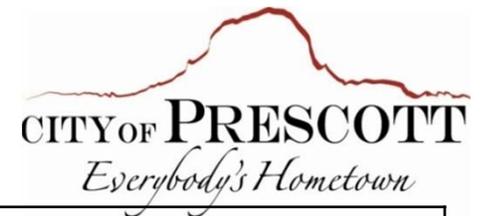


Water and Wastewater Rates

December 2, 2014

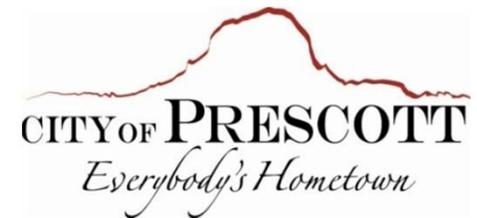


Utility Rate-Setting Process



10/3/2014	Advertisement (ARS 9-499.15)	Notification placed on the City's webpage informing the public of possible adjustments to water and wastewater rates.
10/7/2014	Council Workshop	Presentation by Raftelis Financial Consultants on the Utility Rates Update. Discussion of rate adjustments necessary to fund Fiscal Years 15-19 Water and Wastewater capital and operational expenses; presentation of the schedule for the rate-setting public process.
10/14/2014	Council Voting Meeting (ARS 9-511.01)	Presentation and direction to proceed with rate-setting process and/or other direction. Adoption of notice of intent to adjust rates; set a public hearing; and release the public report.
10/28/2014	Public meeting with utilities customers	Public Meeting #1 to present proposed rates and receive comments.
11/04/2014	Council Workshop	Presentation by Raftelis Financial Consultants on the Utility Rate Update and Follow Up Discussion w/ City Council
11/6/2014	Public meeting with utilities customers	Public Meeting #2 to present proposed rates and receive comments.
11/18/2014	Council Voting Meeting (ARS 9-511.01)	Public hearing on the proposed rates.
12/2/2014	Council Voting Meeting (ARS 9-511.01)	Council consideration of adoption of an ordinance setting adjusted water and wastewater rates.
1/1/2015	New rates in effect (ARS 9-511.01)	Ordinance setting new rates becomes effective 30 days after adoption.

Water Current Rates



Amount of Water Bill = Base Charge + Consumption Charge
 [flat amount] [Gals. Used x Rate]

Base Charge	
Meter Size	Current Rates
5/8"	\$12.90
3/4"	13.60
1"	15.40
1 1/2"	19.70
2"	25.00
3"	37.20
4"	54.60
6"	98.10
8"	150.40

		Usage by Tier									
		Single Family	Multi Family*	5/8" & 3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
Tier 1	First	3,000	1,700	6	15	30	48	96	150	300	480
Tier 2	Next	7,000	3,300	22	55	110	176	352	550	1,100	1,760
Tier 3	Next	10,000	5,000	32	80	160	256	512	800	1,600	2,560
Tier 4	Over	20,000	10,000	60	150	300	480	960	1,500	3,000	4,800

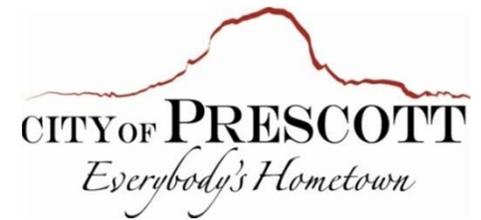
*Volume Water Usage Allowances per Dwelling Unit

Consumption Rate			
	Single Family	Multi Family	Non-Residential
Tier 1	\$3.21	\$2.58	\$2.93
Tier 2	4.83	3.89	4.40
Tier 3	7.25	5.83	6.60
Tier 4	14.49	11.68	13.21

In addition to these rates:

- \$0.85 per 1,000 gallons Alternative Water Fee for all customers
- Surcharge of 39% for customers in unincorporated Yavapai County,
- Surcharge of 30% for those in the Town of Chino Valley

