



# Rate Setting Process Water, Wastewater, Sanitation and Stormwater

Public Meeting – 12/28/2020

[www.goodyearaz.gov/utilityratestudy](http://www.goodyearaz.gov/utilityratestudy)

# Informational Meeting



- Meeting Objective
  - Provide Information on operations and proposed rates
  - Address questions
- January 4<sup>th</sup> Public Hearing
  - Opportunity for council to hear residents/customers opinions
  - Emailed input will be summarized and shared with Council



# Proposed Rates - Impact

## LIBERTY WATER CUSTOMERS

	<b>Current</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
sanitation	22.80	19.80	20.55	21.40	22.25	23.15
stormwater	0.00	1.00	2.00	2.50	2.50	3.50
Typical Monthly Bill	22.80	20.80	22.55	23.90	24.75	26.65
change		(2.00)	1.75	1.35	0.85	1.90
		-8.8%	8.4%	6.0%	3.6%	7.7%

# Proposed Rates - Impact



RESIDENTIAL – ¾" METER; 7,000 GALLONS WATER; 5,000 GALLONS WW

	<b>Current</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
water	42.36	44.84	47.00	49.20	51.43	53.70
wastewater	56.33	58.02	59.76	61.55	64.02	66.58
sanitation	22.80	19.80	20.55	21.40	22.25	23.15
stormwater	0.00	1.00	2.00	2.50	2.50	3.50
Typical Monthly Bill	121.49	123.66	129.31	134.65	140.20	146.93
change		2.17	5.65	5.34	5.54	6.73
		1.8%	4.6%	4.1%	4.1%	4.8%

# Rate Setting Process



- ▶ Developing Operational & Capital Strategies
- ▶ Assessing Costs: Self Sufficient Enterprises
- ▶ Public Participation/Input
- ▶ Discussions with Council
- ▶ Approval & Implementation

# Operational Strategies

## WATER AND WASTEWATER

- System Growth
- Surface Water Treatment Plant
- Water Quality Matters
  - Brine Disposal
  - Reverse Osmosis
- CAP costs - recharge
- High Energy Use (Rate Increases)



# Capital Strategies



## 5-YEAR RATE FUNDED CAPITAL PROJECTS - \$143.7 MILLION

### WATER CIP Projects

Adaman Well #3	\$	2,195,000
CAP Subcontract Capital Charges		4,323,000
Differential Impact Fee Credits		5,943,400
Historic Goodyear Water Replacements		6,365,000
Potable Storage Reservoir Rehabilitation		3,557,000
Treatment Improvements at Site 18		3,264,000
Booster Station Rehabilitation & Replacement Program		2,100,000
Distribution Valve Replacement		2,500,000
Water Meter Replacement		3,890,000

### WASTEWATER CIP Projects

Collection System Rehabilitation or Replacements	\$	8,048,000
Corgett WRF Rehabilitation and Replacement		3,377,000
Differential Impact Fee Credits		2,828,700
Goodyear WRF Rehabilitation and Replacement		4,755,000
Alternative to SAT Site		26,400,000
Brine Disposal		46,995,000
Future Projects		10,578,400

- Does not include \$152 million of growth related capital

# Sanitation



REDUCED CONTRACT COST = REDUCED RATE

- Contained Pick-up
  - Weekly Curbside Trash and Recycling
  - Contract
- Uncontained Pick-up (Bulk Trash)
  - Monthly collection
  - Limited capital (vehicles)
  - City Employees



# Stormwater System

## NEW ENTERPRISE FUND

- History
- Current structure and funding
- Regulatory Requirements
- Cost of Service study
- Rate Plan for supporting operational, asset management, and capital improvement needs

