

Town of Gilbert, AZ

Wastewater Rate Study



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Executive Summary

1.1. Introduction

Willdan Financial Services and Pat Walker Consulting LLC (“Willdan Team”) were retained by the Town of Gilbert, Arizona (“Town”) to conduct a Wastewater Rate Study (“Rate Study”) for the Town’s wastewater utility (“Utility”). This report details the results of the financial plan analysis for the current year and forecast period, Fiscal Year (FY) 2024-25 through FY 2028-29 as prepared by the Town and revised wastewater rates prepared by the Willdan Team to achieve the projected revenues.

1.2. Goals and Objectives

The primary goal of the Rate Study was to adjust rates that will allow the Town to meet its ongoing costs (operations & maintenance and capital) for the utility. More specifically the Rate Study was undertaken to:

- Review Town developed financial plans; and
- Recommend rate increases that will meet the Town’s revenue requirements based on Town specific wastewater utility operating and capital costs and reserve requirements.

1.3. Findings and Recommendations

The analysis conducted by the Town and the Willdan Team indicated that revenue increases are needed for the wastewater utility in order to fund ongoing operations. The recommended rate adjustments are summarized in Table ES-1.

Table ES-1						
Current Versus Proposed Rates						
Component	Current Rates	2024-25	2025-26	2026-27	2027-28	2028-29
Alt B (All Cash)						
Residential						
Base ⁽¹⁾ (monthly)	\$32.75	\$62.01	\$62.01	\$62.01	\$62.01	\$62.01
Flow (\$/kgals)	0.00	0.00	0.00	0.00	0.00	0.00
Commercial						
Base (monthly)	\$21.90	\$45.20	\$45.20	\$45.20	\$45.20	\$45.20
Flow (\$/kgals)	2.17	4.40	4.40	4.40	4.40	4.40
Reuse/Recharge Water						
Base (monthly)	\$19.74	\$43.52	\$43.52	\$43.52	\$43.52	\$43.52
Reclaimed Water (\$/kgals)	0.54	1.09	1.09	1.09	1.09	1.09
Playa Del Rey (\$/kgals)	1.06	1.33	1.33	1.33	1.33	1.33
Recovered Well Private (\$/kgals)	1.07	2.16	2.16	2.16	2.16	2.16
Recovered Well Town (\$/kgals)	1.79	3.61	3.61	3.61	3.61	3.61
Alt D (Cash/Bond Mix)						
Residential						
Base ⁽¹⁾ (monthly)	\$32.75	\$41.48	\$47.00	\$47.00	\$47.00	\$47.00
Flow (\$/kgals)	0.00	0.00	0.00	0.00	0.00	0.00
Commercial						
Base (monthly)	\$21.90	\$29.97	\$34.00	\$34.00	\$34.00	\$34.00
Flow (\$/kgals)	2.17	3.02	3.40	3.40	3.40	3.40
Reuse/Recharge Water						
Base (monthly)	\$19.74	\$27.49	\$33.00	\$33.00	\$33.00	\$33.00
Reclaimed Water (\$/kgals)	0.54	0.75	0.84	0.84	0.84	0.84
Playa Del Rey (\$/kgals)	1.06	1.33	1.33	1.33	1.33	1.33
Recovered Well Private (\$/kgals)	1.07	1.48	1.67	1.67	1.67	1.67
Recovered Well Town (\$/kgals)	1.79	2.47	2.79	2.79	2.79	2.79
(1) Per residential unit						
Note: Rates are effective April 1 of each Fiscal year						

Section 2 - Introduction

2.1. Introduction

Willdan Financial Services and Pat Walker Consulting LLC (“Willdan Team”) were retained by the Town of Gilbert, Arizona (“Town”) to conduct a Wastewater Rate Study (“Rate Study”) for the Town’s wastewater utility (“Utility”). This report details the results of the Rate Study analysis for the current year and forecast period, Fiscal Year (FY) 2024-25 through FY 2028-29.

The results of the Rate Study presented herein include financial plans and rate structures adjusted to provide revenues sufficient to fund the ongoing operating and Council approved capital costs necessary to operate the Town’s utility, while meeting the financial requirements and goals set forth by the Town for the wastewater enterprise fund.

2.2. Goals and Objectives

The primary goal of the Rate Study was to adjust rates that will allow the Town to meet its ongoing costs (operations & maintenance and capital) for the utility. More specifically the Rate Study was undertaken to:

- Review Town developed financial plans; and
- Recommend rate increases that will meet the Town’s revenue requirements based on Town specific wastewater utility operating and capital costs and reserve requirements.

2.3. Overview of the Rate Study Process

The Rate Study process consisted of two primary study components. First, a determination of the adequacy of system revenues to meet system expenses during the study forecast period was undertaken by Town staff which was then provided to the Willdan Team. The result of this analysis, known as the Revenue Sufficiency Analysis or financial plan, is an assessment of the ability of the existing wastewater rate revenue streams to meet the projected financial requirements of the systems during the forecast period. This analysis also identifies, to the extent required, the magnitude and timing of any required rate adjustments.

Second, existing rates and charges were adjusted by the Willdan Team, which, when implemented, would provide sufficient revenue, as identified in the Revenue Sufficiency Analysis, to recover costs in a manner consistent with general rate-making practices. This step is known as the Rate Analysis.

2.4. Organization of this Report

This Rate Study presents an overview of the Town's financial plans and the Willdan Team's rate design. The report is organized as follows:

- Section 1 - Introduction
- Section 2 – Overview of Utility Rate-Making Principles, Processes and Issues
- Section 3 – Rate Study Development and Results
- Section 4 – Conclusions and Recommendations
- Appendix A – Wastewater Financial Plan – Option B
- Appendix B – Wastewater Financial Plan – Option D
- Appendix C – Wastewater Rates – Option B
- Appendix D – Wastewater Rates – Option D

2.5. Reliance on Data

During the course of this project the Town (and/or its representatives) provided Willdan with a variety of technical information, including cost and revenue data. Willdan did not independently assess or test for the accuracy of such data – historic or projected. Willdan has relied on this data in the formulation of its findings and subsequent recommendations, as well as in the preparation of this report. As is often the case, there will be differences between actual and projected data, and these differences may be significant. Therefore, Willdan does not take responsibility for the accuracy of data or projections provided by or prepared on behalf of the Town, nor does Willdan have responsibility for updating this report for events occurring after the date of this report.

2.6. Acknowledgements

We wish to extend our appreciation to the Town and its staff for their cooperation during the progress of this study. In particular, we would like to thank Mr. Eric Braun, Assistant Public Works Director (Town Project Manager), Ms. Kelly Pfof, Finance Director, and Ms. Haley Harper for their guidance and assistance throughout this project.

Section 3 - Overview of Utility Rate Principles, Processes and Issues

3.1. Introduction

The scope of this study included an update of wastewater user rates and charges. Utility rates must be set at a level where operating and capital expenses are met with the revenues received from customers. This is a significant point, as failure to achieve this level could lead to insufficient funds being available to adequately maintain the system.

3.2. The Revenue Sufficiency Process

In order to develop rates and charges which will generate sufficient revenue to meet the fiscal requirements of the wastewater utility, Town staff made a determination of the annual rate revenue required. This first step in the process is the Revenue Sufficiency Analysis.

The process employed in the Revenue Sufficiency Analysis involves a review of operating, maintenance and capital budgets for the utility, and results in the identification of revenue requirements of the system, such as operating expenses, capital expenses (minor and major), transfers in and out, and the maintenance of both restricted and unrestricted reserves at appropriate levels. These revenue requirements are then compared to the total sources of funds available during each year of the forecast period to determine the adequacy of projected revenues to meet projected revenue requirements. To the extent that the existing revenue stream is projected to be insufficient to meet the annual revenue requirements of the system during the projection period, a series of rate revenue increases and debt financing are calculated which would be required to provide revenue sufficient to meet those needs.

Financial Planning

In the development of the revenue requirements, certain parameters are utilized to project future expenditures, growth in customers and consumption, and necessary revenue adjustments. The Town provided the Willdan team with four, five-year financial plans which identified anticipated expenditures, and the corresponding revenue needed to meet the annual expenses and maintenance of adequate reserves. The four financial plan alternatives are as follows:

- Alternative A – 55% Increase, \$110M bond sales with debt service
- Alternative B – All Cash

- Alternative C – 30% increase, \$150M bond sales, with debt service
- Alternative D – Cash/Bond Mix

While four financial plans were developed only options B and D are under consideration for adoption and are discussed in the balance of this report. The Willdan Team used the Town’s financial plans as the basis for developing rates.

