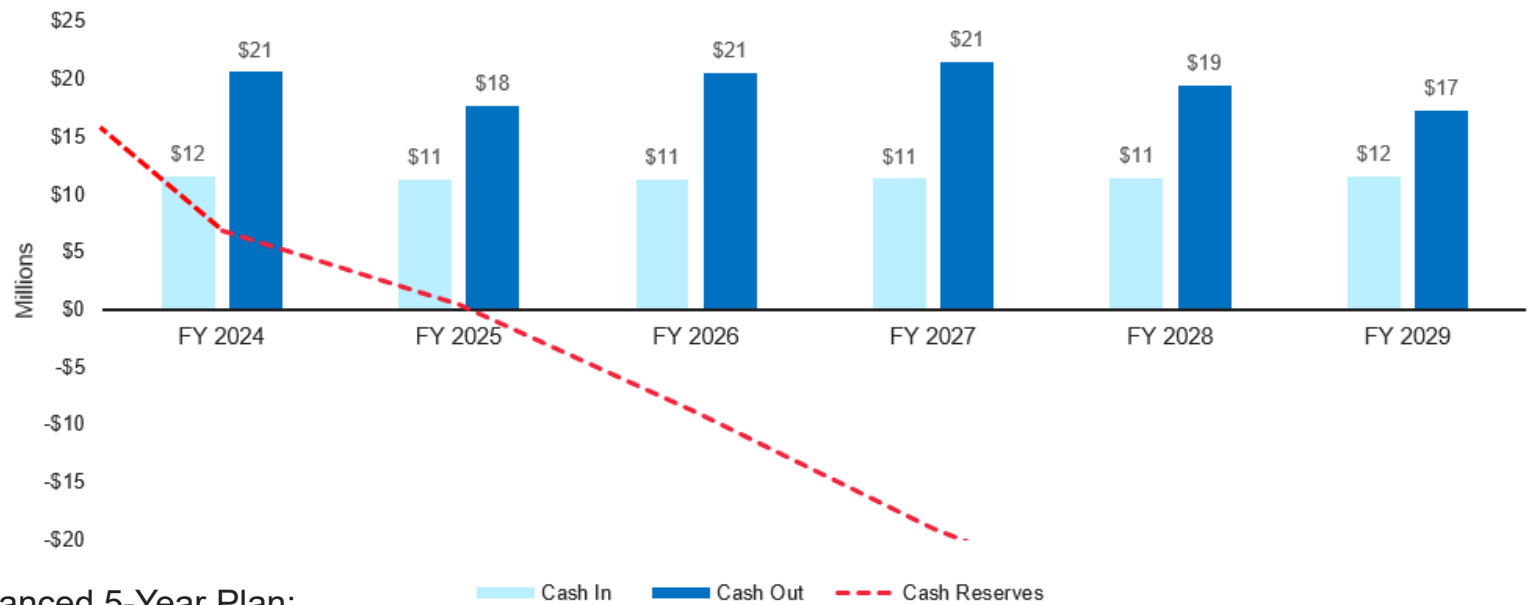
# Wastewater Fund



# Initial Rate Study

## 5-Year Financial Outlook - Wastewater

Cash Balances - Existing Rates, Approved CIP, and Base Operating Budget



Exhaust Cash Reserves by FY25 Due to ~\$9M Funding Gap

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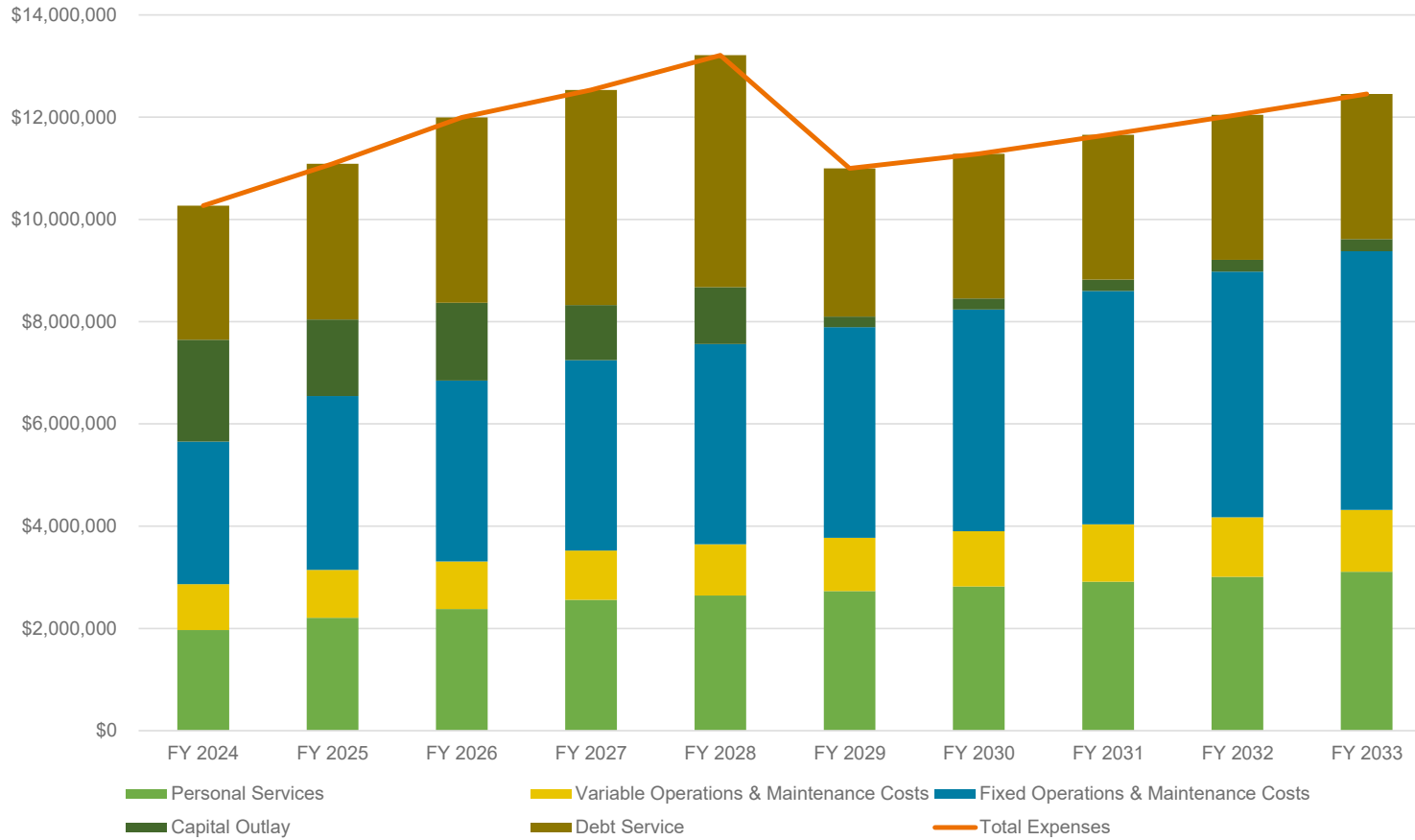
### Differences from Balanced 5-Year Plan:

1. Base operating budget is adjusted to reflect average spending levels, carry-forwards, one-time requests, and operating capital.
2. 4% annual cost escalation to Approved CIP.
3. FY23 Ending Cash Balance excludes funds restricted for capacity improvements.

\*Values are from the beginning of the rate study process and have changed over the last 10 months



# Wastewater Fund Annual Expenses



### Personnel Services

- Salaries & Wages
- Pensions
- Insurance

### Variable Operations & Maintenance Costs

- Miscellaneous Services
- Equipment Maintenance
- Gas, oil, chemicals

### Fixed Operations & Maintenance Costs

- Education
- Equipment
- Buildings & Materials
- Vehicles
- Utilities

### Capital Outlay

- Machinery & Equipment
- Rolling Stock
- OP CIP Programs



# Full Wastewater CIP List

DRAFT – FOR DISCUSSION PURPOSES

Project	10-Year Project Cost (\$ Millions)
Beulah/University Sewer Ext	\$300,000
Master Plan - Collections	\$400,000
Energy Efficiency Program	\$206,637
Rio Two Bar Screens	\$515,917
Aging Infrastructure Replacements	\$13,000,000
Reserve for Improvements	\$3,000,000
Rio de Flag Sewer Relocations	\$4,245,000
Coconino Estates - Bundle #4	\$875,276
Wildcat Dewatering Facility	\$6,100,000
Sewer Rate Study	\$125,000
First Ave Rte 66 Sewer Replacement	\$500,990
Country Club Interceptor to WCH	\$12,300,000
Rio Solids Treatment	\$24,618,500
Sewer Collection AIR Assessments	\$50,000
Wildcat New Elect./Fiber Upgrade	\$3,246,000
Rio de Flag Fiber Upgrade	\$250,000

