

Water and Sewer Rates

Issue Review Session
December 1, 2016



2015 Background



New Rates effective

- January 1, 2016
- January 1, 2017



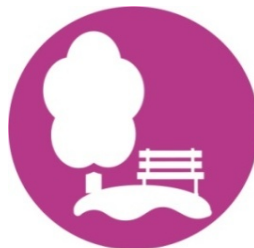
COUNCIL STRATEGIC PRIORITIES



Sustainable Growth
& Development



Financial Stability
& Vitality



Quality of Life

RATE-SETTING OBJECTIVES

Strong Conservation Message
Revenues Cover Expenditures
Infrastructure Funding
Affordability
Emerging Regulations

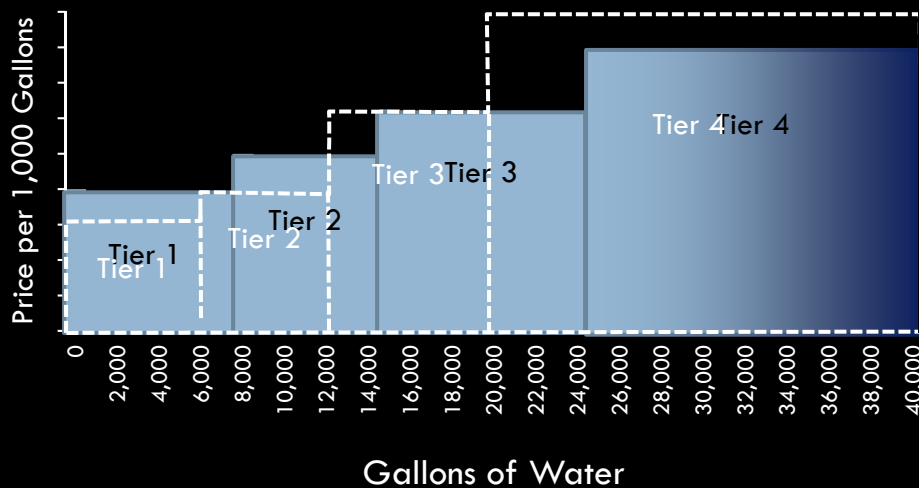


Strong Community
Connections



Safe & Secure
Communities

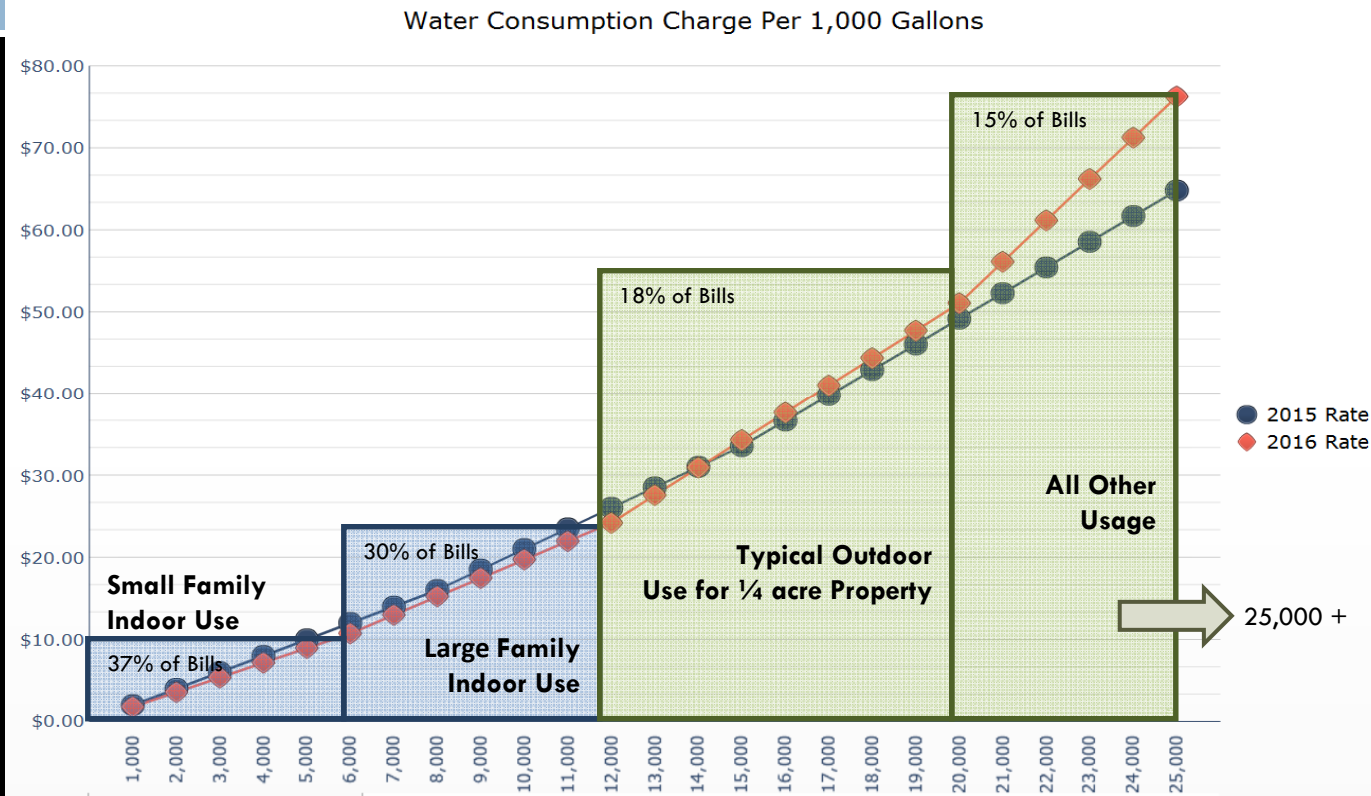
Single Family Residential Structure