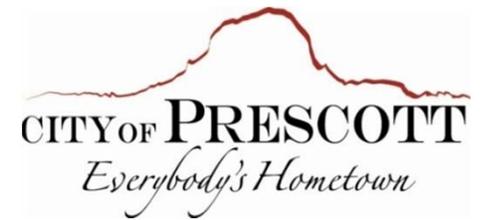
Proposed Water Base Charge



Proposed Water Base Charge (per bill)

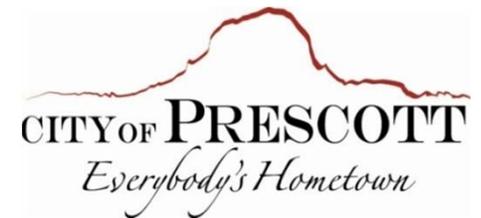
Meter Size	Meters	Current	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019
5/8"	19,098	\$12.90	\$13.16	\$13.42	\$13.69	\$13.96	\$14.24
3/4"	22	13.60	13.87	14.15	14.43	14.72	15.01
1"	1,722	15.40	15.71	16.02	16.34	16.67	17.00
1 1/2"	288	19.70	20.09	20.49	20.90	21.32	21.75
2"	454	25.00	25.50	26.01	26.53	27.06	27.60
3"	50	37.20	37.94	38.70	39.47	40.26	41.07
4"	24	54.60	55.69	56.80	57.94	59.10	60.28
6"	12	98.10	100.06	102.06	104.10	106.18	108.30
8"	3	150.40	153.41	156.48	159.61	162.80	166.06
Percent Change			2%	2%	2%	2%	2%

Proposed Water Volume Charges



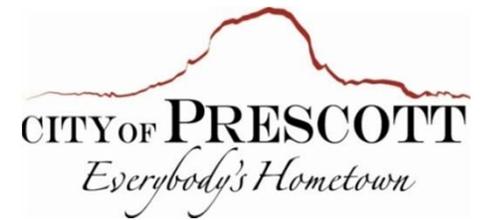
Customer Class	Current FY 2013-14	Proposed				
		1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019
Annual % Increase in Revenue-Rates		2%	2%	2%	2%	2%
<u>Inside City</u>						
Single Family						
Tier 1	\$3.21	\$3.21	\$3.23	\$3.24	\$3.30	\$3.37
Tier 2	4.83	4.83	4.85	4.86	4.96	5.06
Tier 3	7.25	7.25	7.27	7.29	7.44	7.58
Tier 4	14.49	14.49	14.54	14.58	14.87	15.17
Multi-Family						
Tier 1	\$2.58	\$2.76	\$2.85	\$2.93	\$2.99	\$3.05
Tier 2	3.89	4.14	4.28	4.40	4.48	4.57
Tier 3	5.83	6.21	6.41	6.59	6.72	6.86
Tier 4	11.68	12.42	12.83	13.19	13.45	13.72
Non-Residential						
Tier 1	\$2.93	\$3.15	\$3.39	\$3.54	\$3.61	\$3.68
Tier 2	4.40	4.73	5.09	5.31	5.42	5.52
Tier 3	6.60	7.09	7.63	7.97	8.12	8.29
Tier 4	13.21	14.18	15.26	15.93	16.25	16.57
<u>Misc. Charges</u>						
Alt Water Fee	\$0.85	\$0.87	\$0.88	\$0.89	\$0.91	\$0.93
Construction/Hydrant	2.93	3.87	4.33	4.78	4.88	4.97
Coin Operated Water	2.50	2.97	3.21	3.43	3.50	3.57

Aquifer Protection Fee



- Aquifer Protection Fee: *To provide a dedicated funding source for design, construction, and operation of facilities and implementation of other measures and practices necessary to achieve and maintain state and federal water quality requirements applicable to City reuse and recharge resources*
 - New restricted water sub fund to be established
- Recommendation: Fee of \$0.70 per 5/8 x 3/4-inch water account per month to become effective 1/1/15 projected to generate \$250,000 per year