Project	10-Year Project Cost (\$ Millions)
Wildcat Roof Replacement	\$3,000,000
Wildcat UV Disinfection	\$5,500,000
Rio Main Motor Control Centers	\$3,600,000
BNSF Sewer Relocations	\$1,839,141
Facility Master Plan Update	\$1,150,000
Headworks Rehab	\$3,000,000
East Industrial Sewer Improvements	\$520,000
Sunnyside Trunk Upsizing	\$260,000
Ponderosa Pkwy - McMillan Mesa	\$400,000
East Railhead Upsizing	\$500,000
University Heights Oversizing	\$500,000
Wildcat Solar Drying Facility	\$3,000,000
Rio Roof Replacement	\$2,500,000
Unfunded project estimate	\$20,532,000
<b>Total Wastewater 10-Year CIP</b>	<b>\$116,034,461</b>

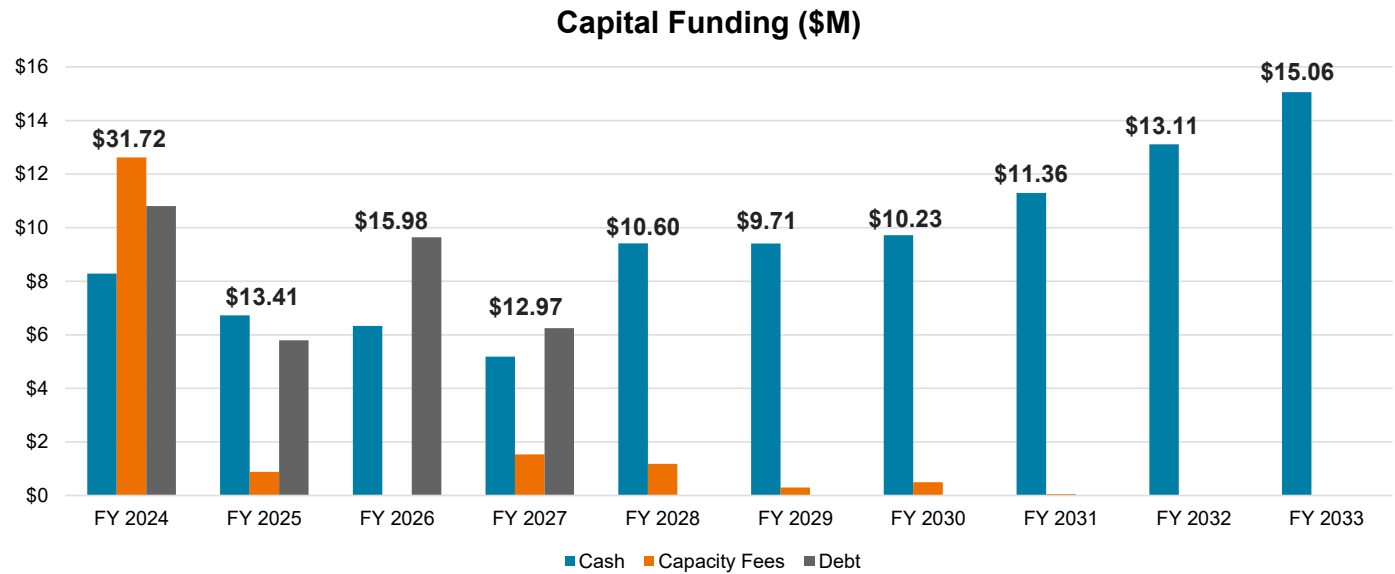
\*This list does not include projects that are funded by G.O. bonds being paid for by property taxes



# Wastewater Fund CIP Funding FY24-33

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Scenarios	FY 24 – FY 33 CIP Funding Level (\$M)
Cash	\$94.5
Grants	\$0.0
Debt	\$32.5
Capacity Fees	\$17.1
<b>Total CIP</b>	<b>\$144.1</b>



	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
<b>Total Annual CIP Funding</b>	\$31.72	\$13.41	\$15.98	\$12.97	\$10.60	\$9.71	\$10.23	\$11.36	\$13.11	\$15.06



# Wastewater Fund Rate Projections

Directed Scenario	FY24-FY33 CIP Funding Level (\$M)	FY24	FY25	FY26	FY27	FY28	FY29	FY30-FY33 Annual
Alternative Option	\$144.1*	0.0%	25.0%	25.0%	15.0%	10.0%	5.0%	5.0%

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The Alternative Option includes full-funding of the Water CIP with a levelized plan of annual rate increases

\*Total CIP Funding Level Total includes escalated project costs for FY 2024 – FY 2033