3.3. The Rate Update Process

With the rate revenue requirements provided to the Willdan Team, an adjustment to rates and charges was undertaken.

3.4. Financial Management Goals of the Town

The establishment of specific financial management goals of a utility is a key step in to ensure the financial health of the utility remains strong. The financial management goals of the Town are described below.

3.4.1 Minimum Unrestricted Working Capital Balance

In order to maintain a certain level of liquidity, the Town has developed a goal of maintaining unrestricted working capital reserves as summarized in Table 3-1 below.

Table 3-1					
Target Cash Reserves					
Fiscal Year Ending June 30 (\$ thousands)					
Description	2024-25	2025-26	2026-27	2027-28	2028-29
Alt B (All Cash)	\$9,450	\$9,640	\$9,580	\$9,920	\$9,990
Alt D (Cash/Bond Mix)	9,450	9,640	9,580	12,300	12,370

Section 4 - Rate Study Development and Results

4.1. Revenue Sufficiency Analysis

4.1.1 General Methodology

The general methodology utilized in the Revenue Sufficiency Analysis was discussed previously in Section 3.2. In summary, however, the level of revenues generated by rates must be sufficient to recover the fiscal requirements, or projected expenditures of the utility. To the extent that the projected revenue stream based upon current wastewater rates are not sufficient to meet the annual revenue requirements of the systems, a series of revenue increases were calculated to provide the revenue necessary to meet those expenditure needs, while satisfying the financial goals and objectives of the utilities. From a financial perspective, the Town's utility must "stand on its own" by meeting its respective financial obligations without assistance from other Town funds. The financial plans developed by the Town included the five-year period FY 2024-25 through FY 2028-29. The Town maintains its own financial model which projects customer growth, revenues, expenses and target fund balances for the 5-year study period. The Willdan Team relied on the Town's models for this study.

4.1.2 Data Items

Key data items were provided by Town staff, reviewed and discussed with Town staff and then incorporated into the Revenue Sufficiency Analysis. The key data items were:

- Financial management goals of the Town;
- FY 2024-25 beginning fund balance;
- FY 2024-25 budget through FY 2028-29 financial forecast; and
- Capital improvement program expenses for fiscal year FY 2024-25 through FY 2028-29

General assumptions utilized in the analysis include the following:

- Customer growth; and
- Cost escalation.

A discussion of the use of each of the above data items and general assumptions is presented below.

4.1.3 FY 2024-25 Fund Balance

The Willdan team relied upon the Town’s financial models for the beginning of year cash balance for the start of the study period (FY 2024-25). The wastewater fund balance for the beginning of FY 2024-25, as used in this analysis, is presented in Table 4-1 below.

Table 4-1 Estimated Beginning Fund Balance Fiscal Year Beginning July 1, 2024	
Description	Wastewater
Cash Balance	\$30,720,000

4.1.4 FY 2024-25 through FY 2028-29 Financials

Staff provided Willdan with the FY 2024-25 through FY 2028-29 financials as the projection of financial needs throughout the study period.

A summary of the FY 2024-25 operating budgets (for each alternative), as well as subsequent projected expenses (ongoing, one-time and transfers - out) through FY 2028-29 is presented in Table 4-2. The ongoing and one-time operating expenditures are the same under each alternative, however there are differences between transfers out for capital and other transfers out based on the timing of rate increases projected in each of the plans.

A more detailed presentation of the budgeted revenues and expenses are presented in Schedules A-2 through A-3 of Appendix A, and Schedules B-2 through B-3 of Appendix B.

Table 4-2 Operating Budget Fiscal Years Ending June 30 (\$ thousands)					
Description	2024-25	2025-26	2026-27	2027-28	2028-29
Alt B (All Cash)	\$63,983	\$83,054	\$104,652	\$92,501	\$76,614
Alt D (Cash/Bond Mix)	63,983	63,054	62,474	71,682	69,997
Note: Values are rounded up/down to the nearest \$1,000					

4.1.5 Capital Improvements Plan (CIP)

The Town provided Willdan with a forecast of capital requirements for the study period. The capital projects identified by the Town are required to maintain service to customers by making investments in the wastewater system to upgrade, repair or replace aging system components as they wear out over time.

A summary table of the CIP for the FY 2024-25 through FY 2028-29 study period is presented below in Table 4-3. The CIP is presented in Schedules A-4 through A-5, and B-4 through B-5 of the Appendices.

Table 4-3						
Capital Improvement Plan						
Fiscal Years Ending June 30 (\$ thousands)						
	2024-25	2025-26	2026-27	2027-28	2028-29	Total
Capital Costs	\$74,007	\$38,778	\$19,916	\$17,230	\$5,282	\$155,213
Note: Values are rounded up/down to the nearest \$1,000						

4.1.6 General Assumptions

In order to develop the financial and rate projections, certain assumptions were made with regard to elements of the revenue sufficiency analysis. A summary of those assumptions is presented below.

4.1.6.1. System Growth

The Town provided Willdan with growth projections which anticipates growth in wastewater accounts and flows of 1.75% per year through FY 2028-29. There is no anticipated growth in reuse/recharge water accounts or flows.

4.1.6.2. O&M Escalation

Town staff projected ongoing expenses to increase at an average annual rate of 2.28% per year, and one-time expenses range from a low of \$3,384,000 in FY 2026 and a high of \$10,785,000 in FY 2028. Transfers (both capital transfers and transfers out) vary depending upon the alternative. For Option B transfers range from \$34,532,000 in FY 2025 and \$74,831,000 in FY 2027 and for Option D between \$32,653,000 in FY 2027 and \$36,017,000 in FY 2028. In all cases, the annual increase in expenditures are projected to be greater than additional revenue derived through system growth alone.

4.1.6.3. Results of the Revenue Sufficiency Analysis

After a thorough review of the above-mentioned data elements, the Revenue Sufficiency Analysis was developed and provided to the Willdan Team by Town staff. This draft provided the forum in which various alternative assumptions were discussed, tested and evaluated for both their reasonableness and their impact upon the ultimate financial health of the utility. Table 4-4 provides a summary of the annual revenue requirements for both the wastewater utility incorporating the assumptions in Section 4 of this report as compared to the projected rate revenue described in more detail in Schedules A-1, and B-1 of the appendices.

Table 4-4					
Expenditures vs. Revenue Under Existing Rates					
Fiscal Years Ending June 30 (\$ thousands)					
	2024-25	2025-26	2026-27	2027-28	2028-29
Alt B (Expenditures vs Current Rates)					
Revenue Under Existing Rates	\$51,006	\$51,822	\$52,651	\$53,496	\$53,355
Expenditures	<u>63,893</u>	<u>83,054</u>	<u>104,652</u>	<u>92,501</u>	<u>76,614</u>
Difference	(12,977)	(31,233)	(52,001)	(39,005)	(22,259)
Alt D (Expenditures vs Current Rates)					
Revenue Under Existing Rates	\$51,006	\$51,822	\$52,651	\$53,496	\$53,355
Expenditures	<u>63,393</u>	<u>63,054</u>	<u>62,474</u>	<u>71,682</u>	<u>63,997</u>
Difference	(12,977)	(11,233)	(9,823)	(18,186)	(9,642)
Note: Values are rounded up/down to the nearest \$1,000					

The resulting financial plans presented herein is the embodiment of the data, assumptions and review process undertaken with Town staff.

4.1.6.4. Rate Revenue Increases Required

The financial plans contained within this report as prepared by Town staff anticipate significant funding needs for capital projects (both cash or cash/debt funding) through FY 2029, resulting in the need for the rate increases identified in Table 4-5. In addition to the cash funding of capital, operations and maintenance expenses are growing at a faster rate than the Town’s increase in service units (section 4.1.6.1). The Town’s financial analysis of the utility indicates that the increase in operating costs is projected to outpace revenue increases through growth in service units alone. Revenue increase needs (as identified by Town staff) in addition to growth in service units are therefore required in order to maintain the financial integrity of the wastewater utility.

The budgeted increases incorporate the increases in wastewater rate revenues as summarized in Table 4-5. The Town identified revenue increases are required through FY 2028-29 in order for the Town to meet its ongoing operational costs (revenue requirements) and meet minimum prudent financial and system maintenance standards.

Table 4-5					
Projected Revenue Increases					
Fiscal Year Ending June 30					
Service/Financial Plan	2024-25	2025-26	2026-27	2027-28	2028-29
Alt B (All Cash)	0.0%	95.0%	0.0%	0.0%	0.0%
Alt D (Cash/Bond Mix)	0.0%	25.0%	18.0%	0.0%	0.0%

A more detailed presentation of the pro forma, including a fund balance reconciliation is presented in Schedules A-1 and B-1 of the appendices.

