



# Rate Study Review Plan

City Council Workshop October 22, 2024





# Meeting Agenda

---

- Current Rates
- Water Consumption Trend
- O&M and Capital Improvement Costs
- Drought Drivers
- 2024 Rate Study
- Public Outreach Plan
- Next Steps



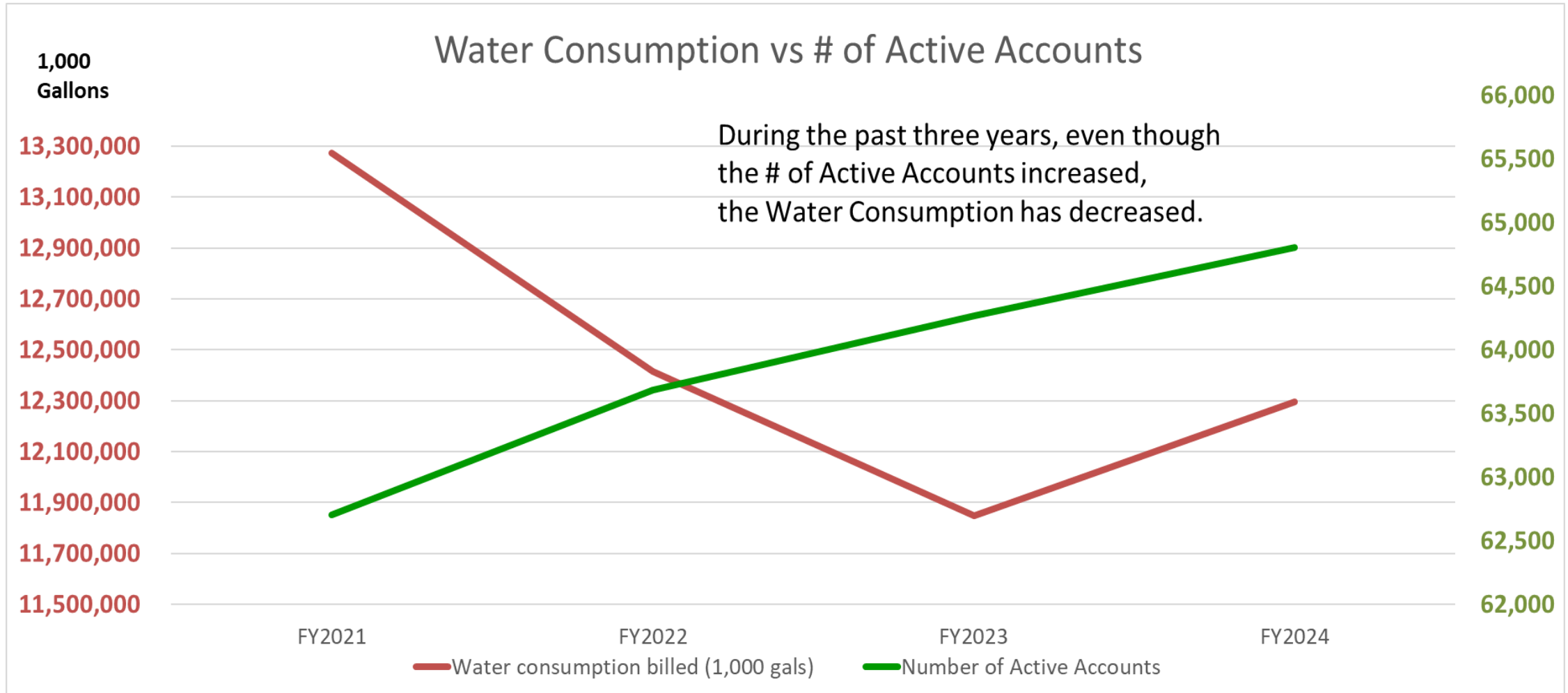
# Current Rates

---

- Approved Water and Sewer rate adjustments for January 2022 through January 2026
  - 3.7% Combined Annual Increase
    - 4.3% Water
    - 3.0% Sewer
  - Two increases remain
    - January 2025
    - January 2026



# Water Consumption Trend Over Past 36 Months



# O&M and Capital Improvements Costs Over Past 36 Months

- O&M Expense Increase 34%
  - Chemical Costs Increase 85%
  - Raw Water Costs Increase 32%
- Construction Costs Increase 38%
  
- Expected Revenue Increase 13.4%
- Actual Revenue Increase 8.5%





# Drought Drivers

- Proposed guidelines for Colorado River
  - Lower Basin Proposal shows cuts of up to 50% of Arizona's Central Arizona Project (CAP) water
  - Raw Water Costs
- New groundwater wells
- Bartlett Lake additional capacity
- Advanced Water Purification Facility





# 2024 Rate Study

---

- Water – Rates and Cost of Service analysis
- Wastewater – Rates and Cost of Service analysis
- Stormwater – Study includes analysis of a new rate to the Stormwater Program
- Urban Irrigation Rates – Last increase was April 2021

# Public Outreach Plan

- Dedicated City Web Page
  - Proposed Rate and Fee Information
  - Video Links
  - Frequently Asked Questions
  - Approval Timeline
- Dedicated Email Address
- Public Meeting
- Social Media
- E-News





## Next Steps

---

- Citizen Utility Advisory Commission (Nov, Jan & Apr)
- Council Workshop Meeting (Jan)
- Conduct Public Outreach (Jan-May)
- Council Voting Meeting (March)
  - Consider Notice of Intention and Set Public Hearing Date
- Council Voting Meeting (May)
  - Conduct Public Hearing on Proposed Rate Adjustments
  - Formal Vote on Proposed Rate Schedules



# Questions