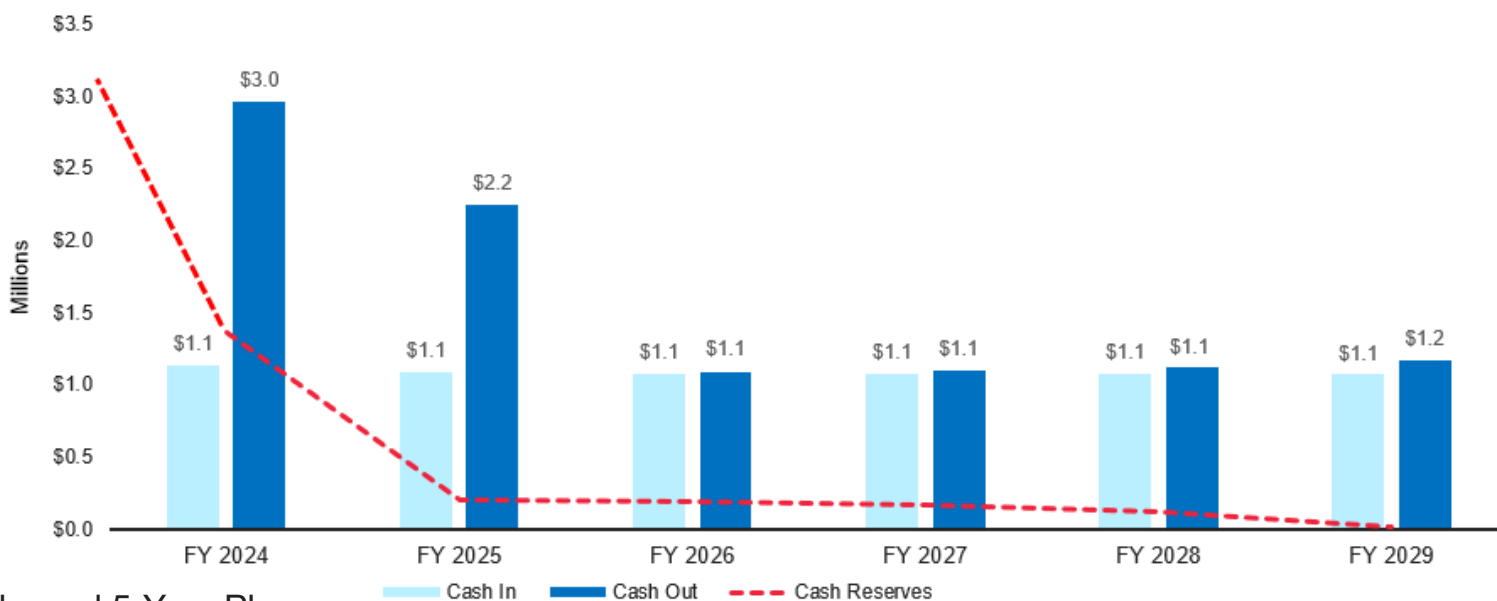
# Reclaimed Water Fund



# Initial Rate Study

## 5-Year Financial Outlook – Reclaimed Water

Cash Balances - Existing Rates, Approved CIP, and Base Operating Budget



Cash Reserves Exhausted in FY29 Due to ~\$0.5M Funding Gap

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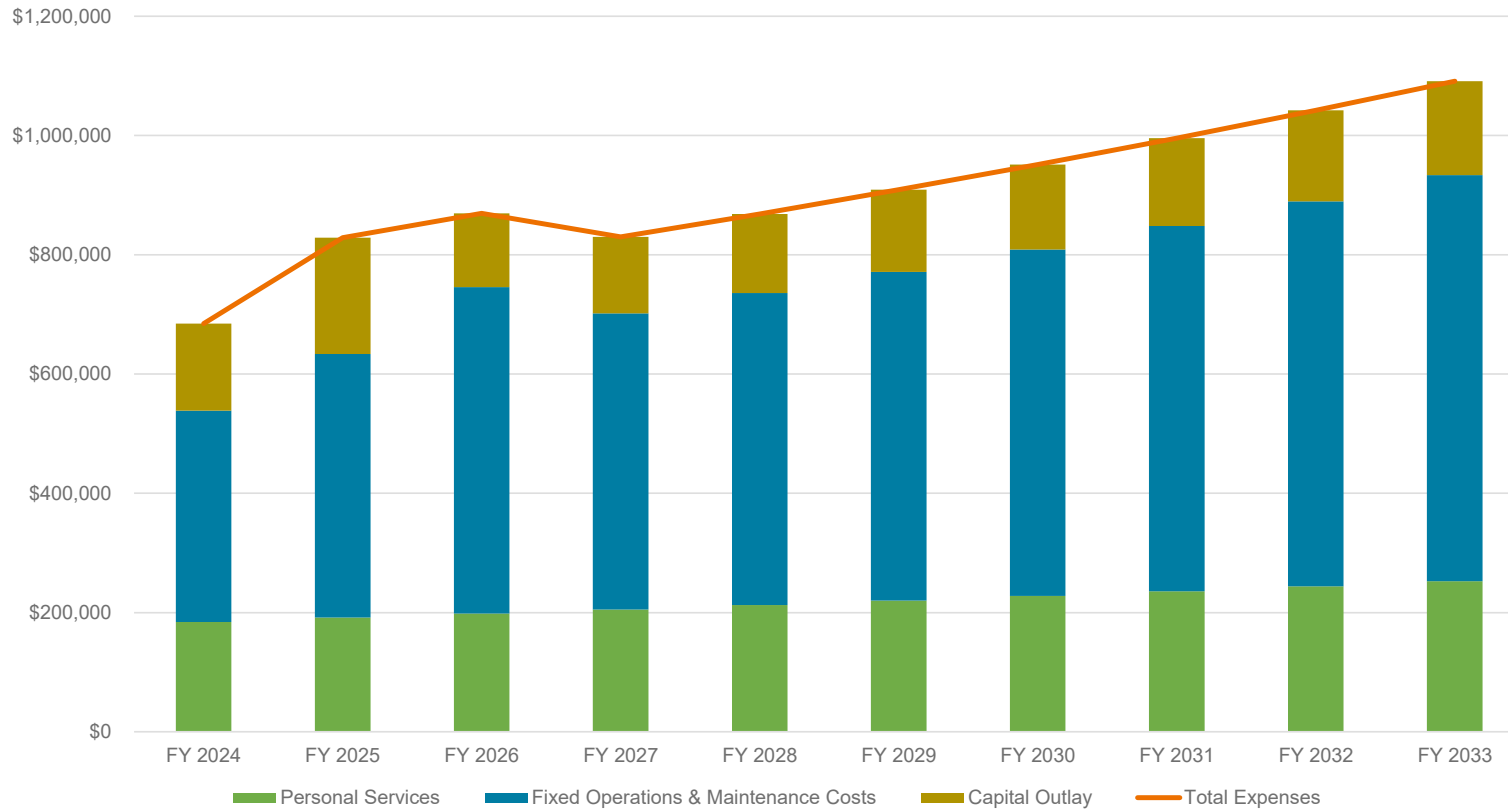
Differences from Balanced 5-Year Plan:

1. Base operating budget is adjusted to reflect average spending levels, carry-forwards, one-time requests, and operating capital.
2. 4% annual cost escalation to Approved CIP.

\*Values are from the beginning of the rate study process and have changed over the last 10 months



# Reclaimed Water Fund Annual Expenses



**Personnel Services**

- Salaries & Wages
- Pensions
- Insurance

**Fixed Operations & Maintenance Costs**

- Education
- Equipment
- Buildings & Materials
- Gas, oil, chemicals
- Vehicles
- Utilities

**Capital Outlay**

- Machinery & Equipment
- Rolling Stock
- OP CIP Programs



# Full Reclaimed Water CIP List

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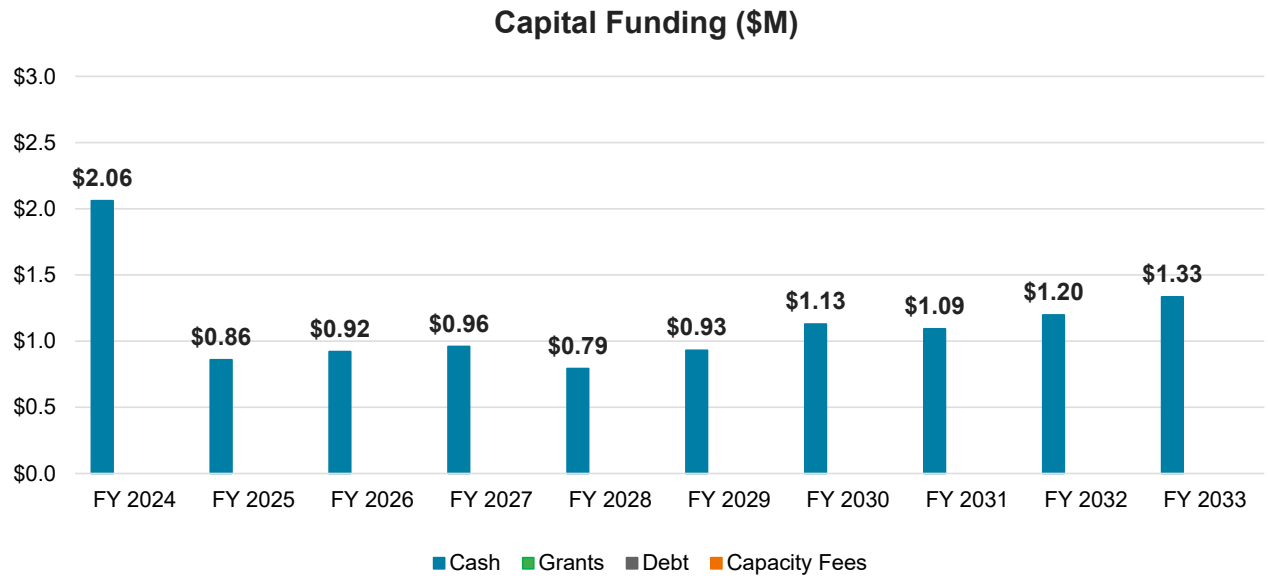
Project	10-Year Project Cost (\$ Millions)
8" Bottleneck - Replacement	\$6,121,983
Rio Reclaim Water PRV Relocation 16"	\$280,000
Rate Study- Reclaimed Portion	\$75,000
Reclaim Water Meters and Vaults	\$225,000
Rio Reclaimed Pump Valve Actuators	\$120,000
AWT Sampling and Testing	\$180,000
Reclaim System PRV/ARV Assessment	\$100,000
BNSF Reclaimed Relocations	\$905,846
Buffalo Park Tank #1 Painting	\$400,000
Buffalo Park Chlorine Bldg Upgrade	\$3,000,000
Reclaim Loop - Fox Glenn to Country Club	\$5,000,000
Bushmaster Park Booster Communications & Flow Meters	\$600,000
WCH Reclaim Booster Building Equipment Upgrade	\$4,000,000
AWT Pilot Project	\$3,000,000
Reclaim Model Projects	\$2,500,000
Rio Storage Tank	\$500,000
WCH Storage tank	\$500,000
Unfunded project estimate	\$29,250,000
<b>Total Reclaimed Water 10-Year CIP</b>	<b>\$56,757,829</b>



# Reclaimed Water CIP Funding FY 24-33

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Scenarios	FY 24 – FY 33 CIP Funding Level (\$M)
Cash	\$11.3
Grants	\$0.0
Debt	\$0.0
Capacity Fees	\$0.0
<b>Total CIP</b>	<b>\$11.3</b>



	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
<b>Total Annual CIP Funding</b>	\$2.06	\$0.86	\$0.92	\$0.96	\$0.79	\$0.93	\$1.13	\$1.09	\$1.20	\$1.33



# Reclaimed Water Fund Rate Projections

Directed Scenario	FY24 - FY33 CIP Funding Level (\$M)	FY24	FY25	FY26	FY27	FY28	FY29	FY30-FY33 Annual
<b>Alternative Option</b>	<b>\$11.3*</b>	0.0%	15.0%	15.0%	15.0%	15.0%	15.0%	5.0%

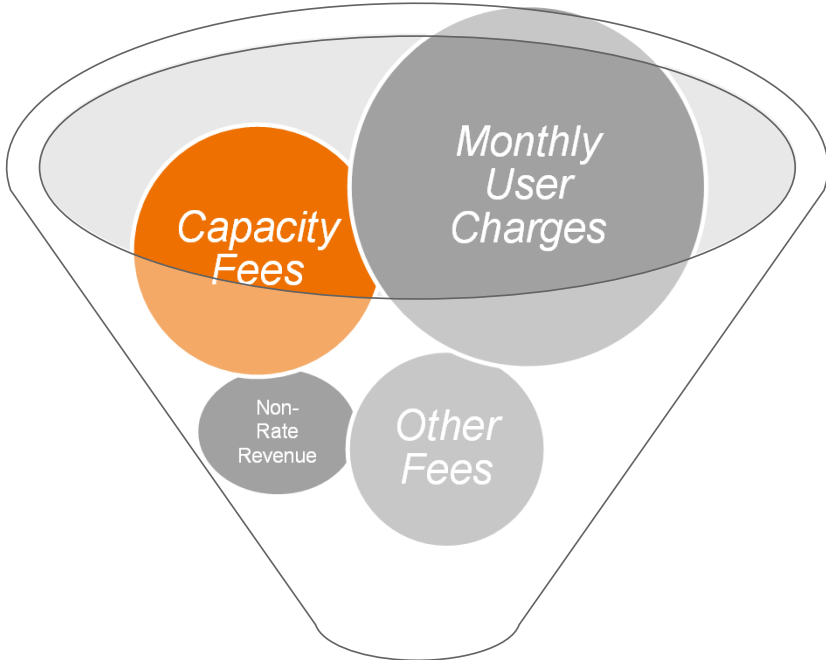
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The Alternative Option funds Reclaimed Water CIP to the extent possible with annual rate increases based on potable water rate projections