4.1.6.5. Summary of Revenue Sufficiency Analysis

The budgeted financial plans are presented in Table 4-6, which provides for funding of projected revenue requirements based on the current knowledge of expected expenditure forecasts during the forecast period, as provided by the Town.

Table 4-6					
Projected Net Operating Results					
Fiscal Years Ending June 30 (\$ thousands)					
	2024-25	2025-26	2026-27	2027-28	2028-29
Alt B (All Cash)					
Beginning Fund Balance	\$30,720	\$21,807	\$25,920	\$9,856	\$7,389
Revenue	55,070	87,167	88,588	90,034	91,505
Expenditures	<u>63,893</u>	<u>83,054</u>	<u>104,652</u>	<u>92,501</u>	<u>76,614</u>
Net Cashflow	(8,913)	4,113	(16,064)	(2,467)	14,891
Ending Fund Balance	\$21,807	\$25,920	\$9,856	\$7,389	\$22,280
Target Fund Balance	9,450	9,640	9,850	9,920	9,990
Alt D (Cash/Bond Mix)					
Beginning Fund Balance	\$30,720	\$14,424	\$10,366	\$15,154	\$11,825
Revenue	47,687	58,997	67,262	68,353	69,463
Expenditures	<u>63,393</u>	<u>63,054</u>	<u>62,474</u>	<u>71,682</u>	<u>63,997</u>
Net Cashflow	(16,296)	(4,058)	4,788	(3,329)	5,466
Ending Fund Balance	\$14,424	\$10,366	\$15,154	\$11,825	\$17,291
Target Fund Balance	9,450	9,640	9,850	12,300	12,370
Note: Values are rounded up/down to the nearest \$1,000					

As noted in Table 4-6, the ending fund balance exceeds the target reserves in most years. In years where the fund balance drops below the target it rebounds in the following year.

4.1.6.6. Revenue Sufficiency Analysis Conclusions

The revenue requirements analysis completed by the Town, found:

- Revenue projections based on existing rates are insufficient to meet the expenditures for FY 2024-25 through FY 2028-29; and
- Additional revenue (as identified in Section 3.1.6.4) is needed in order to keep pace with increasing O&M and capital costs.

4.2. Rate Review

4.2.1 General Methodology

With the rate revenue requirement determined in the Revenue Sufficiency Analysis, the adjustment of rates and charges was completed as described below.

First, the rate design goals of the Town were reviewed to identify areas the Town wanted to address over the forecast period included in this Rate Study. Next, an assessment of the existing rate design was completed to identify areas which have worked well for the Town with regard to their specific goals and objectives. Rate design should seek to achieve the following industry standard objectives:

- Generate a stable rate revenue stream which, when combined with other sources of funds, is sufficient to meet the financial requirements and goals of the utility;
- Be easy to understand by customers; and
- Be easy to administer by the utility.

4.2.2 Review of Existing Rate Structure

The Town's current wastewater rates are comprised of a fixed monthly charge for residential customers (single family and multifamily) and fixed monthly base and uniform flow rate structure for commercial customers. Reuse/recharge water customers are also assessed a fixed monthly base charge and a uniform flow rate that varies by customer class.

4.2.3 Cost-of-Service Analysis

This study relied on the cost-of-service allocations by class as developed in the 2018 and 2022 rate studies.

4.3. Proposed Rates

4.3.1 Proposed Rate Structure Adjustments

4.3.1.1. Rates

In working with Town staff, the existing rate structure and current distribution of revenues (fixed versus volume as well as between classes) were deemed reasonable and therefore maintained. Table 4-7 illustrates the current and proposed rates resulting from the additional revenue requirements identified in the financial plan.

Table 4-7						
Current Versus Proposed Rates						
Component	Current	2024-25	2025-26	2026-27	2027-28	2028-29
	Rates					
Alt B (All Cash)						
Residential						
Base ⁽¹⁾ (monthly)	\$32.75	\$62.01	\$62.01	\$62.01	\$62.01	\$62.01
Flow (\$/kgals)	0.00	0.00	0.00	0.00	0.00	0.00
Commercial						
Base (monthly)	\$21.90	\$45.20	\$45.20	\$45.20	\$45.20	\$45.20
Flow (\$/kgals)	2.17	4.40	4.40	4.40	4.40	4.40
Reuse/Recharge Water						
Base (monthly)	\$19.74	\$43.52	\$43.52	\$43.52	\$43.52	\$43.52
Reclaimed Water (\$/kgals)	0.54	1.09	1.09	1.09	1.09	1.09
Playa Del Rey (\$/kgals)	1.06	1.33	1.33	1.33	1.33	1.33
Recovered Well Private (\$/kgals)	1.07	2.16	2.16	2.16	2.16	2.16
Recovered Well Town (\$/kgals)	1.79	3.61	3.61	3.61	3.61	3.61
Alt D (Cash/Bond Mix)						
Residential						
Base ⁽¹⁾ (monthly)	\$32.75	\$41.48	\$47.00	\$47.00	\$47.00	\$47.00
Flow (\$/kgals)	0.00	0.00	0.00	0.00	0.00	0.00
Commercial						
Base (monthly)	\$21.90	\$29.97	\$34.00	\$34.00	\$34.00	\$34.00
Flow (\$/kgals)	2.17	3.02	3.40	3.40	3.40	3.40
Reuse/Recharge Water						
Base (monthly)	\$19.74	\$27.49	\$33.00	\$33.00	\$33.00	\$33.00
Reclaimed Water (\$/kgals)	0.54	0.75	0.84	0.84	0.84	0.84
Playa Del Rey (\$/kgals)	1.06	1.33	1.33	1.33	1.33	1.33
Recovered Well Private (\$/kgals)	1.07	1.48	1.67	1.67	1.67	1.67
Recovered Well Town (\$/kgals)	1.79	2.47	2.79	2.79	2.79	2.79
(2) Per residential unit						
Note: Rates are effective April 1 of each Fiscal year						

4.3.2 Comparisons

A comparison of the average monthly wastewater bill for a residential customer with 6,000 gallons of flow under the Town’s current and proposed rates as compared to neighboring communities is illustrated in Figure 4-1.

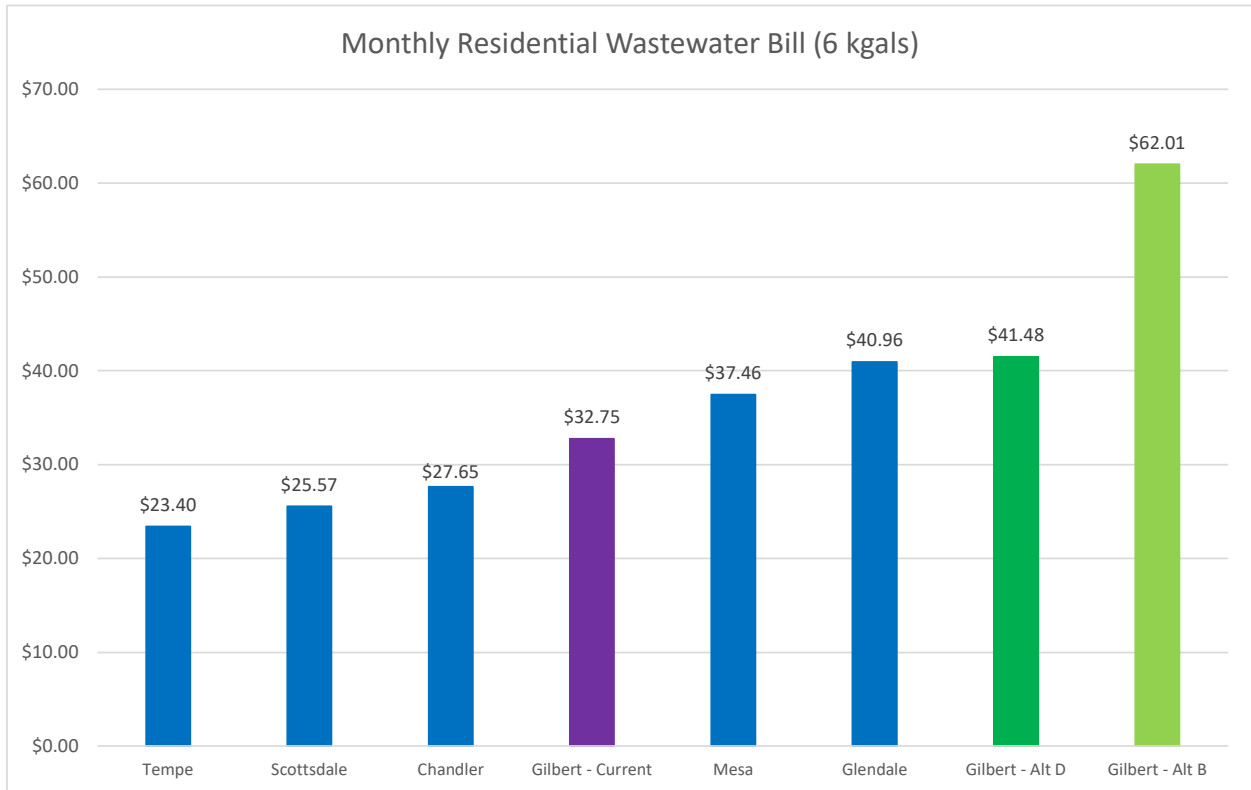


Figure 4-1: Average Monthly Wastewater Bill Comparison

4.4. Summary of the Rate Study

The Rate Study presented herein utilized generally accepted rate-making principles which resulted in the development of rates and charges which are projected to: 1) generate sufficient revenue to meet the financial requirements of the utility and 2) meet the financial and rate design goals of the Town.