# Rate Discussion



## CITIZEN RATE COMMITTEE

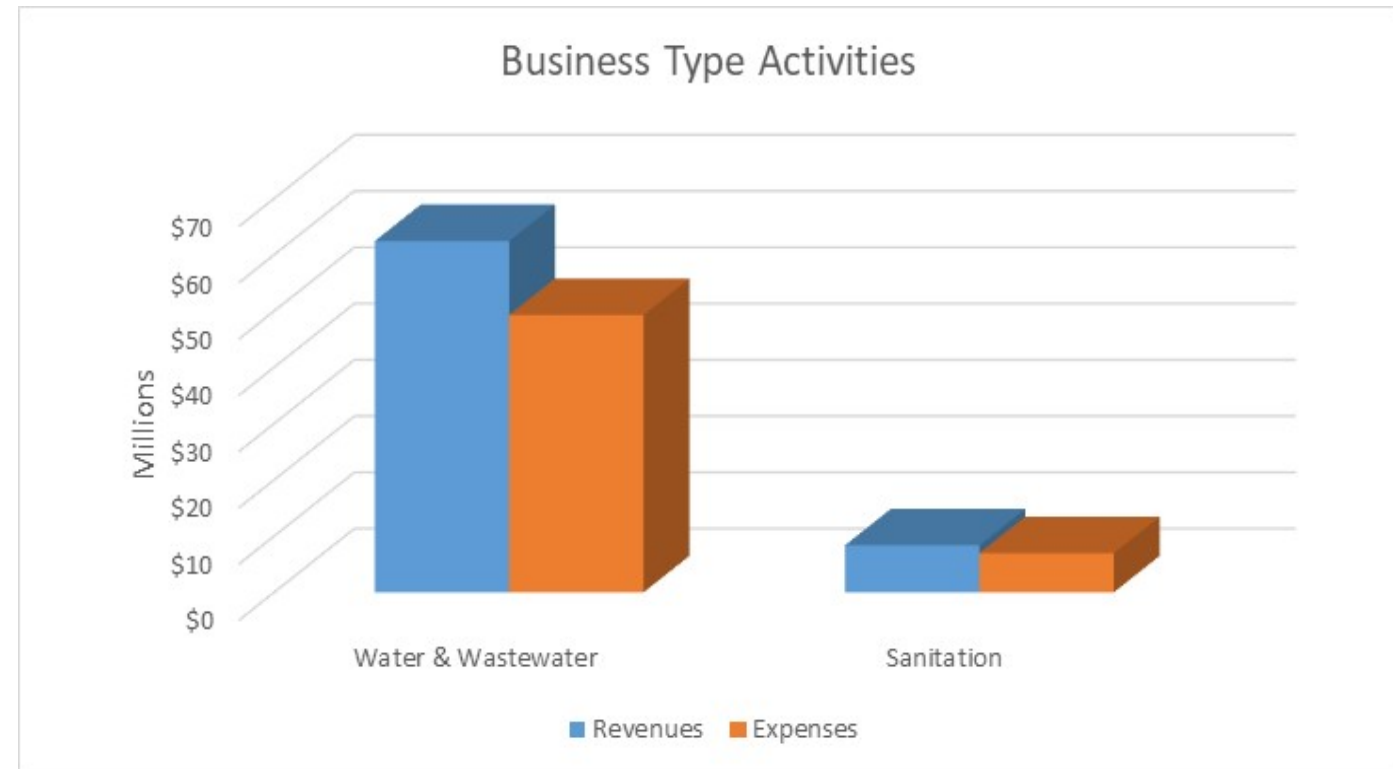
- Foundation of the system that rates are to support
- Citizen Rate Committee Comments
  - Lessen Impact in Year 1
  - Smooth rate increases in years 2-5
  - Develop cost recovery philosophy on non-rate fees
  - Establish a Stormwater Utility
  - Increase Irrigation rate to match Tier III rate to encourage conservation

