

City of Flagstaff
Future of Water

Water Rate Study Outreach
May 2024



Join us and spread the word!

Future of Water Rate Study **COMMUNITY DROP-IN EVENT**



- Free pizza
- Free guest pass to the Aquaplex for all attendees*
- Learn about water and sewer rate changes
- Speak to Mayor Daggett
- Open to City of Flagstaff customers of all ages!

*Guest passes redeemable 5/20/2024 - 12/31/2024



Learn more:



SATURDAY, MAY 18 | 11AM - 2PM | AQUAPLEX COMMUNITY ROOM

Outreach Update

Community Engagement

- Earth Day at Bushmaster Park – 4/20
- Tourism Commission – 4/25
- Friends of Flagstaff Future – 4/30
- Friends of the Rio at Shultz Basin – 5/2
- ADEQ Roadshow at East Flagstaff Community Library – 5/8
- Northern Arizona Climate Change Alliance – 5/9
- Airport Commission – 5/9
- Community Drop In at Aquaplex – 5/18
- ECONA Advisory Committee – 5/21

Outreach Update

Website Update

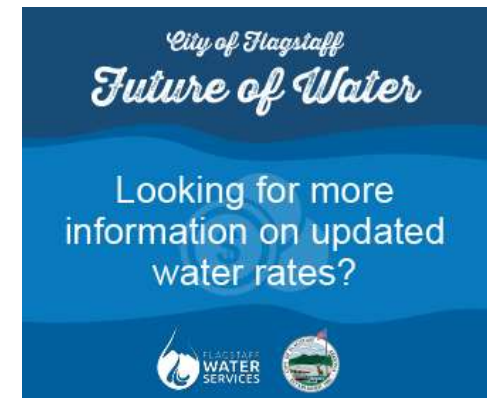
- **7,260 site visitors to date**
- **4,072 site visitors the last 30 days**
- Increased visitation
- Watch past meetings
- Upcoming engagement opportunities
- New resources
- Spanish resource section
- Educational videos
- **Posted rate calculator**
- **Posted draft report and appendices**

Total Water & Sewer Charges - Note that the Proposed Water and or Sewer charges may be lower		
Forecast Time Period*		September 1st, 2024 - December 31st, 2025
Service	Existing	Proposed*
Total Water Charge	\$ 16.64	\$ 14.33
Total Sewer Charge	\$ -	\$ 10.39
Total	\$ 16.64	\$ 24.72

Outreach Update

Marketing & Advertising

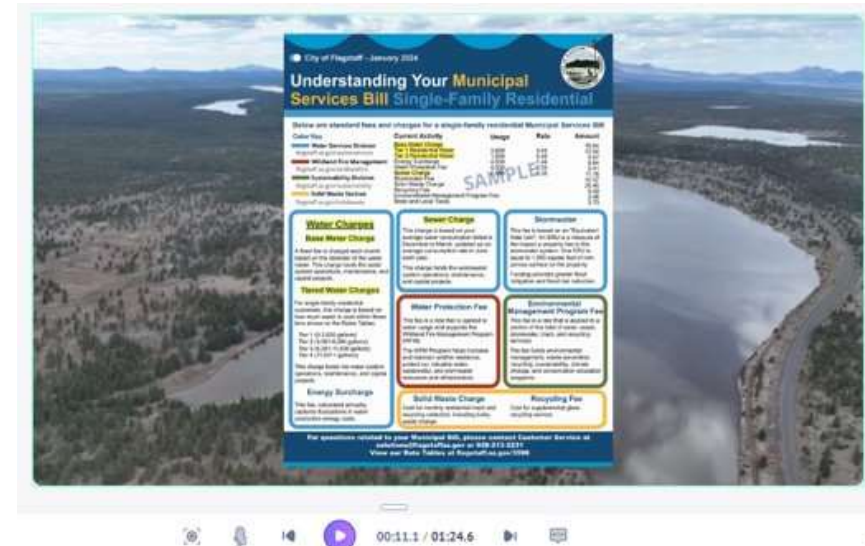
- Digital Ad Campaign
 - **259,614 total impressions to date**
 - **1,353 clicks**
 - Began April 17th through May 15th
- Advertising Website and Community Events
 - Digital ads, social media, and radio
 - Printed water bill inserts
 - Flyer distribution at various locations around town



Outreach Update

Marketing & Advertising

- Outreach videos
 - Rate change impact on residents
 - Rate change impact on businesses and developers
 - Rate calculator demonstration