\*Total CIP Funding Level Total includes escalated project costs for FY 2024 – FY 2033



# Capacity Fees



*How we fund our Water Services Needs*



# Capacity Fee Methodologies

## *Combined Method Recommended by Water Commission*

Methodology	Water Fund*	Wastewater Fund
<b>Buy- In Method</b>		
<i>Fixed Assets: RCNLD**</i>	\$187.0M	\$128.6M
<i>Existing Capacity (Flow in million gallons per day)</i>	16.90 MGD	10.00 MGD
<i>Existing Capacity (Loadings in pounds per day)</i>	N/A	23,410 PPD
<b>Incremental Method***</b>		
<i>Total 10-Year CIP</i>	\$209.5M	\$115.3M
<i>Expansion-Related CIP</i>	\$70.5M	\$38.3M
<i>Incremental Capacity (Flow)</i>	1.53 MGD	0.00 MGD
<i>Incremental Capacity (Loadings)</i>	N/A	16,400 PPD
<b>Combined Method</b>		
<i>Total System Value</i>	\$257.5M	\$166.9M
<i>Total System Capacity (Flow)</i>	18.43 MGD	10.00 MGD
<i>Total System Capacity (Loadings)</i>	N/A	39,810 PPD

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\* Water Fund capacity fees include growth-related Reclaimed Water distribution capital projects

Ⓢ \*\* Replacement Cost New Less Depreciation

\*\*\* Does not include Future Water Supply Projects or Wastewater Treatment Plant Expansion Project



# Level of Service Discussion

## Actual Use Recommended by Water Commission

Level of Service (LOS)*	Water Fund	Wastewater Fund	
		Flow	Loadings
Design Standards (City Code)	875 GPD	420 GPD	N/A
<b>Actual Use</b>	335 GPD	257 GPD	0.67 PPD

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### Level of Service Industry Guidance\*\*

- Water system LOS standard is the amount of capacity allocable to an ERU on an average-day or peak basis.
  - This represents the amount of capacity allowable to an ERU, whether or not such capacity is actually used by the customer
- *“A review of historical customer and per capita flows and peak-to-average-daily-flow water production relationships and trends can indicate whether an existing level-of-service standard is still appropriate or whether it should be updated.”*

\* Based on peak day demand

\*\* From AWWA M1 Manual – Principles of Water Rates, Fees, and Charges



## Summary of Council Direction

- Use the Combined Methodology for calculating capacity fees
- Use system actuals as a basis for level-of-service calculations
- Collect capacity fees towards the cost of future water supply infrastructure projects (such as Red Gap Ranch, direct potable reuse, or indirect potable reuse projects, at Council direction)
- Collect capacity fees towards the cost of a new wastewater facility
- Include loadings capacity along with the flow capacity as a basis for calculating the level-of-service for the wastewater system



# Growth Related Water Projects

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List	10-Year Project Cost (\$)	Percentage Growth	Added Capacity (MGD)
Water System Master Plan	\$300,000	50%	
Water Rate Study	\$262,000	50%	
Future Water Rights - Red Gap Waterline	\$320,941	100%	
New Well and Pumphouse	\$26,248,619	100%	
Soliers Waterline 12" Upsizing	\$3,406,176	60%	1.51
Lake Mary Land Acquisition	\$3,000,000	100%	
McAllister-Well Design/Construction	\$148,912	100%	
Switzer Canyon Transmission Line Phase 4	\$7,162,560	50%	
Switzer Canyon Transmission Line Phase 5	\$7,000,000	50%	0.97
Fort Tuthill Waterline Loop - Phase 2	\$2,000,000	100%	0.81
Fort Tuthill Well	\$7,620,000	100%	
Zone B Storage	\$1,050,000	100%	
Red Gap Ranch SOFT COSTS	\$4,425,000	100%	
Railroad Springs #3 Storage Tank	\$1,500,000	100%	
JW Powell Waterline Oversizing	\$2,300,000	100%	1.12
Pine Del Waterline Upsizing	\$2,500,000	100%	0.95
8" Bottleneck – Replacement	\$3,933,433	100%	
Reclaim Loop - Fox Glenn to Country Club	\$5,000,000	100%	
Rio Storage Tank	\$500,000	100%	
WCH Storage tank	\$500,000	100%	
<i>Total Growth-Related Projects</i>		<i>\$70,500,000</i>	
<i>Large Projects/Future Water Supply Projects</i>	<i>\$230,000,000</i>	<i>100%</i>	<i>18.00</i>



# Water Capacity Fee Options using the Combined Methodology

Level of Service (LOS) Scenario	¾” Residential Meter		2” Commercial Meter	
	<i>Existing Fee</i>	<i>Calculated Fee</i>	<i>Existing Fee</i>	<i>Calculated Fee</i>
LOS – Actual Data				
1A: No Future Water Supply & New Ground Water Capacity	\$5,728	\$6,507	\$30,530	\$34,682
1B: Future Water Supply & New Ground Water Capacity	\$5,728	\$8,146	\$30,530	\$43,418
LOS – Design Standards				
2A: No Future Water Supply & New Ground Water Capacity	\$5,728	\$17,341	\$30,530	\$92,427
2B: Future Water Supply & New Ground Water Capacity	\$5,728	\$21,603	\$30,530	\$115,143

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## Proposed Water Capacity Fees Combined Methodology

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Meter Size	Existing Number of Accounts	FY 2023 Average Usage per Month (gal)*	ERU Factor	Existing Fee	Proposed Fee
¾"	19,188	4,147	1.0	\$5,728	\$8,146
1"	1,068	10,000	1.67	\$9,566	\$13,604
1 ½"	378	34,505	3.33	\$19,074	\$27,126
2"	676	84,485	5.33	\$30,530	\$43,418
3"	34	212,656	10.00	\$57,279	\$81,459
4"	24	387,872	16.67	\$95,484	\$135,791
6"	5	255,082	33.33	\$190,910	\$271,500
8"	4	2,170,630	53.33	\$305,468	\$434,417
10"	0	0	76.67	\$439,157	\$624,541

\*Based on FY 2023 billing data



# Growth Related Wastewater Projects

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List	10-Year Project Cost (\$)	Percentage Growth	Added Capacity
Master Plan - Collections	\$400,000	50%	
Wildcat Dewatering Facility	\$6,100,000	50%	
Sewer Rate Study	\$125,000	50%	
Country Club Interceptor to WCH	\$12,300,000	50%	16.03 MGD
Rio Solids Treatment	\$24,700,000	100%	5,000 PPD
East Industrial Sewer Improvements	\$520,000	50%	1.23 MGD
Sunnyside Trunk Upsizing	\$260,000	50%	1.44 MGD
Ponderosa Pkwy - McMillan Mesa	\$400,000	50%	0.49 MGD
East Railhead Upsizing	\$5,000,000	50%	0.84 MGD
University Heights Oversizing	\$5,000,000	50%	1.12 MGD
Wildcat Solar Drying Facility	\$3,000,000	100%	
<i>Total Growth-Related Projects</i>		<i>\$38,253,000</i>	
<i>Wastewater Treatment Plant Expansion</i>	<i>\$245,000,000</i>	<i>100%</i>	<i>9.00 MGD</i>