# Enterprise Funds



## BUSINESS TYPE FUNDS

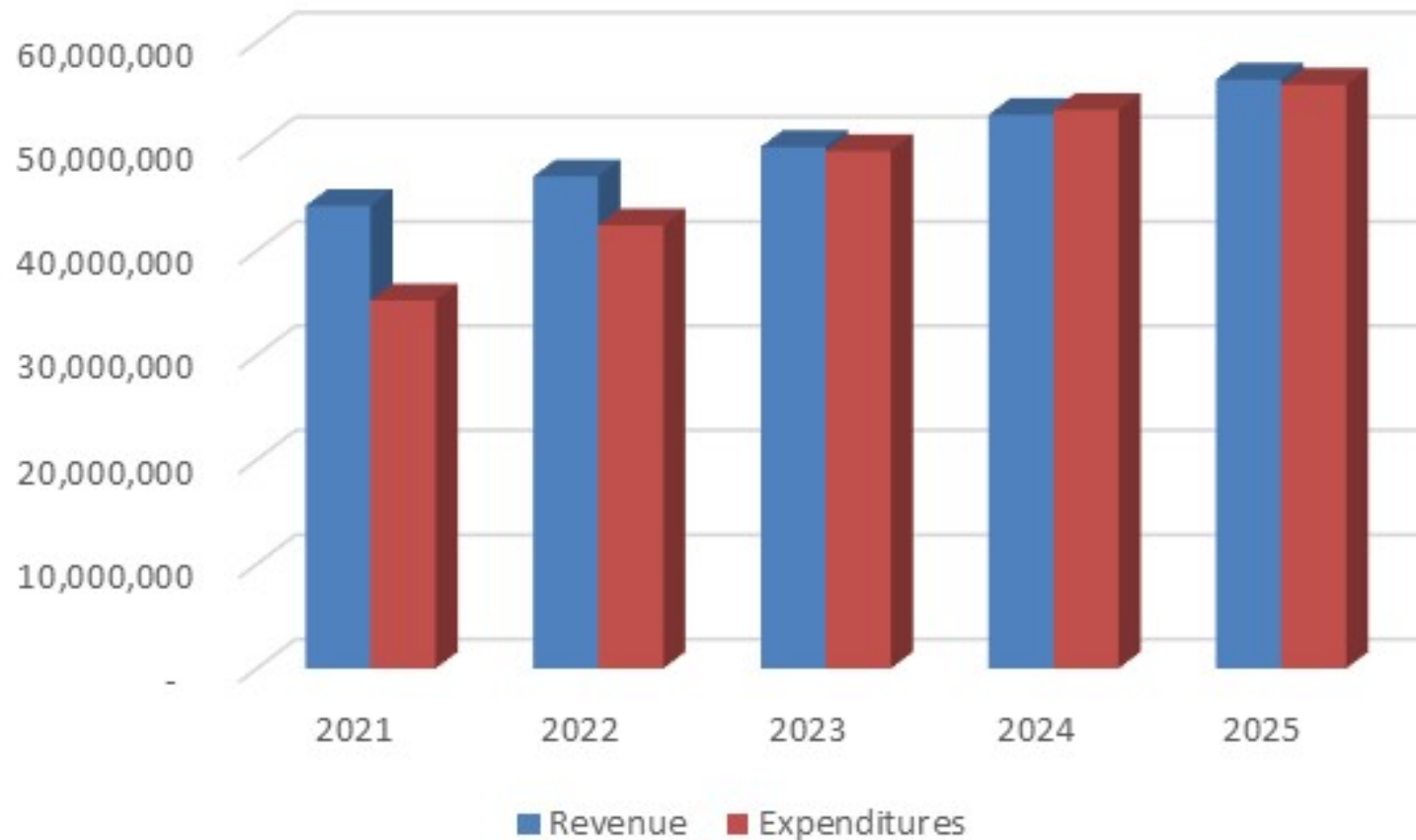
- Water, Wastewater, Sanitation & Stormwater
- Costs paid from fees for service
  - Self supporting
  - No tax revenues