Council
Discussion

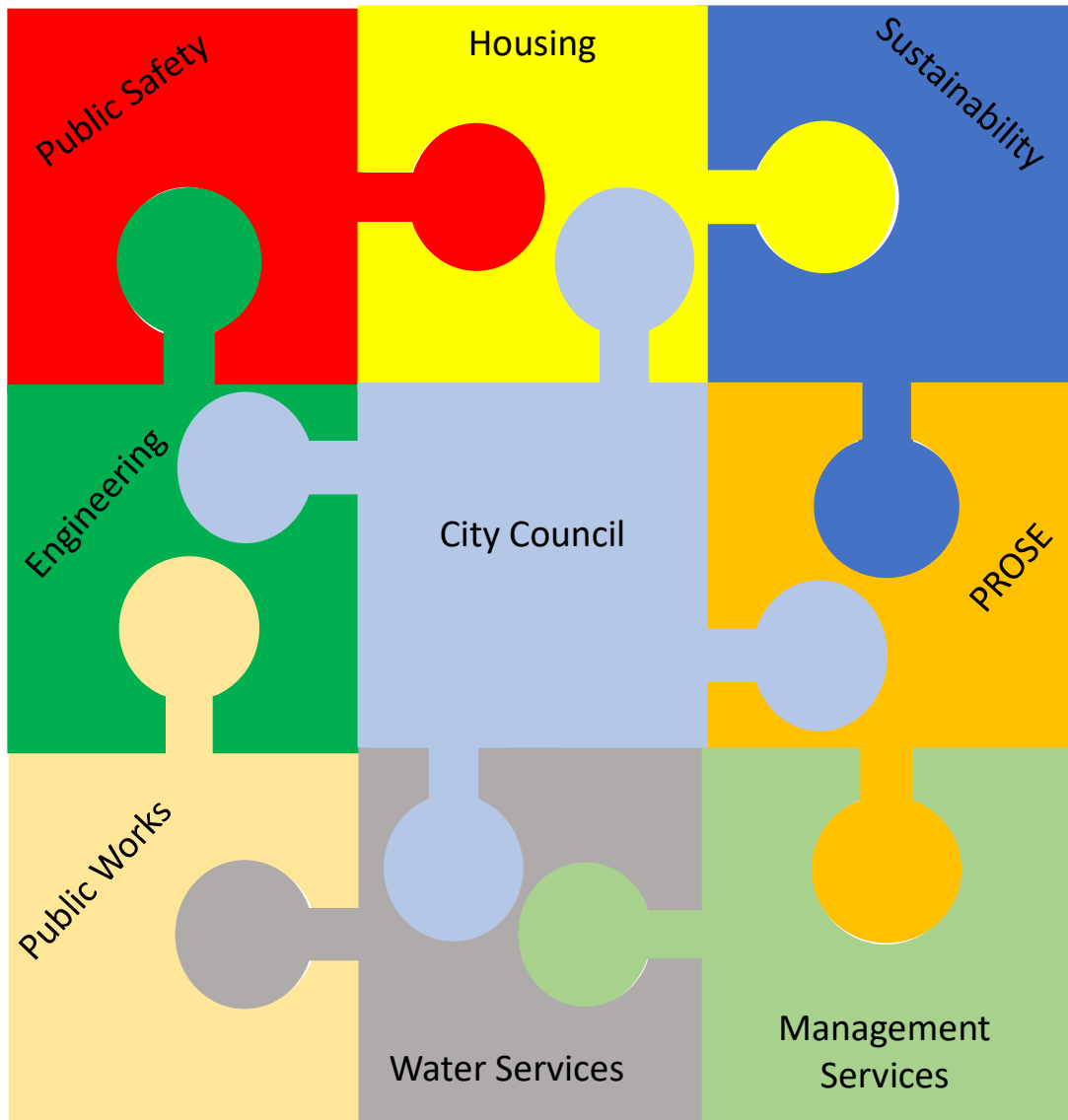
Questions

Additional
Feedback

City of Flagstaff
Future of Water

Water Rate Study Presentation
May 2024





City Services

- Interconnection of services
- Provide services to community
- Rely on each other for support and resources to provide those services
- Policy direction from Council keeps it all together
- Goal to provide a quality of life for all

Introduction to Water Services

- 4 Treatment Plants – 2 Drinking Water and 2 Water Reclamation Plants
- 8 Large and 6 Small Drinking Water Storage Tank
- 2 – Reclaimed Treated Effluent Storage Tank
- 30 – Drinking Water Wells and Pump Houses
- Over 447 miles of Water Distribution lines
- Over 290 miles of Sewer Collection lines
- Over 3,432 Fire Hydrants
- 5 Standpipes – 3 Drinking Water and 2 Reclaimed Treated Effluent
- Regulatory Compliance
- Water Sustainability and Conservation
- 97 – Staff members

Operations & Maintenance

What's included in Operations & Maintenance

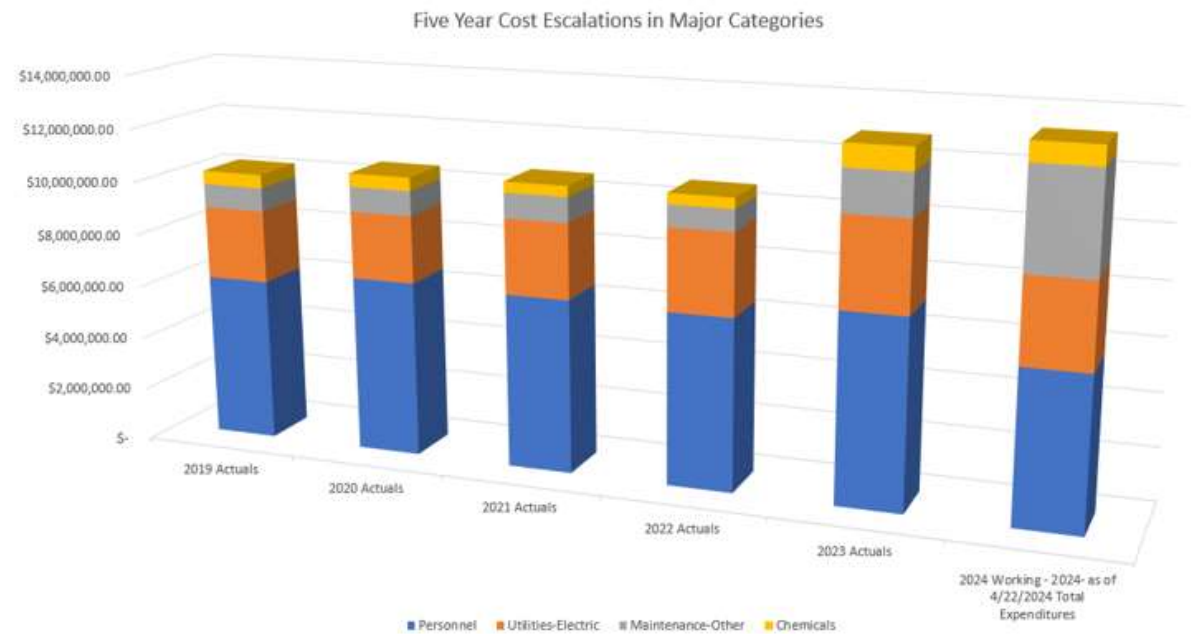
- Process Treatment Equipment
- Buildings and materials
- Parts & labor
- Gas, oil and chemicals
- Service vehicles and machinery
- Personnel