# Wastewater Capacity Fee Options using the Combined Methodology

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Level of Service (LOS) Scenario	¾” Residential Meter		2” Commercial Meter	
<b>LOS – Actual, Flow Only</b>	<i>Existing Fee</i>	<i>Calculated Fee</i>	<i>Existing Fee</i>	<i>Calculated Fee</i>
1A: No WWTP Expansion	\$3,723	\$4,203	\$19,845	\$22,404
1B: WWTP Expansion	\$3,723	\$4,249	\$19,845	\$22,649
<b>LOS – Actual, Flow + Loadings</b>	<i>Existing Fee</i>	<i>Calculated Fee</i>	<i>Existing Fee</i>	<i>Calculated Fee</i>
1C: No WWTP Expansion	\$3,723	\$3,824	\$19,845	\$20,383
<b>1D: WWTP Expansion</b>	<b>\$3,723</b>	<b>\$4,086</b>	<b>\$19,845</b>	<b>\$21,780</b>
<b>LOS – Design Standards, Flow Only</b>	<i>Existing Fee</i>	<i>Calculated Fee</i>	<i>Existing Fee</i>	<i>Calculated Fee</i>
2A: No WWTP Expansion	\$3,723	\$6,861	\$19,845	\$36,572
2B: WWTP Expansion	\$3,723	\$6,937	\$19,845	\$36,977
<b>LOS – Design Standards, Flow + Loadings</b>	<i>Existing Fee</i>	<i>Calculated Fee</i>	<i>Existing Fee</i>	<i>Calculated Fee</i>
2C: No WWTP Expansion	\$3,723	\$5,785	\$19,845	\$30,836
2D: WWTP Expansion	\$3,723	\$5,866	\$19,845	\$31,268



## Proposed Wastewater Capacity Fee Options Combined Methodology

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Meter Size*	Existing Fee	ERU Factor	Proposed Fee
¾"	\$3,723	1.0	\$4,086
1"	\$6,218	1.67	\$6,824
1 ½"	\$12,399	3.33	\$13,608
2"	\$19,845	5.33	\$21,780
3"	\$37,233	10.00	\$40,863
4"	\$62,068	16.67	\$68,120
6"	\$124,099	33.33	\$136,198
8"	\$198,566	53.33	\$217,927
10"	\$285,468	76.67	\$313,302

- For larger meter sizes, Stantec recommends customized fee calculations
- Multifamily connections are charge the ¾" fee per unit, regardless of meter size

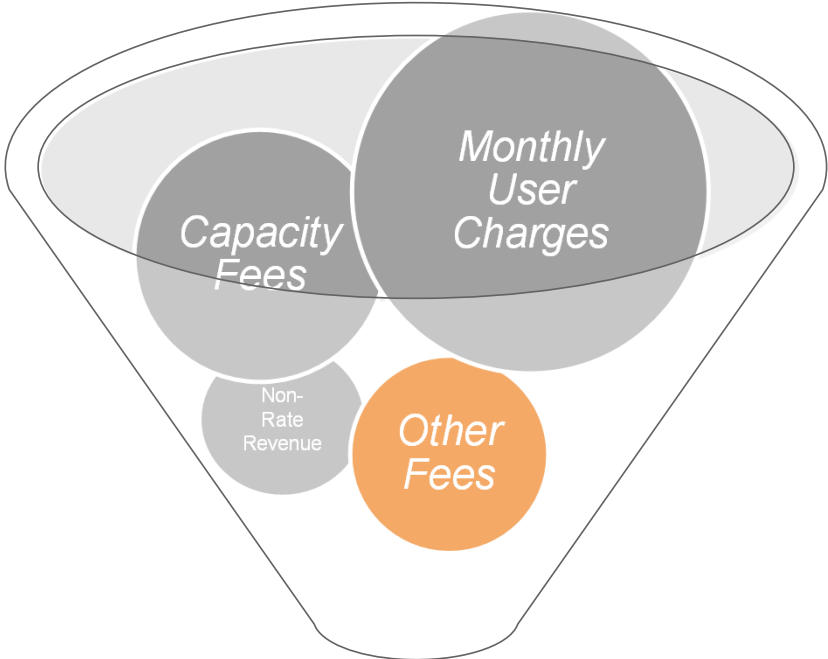




# Miscellaneous Service Fees



# Miscellaneous Service Fees



*How we fund our Water Services Needs*



# Miscellaneous Fee Process

1. Perform interviews with staff to identify activities and costs
2. Populate in Stantec's cost computation template
3. Apply Stantec data for comparable fees if needed
4. Evaluate financial implications/impacts of full cost recovery



$$\begin{array}{l} \text{Hours Spent} \\ \text{(i.e., Customer Service,} \\ \text{Field Services, Technical} \\ \text{Services)} \end{array} \times \begin{array}{l} \text{Costs per Hour} \\ \text{(Labor, vehicles \&} \\ \text{equipment)} \end{array} + \begin{array}{l} \text{Unit} \\ \text{Costs} \\ \text{(Materials)} \end{array} = \text{Cost of Service}$$



# Water Meter Installations

DRAFT

Meter Size	Current Fee	Proposed Fee	Change
3/4"	\$210	\$806	\$596
1"	\$390	\$972	\$582
1 1/2"	\$790	\$1,466	\$676
2"	\$940	\$1,703	\$763

Proposed fee costs include:

- Labor
- Materials
- Equipment needed to install a water meter



# Service Charges

DRAFT

Fee Description	Current Fee	Proposed Fee	Change (% Cost Recovery)
Water Service Establishment Fee (Next Business Day)	\$24	\$45	\$21
Water Service Establishment Fee (Same Day Surcharge)	\$65	\$20	\$20 surcharge added to \$45 = \$65
Collection / Non-Payment	\$24	\$45	\$21 (65%)
Existing Meter Testing Rate – Accuracy Test	\$74	\$74	No Change
Backflow Prevention Permit Fee	\$87	\$87	No Change
Backflow Compliance Fee	\$87	\$87	No Change
Malicious Damage	\$150	\$150	No Change



# Sewer Miscellaneous Fees

DRAFT

Fee Description	Current Fee	Proposed Fee	Change (% Cost Recovery)
Industrial Pretreatment Discharge Fee (5-year permit)	\$1,250	\$1,950	\$700 (3%)
Scavenger Wastes – Septage (per 100 gallons)	\$8	\$11	\$3
Scavenger Wastes – Restaurant Grease (per 100 gallons)	\$11	\$11	No Change
Scavenger Wastes – Mud Sump (per 100 gallons)	\$25	\$31	\$6
After Hours Fee for Scavenger Wastes Dumping	\$35	\$146	\$111
Scavenger Wastes Permit	\$24	\$45	\$21 (60%)



# Sewer Surcharge Rates for High Strength Waste

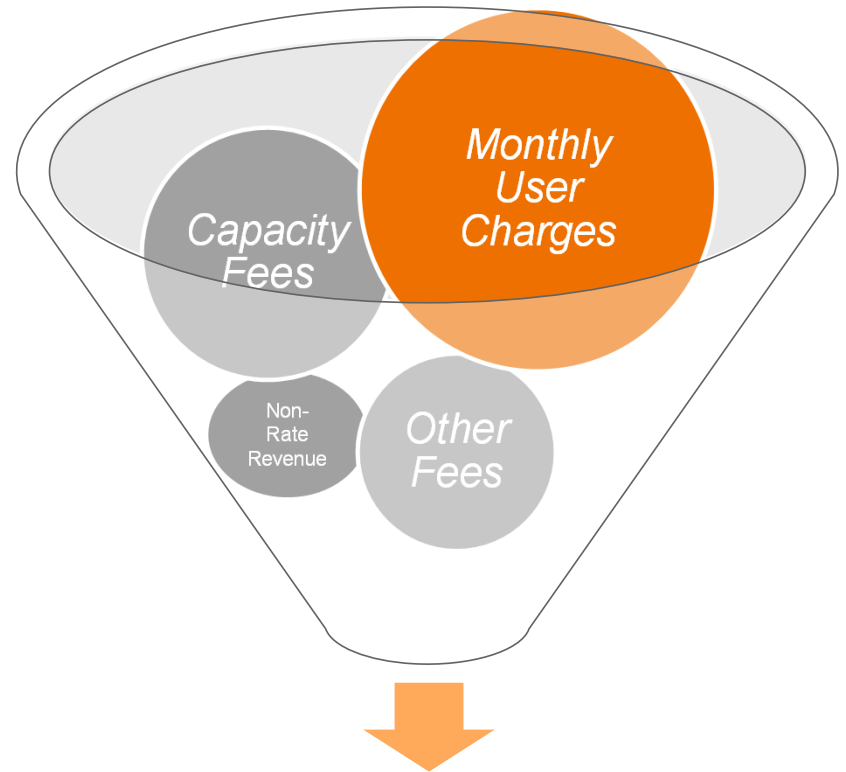
Fee Description	Current Fee	Proposed Fee	Change
BOD over 300 mg/L (per pound)	\$0.273	\$0.421	+\$0.148
TSS over 350 mg/L (per pound)	\$0.1343	\$0.292	+\$0.1577
Higher Surcharge Rates:			
BOD 400mg/L to 500 mg/L	Doubled	*	Same surcharge for all high strength
BOD above 501 mg/L	Tripled	*	Same surcharge for all high strength
TSS 450 mg/L to 550 mg/L	Doubled	*	Same surcharge for all high strength
TSS 551 mg/L	Tripled	*	Same surcharge for all high strength

BOD = Biochemical oxygen demand  
TSS = Total suspended solids  
Mg/L = milligrams per liter

