Residential Customer
Open House
August 7, 2018
What is a Rate Study?

- Evaluate sufficiency of existing water, sewer and environmental services revenues to:
  - Provide funding for current and future operating, maintenance, and capital expenses
  - Meet financially prudent operations and capital reserve level requirements
- Develop rates which will generate sufficient revenue to meet cost of providing essential services
Phoenix CPI vs Gilbert Utility Rates

- CPI since 2009: 16.3%
- Water/Wastewater Rates since 2009: 0%
- Residential ES Rates since 2009: -7.5%
Water Fund

Current Operations
No Action

Proposed Change
11.5% FY19

No Change Fund Balance
Proposed 11.5%
Minimum Fund Balance
Wastewater Fund

- 9.25% in FY19 to balance revenue and expenditure
Environmental Compliance Programs currently have no revenue source of their own.

- Environmental Compliance includes storm water and air quality regulation
- Compliance programs are currently supported by the ES Residential Fund
- ES Residential Rates are sufficient to pay for trash services, but not trash and Environmental Compliance
Environmental Service Residential Fund

Create Environmental Compliance Fee

- $4.28 per month all account types
- Decrease Residential Rate $1.20
Drivers of Cost of Service

Upward Rate Pressures:

• CAP delivery rate increased 58% since 2009
• Growth and plant expansions
• Chemical and material costs
• Asset maintenance

Downward Rate Pressures:

• Insourcing certain maintenance at lower cost
• Lower interest rates & increased credit rating
• Technology adoption increasing staff efficiency
Guiding Principles of Rate Design

Customer Service

Financial sufficiency to operate without subsidy

Equity among customer classes

Promote efficient use

Maintain simplicity of structure
# Water Meter Base Fee

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Current Rates</th>
<th>Proposed Rates</th>
<th>Difference - $</th>
<th>Difference - %</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/4-inch</td>
<td>$14.63</td>
<td>$16.30</td>
<td>$1.67</td>
<td>11.4%</td>
</tr>
<tr>
<td>1-inch</td>
<td>21.89</td>
<td>27.25</td>
<td>5.36</td>
<td>24.5%</td>
</tr>
<tr>
<td>1 ½-inch</td>
<td>41.34</td>
<td>54.30</td>
<td>12.96</td>
<td>31.3%</td>
</tr>
<tr>
<td>2-inch</td>
<td>72.72</td>
<td>86.90</td>
<td>14.18</td>
<td>19.5%</td>
</tr>
<tr>
<td>3-inch</td>
<td>116.60</td>
<td>173.95</td>
<td>57.15</td>
<td>49.0%</td>
</tr>
<tr>
<td>4-inch</td>
<td>178.40</td>
<td>271.75</td>
<td>93.35</td>
<td>52.3%</td>
</tr>
<tr>
<td>6-inch</td>
<td>329.34</td>
<td>543.30</td>
<td>213.96</td>
<td>64.9%</td>
</tr>
<tr>
<td>8-inch</td>
<td>494.17</td>
<td>869.30</td>
<td>375.13</td>
<td>75.9%</td>
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</tbody>
</table>
Residential Structure Aligned with Current Use: 11.5%
Average Residential Water Bill Comparison

Residential Water Bill Survey: 12,000 Gallons

<table>
<thead>
<tr>
<th>City</th>
<th>Bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surprise</td>
<td>$52.77</td>
</tr>
<tr>
<td>Mesa</td>
<td>$51.36</td>
</tr>
<tr>
<td>Peoria</td>
<td>$44.97</td>
</tr>
<tr>
<td>Phoenix</td>
<td>$44.01</td>
</tr>
<tr>
<td>Scottsdale</td>
<td>$40.38</td>
</tr>
<tr>
<td>Glendale</td>
<td>$38.62</td>
</tr>
<tr>
<td>Tempe</td>
<td>$35.68</td>
</tr>
<tr>
<td>Avondale</td>
<td>$33.14</td>
</tr>
<tr>
<td>Gilbert - Proposed</td>
<td>$31.02</td>
</tr>
<tr>
<td>Chandler</td>
<td>$30.51</td>
</tr>
<tr>
<td>Gilbert Current</td>
<td>$27.71</td>
</tr>
</tbody>
</table>
## Wastewater Rates

<table>
<thead>
<tr>
<th></th>
<th>Residential</th>
<th>Current</th>
<th>9.25% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Rate</td>
<td>$15.90</td>
<td>$24.73</td>
<td></td>
</tr>
<tr>
<td>Variable, per 1,000 gallons</td>
<td>$1.24</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Flat Residential Fee