Operations & Maintenance

General Increases in Costs

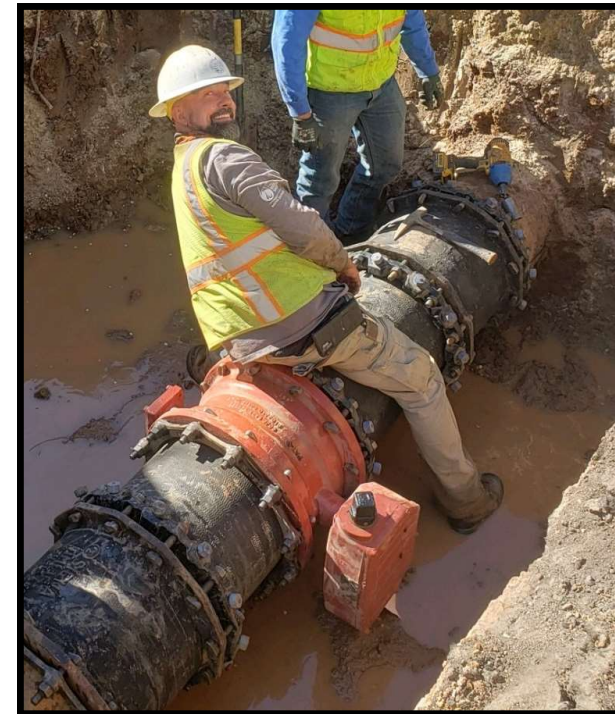
- Electrical Costs
- Treatment Chemical Costs
- Costs of Parts
- Personnel



Operations & Maintenance

Insufficient Funding Impacts

- Defer repair and replacement of aging infrastructure
- Challenge to maintain technology and facilities
- Lack resiliency and robustness
- Limited personnel resources



Operations & Maintenance

Benefits of Funding

- Sustainable use and development of water resources
- Effective water institutions and administrative systems
- Assure water quality and wastewater management
- Invest in repairing and replacing aging infrastructure
- Retain qualified staff to maintain resources



Operations & Maintenance: Water Distribution Lines

Flagstaff averages 6 main breaks per 100 miles of pipe (25 annually)



2023 Clay Avenue



Operations & Maintenance: Sewer Collection Lines

- 290 miles of sewer line
- 8,000 Manholes
- 6 Sanitary Sewer Overflows



Capital Improvements

What do improvements accomplish?

- Address capacity to meet community growth and development
- Fulfill master planning efforts for the future of Flagstaff
- Develop water supply
- Maintain water supply and wastewater collections
- Integrate asset management into Utility infrastructure
- Advance wastewater treatment



Capital Improvement Plan (CIP)

What is a CIP

- Plan includes approved, informed, and unfunded projects
- Plan is conservative
- Dependency on external funding sources
- No capacity for citywide initiatives



CIP - Water

Full Water CIP List

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

*Includes grant funding

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
Total Water 10-Year CIP	\$182,252,573

CIP - Water Unfunded List

- Lake Mary Treatment Plant – Chlorine Dioxide Generator Replacement
- North Reservoir Treatment Plant – Filter Rehab
- Tank Rehab
- Diesel Engine Replacement
- Flow Meter Replacement
- Booster Station Rehab
- Wellfield Powerline Burial
- Load Out Station
- Red Gap Pipeline design and construction

CIP - Wastewater

Full Wastewater CIP List

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
Total Wastewater 10-Year CIP	\$116,034,461

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

CIP - Wastewater Unfunded List

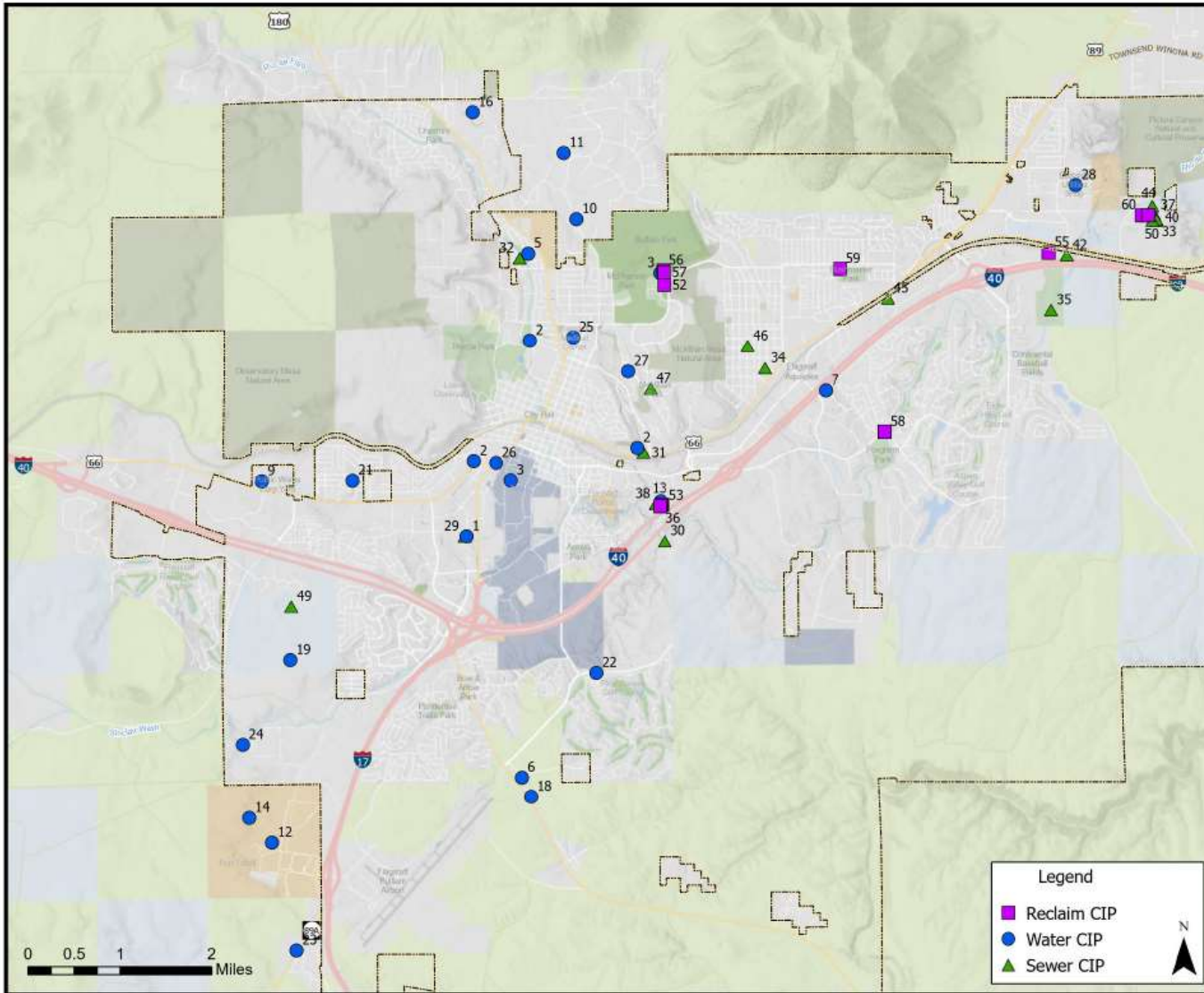
- Influent Grit Removal
- Improved Baffling and Weirs for Secondary Clarifiers
- Add Post Anoxic Zone
- Add Initial Anaerobic Zone
- Septage and Grease Station
- Interceptor (Butler to Country Club)