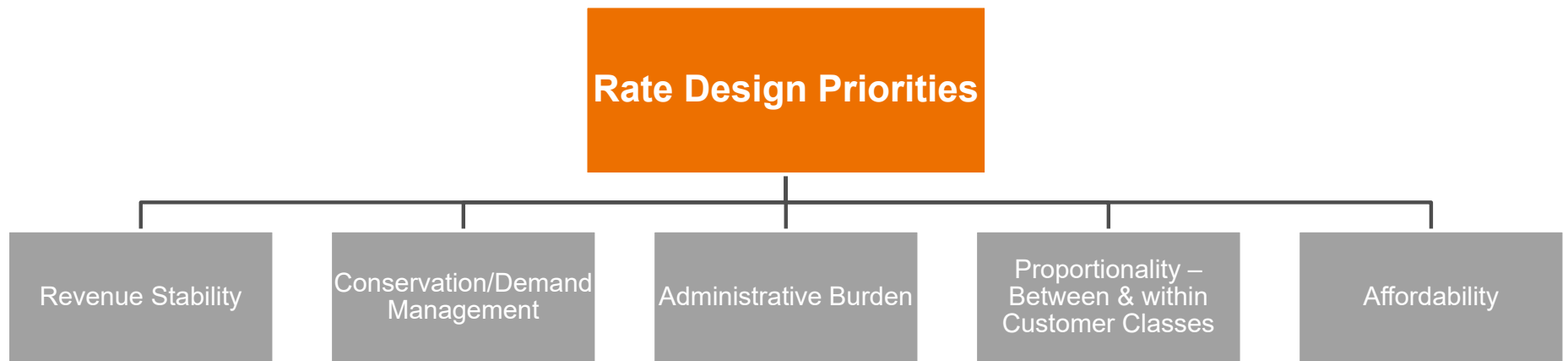
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# Cost-of-Service Rates



***How we fund our Water Services Needs***





# Water Rates



# Rate Design Options Review

Water	
Option	Description
Option 1	25% Revenue Recovery through Base Charge
Option 2	Option 1 + Change in Residential Tiers
Option 3	Option 2 + Class Combination
Option 3 Revised	Option 3 + Change in Residential Tiers

Wastewater	
Option	Description
Option 1	Rates based on Cost-of-Service (Results)
Option 2	Rates based on a fixed charge + an individual volume charge for each customer class
Option 3	Rates based on a fix charge + a volume charge for four separate, consolidated customer classes.



# Option 3 Revised

Monthly Fixed Meter Charges		
Meter Size	Fixed Meter Charge*	FY 2025 Proposed Fixed Charge (25% Cost Recovery)
3/4"	\$16.64	\$14.33
1"	\$19.60	\$19.86
1 1/2"	\$26.98	\$33.66
2"	\$35.84	\$50.23
3"	\$56.52	\$102.68
4"	\$86.05	\$144.10
6"	\$159.88	\$364.97
8"	\$248.47	\$447.80
10"	\$351.83	\$1,165.64
<b>FY25 Cost Recovery (millions)</b>		<b>\$4.24M</b>

Customer Class	Tier Price Ratio	Current Rate*	FY25 Volume Charge (per 1,000 gallons) (75% Cost Recovery)	
Single Family	Tier One	0.93	\$3.44	\$4.39
	Tier Two	1.00	\$4.45	\$4.72
	Tier Three	2.00	\$6.86	\$9.43
	Tier Four	4.00	\$13.72	\$18.86
Multi-family		\$4.42	\$4.97	
Commercial/Schools		\$4.69	\$5.88	
Landscape		\$4.69	\$10.51	
Manufacturing		\$4.63	\$5.56	
Institutional		\$4.30	\$5.88	
Hydrant		\$7.17	\$7.60	
Standpipe		\$9.56	\$7.55	
<b>FY25 Cost Recovery (millions)</b>			<b>\$12.72M</b>	

\*Inside city rate. All rates exclude taxes and energy fee

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# Option 3 Revised – Five Year Rates

MONTHLY FIXED CHARGE						
	Current Fixed Charge	September 1st, 2024 - December 31st, 2025	January 1st, 2026 - December 31st, 2026	January 1st, 2027 - December 31st, 2027	January 1st, 2028 - December 31st, 2028	January 1st, 2029 - December 31st, 2029
Meter Size:	Inside City Limits	Inside City Limits	Inside City Limits	Inside City Limits	Inside City Limits	Inside City Limits
0.75	\$16.64	\$14.33	\$16.48	\$18.96	\$21.80	\$25.07
1	\$19.60	\$19.86	\$22.83	\$26.26	\$30.20	\$34.73
1.5	\$26.98	\$33.66	\$38.71	\$44.52	\$51.19	\$58.87
2	\$35.84	\$50.23	\$57.76	\$66.42	\$76.39	\$87.85
3	\$56.52	\$102.68	\$118.09	\$135.80	\$156.17	\$179.59
4	\$86.05	\$144.10	\$165.71	\$190.57	\$219.15	\$252.03
6	\$159.88	\$364.97	\$419.72	\$482.67	\$555.08	\$638.34
8	\$248.47	\$447.80	\$514.97	\$592.21	\$681.05	\$783.20
10	\$351.83	\$1,165.64	\$1,340.48	\$1,541.55	\$1,772.79	\$2,038.71

WATER RATES							
	Current Volume Charge	September 1st, 2024 - December 31st, 2025	January 1st, 2026 - December 31st, 2026	January 1st, 2027 - December 31st, 2027	January 1st, 2028 - December 31st, 2028	January 1st, 2029 - December 31st, 2029	
POTABLE WATER: (per 1,000 gallons)		Inside City Limits	Inside City Limits	Inside City Limits	Inside City Limits	Inside City Limits	
Single Family	Tier 1 (0 - 3,500 gallons)	\$3.44	\$4.39	\$ 5.04	\$ 5.80	\$ 6.67	\$ 7.67
	Tier 2 (3,501 - 6,200 gallons)	\$4.45	\$4.72	\$ 5.42	\$ 6.24	\$ 7.17	\$ 8.25
	Tier 3 (6,201 - 11,500 gallons)	\$6.86	\$9.43	\$ 10.85	\$ 12.47	\$ 14.34	\$ 16.50
	Tier 4 (11,501+ gallons)	\$13.72	\$18.86	\$ 21.69	\$ 24.95	\$ 28.69	\$ 32.99
Multi-Family	\$4.42	\$4.97	\$ 5.72	\$ 6.57	\$ 7.56	\$ 8.69	
Commercial/Schools	\$4.69	\$5.88	\$ 6.76	\$ 7.78	\$ 8.94	\$ 10.29	
Institutional	\$4.30	\$5.88	\$ 6.76	\$ 7.78	\$ 8.94	\$ 10.29	
Manufacturing	\$4.63	\$5.56	\$ 6.39	\$ 7.35	\$ 8.45	\$ 9.72	
Landscaping/Lawn Meters	\$4.69	\$10.51	\$ 12.09	\$ 13.90	\$ 15.99	\$ 18.39	
Hydrant Meter	\$7.17	\$7.60	\$ 8.74	\$ 10.05	\$ 11.56	\$ 13.29	
Standpipe**	\$9.56	\$7.55	\$ 8.68	\$ 9.98	\$ 11.48	\$ 13.20	



# Water Projected Average Bill Impacts for Option 3 Revised

Customer Class	Rep. Meter Size	Avg. Bill Volume (kgals)	Avg. FY 2024 Water Bill	Effective Date 9/1/2024			Effective Date 1/1/2026 (15% Rate Increase)		Effective Date 1/1/2027 (15% Rate Increase)		Effective Date 1/1/2028 (15% Rate Increase)		Effective Date 1/1/2029 (15% Rate Increase)	
				Total Bill*	\$ Change	% Change	Total Bill*	\$ Change	Total Bill*	\$ Change	Total Bill*	\$ Change	Total Bill*	\$ Change
Single Family	¾"	4	\$30.91	\$32.04	\$1.13	3.7%	\$36.84	\$4.81	\$42.37	\$5.53	\$48.72	\$6.36	\$56.03	\$7.31
Multi-family	1"	9	\$59.38	\$64.59	\$5.21	8.8%	\$74.28	\$9.69	\$85.42	\$11.14	\$98.23	\$12.81	\$112.97	\$14.73
Commercial/ Schools	1"	40	\$207.20	\$255.08	\$47.88	23.1%	\$293.34	\$38.26	\$337.35	\$44.00	\$387.95	\$50.60	\$446.14	\$58.19
Landscape	1"	24	\$132.16	\$272.10	\$139.94	105.9%	\$312.92	\$40.82	\$359.85	\$46.94	\$413.83	\$53.98	\$475.90	\$62.07
Manufacturing	1.5"	73	\$364.97	\$439.54	\$74.57	20.4%	\$505.47	\$65.93	\$581.29	\$75.82	\$668.49	\$87.19	\$768.76	\$100.27
Institutional	8"	2,165	\$9,557.97	\$13,179.22	\$3,621.25	37.9%	\$15,156.10	\$1,976.88	\$17,429.52	\$2,273.42	\$20,043.94	\$2,614.43	\$23,050.54	\$3,006.59