Section 5 - Conclusions and Recommendations

5.1. Conclusions

- Projected operating revenues and operating expenses for the forecast period were developed by, and/or in consultation with, Town staff and are based upon reasonable projections.
- The projected capital project expenses have been developed by Town staff to address wastewater needs, including upgrades, renewal and replacement of infrastructure and equipment.
- Based on the above two prior conclusions, the Willdan Team is of the opinion that the financial projections developed by the Town and presented herein demonstrate the utilities' ability to meet its obligations with regard to:
 - Operating expenses,
 - Non-operating expenses,
 - Capital project expenses, and
 - Key financial policies, including maintenance of reasonable operating reserve balances.
- The proposed rates presented herein are in conformance with industry standard rate-making practice, and the Town's rate policies with respect to:
 - The fair and equitable recovery of costs through wastewater rates; and
 - Generation of sufficient revenue to fully recover system revenue requirements and reserve requirements.

5.2. Recommendations

- It is recommended that the Town implement the proposed rates presented in this Report based on the alternative selected.
- It is recommended that the Town update the Revenue Sufficiency Analysis portion of this study each year to ensure projected revenue is sufficient to fund projected expenses going forward as assumptions made during this analysis may change and have a material impact upon the analysis.

APPENDIX A

Wastewater Financial Plan – Option B

Town of Gilbert

Projected Operating Results - Wastewater System Fiscal Years 2025 - 2029

Line No.	Description	Budget 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029
	Rate Revenue Increase ⁽¹⁾	0.0%	95.0%	0.0%	0.0%	0.0%
Sources of Funds						
1	Beginning-of-Year Cash	\$ 30,720,000	\$ 21,807,000	\$ 25,920,000	\$ 9,856,000	\$ 7,389,000
Operating Revenues						
2	Operating Revenue	\$ 52,730,000	\$ 84,827,000	\$ 86,248,000	\$ 87,694,000	\$ 89,165,000
	Total Operating Revenues	\$ 52,730,000	\$ 84,827,000	\$ 86,248,000	\$ 87,694,000	\$ 89,165,000
Non-Operating Revenue						
3	Non-Utility Income	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000
4	Interest Income	-	-	-	-	-
	Total Non-Operating Revenue	\$ 2,340,000	\$ 2,340,000	\$ 2,340,000	\$ 2,340,000	\$ 2,340,000
	Total Revenues	\$ 55,070,000	\$ 87,167,000	\$ 88,588,000	\$ 90,034,000	\$ 91,505,000
Operating Expenses						
5	Ongoing	\$ 22,991,000	\$ 23,752,000	\$ 24,600,000	\$ 24,880,000	\$ 25,155,000
6	One-Time	6,460,000	3,384,000	5,221,000	10,785,000	4,837,000
7	Transfers - Capital	16,144,000	12,664,000	29,065,000	12,800,000	3,894,000
8	Transfers Out	18,388,000	43,254,000	45,766,000	44,036,000	42,728,000
	Total Operating Expenses	\$ 63,983,000	\$ 83,054,000	\$ 104,652,000	\$ 92,501,000	\$ 76,614,000
	Net Result of Operations	\$ (8,913,000)	\$ 4,113,000	\$ (16,064,000)	\$ (2,467,000)	\$ 14,891,000
9	End-of-Year Cash	\$ 21,807,000	\$ 25,920,000	\$ 9,856,000	\$ 7,389,000	\$ 22,280,000
10	Target Cash	\$ 9,450,000	\$ 9,640,000	\$ 9,850,000	\$ 9,920,000	\$ 9,990,000
	(1) Excludes system growth					

Town of Gilbert
Revenues - Wastewater System
Wastewater Financial Model

Line No.	Description	Budget 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029
<u>Operating Revenues</u>						
<u>Wastewater</u>						
1	Operating Revenue	\$ 52,730,000	\$ 84,827,000	\$ 86,248,000	\$ 87,694,000	\$ 89,165,000
2	Other Revenues	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000
3	Total Operating Revenues	\$ 55,070,000	\$ 87,167,000	\$88,588,000	\$90,034,000	\$ 91,505,000
<u>Non-Operating Revenue</u>						
4	Non-Operating Revenue					
5	Non-Utility Income	\$ -	\$ -	\$ -	\$ -	\$ -
6	Interest Income	-	-	-	-	-
7	Total Non-Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
8	Total Revenues	\$ 55,070,000	\$ 87,167,000	\$88,588,000	\$90,034,000	\$ 91,505,000
<u>OPERATING REVENUES</u>						
<u>Charges for Services</u>						
<u>Wastewater System</u>						
10	Rate Revenue	\$ 52,730,000	\$ 84,827,000	\$ 86,248,000	\$ 87,694,000	\$ 89,165,000
<u>Other Wastewater Cash Inflows</u>						
12	Intergovernmental Revenue	200,000	200,000	200,000	200,000	200,000
13	Licenses and Permits	11,000	11,000	11,000	11,000	11,000
14	Miscellaneous Revenue	100,000	100,000	100,000	100,000	100,000
15	Transfers	2,029,000	2,029,000	2,029,000	2,029,000	2,029,000
	Total Operating Revenues	\$ 55,070,000	\$ 87,167,000	\$88,588,000	\$90,034,000	\$ 91,505,000

Town of Gilbert

Estimated & Projected Uses of Funds - Wastewater System

Wastewater Financial Model

Line No.	Description	Budget 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029
<u>OPERATING EXPENSES - SUMMARY</u>						
1	Ongoing	\$ 22,991,000	\$ 23,752,000	\$ 24,600,000	\$ 24,880,000	\$ 25,155,000
2	One-Time	6,460,000	3,384,000	5,221,000	10,785,000	4,837,000
3	Transfers - Capital	16,144,000	12,664,000	29,065,000	12,800,000	3,894,000
4	Transfers Out	18,388,000	43,254,000	45,766,000	44,036,000	42,728,000
Total OPERATING EXPENSES - SUMMARY		\$ 63,983,000	\$ 83,054,000	\$ 104,652,000	\$ 92,501,000	\$ 76,614,000
<u>Debt Service</u>						
5	Existing Debt	\$0	\$0	\$0	\$0	\$0
Total Debt Service		\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Expenses - Summary		\$ 63,983,000	\$ 83,054,000	\$ 104,652,000	\$ 92,501,000	\$ 76,614,000
<u>Ongoing Expenditures</u>						
6	Base Expenditures	\$ 22,991,000	\$ 22,991,000	\$ 22,991,000	\$ 22,991,000	\$ 22,991,000
7	CIP Maintenance Costs	-	87,000	479,000	484,000	484,000
8	Five-Year Plan	-	674,000	1,130,000	1,405,000	1,680,000
<u>One-Time Expenditures</u>						
9	One-Time Expenditures	3,627,000	-	-	-	-
10	Five-Year Plan	-	3,384,000	5,221,000	10,785,000	4,837,000
11	Capital Outlay	83,000	-	-	-	-
12	Contingency	2,750,000	-	-	-	-
<u>Transfers Out</u>						
13	Capital	16,144,000	12,664,000	29,065,000	12,800,000	3,894,000
14	Other	18,388,000	43,254,000	45,766,000	44,036,000	42,728,000
Total Operating Expenditures		\$ 63,983,000	\$ 83,054,000	\$ 104,652,000	\$ 92,501,000	\$ 76,614,000