CIP - Reclaimed

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
Total Reclaimed Water 10-Year CIP	\$56,757,829

CIP - Reclaimed Unfunded List

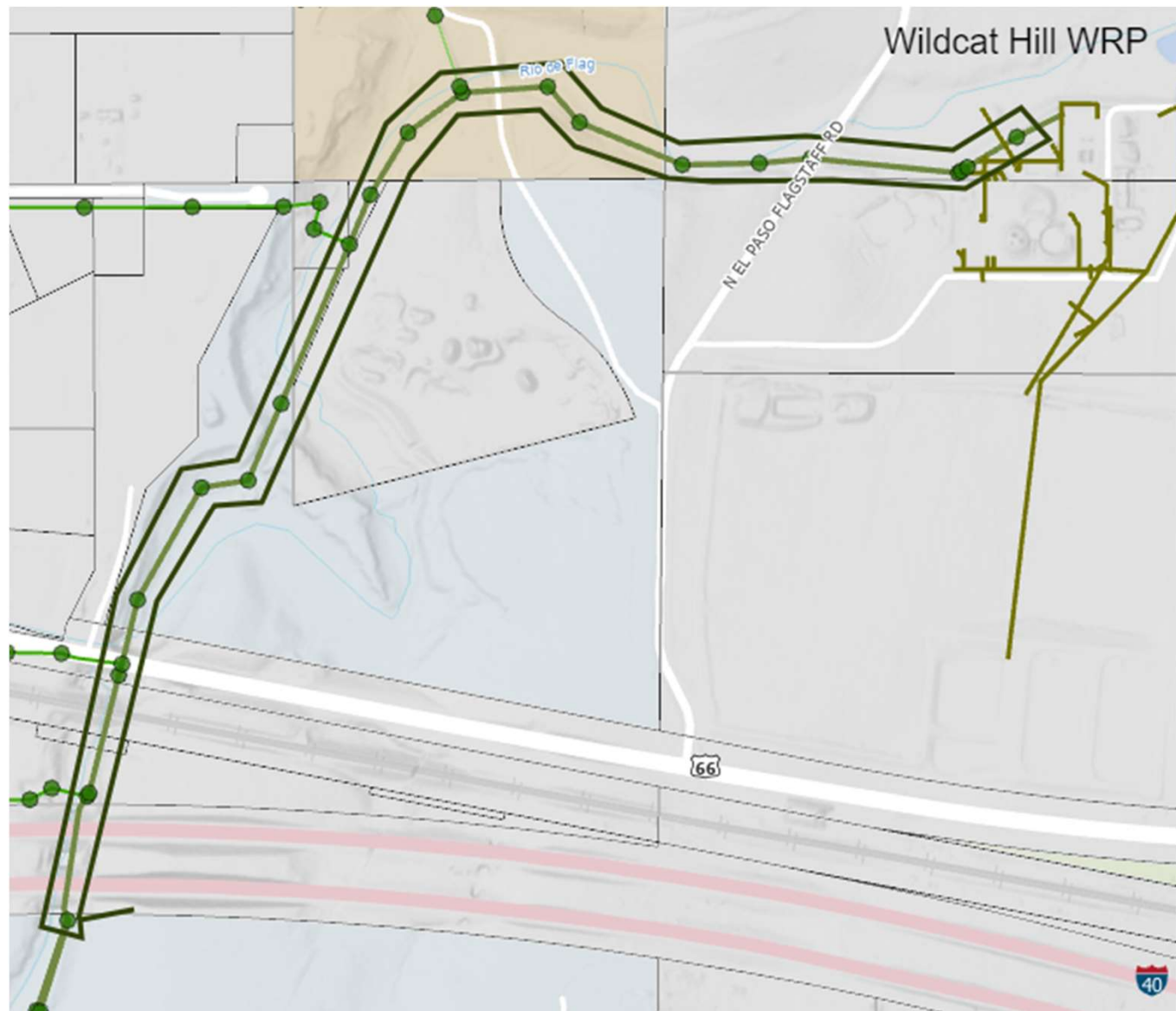
- Bushmaster Booster Station, Pump, and Automatic Valve
- Rio Reclaim Booster Pump Station Upgrades
- Master Radio Tower – Rio de Flag
- Cemex and County Yard Flow Monitoring Stations
- Rio Reclaim Distribution System Upgrades
- Water System Expansion - Westside