# Water & Wastewater



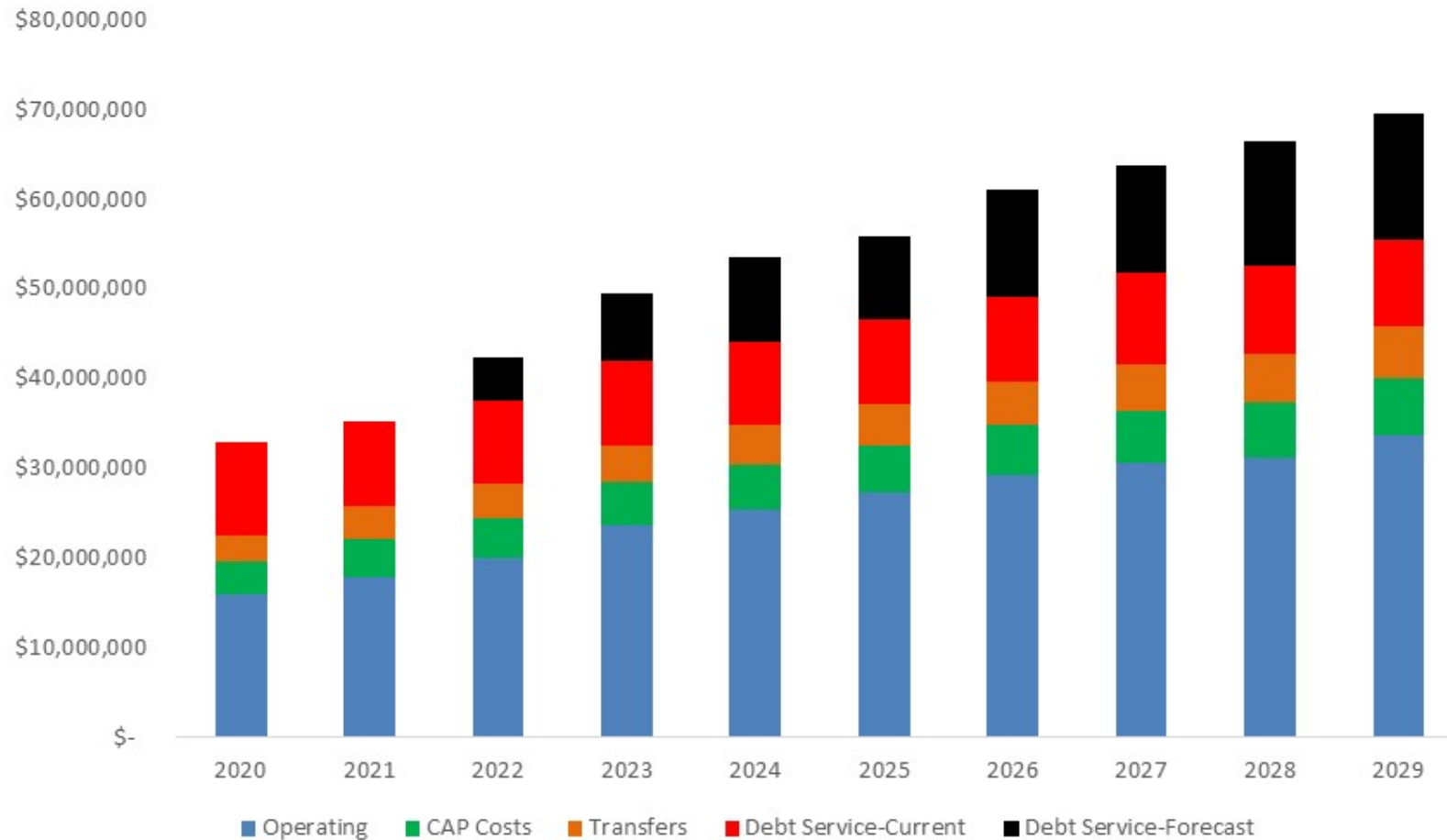
## REVENUES & EXPENDITURES



# Water & Wastewater



## USE OF RATE REVENUE



# Proposed Rate - Water



Water Rates		Current	Effective Jan-21	Effective Jan-22	Effective Jan-23	Effective Jan-24	Effective Jan-25
<b>CAP Water Charge</b>		\$ 0.95	\$ 1.10	\$ 1.25	\$ 1.40	\$ 1.55	\$ 1.70
<b>Monthly Minimum Charge</b>	3/4"	\$ 18.54	\$ 19.28	\$ 19.86	\$ 20.46	\$ 21.07	\$ 21.70
	1"	25.64	26.67	27.47	28.29	29.14	30.01
	1 1/2"	41.46	43.12	44.41	45.74	47.12	48.53
	2"	67.11	69.79	71.89	74.04	76.27	78.55
	3"	77.67	80.78	83.20	85.70	88.27	90.92
	4"	126.65	131.72	135.67	139.74	143.93	148.25
<b>Volume Rate Per 1,000 Gal</b>							
<b><u>Residential - City</u></b>							
-	6,000	2.15	2.24	2.30	2.37	2.44	2.52
6,001	12,000	4.27	4.44	4.57	4.71	4.85	5.00
12,001	30,000	6.42	6.68	6.88	7.08	7.30	7.51
30,001	Above	10.31	10.72	11.04	11.38	11.72	12.07
<b><u>Non-Residential</u></b>							
-	40,000	5.06	5.26	5.42	5.58	5.75	5.92
40,001	100,000	8.10	8.42	8.68	8.94	9.21	9.48
100,001	Above	10.50	10.92	11.25	11.59	11.93	12.29
<b><u>Irrigation</u></b>							
-	80,000	7.57	7.87	8.11	8.35	8.60	8.86
80,001	Above	8.71	9.06	9.33	9.61	9.90	10.20

# Proposed Rates - Wastewater



Wastewater Rates		Current	Effective Jan-21	Effective Jan-22	Effective Jan-23	Effective Jan-24	Effective Jan-25