Town of Gilbert

**Capital Improvement Program - Wastewater System
Wastewater Financial Model**

Description					
	2025	2026	2027	2028	2029
Wastewater Fund					
Utility Billing System Replacement	\$642	\$0	\$0	\$0	\$0
North Area Service Center Paving	-	-	389	-	-
South Area Service Center Paving	-	-	433	-	-
Comprehensive Needs Assessment	71	-	-	-	-
Regional Park Drive Extension	1,824	-	-	-	-
Ash Street Re-Alignment	1,425	-	-	-	-
Higley Rd - Riggs to Stacey	-	729	-	-	-
Val Vista Dr - Appleby to Merlot	68	-	-	-	-
Gilbert and Warner Intersection	-	-	-	5,065	-
2022 Vulnerability Assessment	34	-	-	-	-
2022 Int Water Resources Master Plan	18	-	-	-	-
2027 Vulnerability Assessment/ERP	-	-	161	-	-
2032 Vulnerability Assessment/ERP	-	-	-	-	-
2027 Int Water Resources Master Plan	-	-	612	-	-
South Recharge Site Phase 2	-	-	-	-	-
Riparian Distribution Structure	971	-	10,655	-	-
System Wide Force Main Retrofit	14,318	12,378	12,378	12,378	12,378
Concrete Pipe Gravity Sewer Rehab	15,311	-	-	-	-
Neely Activated Sludge Pump Station Repl	3,260	-	-	-	-
Neely Oxidation Ditch Rotor Repl	6,930	-	-	-	-
Neely Effluent Filter Replacement	3,050	-	-	-	-
Neely Odor Control System	2,537	-	-	-	-
GWRP Repair and Replacement Phase 3	1,277	-	-	-	-
Western Canal Odor Control	618	177	-	-	-
Gilbert and Ray Sewer Outfall	1,120	-	-	-	-
SASC Odor Control Site	-	3,138	-	-	-
Lift Station Property Acquisition	-	348	-	-	-
Manhole Rehabilitation Phase 1	887	-	-	4,453	-
Agritopia Odor Control Site	-	-	3,206	-	-
Manhole Rehabilitation Phase 2	277	5,345	-	-	-
Layton Lakes/Crossroads Lift Station	3,449	-	-	-	-
Commons Lift Station Improvements	819	3,392	-	-	-
Oak Sewer Realignment	-	-	-	-	1,388
Neely WRF Concrete Assessment	148	-	1,789	-	-
Access and Security Improvements	-	-	-	-	1,317
Site 3 Chlorine Generation System	-	-	-	-	-
Utility System Fiber Optic Connection	889	944	433	4,153	-
Higley and Ocotillo Dosing Station	-	-	-	-	1,577
Val Vista and Ocotillo Odor Control	-	-	-	-	-
Lindsay and Pecos Odor Control	-	-	-	-	-
Biofilter - Greenfield and Germann	-	-	-	-	-

Town of Gilbert

**Capital Improvement Program - Wastewater System
Wastewater Financial Model**

Description					
	2025	2026	2027	2028	2029
Elliot Rd Reclaimed Line	-	-	-	-	-
BioFilter - Lindsay and Queen Creek	-	-	-	-	-
Baseline & Greenfield Gravity Line	-	-	9,377	-	-
Recker & Morrison Ranch Gravity Line	-	-	410	-	-
Fiesta Tech Facility Upgrades 1	-	-	-	1,292	-
Reclaimed System Surge Evaluation	-	-	-	-	-
Reclaimed Zone Split Improvements	-	-	-	-	-
Charbray Reclaimed Line	-	1,046	-	-	-
Williams Field Reclaimed Line	-	-	1,618	5,902	-
Pecos Rd Reclaimed Line	-	-	726	3,144	-
SCADA & Communications Master Plan	-	380	-	-	-
GWRP - Flow Monitoring Program	-	-	-	-	-
Reclaimed Control Valve Upgrades	-	-	-	486	1,000
Neely WRF O&M Documentation Update	-	-	745	-	-
Lift Station Emergency Power	-	1,759	-	-	-
Town Wide Arc Flash Phase 1	716	-	-	-	-
Reservoir 3 Control System R&R	-	1,264	-	-	-
Greenfield Rd Reclaimed Rehab	-	-	-	17,022	-
Reclaimed - System Flushing Sites	-	549	-	-	-
Reclaimed - Reservoir Safety Imp	366	-	-	-	-
GWRP Various Plant Improvements Ph 2	4,048	3,198	3,036	-	-
Town Wide ARV Improvements	-	-	-	590	-
Neely SCADA Improvements	-	-	2,500	2,500	-
Total Capital Project Costs	\$74,007	\$38,778	\$75,147	\$68,335	\$17,660

Town of Gilbert
Growth Projections - Wastewater System
Wastewater Financial Model

	2025	2026	2027	2028	2029
Base Accounts	97,634	97,634	99,343	101,081	102,850
Growth	0	1,709	1,738	1,769	1,800
Revised Accounts	97,634	99,343	101,081	102,850	104,650
RR1 - Growth		1.75%	1.75%	1.75%	1.75%

APPENDIX B

Wastewater Financial Plan – Option D

Town of Gilbert

Projected Operating Results - Wastewater System Fiscal Years 2025 - 2029

Line No.	Description	Budget 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029
	Rate Revenue Increase ⁽¹⁾	0.0%	25.0%	18.0%	0.0%	0.0%
Sources of Funds						
1	Beginning-of-Year Cash	\$ 30,720,000	\$ 14,424,000	\$ 10,366,500	\$ 15,154,900	\$ 11,825,900
Operating Revenues						
2	Operating Revenue	\$ 45,347,000	\$ 56,656,500	\$ 64,922,400	\$ 66,013,000	\$ 67,123,000
	Total Operating Revenues	\$ 45,347,000	\$ 56,656,500	\$ 64,922,400	\$ 66,013,000	\$ 67,123,000
Non-Operating Revenue						
3	Non-Utility Income	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000
4	Interest Income	-	-	-	-	-
	Total Non-Operating Revenue	\$ 2,340,000	\$ 2,340,000	\$ 2,340,000	\$ 2,340,000	\$ 2,340,000
	Total Revenues	\$ 47,687,000	\$ 58,996,500	\$ 67,262,400	\$ 68,353,000	\$ 69,463,000
Operating Expenses						
5	Ongoing	\$ 22,991,000	\$ 23,752,000	\$ 24,600,000	\$ 24,880,000	\$ 25,155,000
6	One-Time	6,460,000	3,384,000	5,221,000	10,785,000	4,837,000
7	Transfers - Capital	16,144,000	12,664,000	5,013,000	5,729,000	3,894,000
8	Transfers Out	18,388,000	23,254,000	27,640,000	30,288,000	30,111,000
	Total Operating Expenses	\$ 63,983,000	\$ 63,054,000	\$ 62,474,000	\$ 71,682,000	\$ 63,997,000
	Net Result of Operations	\$ (16,296,000)	\$ (4,057,500)	\$ 4,788,400	\$ (3,329,000)	\$ 5,466,000
9	End-of-Year Cash	\$ 14,424,000	\$ 10,366,500	\$ 15,154,900	\$ 11,825,900	\$ 17,291,900
10	Target Cash	\$ 9,450,000	\$ 9,640,000	\$ 9,850,000	\$ 12,300,000	\$ 12,370,000
	(1) Excludes system growth					

Town of Gilbert
Revenues - Wastewater System
Wastewater Financial Model

Line No.	Description	Budget 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029
<u>Operating Revenues</u>						
<u>Wastewater</u>						
1	Operating Revenue	\$ 45,347,000	\$ 56,656,500	\$ 64,922,400	\$ 66,013,000	\$ 67,123,000
2	Other Revenues	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000
3	Total Operating Revenues	\$ 47,687,000	\$ 58,996,500	\$67,262,400	\$68,353,000	\$ 69,463,000
<u>Non-Operating Revenue</u>						
4	Non-Operating Revenue					
5	Non-Utility Income	\$ -	\$ -	\$ -	\$ -	\$ -
6	Interest Income	-	-	-	-	-
7	Total Non-Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
8	Total Revenues	\$ 47,687,000	\$ 58,996,500	\$67,262,400	\$68,353,000	\$ 69,463,000
<u>OPERATING REVENUES</u>						
<u>Charges for Services</u>						
<u>Wastewater System</u>						
10	Rate Revenue	\$ 45,347,000	\$ 56,656,500	\$ 64,922,400	\$ 66,013,000	\$ 67,123,000
<u>Other Wastewater Cash Inflows</u>						
12	Intergovernmental Revenue	200,000	200,000	200,000	200,000	200,000
13	Licenses and Permits	11,000	11,000	11,000	11,000	11,000
14	Miscellaneous Revenue	100,000	100,000	100,000	100,000	100,000
15	Transfers	2,029,000	2,029,000	2,029,000	2,029,000	2,029,000
	Total Operating Revenues	\$ 47,687,000	\$ 58,996,500	\$67,262,400	\$68,353,000	\$ 69,463,000