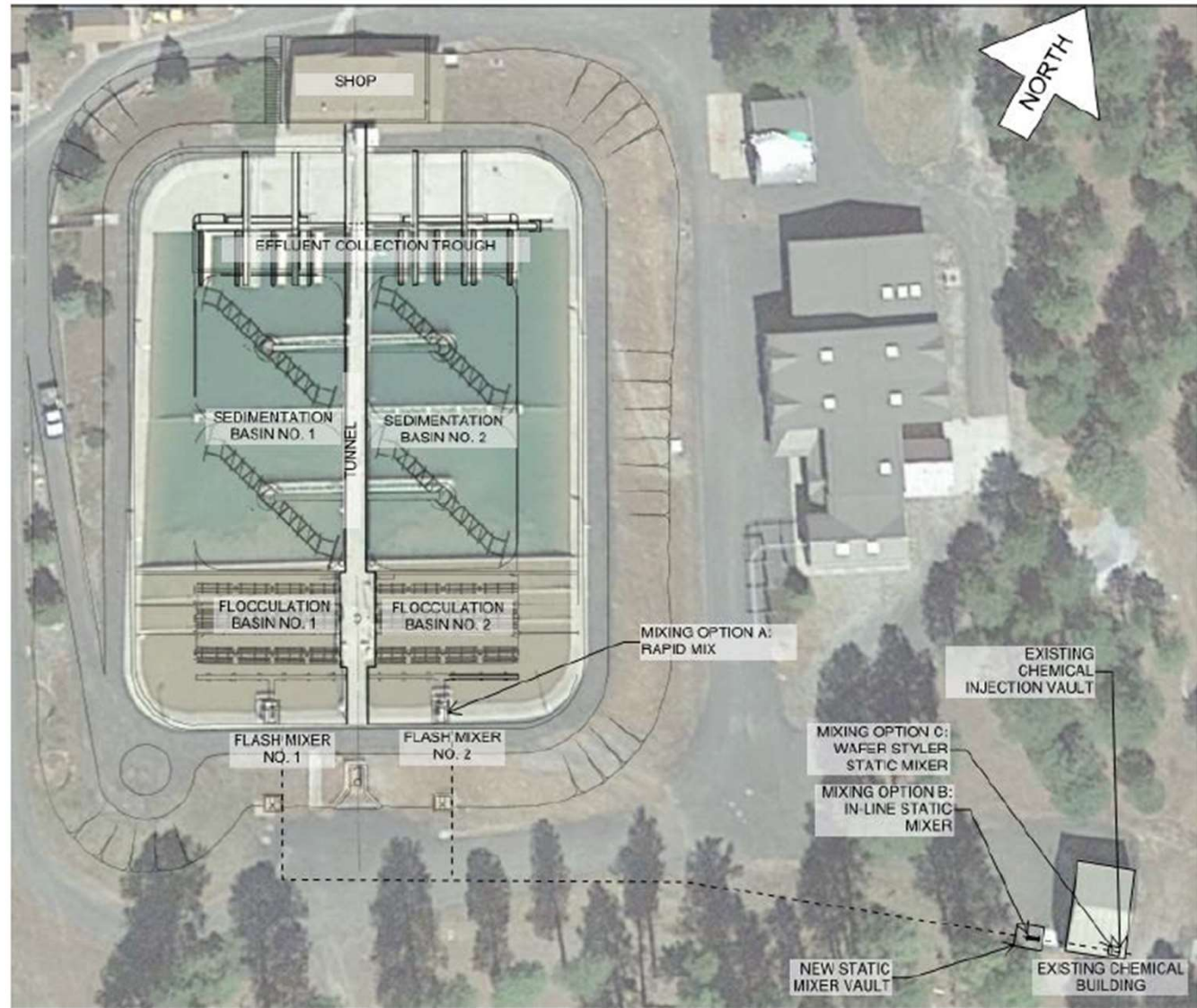
1. Beulah/University Waterline Relocation
2. Rio de Flag Flood Control Project- Waterline
3. Water Vault/PRV Replacement Program
4. New Well and Pumphouse
5. Coconino Estates- Bundle #4
6. Lake Mary Sedimentation Basin (Flocculation)
7. Soliere Waterline 12" Upsizing
8. Lake Mary Land Acquisition
9. McAllister-Well Design/Construction
10. Switzer Canyon Transmission Line Phase 4
11. Switzer Canyon Transmission Line Phase 5
12. Fort Tuthill Waterline Loop-Phase 2
13. First Ave TREX Waterline Replacement
14. Fort Tuthill Well
15. Inner Basin Waterline
16. Inner Basin Line- Schultz to Reservoir Plant
17. Inner Basin Spring Box and Collection Rehab
18. Lake Mary Raw Water Pipeline Rehab
19. Zone B Storage
20. Lake Mary Dam Repairs
21. Railroad Springs #3 Storage Tank
22. JW Powell Waterline Oversizing
23. Pine Del Waterline Upsizing
24. Woody Mountain Wellfield Powerline Burial
25. Fort Valley Shopping Center
26. ADOT Cast Iron
27. Turquoise WL Replacement
28. East Side Shop New Building for Equipment Storage
29. Beulah/University Sewer Exit
30. Rio de Flag Water Reclamation Facility Two Bar Screens
31. Rio de Flag Sewer Relocations
32. Coconino Estates-Bundle#4
33. Wildcat Dewatering Facility
34. First Ave Rte. 66 Sewer Replacement
35. Country Club Interceptor to WCH
36. Rio de Flag Water Reclamation Facility Solids Treatment
37. Wildcat New Elect./Fiber Upgrade
38. Rio de Flag Fiber Upgrade
39. Wildcat Roof Replacement
40. Wildcat UV Disinfection
41. Rio de Flag Water Reclamation Facility Main Motor Control Centers
42. BNSF Sewer Relocations
43. Facility Master Plan Update
44. Headworks Rehab
45. East Industrial Sewer Improvements
46. Sunnyside Trunk Upsizing
47. Ponderosa Pkwy- McMillan Mesa
48. East Railhead Upsizing
49. University Heights Oversizing
50. Wildcat Solar Drying Facility
51. Rio de Flag Water Reclamation Facility Roof Replacement
52. 8" Bottleneck- Replacement
53. Rio de Flag Water Reclamation Facility Water PRV Relocation 16"
54. Rio de Flag Water Reclamation Facility Pump Valve Actuators
55. BNSF Reclaim Relocations
56. Buffalo Park Tank #1 Painting
57. Buffalo Park Chlorine Bldg Upgrade
58. Reclaim Loop-Fox Glenn to Country Club
59. Bushmaster Park Booster Communications & Flow Meters
60. WCH Reclaim Booster Building Equipment Upgrade
61. Rio de Flag Water Reclamation Facility Storage Tank
62. WCH Storage Tank