\*Total Bill = Water Fixed Charge + Water Volume Charge



# Wastewater Rates



# Fixed + Consolidated – Option 3

Monthly Fixed Meter Charges		
Meter Size	ERU* Factor	FY 25 Proposed Fixed Charge (25% Cost Recovery)
¾"	1.00	\$10.39
1"	1.67	\$17.32
1 ½"	3.33	\$34.63
2"	5.33	\$55.41
3"	11.67	\$121.22
4"	16.67	\$173.17
6"	33.33	\$346.33
8"	53.33	\$554.13

\*ERU = Equivalent Residential Unit

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Consolidated Class	Customer Class	Current Rate**	FY25 Consolidated Volume Charge (75% Cost Recovery)
Residential	Residential	\$5.35	\$5.50
Non-Residential A	Car Washes	\$5.38	\$4.45
	Laundromats	\$5.53	
	Commercial	\$5.68	
	Institutional	\$4.91	
	Manufacturing	\$6.09	
	Hotels & Motels	\$7.58	
Non-Residential B	Restaurants	\$9.09	\$7.05
	Industrial Laundries	\$8.36	
	Pet Food Manufacturers	\$13.34	
Non-Residential C	Ice Cream Cone Manufacturing	\$16.48	\$29.96

\*\*Inside City



# Option 3 – Five Year Rates

<b>SEWER RATES - Proposed (Fixed Charge)</b>					
	<b>September 1st, 2024 - December 31st, 2025</b>	<b>January 1st, 2026 - December 31st, 2026</b>	<b>January 1st, 2027 - December 31st, 2027</b>	<b>January 1st, 2028 - December 31st, 2028</b>	<b>January 1st, 2029 - December 31st, 2029</b>
<b>Meter Charge</b>	<b>Inside City Limits</b>	<b>Inside City Limits</b>	<b>Inside City Limits</b>	<b>Inside City Limits</b>	<b>Inside City Limits</b>
0.75	\$10.39	\$12.99	\$14.94	\$16.43	\$17.25
1	\$17.32	\$21.65	\$24.90	\$27.39	\$28.76
1.5	\$34.63	\$43.29	\$49.78	\$54.76	\$57.50
2	\$55.41	\$69.26	\$79.65	\$87.62	\$92.00
3	\$121.22	\$151.53	\$174.25	\$191.68	\$201.26
4	\$173.17	\$216.46	\$248.93	\$273.83	\$287.52
6	\$346.33	\$432.91	\$497.85	\$547.63	\$575.02
8	\$554.13	\$692.66	\$796.56	\$876.22	\$920.03

<b>SEWER RATES - Proposed (Volume)</b>					
	<b>September 1st, 2024 - December 31st, 2025</b>	<b>January 1st, 2026 - December 31st, 2026</b>	<b>January 1st, 2027 - December 31st, 2027</b>	<b>January 1st, 2028 - December 31st, 2028</b>	<b>January 1st, 2029 - December 31st, 2029</b>
<b>SEWER: (per 1,000 gallons)</b>	<b>Inside City Limits</b>	<b>Inside City Limits</b>	<b>Inside City Limits</b>	<b>Inside City Limits</b>	<b>Inside City Limits</b>
<b>Residential</b>					
Residential	\$5.50	\$6.88	\$7.91	\$8.70	\$9.13
<b>Non-Residential</b>					
Non-Residential A	\$4.45	\$5.56	\$6.40	\$7.04	\$7.39
Non-Residential B	\$7.05	\$8.81	\$10.13	\$11.15	\$11.71
Non-Residential C	\$29.96	\$37.45	\$43.07	\$47.37	\$49.74

\*Residential usage based on WQA (usage billed in winter months of December, January, February, March)



# Wastewater Projected Average Bill Impacts for Rate Option 3

Customer Class	Rep. Meter Size	Avg. Bill Volume (kgals)	Avg. FY 2024 Water Bill	Effective Date 9/1/2024			Effective Date 1/1/2026 (25% Rate Increase)		Effective Date 1/1/2027 (15% Rate Increase)		Effective Date 1/1/2028 (10% Rate Increase)		Effective Date 1/1/2029 (5% Rate Increase)	
				Total Bill*	\$ Change	% Change	Total Bill*	\$ Change	Total Bill*	\$ Change	Total Bill*	\$ Change	Total Bill*	\$ Change
Residential	¾"	4.88	\$26.13	\$38.37	\$12.24	46.8%	\$47.96	\$9.59	\$55.15	\$7.19	\$60.67	\$5.52	\$63.70	\$3.03
Car Washes	1 ½"	160.59	\$863.97	\$744.43	(\$119.54)	(13.8%)	\$930.54	\$186.11	\$1,070.12	\$139.58	\$1,177.13	\$107.01	\$1,235.99	\$58.86
Laundromats	2"	157.85	\$872.92	\$758.00	(\$114.92)	(13.2%)	\$947.50	\$189.50	\$1,089.62	\$142.12	\$1,198.59	\$108.96	\$1,258.51	\$59.93
Commercial	1"	17.60	\$99.96	\$102.69	\$2.73	2.7%	\$128.36	\$25.67	\$147.62	\$19.25	\$162.38	\$14.76	\$170.50	\$8.12
Institutional	4"	9,559	\$46,932.24	\$45,139.24	(\$1,793.00)	(3.8%)	\$56,424.05	\$11,284.81	\$64,887.66	\$8,463.61	\$71,376.42	\$6,488.77	\$74,945.24	\$3,568.82
Manufacturing	1 ½"	61.74	\$375.99	\$308.95	(\$67.04)	(17.8%)	\$386.19	\$77.24	\$444.12	\$57.93	\$488.53	\$44.41	\$512.96	\$24.43
Hotels & Motels	2"	126.75	\$960.76	\$610.67	(\$350.09)	(36.4%)	\$763.33	\$152.67	\$877.83	\$114.50	\$965.61	\$87.78	\$1,013.90	\$48.28
Restaurants	1"	40.86	\$371.41	\$311.41	(\$60.00)	(16.2%)	\$389.27	\$77.85	\$447.66	\$58.39	\$492.42	\$44.77	\$517.04	\$24.62
Industrial Laundries	3"	778.52	\$6,508.40	\$5,611.75	(\$896.65)	(13.8%)	\$7,014.69	\$1,402.94	\$8,066.90	\$1,052.20	\$8,873.59	\$806.69	\$9,317.27	\$443.68
Pet Food Manufacturers	3"	391.04	\$5,216.47	\$2,986.47	(\$2,230.00)	(42.7%)	\$3,733.08	\$746.62	\$4,293.05	\$559.96	\$4,722.35	\$429.30	\$4,958.47	\$236.12
Ice Cream Cone Manufacturing	3"	109.3	\$1,801.23	\$3,396.09	\$1,594.86	88.5%	\$4,245.11	\$849.02	\$4,881.87	\$636.77	\$5,370.06	\$488.19	\$5,638.56	\$268.50

\*Total Bill = Wastewater Fixed Charge + Wastewater Volume Charge



## Combined Bill Impacts



# Bill Projections for Proposed Rate Structures - Residential

Municipal Services Bill Example for Residential Customer @ 4,550 gallons in one month	Usage (Gallons)	FY 2024 Rate (Dollars)	FY 2024 Amount (Dollars)	Proposed	
				FY 2025	FY 2029
Base Meter Charge		¾" meter	\$16.64	\$14.33	\$25.06
Tier 1 Residential Water	3,500	\$3.44	\$12.04	\$15.35	\$26.85
Tier 2 Residential Water	1,050	\$4.45	\$4.67	\$4.95	\$8.66
Energy Surcharge	4,550	\$1.21	\$5.64	\$5.51	\$5.51*
Water Protection Fee	4,550	\$0.53	\$2.41	\$2.41	\$2.41*
Base Sewer Charge		¾" meter	n/a	\$10.39	\$17.25
Volumetric Sewer Charge	2,090	\$5.35	\$11.18	\$11.50	\$19.09
Stormwater Fee			\$12.57	\$14.07	\$22.14
Solid Waste Charge			\$25.45	\$25.45	\$25.45
Recycling Fee			\$5.09	\$5.09	\$5.09
Environmental Management Program Fee			\$2.48	\$3.04	\$4.36
State and Local Taxes			\$3.73	\$3.85	\$6.33
<b>Total</b>			<b>\$101.90</b>	<b>\$115.94</b>	<b>\$168.20</b>

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\*Energy Surcharge & Water Protection Fee TBD