<table>
<thead>
<tr>
<th></th>
<th>Non-Residential</th>
<th>Current</th>
<th>9.25% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Rate</td>
<td>$0.00</td>
<td>$16.64</td>
<td></td>
</tr>
<tr>
<td>Variable, per 1,000 gallons</td>
<td>$1.99</td>
<td>$1.65</td>
<td></td>
</tr>
</tbody>
</table>

Add a base fee for Non-Residential
Residential Combined Water and Wastewater Bill

- Surprise: $77.55
- Mesa: $71.97
- Glendale: $69.18
- Phoenix: $69.01
- Peoria: $66.59
- Avondale: $60.68
- Scottsdale: $59.16
- Chandler: $57.83
- Tempe: $56.48
- Gilbert - Proposed: $55.75
- Gilbert Current: $51.05
# Environmental Services - Residential

<table>
<thead>
<tr>
<th>Residential Refuse Rates</th>
<th>Current</th>
<th>Full Fee</th>
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</thead>
<tbody>
<tr>
<td>First 90 gallon container</td>
<td>$16.00</td>
<td>$14.80</td>
</tr>
<tr>
<td>Each additional 90 gallon container</td>
<td>$8.80</td>
<td>$8.00</td>
</tr>
<tr>
<td>65 gallon container</td>
<td>$14.80</td>
<td>$13.60</td>
</tr>
<tr>
<td>Environmental Compliance Fee</td>
<td>0</td>
<td>$4.28</td>
</tr>
<tr>
<td><strong>Total Residential Rate and Fee</strong></td>
<td>$16.00</td>
<td>$19.08</td>
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</tbody>
</table>
Environmental Services Residential

Residential Refuse Service Comparison

- Mesa: $28.76
- Phoenix: $27.00
- Tempe: $23.60
- Avondale: $20.00
- Glendale: $19.05
- Surprise: $17.00
- Gilbert - Current: $16.00
- Scottsdale: $16.00
- Chandler: $15.97
- Gilbert - Proposed: $14.80
- Peoria: $9.80

#ChooseGilbert
Average Stormwater/Environmental Compliance Bill Comparison

Environmental Compliance Rates

- Pueblo, CO: $6.25
- Provo, UT: $4.63
- Salt Lake City, UT: $4.49
- Carson City, NV: $4.38
- Gilbert, AZ (proposed): $4.28
- Arvada, CO: $4.17
- San Angelo, TX: $4.00
- West Valley City, UT: $4.00
- Mansfield, TX: $3.50
- Scottsdale, AZ: $3.10
- Westminster, CO: $3.00
- Santa Monica, CA: $3.00
- Amarillo, TX: $2.51
- Abilene, TX: $2.45
- Lakewood, CO: $1.98
- Los Angeles, CA: $1.92
- Frisco, TX: $1.20
- Peoria, AZ: $1.00
- San Diego, CA: $0.95
- Phoenix, AZ: $0.70

#ChooseGilbert
<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 2</td>
<td>Presentation of possible options to Council</td>
</tr>
<tr>
<td>May 3</td>
<td>Notice of Intent at Council meeting</td>
</tr>
<tr>
<td>May 7</td>
<td>Written report filed and on website</td>
</tr>
<tr>
<td>August 7 &amp; 20</td>
<td>Customer Outreach &amp; Workshops</td>
</tr>
<tr>
<td>September 20</td>
<td>Public Hearing &amp; Possible Council Adoption</td>
</tr>
<tr>
<td>November 1</td>
<td>Effective Date</td>
</tr>
</tbody>
</table>
# Choose Gilbert

Gilbertaz.gov/utilityrates

## Monthly Utility Bill Calculator

### Water
- **Customer Classification:** Single Family Residential
- **Meter Size:** 3/4
- **Consumption:** 5
- **Base Fee:** $14.63
- **Volume Charge:** $5.40
- **Total Monthly Bill:** $20.03

### Sewer
- **Customer Classification:** Single Family Residential
- **Current Monthly Bill:** $23.34
- **Base Fee:** $15.90
- **Volume Charge:** $7.44
- **Total Monthly Bill:** $23.34

### Environmental Services
- **Container Size and Frequency:** 90 Gallon
- **Additional Bin:** $16.00
- **Total Monthly Bill:** $16.00

### Total Monthly Bill
- **Service** | **Existing** | **Proposed**
- **Water** | $20.03 | $22.30
- **Sewer** | $23.34 | $24.73
- **Environmental Services** | $16.00 | $14.80
- **Environmental Compliance** | $0.00 | $4.28
- **Total Monthly Bill** | $59.37 | $66.11

**Note:** The totals provided by this calculator are an estimate. Other factors may affect the actual totals on your upcoming bills.
Welcome!
Residential Customer Open House

Questions or Comments?

- Computers with Bill Calculator
- Water Conservation and Financial Staff available for 1 on 1 discussion

www.Gilbertaz.gov/utilityrates