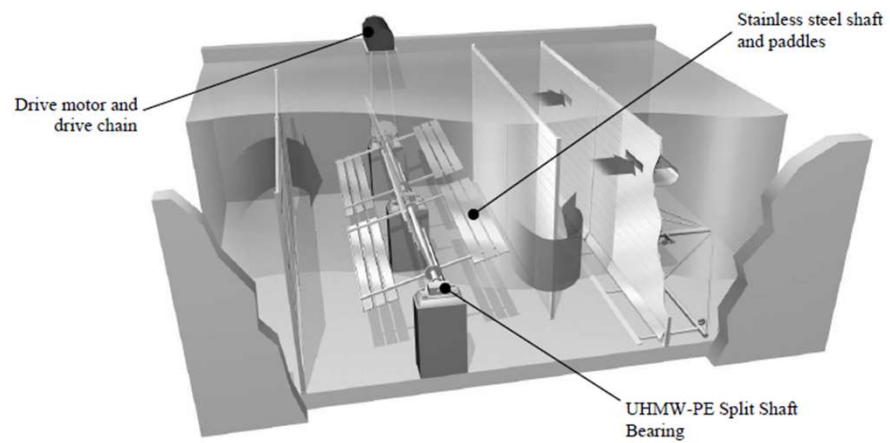
CIP: Wildcat Interceptor Line



CIP: Lake Mary Sedimentation Basin



CIP: Lake Mary Sedimentation Basin



CIP Funding

Fund		Approved CIP ¹	Approved + Informed CIP ²	Approved + Informed + Unfunded CIP ³
Water	<i>Annual Average</i>	\$13.1	\$19.7	\$20.8
	<i>Total CIP Funding FY24 – FY33</i>	\$130.7	\$196.9	\$207.9
Wastewater	<i>Annual Average</i>	\$8.7	\$10.0	\$12.5
	<i>Total CIP Funding FY24 – FY33</i>	\$86.7	\$99.5	\$124.6
Reclaimed	<i>Annual Average</i>	\$0.5	\$3.3	\$6.9
	<i>Total CIP Funding FY24 – FY33</i>	\$5.2	\$32.8	\$68.6

¹ Conforms to anticipated revenues projected by Utility (partial CIP list).

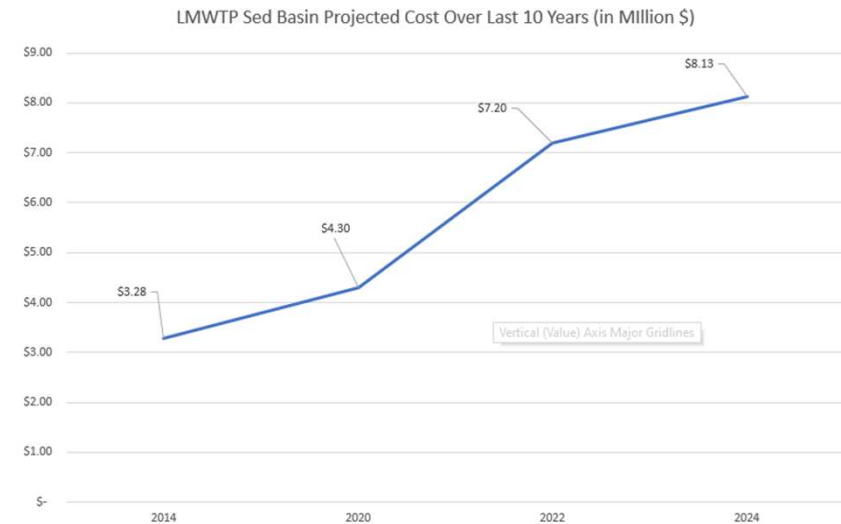
² From complete CIP list informed by Master Plan recommended projects (e.g., Water Infrastructure Master Plan, Sewer Master Plan).

³ Needed projects without an identified funding source.

CIP Funding

Impacts of Insufficient Funding

- Value engineer and/or strip components of project
- Consistently reprioritizing projects based on available funding
 - Reduces funding for other projects
 - More projects become underfunded
- Move project(s) to unfunded list
 - Project placed on hold
 - Project is removed from the 5-year plan
 - Postponing projects tends to cost two to three times more



Rate Study Background

- Rates and fees provide funding for operations, maintenance, and capital improvements
- Objectives of the Study
 - Build a financial model
 - Establish a Cost-of-Service
 - Review Rate Structure
 - Adjust rates and fees
- Last rate study was completed in 2015
- Last rate increase went into effect in 2020
- Began discussions with City Council in September 2023
- Public Hearing are scheduled for June 18, and July 2, 2024
- Rate changes effective September 1, 2024

Rate Study Priorities

Create sufficient resources through rates to support:

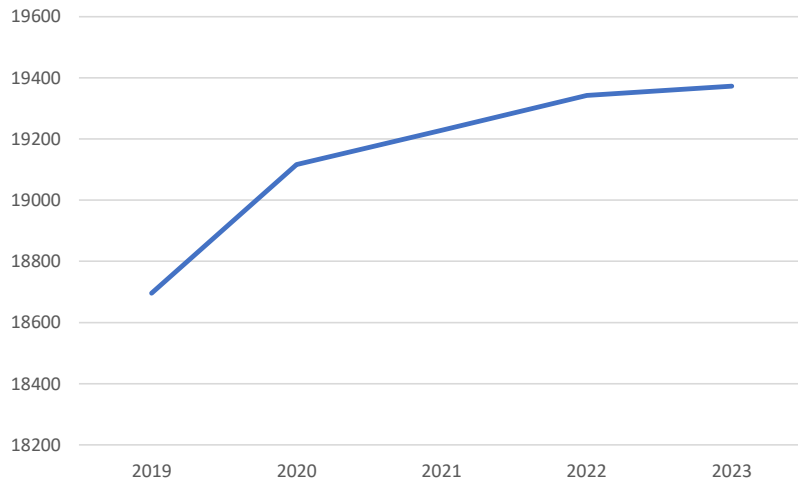
- **Provide High-Quality Water:** Bring clean, safe and reliable water supply by balancing variable supply and customer demand
- **Develop Reliable Sources of Water:** Invest ongoing to maintain three independent water supplies and careful use of natural resources
- **Address Aging Water Infrastructure:** Reduce increased maintenance costs, ongoing service problems, breakage, and water loss
- **Use of Reclaimed Water:** Offsets demand for potable water up to 20%
- **Fulfill Regulatory Requirements:** Produce potable water and reclaimed water within State and Federal guidelines