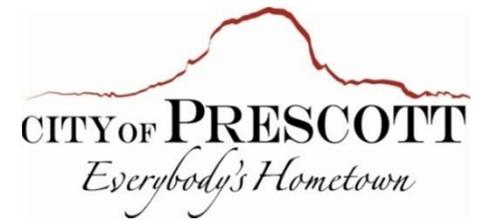
Proposed Aquifer Protection Fee



Aquifer Protection Fee (per bill)

Meter Size	Current	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019
5/8"	\$0.00	\$0.70	\$0.71	\$0.72	\$0.73	\$0.74
3/4"	0.00	1.05	1.07	1.08	1.10	1.11
1"	0.00	1.17	1.18	1.20	1.22	1.23
1 1/2"	0.00	2.33	2.37	2.40	2.43	2.47
2"	0.00	3.73	3.79	3.84	3.89	3.95
3"	0.00	7.00	7.10	7.20	7.30	7.40
4"	0.00	11.67	11.83	12.00	12.17	12.33
6"	0.00	23.33	23.67	24.00	24.33	24.67
8"	0.00	37.33	37.87	38.40	38.93	39.47
Percent Change			2%	2%	2%	2%

Wastewater Current Rates



Amount of Sewer Bill = Base Charge + Volume Charge
 [flat amount] [per 1,000 gals]

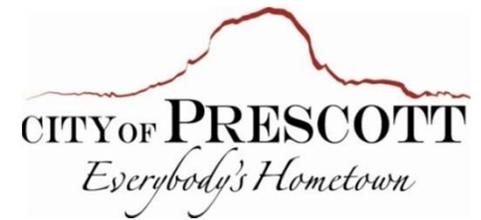
Customer Class	Current Charge
Residential	\$19.07
Non-Residential (General)	20.21

Customer Class	Current Charge
Residential	\$4.13
Non-Residential (General)	5.18
Restaurant	6.28
Market W/Disposal	5.84
Mortuaries	5.84
Septage Hauler	100.00

} **\$ per 1,000 gallons**

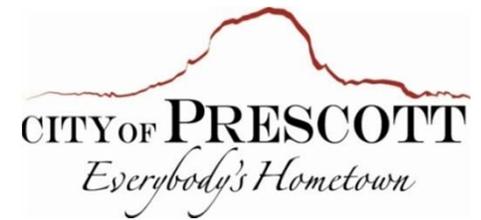
The volume charge is based on average monthly winter consumption.

Proposed Wastewater Rates



Description	Current	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019
Annual % Increase in Revenue-Rates		9%	5%	5%	1%	1%
Monthly Service Charge						
Residential	\$19.07	\$20.12	\$20.76	\$21.47	\$21.68	\$21.90
Nonresidential (General)	20.21	20.76	21.10	21.47	21.68	21.90
Volume Charge per 1,000 gallons						
Residential	\$4.13	\$4.74	\$5.11	\$5.52	\$5.58	\$5.63
Nonresidential (General)	5.18	5.61	5.88	6.17	6.23	6.29
Restaurant	6.28	6.28	6.28	6.28	6.28	6.29
Market W/Disposal	5.84	5.84	5.88	6.17	6.23	6.29
Mortuaries	5.84	5.84	5.88	6.17	6.23	6.29
Septage Hauler	100.00	100.00	100.00	100.00	100.00	100.00

Proposed Treated Effluent Rate

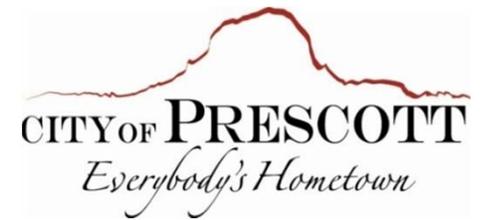


Description	Current	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019
Non-Contract Effluent Rate (\$ per Acre-Ft)	\$500	\$626	\$704	\$783	\$861	\$939