Town of Gilbert

Estimated & Projected Uses of Funds - Wastewater System

Wastewater Financial Model

Line No.	Description	Budget 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029
<u>OPERATING EXPENSES - SUMMARY</u>						
1	Ongoing	\$ 22,991,000	\$ 23,752,000	\$ 24,600,000	\$ 24,880,000	\$ 25,155,000
2	One-Time	6,460,000	3,384,000	5,221,000	10,785,000	4,837,000
3	Transfers - Capital	16,144,000	12,664,000	5,013,000	5,729,000	3,894,000
4	Transfers Out	18,388,000	23,254,000	27,640,000	30,288,000	30,111,000
Total OPERATING EXPENSES - SUMMARY		\$ 63,983,000	\$ 63,054,000	\$ 62,474,000	\$ 71,682,000	\$ 63,997,000
<u>Debt Service</u>						
5	Existing Debt	\$0	\$0	\$0	\$0	\$0
Total Debt Service		\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Expenses - Summary		\$ 63,983,000	\$ 63,054,000	\$ 62,474,000	\$ 71,682,000	\$ 63,997,000
<u>Ongoing Expenditures</u>						
6	Base Expenditures	\$ 22,991,000	\$ 22,991,000	\$ 22,991,000	\$ 22,991,000	\$ 22,991,000
7	CIP Maintenance Costs	-	87,000	479,000	484,000	484,000
8	Five-Year Plan	-	674,000	1,130,000	1,405,000	1,680,000
<u>One-Time Expenditures</u>						
9	One-Time Expenditures	3,627,000	-	-	-	-
10	Five-Year Plan	-	3,384,000	5,221,000	10,785,000	4,837,000
11	Capital Outlay	83,000	-	-	-	-
12	Contingency	2,750,000	-	-	-	-
<u>Transfers Out</u>						
13	Capital	16,144,000	12,664,000	5,013,000	5,729,000	3,894,000
14	Other	18,388,000	23,254,000	27,640,000	30,288,000	30,111,000
Total Operating Expenses		\$ 63,983,000	\$ 63,054,000	\$ 62,474,000	\$ 71,682,000	\$ 63,997,000

Town of Gilbert

**Capital Improvement Program - Wastewater System
Wastewater Financial Model**

Description					
	2025	2026	2027	2028	2029
Wastewater Fund					
Utility Billing System Replacement	\$642	\$0	\$0	\$0	\$0
North Area Service Center Paving	-	-	389	-	-
South Area Service Center Paving	-	-	433	-	-
Comprehensive Needs Assessment	71	-	-	-	-
Regional Park Drive Extension	1,824	-	-	-	-
Ash Street Re-Alignment	1,425	-	-	-	-
Higley Rd - Riggs to Stacey	-	729	-	-	-
Val Vista Dr - Appleby to Merlot	68	-	-	-	-
Gilbert and Warner Intersection	-	-	-	5,065	-
2022 Vulnerability Assessment	34	-	-	-	-
2022 Int Water Resources Master Plan	18	-	-	-	-
2027 Vulnerability Assessment/ERP	-	-	161	-	-
2032 Vulnerability Assessment/ERP	-	-	-	-	-
2027 Int Water Resources Master Plan	-	-	612	-	-
South Recharge Site Phase 2	-	-	-	-	-
Riparian Distribution Structure	971	-	10,655	-	-
System Wide Force Main Retrofit	14,318	12,378	12,378	12,378	12,378
Concrete Pipe Gravity Sewer Rehab	15,311	-	-	-	-
Neely Activated Sludge Pump Station Repl	3,260	-	-	-	-
Neely Oxidation Ditch Rotor Repl	6,930	-	-	-	-
Neely Effluent Filter Replacement	3,050	-	-	-	-
Neely Odor Control System	2,537	-	-	-	-
GWRP Repair and Replacement Phase 3	1,277	-	-	-	-
Western Canal Odor Control	618	177	-	-	-
Gilbert and Ray Sewer Outfall	1,120	-	-	-	-
SASC Odor Control Site	-	3,138	-	-	-
Lift Station Property Acquisition	-	348	-	-	-
Manhole Rehabilitation Phase 1	887	-	-	4,453	-
Agritopia Odor Control Site	-	-	3,206	-	-
Manhole Rehabilitation Phase 2	277	5,345	-	-	-
Layton Lakes/Crossroads Lift Station	3,449	-	-	-	-
Commons Lift Station Improvements	819	3,392	-	-	-
Oak Sewer Realignment	-	-	-	-	1,388
Neely WRF Concrete Assessment	148	-	1,789	-	-
Access and Security Improvements	-	-	-	-	1,317
Site 3 Chlorine Generation System	-	-	-	-	-
Utility System Fiber Optic Connection	889	944	433	4,153	-
Higley and Ocotillo Dosing Station	-	-	-	-	1,577
Val Vista and Ocotillo Odor Control	-	-	-	-	-
Lindsay and Pecos Odor Control	-	-	-	-	-
Biofilter - Greenfield and Germann	-	-	-	-	-

Town of Gilbert

**Capital Improvement Program - Wastewater System
Wastewater Financial Model**

Description					
	2025	2026	2027	2028	2029
Elliot Rd Reclaimed Line	-	-	-	-	-
BioFilter - Lindsay and Queen Creek	-	-	-	-	-
Baseline & Greenfield Gravity Line	-	-	9,377	-	-
Recker & Morrison Ranch Gravity Line	-	-	410	-	-
Fiesta Tech Facility Upgrades 1	-	-	-	1,292	-
Reclaimed System Surge Evaluation	-	-	-	-	-
Reclaimed Zone Split Improvements	-	-	-	-	-
Charbray Reclaimed Line	-	1,046	-	-	-
Williams Field Reclaimed Line	-	-	1,618	5,902	-
Pecos Rd Reclaimed Line	-	-	726	3,144	-
SCADA & Communications Master Plan	-	380	-	-	-
GWRP - Flow Monitoring Program	-	-	-	-	-
Reclaimed Control Valve Upgrades	-	-	-	486	1,000
Neely WRF O&M Documentation Update	-	-	745	-	-
Lift Station Emergency Power	-	1,759	-	-	-
Town Wide Arc Flash Phase 1	716	-	-	-	-
Reservoir 3 Control System R&R	-	1,264	-	-	-
Greenfield Rd Reclaimed Rehab	-	-	-	17,022	-
Reclaimed - System Flushing Sites	-	549	-	-	-
Reclaimed - Reservoir Safety Imp	366	-	-	-	-
GWRP Various Plant Improvements Ph 2	4,048	3,198	3,036	-	-
Town Wide ARV Improvements	-	-	-	590	-
Neely SCADA Improvements	-	-	2,500	2,500	-
Total Capital Project Costs	\$74,007	\$38,778	\$75,147	\$68,335	\$17,660

Town of Gilbert
Growth Projections - Wastewater System
Wastewater Financial Model

	2025	2026	2027	2028	2029
Base Accounts	97,634	97,634	99,343	101,081	102,850
Growth	0	1,709	1,738	1,769	1,800
Revised Accounts	97,634	99,343	101,081	102,850	104,650
RR1 - Growth		1.75%	1.75%	1.75%	1.75%

APPENDIX C

Wastewater Rate Plan – Option B

FY 2024-25 July to March

Class	Base Rate	Base Units	Base Rev	Flow Rate	Flow	Flow Rev	Total Revenue
Residential							
Residential - Units	\$32.75	82,743	\$24,388,529	\$0.00	0	\$0	\$24,388,529
Residential MF - Units	32.75	14,027	4,134,533	0.00	0	0	4,134,533
Total Residential		96,770	\$28,523,062		0	\$0	\$28,523,062
Commercial							
Commercial	\$21.90	1,807	\$356,175	\$2.17	1,036,935	\$2,250,149	\$2,606,324
Commercial - R & RM	21.90	765	150,813	2.17	58,608	127,179	277,992
		2,572	\$506,989		1,095,543	\$2,377,328	\$2,884,317
Total		99,343	\$29,030,051		1,095,543	\$2,377,328	\$31,407,379
Reuse/Recharge Water							
Reclaimed Water	\$19.74	55	\$9,771	\$0.54	1,545,605	\$844,398	\$854,169
Playa Del Rey	19.74	1	178	1.06	23,244	24,816	24,994
Recovered Well (Private)	19.74	7	1,244	1.07	302,673	325,104	326,347
Recovered Well (Town)	19.74	1	178	1.79	20,432	36,751	36,929
Total Reuse/Recharge		64	\$11,370		1,891,955	\$1,231,070	\$1,242,440