Rate Study Model Assumptions

Assumption	Details
Growth in Accounts	1.00% annually
Reserve Targets	90 days O&M
Debt Service Coverage	Target: 1.25x Minimum: 1.20x
Debt Service Policy	Annual payment less than or equal to 20% of operating revenues for Water, Wastewater, Reclaimed Water, and Stormwater enterprise funds
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 – Water Supply Security Projects Wastewater – Wildcat Hill Wastewater Treatment Plant Design & Expansion

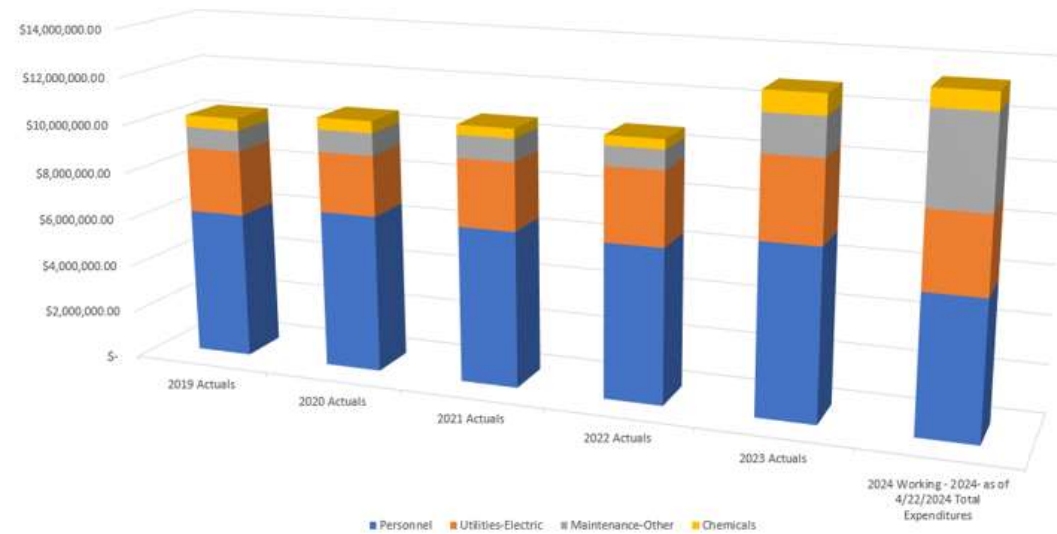
Rate Study Model Assumptions

Residential Meters Installed



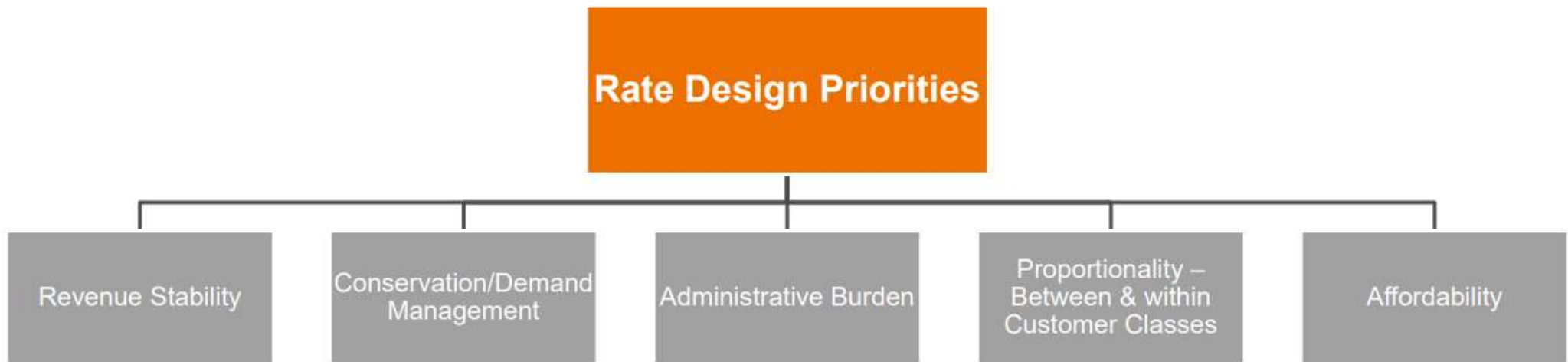
Water Service has seen an average 3.5% growth in meter installations over the last five years. Financial model assume a 1% growth over the planning period.

Five Year Cost Escalations in Major Categories



Financial Model assumes 3.5% cost escalator, and a 6% for Chemicals, Electrical, and Maintenance (CEM). CEM has seen a 29% cost escalation in these expenses.

Rate Design Priorities



Proposed Water Rates

WATER RATES - Proposed (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 - Proposed (Volume)							
	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	

Proposed Sewer Rates

SEWER RATES - Proposed (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 Charge	Inside City Limits	Inside City Limits	Inside City Limits	Inside City Limits	Inside City Limits
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

SEWER RATES - Proposed (Volume)					
	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
SEWER: (per 1,000 gallons)	Inside City Limits	Inside City Limits	Inside City Limits	Inside City Limits	Inside City Limits
Residential					
Residential	\$5.50	\$6.88	\$7.91	\$8.70	\$9.13
Non-Residential					
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)

Proposed Reclaimed Rates

RECLAIMED WATER RATES - Proposed (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	
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		\$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 RATES - Proposed (Volume)								
	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	\$1.97	\$2.20	\$2.46	\$2.77	\$3.12	35%
	Tier 2 (3,501 - 6,200 gallons)	\$1.99	\$2.08	\$2.33	\$2.62	\$2.94	\$3.32	
	Tier 3 (6,201 - 11,500 gallons)	\$2.83	\$3.73	\$4.23	\$4.80	\$5.45	\$6.21	
	Tier 4 (11,501+ gallons)	\$5.24	\$7.04	\$8.03	\$9.17	\$10.47	\$11.98	
Commercial (no main Ext):		\$2.08	\$2.49	\$2.80	\$3.16	\$3.56	\$4.03	35%
Commercial (w/ main Ext):		\$4.44	\$5.34	\$6.00	\$6.76	\$7.64	\$8.64	75%
Manufacturing (no main Ext):		\$2.05	\$2.38	\$2.67	\$3.01	\$3.39	\$3.83	35%
Manufacturing (w/ main Ext):		\$4.40	\$5.10	\$5.72	\$6.44	\$7.27	\$8.22	75%
NAU (No main extension):		\$1.94	\$2.49	\$2.80	\$3.16	\$3.56	\$4.03	35%
NAU (with main extension):		\$4.16	\$5.34	\$6.00	\$6.76	\$7.64	\$8.64	75%
Hydrant Meter		\$4.21	\$4.42	\$4.99	\$5.65	\$6.40	\$7.27	50%
Standpipe		\$4.79	\$4.39	\$4.96	\$5.61	\$6.36	\$7.22	50%
Off Peak/Golf Course*		\$1.81	\$2.17	\$2.44	\$2.75	\$3.10	\$3.51	87%