Monthly Minimum Charge	3/4"	\$ 23.78	\$ 24.49	\$ 25.23	\$ 25.99	\$ 27.02	\$ 28.11
	1"	36.49	37.58	38.71	39.87	41.47	43.13
	1 1/2"	44.96	46.31	47.70	49.13	51.09	53.14
	2"	87.35	89.97	92.67	95.45	99.27	103.24
	3"	115.22	118.68	122.24	125.90	130.94	136.18
	4"	152.86	157.45	162.17	167.03	173.72	180.66
Volume Rate/1,000 Gal		6.51	6.71	6.91	7.11	7.40	7.69



# Proposed Rates - Sanitation



	Current	Monthly Charge					
		Effective Jan-20	Effective Jan-21	Effective Jan-22	Effective Jan-23	Effective Jan-24	Effective Jan-25
<b>Residential</b>							
Total Monthly	\$ 22.80	\$ 22.80	\$ 19.80	\$ 20.55	\$ 21.40	\$ 22.25	\$ 23.15
Inc/(Dec) -- Dollars		-	(3.00)	0.75	0.85	0.85	0.90
Inc/(Dec) -- Percent			-13.0%	4.0%	4.0%	4.0%	4.0%
<b>Residential -- Additional</b>							
Residential -- Additional Container	6.26	6.26	7.50	7.80	8.11	8.43	8.77
Inc/(Dec) -- Dollars		-	1.24	0.30	0.31	0.32	0.34
Inc/(Dec) -- Percent			20.0%	4.0%	4.0%	4.0%	4.0%

# Proposed Rates - Stormwater



	Current	Effective Jan-21	Effective Jan-22	Effective Jan-23	Effective Jan-24	Effective Jan-25
<b>STORMWATER Utility Monthly Charge</b>						
<b>Residential</b> Per Account	0.00	\$ 1.00	\$ 2.00	\$ 2.50	\$ 2.50	\$ 3.50
<b>Commercial</b> Per Account	0.00	4.00	8.00	10.00	10.00	14.00



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