FY 2024-25 April to June

Class	Base Rate	Base Units	Base Rev	Flow Rate	Flow	Flow Rev	Total Revenue
Residential							
Residential - Units	\$62.01	82,743	\$15,392,928	\$0.00	0	\$0	\$15,392,928
Residential MF - Units	62.01	14,027	2,609,529	0.00	0	0	2,609,529
Total Residential		96,770	\$18,002,457		0	\$0	\$18,002,457
Commercial							
Commercial	\$45.20	1,807	\$245,060	\$4.40	345,645	\$1,521,546	\$1,766,605
Commercial - R & RM	45.20	765	103,764	4.40	19,536	85,998	189,762
		2,572	\$348,824		365,181	\$1,607,544	\$1,956,368
Total		99,343	\$18,351,281		365,181	\$1,607,544	\$19,958,825
Reuse/Recharge Water							
Reclaimed Water	\$43.52	55	\$7,181	\$1.19	515,202	\$620,214	\$627,395
Playa Del Rey	43.52	1	131	1.33	7,748	10,397	10,527
Recovered Well (Private)	43.52	7	914	2.36	100,891	238,789	239,703
Recovered Well (Town)	43.52	1	131	3.94	6,811	26,994	27,125
Total Reuse/Recharge		64	\$8,356		630,652	\$896,394	\$904,750

Grand Total \$53,513,394

FY 2025-26							
Class	Base Rate	Base Units	Base Rev	Flow Rate	Flow	Flow Rev	Total Revenue
Residential							
Residential - Units	\$62.01	84,191	\$62,649,217	\$0.00	0	\$0	\$62,649,217
Residential MF - Units	62.01	14,273	10,620,783	0.00	0	0	10,620,783
Total Residential		98,464	\$73,270,000		0	\$0	\$73,270,000
Commercial							
Commercial	\$45.20	1,807	\$980,240	\$4.40	1,406,775	\$6,192,691	\$7,172,930
Commercial - R & RM	45.20	765	415,056	4.40	79,512	350,013	765,070
		2,572	\$1,395,296		1,486,287	\$6,542,704	\$7,938,000
Total		101,036	\$74,665,296		1,486,287	\$6,542,704	\$81,208,000
Reuse/Recharge Water							
Reclaimed Water	\$43.52	55	\$28,725	\$1.19	2,060,807	\$2,480,856	\$2,509,581
Playa Del Rey	43.52	1	522	1.33	30,992	41,587	42,109
Recovered Well (Private)	43.52	7	3,656	2.36	403,564	955,156	958,812
Recovered Well (Town)	43.52	1	522	3.94	27,243	107,976	108,498
Total Reuse/Recharge		64	\$33,425		2,522,606	\$3,585,575	\$3,619,000
Grand Total							\$84,827,000

FY 2026-27

Class	Base Rate	Base Units	Base Rev	Flow Rate	Flow	Flow Rev	Total Revenue
Residential							
Residential - Units	\$62.01	85,664	\$63,745,578	\$0.00	0	\$0	\$63,745,578
Residential MF - Units	62.01	14,523	10,806,647	0.00	0	0	10,806,647
Total Residential		100,187	\$74,552,225		0	\$0	\$74,552,225
Commercial							
Commercial	\$45.20	1,839	\$997,394	\$4.40	1,431,394	\$6,301,063	\$7,298,456
Commercial - R & RM	45.20	779	422,320	4.40	80,903	356,139	778,459
		2,617	\$1,419,714		1,512,297	\$6,657,201	\$8,076,915
Total		102,804	\$75,971,939		1,512,297	\$6,657,201	\$82,629,140
Reuse/Recharge Water							
Reclaimed Water	\$43.52	55	\$28,725	\$1.19	2,060,807	\$2,480,856	\$2,509,581
Playa Del Rey	43.52	1	522	1.33	30,992	41,587	42,109
Recovered Well (Private)	43.52	7	3,656	2.36	403,564	955,156	958,812
Recovered Well (Town)	43.52	1	522	3.94	27,243	107,976	108,498
Total Reuse/Recharge		64	\$33,425		2,522,606	\$3,585,575	\$3,619,000
Grand Total							\$86,248,140

FY 2027-28

Class	Base Rate	Base Units	Base Rev	Flow Rate	Flow	Flow Rev	Total Revenue
Residential							
Residential - Units	\$62.01	87,164	\$64,861,126	\$0.00	0	\$0	\$64,861,126
Residential MF - Units	62.01	14,777	10,995,763	0.00	0	0	10,995,763
Total Residential		101,940	\$75,856,889		0	\$0	\$75,856,889
Commercial							
Commercial	\$45.20	1,871	\$1,014,848	\$4.40	1,456,443	\$6,411,331	\$7,426,179
Commercial - R & RM	45.20	792	429,710	4.40	82,319	362,371	792,082
		2,663	\$1,444,559		1,538,762	\$6,773,702	\$8,218,261
Total		104,603	\$77,301,448		1,538,762	\$6,773,702	\$84,075,150
Reuse/Recharge Water							
Reclaimed Water	\$43.52	55	\$28,725	\$1.19	2,060,807	\$2,480,856	\$2,509,581
Playa Del Rey	43.52	1	522	1.33	30,992	41,587	42,109
Recovered Well (Private)	43.52	7	3,656	2.36	403,564	955,156	958,812
Recovered Well (Town)	43.52	1	522	3.94	27,243	107,976	108,498
Total Reuse/Recharge		64	\$33,425		2,522,606	\$3,585,575	\$3,619,000
Grand Total							\$87,694,150

FY 2028-29

Class	Base Rate	Base Units	Base Rev	Flow Rate	Flow	Flow Rev	Total Revenue
Residential							
Residential - Units	\$62.01	88,689	\$65,996,195	\$0.00	0	\$0	\$65,996,195
Residential MF - Units	62.01	15,035	11,188,189	0.00	0	0	11,188,189
Total Residential		103,724	\$77,184,384		0	\$0	\$77,184,384
Commercial							
Commercial	\$45.20	1,904	\$1,032,608	\$4.40	1,481,931	\$6,523,530	\$7,556,138
Commercial - R & RM	45.20	806	437,230	4.40	83,759	368,713	805,943
		2,710	\$1,469,838		1,565,690	\$6,892,242	\$8,362,081
Total		106,434	\$78,654,223		1,565,690	\$6,892,242	\$85,546,465
Reuse/Recharge Water							
Reclaimed Water	\$43.52	55	\$28,725	\$1.19	2,060,807	\$2,480,856	\$2,509,581
Playa Del Rey	43.52	1	522	1.33	30,992	41,587	42,109
Recovered Well (Private)	43.52	7	3,656	2.36	403,564	955,156	958,812
Recovered Well (Town)	43.52	1	522	3.94	27,243	107,976	108,498
Total Reuse/Recharge		64	\$33,425		2,522,606	\$3,585,575	\$3,619,000
Grand Total							\$89,165,465

APPENDIX D

Wastewater Rate Plan – Option D

FY 2024-25 July to March

Class	Base Rate	Base Units	Base Rev	Flow Rate	Flow	Flow Rev	Total Revenue
Residential							
Residential - Units	\$32.75	82,743	\$24,388,529	\$0.00	0	\$0	\$24,388,529
Residential MF - Units	32.75	14,027	4,134,533	0.00	0	0	4,134,533
Total Residential		96,770	\$28,523,062		0	\$0	\$28,523,062
Commercial							
Commercial	\$21.90	1,807	\$356,175	\$2.17	1,036,935	\$2,250,149	\$2,606,324
Commercial - R & RM	21.90	765	150,813	2.17	58,608	127,179	277,992
		2,572	\$506,989		1,095,543	\$2,377,328	\$2,884,317
Total		99,343	\$29,030,051		1,095,543	\$2,377,328	\$31,407,379
Reuse/Recharge Water							
Reclaimed Water	\$19.74	55	\$9,771	\$0.54	1,545,605	\$844,398	\$854,169
Playa Del Rey	19.74	1	178	1.06	23,244	24,816	24,994
Recovered Well (Private)	19.74	7	1,244	1.07	302,673	325,104	326,347
Recovered Well (Town)	19.74	1	178	1.79	20,432	36,751	36,929
Total Reuse/Recharge		64	\$11,370		1,891,955	\$1,231,070	\$1,242,440