*Rate is 87% of the Commercial (no main extension) reclaimed water rate

Capacity Fees

WATER

Meter Size	ERU Factor	Existing Fee	Proposed Fee
¾"	1.0	\$5,728	\$8,266
1"	1.67	\$9,566	\$13,804
1 ½"	3.33	\$19,074	\$27,526
2"	5.33	\$30,530	\$44,058
3"	10.00	\$57,279	\$82,660
4"	16.67	\$95,484	\$137,795
6"	33.33	\$190,910	\$275,506
8"	53.33	\$305,468	\$440,827
10"	76.67	\$439,157	\$633,756

WASTEWATER

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

Miscellaneous Fees

- Water Meter Installations
- Water and Sewer Tap Fees
- Service Charges
 - Establishment
 - Non-Payment
 - Meter Testing
 - Backflow Prevention Permit
 - Backflow Compliance
 - Malicious Damage
- Sewer Fees
 - Industrial Pre-Treatment Discharge
 - Septage
 - Restaurant Grease
 - Mud Sump
 - After Hours Dumping
 - Scavenger Waste Permit
- High Strength Waste Surcharge

Rate Calculator Demonstration

<https://cleanwaterflagstaff.com/rate-calculator>

Below are standard fees and charges for a Single-Family Residential Municipal Services Bill.

The 2024 Rate Study is evaluating the base meter charge, tiered water charges, and sewer charge for adjustments required to meet the cost of service. See the "Understanding Your Municipal Services Bill" factsheet for an explanation of all items listed.

Current Activity	Usage	Rate	Amount
Base Meter Charge			16.64
Tier 1 Residential Water	3,500	\$3.44	12.04
Tier 2 Residential Water	1,050	\$4.45	4.67
Energy Surcharge	4,550	\$1.24	5.64
Water Protection Fee	4,550	\$0.53	2.41
Sewer Charge	2,090	\$5.35	11.18
Stormwater Fee			12.57
Solid Waste Charge			25.45
Recycling Fee			5.09
Environmental Management Program Fee			2.48
State and Local Taxes			3.73
Total			\$101.90

Water																	
Enter information from your Municipal Services Statement in the orange highlighted spaces below, or you can estimate your water use and meter size from the list below. Most residents have a 3/4" meter size.																	
Enter Monthly Usage in Gallons (for residential, add up usage over the different tiers, or use the value from "Energy Surcharge" similar to how shown in this example):																	
<table border="1"> <thead> <tr> <th>Current Activity</th> <th>Usage</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Base Meter Charge</td> <td></td> <td>-</td> </tr> <tr> <td>Tier 1 Residential Water</td> <td>3,500</td> <td></td> </tr> <tr> <td>Tier 2 Residential Water</td> <td>1,050</td> <td></td> </tr> <tr> <td>Energy Surcharge</td> <td>4,550</td> <td></td> </tr> </tbody> </table>	Current Activity	Usage	Amount	Base Meter Charge		-	Tier 1 Residential Water	3,500		Tier 2 Residential Water	1,050		Energy Surcharge	4,550			
Current Activity	Usage	Amount															
Base Meter Charge		-															
Tier 1 Residential Water	3,500																
Tier 2 Residential Water	1,050																
Energy Surcharge	4,550																
Enter Monthly Base Meter Charge from your bill:		\$16.64															
Enter your customer class:		Institutional															
New Proposed Customer Class (if applicable)		Commercial/Schools															
Amount	Existing	Proposed															
Water Base Charge	\$ 16.64	\$ 14.33															
Water Volume Charge	\$ -	\$ -															
Total Water Charge	\$ 16.64	\$ 14.33															

Rate Calculator – Residential Example

- Residential customer who usage is 4,577 gallon
- Current monthly bill - \$51.30 (Water \$33.47, Sewer \$17.83)
- Year 1 bill - \$63.48 (Water \$34.76, Sewer \$28.72)
- Year 2 bill - \$75.88 (Water \$39.98, Sewer \$35.90)
- Year 3 bill - \$87.26 (Water \$45.97, Sewer \$41.29)
- Year 4 bill - \$98.29 (Water \$52.87, Sewer \$45.42)
- Year 5 bill - \$108.49 (Water \$60.80, Sewer \$47.69)

Rate Calculator – Commercial Example

- Commercial customer who usage is 51,750
- Currently monthly bill - \$553.29 (Water \$259.35, Sewer \$293.94)
- Year 1 bill - \$559.33 – (Water \$318.65, Sewer \$240.68)
- Year 2 bill - \$667.30 – (Water \$366.45, Sewer \$300.85)
- Year 3 bill - \$767.39 – (Water \$421.42, Sewer \$345.97)
- Year 4 bill - \$865.20 – (Water \$484.63, Sewer \$380.57)
- Year 5 bill - \$956.53 – (Water \$557.33, Sewer \$399.60)

Rate Study Council Direction

Minimizing the Impact to the Rate Payer:

- ✓ Utilized Actual Flow Data versus Design Flow Data to minimize Capacity Fee increase
- ✓ Added Solids Loading component to the Capacity Fee calculation to minimize impact to new developments and align costs to those producing higher solids
- ✓ Reduced revenue recovered from Water Base Fee from 29% to 25% to empower water users to have more control over their bill
- ✓ Assumed a 90% execution rate of operating budget
- ✓ Adjusted Residential Tier Rates to reduce bills for water smart customers in both Tier 1 and Tier 2
- ✓ Consolidated Customer Classes to make the structure simpler and reduced rate increases in some cases
- ✓ Adjusted Other Miscellaneous Fees so those receiving services pay those costs and it is not passed on to the rate payer

Council
Discussion

Questions

Additional
Feedback