2014 Effluent

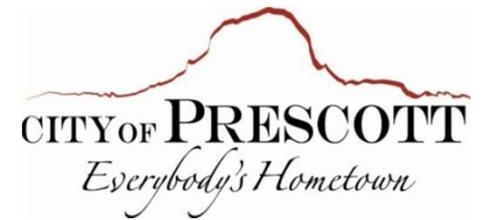
<u>Utility</u>	<u>Rates (per Acre-ft)</u>
Flagstaff	\$1,082
Phoenix	878
Prescott (Current)	500
Peoria	375
Cottonwood	316

Sample Combined Water and Wastewater Bill



Residential	Usage	Current	Proposed		
			1/1/2015	1/1/2016	1/1/2017
5/8"					
Water	5,000	\$36.44	\$37.50	\$37.92	\$38.30
Wastewater	5,000	39.72	43.81	46.29	49.07
Total		\$76.16	\$81.31	\$84.21	\$87.37
	% Increase		6.8%	3.6%	3.7%
5/8"					
Water	25,000	\$222.54	\$224.00	\$225.17	\$226.20
Wastewater	15,000	81.02	91.19	97.36	104.27
Total		\$303.56	\$315.19	\$322.53	\$330.47
	% Increase		3.8%	2.3%	2.5%

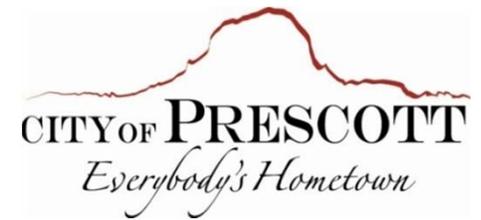
Sample Combined Water and Wastewater Bill



Non-Residential	Usage	Current	Proposed		
			1/1/2015	1/1/2016	1/1/2017
2"					
Water	24,000	\$115.72	\$125.71	\$132.28	\$136.69
Wastewater	15,000	97.91	104.96	109.23	114.02
Total		\$213.63	\$230.67	\$241.51	\$250.71
	% Increase		8.0%	4.7%	3.8%
2"					
Water	65,000	\$295.69	\$317.39	\$336.25	\$348.41
Wastewater	50,000	279.21	301.42	314.88	329.97
Total		\$574.90	\$618.81	\$651.13	\$678.38
	% Increase		7.6%	5.2%	4.2%
4"					
Water	450,000	\$2,196.60	\$2,350.36	\$2,500.13	\$2,594.44
Wastewater	125,000	667.71	722.42	755.55	792.72
Total		\$2,864.31	\$3,072.78	\$3,255.68	\$3,387.16
	% Increase		7.3%	6.0%	4.0%

Ordinance No. 4917-1455

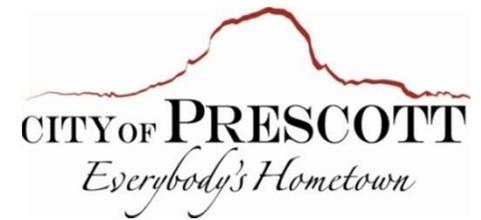
Wastewater Rates



- Sets the wastewater and effluent rates as presented for the next three (3) years.
- Establishes the procedure for charging wastewater-only customers and private lift stations.
- Requires private lift station operators to install an accurate flow measuring devices.
- Provides delinquent account collection-related wording for wastewater-only customers.
- Sets the effluent rate for municipal golf courses to be the same as any other golf course.

Ordinance No. 4918-1456

Water Rates



- Sets the water rates and Aquifer Protection Fee as presented for the next three (3) years.
- Increases the surcharge for customers outside the City from 39% to 40%.
- Increases the deposits for new accounts to reflect the new rates.
(Deposits are set to cover 2 estimated monthly bills)
- Authorizes the Finance Director to write-off utility billing accounts deemed to be uncollectable by the Finance Director and City Attorney.



CITY COUNCIL QUESTIONS AND DISCUSSION