# Bill Projections for Proposed Rate Structures - Commercial

Municipal Services Bill Example for Commercial Customer	Usage (Gallons)	FY 2024 Rate	FY 2024 Amount (Dollars)	Proposed	
				FY 2025	FY 2029
Base Meter Charge		¾" meter	\$16.64	\$14.33	\$25.06
Water Charge Commercial	51,750	\$4.69	\$242.71	\$304.32	\$532.26
Energy Surcharge	51,750	\$1.21	\$62.62	\$62.62	\$62.62*
Water Protection Fee	51,750	\$0.53	\$27.43	\$27.43	\$27.43*
Base Sewer Charge		¾" meter	n/a	\$10.39	\$17.25
Volumetric Sewer Charge	51,750	\$5.68	\$293.94	\$230.29	\$382.35
Stormwater Fee			\$37.71	\$42.21	\$47.25
Solid Waste Charge			\$157.90	\$157.90	\$157.90
Recycling Fee			\$93.81	\$93.81	\$93.81
Environmental Management Program Fee			\$28.92	\$29.36	\$43.75
State and Local Taxes			\$31.69	\$37.39	\$60.78
<b>Total</b>			<b>\$993.37</b>	<b>\$1,010.05</b>	<b>\$1,450.46</b>

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\*Energy Surcharge & Water Protection Fee TBD



## Reclaimed Water Rates



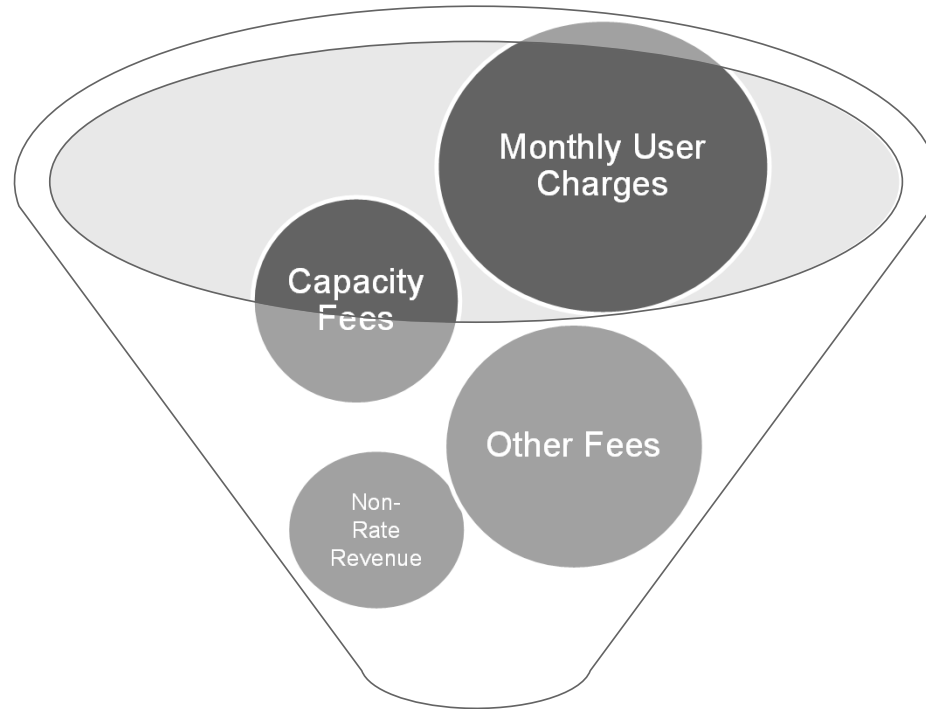
# Reclaimed Water Rates Based on Option 3 Revised

MONTHLY FIXED CHARGE								
		Current Fixed Charge	September 1st, 2024 - December 31st, 2025	January 1st, 2026 - December 31st, 2026	January 1st, 2027 - December 31st, 2027	January 1st, 2028 - December 31st, 2028	January 1st, 2029 - December 31st, 2029	
Meter Size:			Inside City Limits	Inside City Limits	Inside City Limits	Inside City Limits	Inside City Limits	Inside City Limits
	0.75	\$16.64	\$14.33	\$16.48	\$18.96	\$21.80	\$25.07	
	1	\$19.60	\$19.86	\$22.83	\$26.26	\$30.20	\$34.73	
	1.5	\$26.98	\$33.66	\$38.71	\$44.52	\$51.19	\$58.87	
	2	\$35.84	\$50.23	\$57.76	\$66.42	\$76.39	\$87.85	
	3	\$56.52	\$102.68	\$118.09	\$135.80	\$156.17	\$179.59	
	4	\$86.05	\$144.10	\$165.71	\$190.57	\$219.15	\$252.03	
	6	\$159.88	\$364.97	\$419.72	\$482.67	\$555.08	\$638.34	
	8	\$248.47	\$447.80	\$514.97	\$592.21	\$681.05	\$783.20	
	10	\$351.83	\$1,165.64	\$1,340.48	\$1,541.55	\$1,772.79	\$2,038.71	
RECLAIMED WATER: (per 1,000 gallons)								
		Current Volume Charge	September 1st, 2024 - December 31st, 2025	January 1st, 2026 - December 31st, 2026	January 1st, 2027 - December 31st, 2027	January 1st, 2028 - December 31st, 2028	January 1st, 2029 - December 31st, 2029	Percent of Potable Water Rate
RECLAIMED WATER: (per 1,000 gallons)			Inside City Limits	Inside City Limits	Inside City Limits	Inside City Limits	Inside City Limits	Inside City Limits
Private Residential	Tier 1 (0 - 3,500 gallons)	\$1.63	\$1.96	\$2.19	\$2.45	\$2.76	\$3.11	35%
	Tier 2 (3,501 - 6,200 gallons)	\$1.98	\$2.07	\$2.32	\$2.61	\$2.93	\$3.31	
	Tier 3 (6,201 - 11,500 gallons)	\$2.82	\$3.72	\$4.22	\$4.79	\$5.44	\$6.20	
	Tier 4 (11,501+ gallons)	\$5.23	\$7.03	\$8.02	\$9.15	\$10.46	\$11.97	
Commercial (no main Ext):		\$2.07	\$2.48	\$2.79	\$3.15	\$3.55	\$4.02	35%
Commercial (w/ main Ext):		\$4.43	\$5.32	\$5.98	\$6.74	\$7.62	\$8.62	75%
Manufacturing (no main Ext):		\$2.04	\$2.37	\$2.66	\$2.99	\$3.38	\$3.82	35%
Manufacturing (w/ main Ext):		\$4.38	\$5.07	\$5.70	\$6.42	\$7.24	\$8.19	75%
NAU (no main Ext):		\$1.93	\$2.48	\$2.79	\$3.15	\$3.55	\$4.02	35%
NAU (w/ main Ext):		\$4.13	\$5.32	\$5.98	\$6.74	\$7.62	\$8.62	75%
Hydrant Meter		\$4.19	\$4.40	\$4.97	\$5.63	\$6.38	\$7.25	50%
Standpipe		\$4.78	\$3.77	\$4.34	\$4.99	\$5.74	\$6.60	50%
Off Peak/Golf Course:*		\$1.80	\$2.16	\$2.43	\$2.74	\$3.09	\$3.50	87%
*Rate is 87% of the Commercial (no main extension) reclaimed water rate								

DRAFT – FOR DISCUSSION PURPOSES



# Summary of Reviewed Rates & Charges



**How We Fund Our Water Services Needs**



# Requested Action

## **1. Notice of Intention**

That the City Council hereby declares this resolution to be formal notice of intention to increase water, reclaimed water or wastewater rates or rate components, fees or service charges.

## **2. Public Hearing.**

A public hearing will be held before the City Council to consider proposed increases to Water Services rates or rate components, fees or service charges at the regularly scheduled public meeting on Tuesday, June 18, 2024, at 3:00 p.m. in the Council Chambers at City Hall, 211 West Aspen Avenue, Flagstaff, Arizona 86001.

## **3. Written Report and Cash Flow Analysis.**

The City Management Services Division is directed to prepare a written report or supply data supporting the increased rates or rate components, fees or service charges.

The written report or data shall include cash flow projections that indicate all anticipated revenues from residential and nonresidential customers and the overall expenses for providing water or wastewater service.

This information shall be made available for public inspection at least thirty (30) days and preferably at least sixty (60) days before the public hearing, by filing it with the City Clerk's Office to be maintained as a public record, and by posting it on the City website.



# Next Steps

- April 18 – Same presentation to Water Commission
- April 19 - Draft report of Rate Study released for review
- May 7 – Staff update and check-in with Council
  - Staff will update Council on public outreach and community response
  - Discussion & question/answer with Council on the rates package
- May 16 – Check-in with Water Commission on draft report or other rates topics; last update before first read
- May 21 – Check-in with City Council on draft report or other rates topics
- June 4 – Last update to Council before the public hearing
- June 18 and July 2, 2024 - Public hearings on changes in rates and fees
- September 1, 2024 - new rates are effective



**Thank you**