FY 2024-25 April to June

Class	Base Rate	Base Units	Base Rev	Flow Rate	Flow	Flow Rev	Total Revenue
Residential							
Residential - Units	\$41.48	82,743	\$10,297,526	\$0.00	0	\$0	\$10,297,526
Residential MF - Units	41.48	14,027	1,745,717	0.00	0	0	1,745,717
Total Residential		96,770	\$12,043,243		0	\$0	\$12,043,243
Commercial							
Commercial	\$29.97	1,807	\$162,475	\$3.02	345,645	\$1,044,402	\$1,206,877
Commercial - R & RM	29.97	765	68,796	3.02	19,536	59,030	127,826
		2,572	\$231,271		365,181	\$1,103,432	\$1,334,703
Total		99,343	\$12,274,514		365,181	\$1,103,432	\$13,377,946
Reuse/Recharge Water							
Reclaimed Water	\$27.49	55	\$4,535	\$0.75	515,202	\$389,041	\$393,576
Playa Del Rey	27.49	1	82	1.33	7,748	10,349	10,431
Recovered Well (Private)	27.49	7	577	1.48	100,891	149,777	150,354
Recovered Well (Town)	27.49	1	82	2.47	6,811	16,932	17,014
Total Reuse/Recharge		64	\$5,277		630,652	\$566,098	\$571,375

Grand Total \$46,599,140

FY 2025-26 July to March

Class	Base Rate	Base Units	Base Rev	Flow Rate	Flow	Flow Rev	Total Revenue
Residential							
Residential - Units	\$41.48	84,191	\$31,433,199	\$0.00	0	\$0	\$31,433,199
Residential MF - Units	41.48	14,273	5,328,801	0.00	0	0	5,328,801
Total Residential		98,464	\$36,762,000		0	\$0	\$36,762,000
Commercial							
Commercial	\$29.97	1,839	\$495,954	\$3.02	1,036,935	\$3,133,207	\$3,629,161
Commercial - R & RM	29.97	779	209,999	3.02	58,608	177,090	387,089
		2,617	\$705,953		1,095,543	\$3,310,297	\$4,016,250
Total		101,081	\$37,467,953		1,095,543	\$3,310,297	\$40,778,250
Reuse/Recharge Water							
Reclaimed Water	\$27.49	55	\$13,605	\$0.75	1,545,605	\$1,167,122	\$1,180,728
Playa Del Rey	27.49	1	247	1.33	23,244	31,046	31,293
Recovered Well (Private)	27.49	7	1,732	1.48	302,673	449,330	451,062
Recovered Well (Town)	27.49	1	247	2.47	20,432	50,795	51,042
Total Reuse/Recharge		64	\$15,832		1,891,955	\$1,698,293	\$1,714,125
Grand Total							\$42,492,375

FY 2025-26 April to June

Class	Base Rate	Base Units	Base Rev	Flow Rate	Flow	Flow Rev	Total Revenue
Residential							
Residential - Units	\$47.00	84,191	\$11,870,946	\$0.00	0	\$0	\$11,870,946
Residential MF - Units	47.00	14,273	2,012,455	0.00	0	0	2,012,455
Total Residential		98,464	\$13,883,401		0	\$0	\$13,883,401
Commercial							
Commercial	\$34.00	1,839	\$187,548	\$3.40	345,645	\$1,176,332	\$1,363,880
Commercial - R & RM	34.00	779	79,412	3.40	19,536	66,487	145,899
		2,617	\$266,960		365,181	\$1,242,819	\$1,509,779
Total		101,081	\$14,150,361		365,181	\$1,242,819	\$15,393,180
Reuse/Recharge Water							
Reclaimed Water	\$33.00	55	\$5,445	\$0.84	515,202	\$439,564	\$445,009
Playa Del Rey	33.00	1	99	1.33	7,748	10,365	10,464
Recovered Well (Private)	33.00	7	693	1.67	100,891	169,144	169,837
Recovered Well (Town)	33.00	1	99	2.79	6,811	19,122	19,221
Total Reuse/Recharge		64	\$6,336		630,652	\$638,195	\$644,531
Grand Total							\$58,530,086

FY 2026-27 July to March

Class	Base Rate	Base Units	Base Rev	Flow Rate	Flow	Flow Rev	Total Revenue
Residential							
Residential - Units	\$47.00	85,664	\$48,314,749	\$0.00	0	\$0	\$48,314,749
Residential MF - Units	47.00	14,523	8,190,693	0.00	0	0	8,190,693
Total Residential		100,187	\$56,505,442		0	\$0	\$56,505,442
Commercial							
Commercial	\$34.00	1,871	\$763,320	\$3.40	1,406,775	\$4,787,673	\$5,550,992
Commercial - R & RM	34.00	792	323,207	3.40	79,512	270,601	593,809
		2,663	\$1,086,527		1,486,287	\$5,058,274	\$6,144,801
Total		102,850	\$57,591,969		1,486,287	\$5,058,274	\$62,650,243
Reuse/Recharge Water							
Reclaimed Water	\$33.00	55	\$21,780	\$0.84	2,060,807	\$1,758,254	\$1,780,034
Playa Del Rey	33.00	1	297	1.33	30,992	41,361	41,658
Recovered Well (Private)	33.00	7	2,079	1.67	403,564	675,883	677,962
Recovered Well (Town)	33.00	1	297	2.79	27,243	76,390	76,687
Total Reuse/Recharge		64	\$24,453		2,522,606	\$2,551,888	\$2,576,341
Grand Total							\$65,226,584

FY 2027-28

Class	Base Rate	Base Units	Base Rev	Flow Rate	Flow	Flow Rev	Total Revenue
Residential							
Residential - Units	\$47.00	87,164	\$49,160,257	\$0.00	0	\$0	\$49,160,257
Residential MF - Units	47.00	14,777	8,334,030	0.00	0	0	8,334,030
Total Residential		101,940	\$57,494,287		0	\$0	\$57,494,287
Commercial							
Commercial	\$34.00	1,904	\$776,678	\$3.40	1,431,394	\$4,871,457	\$5,648,135
Commercial - R & RM	34.00	806	328,864	3.40	80,903	275,337	604,200
		2,710	\$1,105,541		1,512,297	\$5,146,794	\$6,252,335
Total		104,650	\$58,599,828		1,512,297	\$5,146,794	\$63,746,622
Reuse/Recharge Water							
Reclaimed Water	\$33.00	55	\$21,780	\$0.84	2,060,807	\$1,758,254	\$1,780,034
Playa Del Rey	33.00	1	396	1.33	30,992	41,460	41,856
Recovered Well (Private)	33.00	7	2,772	1.67	403,564	676,576	679,348
Recovered Well (Town)	33.00	1	396	2.79	27,243	76,489	76,885
Total Reuse/Recharge		64	\$25,344		2,522,606	\$2,552,779	\$2,578,123
Grand Total							\$66,324,745

FY 2028-29

Class	Base Rate	Base Units	Base Rev	Flow Rate	Flow	Flow Rev	Total Revenue
Residential							
Residential - Units	\$47.00	88,689	\$50,020,562	\$0.00	0	\$0	\$50,020,562
Residential MF - Units	47.00	15,035	8,479,875	0.00	0	0	8,479,875
Total Residential		103,724	\$58,500,437		0	\$0	\$58,500,437
Commercial							
Commercial	\$34.00	1,937	\$790,269	\$3.40	1,456,443	\$4,956,708	\$5,746,977
Commercial - R & RM	34.00	820	334,619	3.40	82,319	280,155	614,774
		2,757	\$1,124,888		1,538,762	\$5,236,863	\$6,361,751
Total		106,481	\$59,625,325		1,538,762	\$5,236,863	\$64,862,188
Reuse/Recharge Water							
Reclaimed Water	\$33.00	55	\$21,780	\$0.84	2,060,807	\$1,758,254	\$1,780,034
Playa Del Rey	33.00	1	396	1.33	30,992	41,460	41,856
Recovered Well (Private)	33.00	7	2,772	1.67	403,564	676,576	679,348
Recovered Well (Town)	33.00	1	396	2.79	27,243	76,489	76,885
Total Reuse/Recharge		64	\$25,344		2,522,606	\$2,552,779	\$2,578,123
Grand Total							\$67,440,311



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