PRE-2016 TIERS (GALLONS)	PRE-2016 MULTIPLIER FOR RATES	CURRENT TIERS (GALLONS)	CURRENT MULTIPLIER FOR RATES
0 to 8,000	1.00	0 to 6,000	1.00
8,001 to 15,000	x1.25	6,001 to 12,000	x1.25
15,001 to 25,000	x1.25	12,001 to 20,000	x1.50
> 25,000	x1.25	> 20,000	x1.50

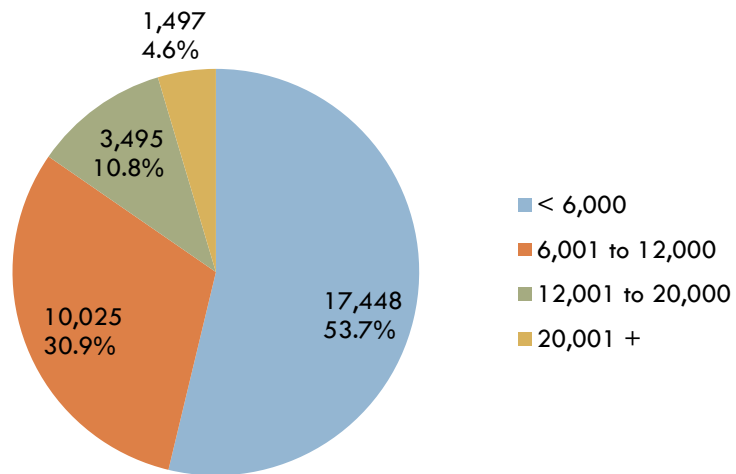
- Pre-2016: Each TIER is priced 25% higher than the previous TIER.
- 2016: TIER 2 is priced 25% higher than TIER 1. TIERS 3 and 4 are priced 50% higher than the previous TIER.

Water Usage Tier Profile

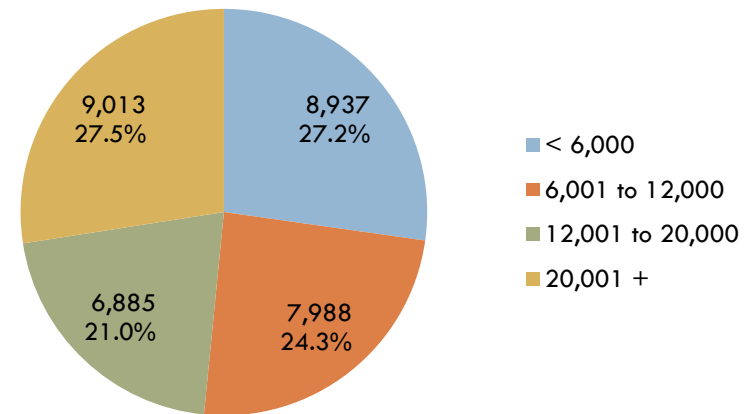


Single Family Residential Bills by Tier

March 2016



August 2016

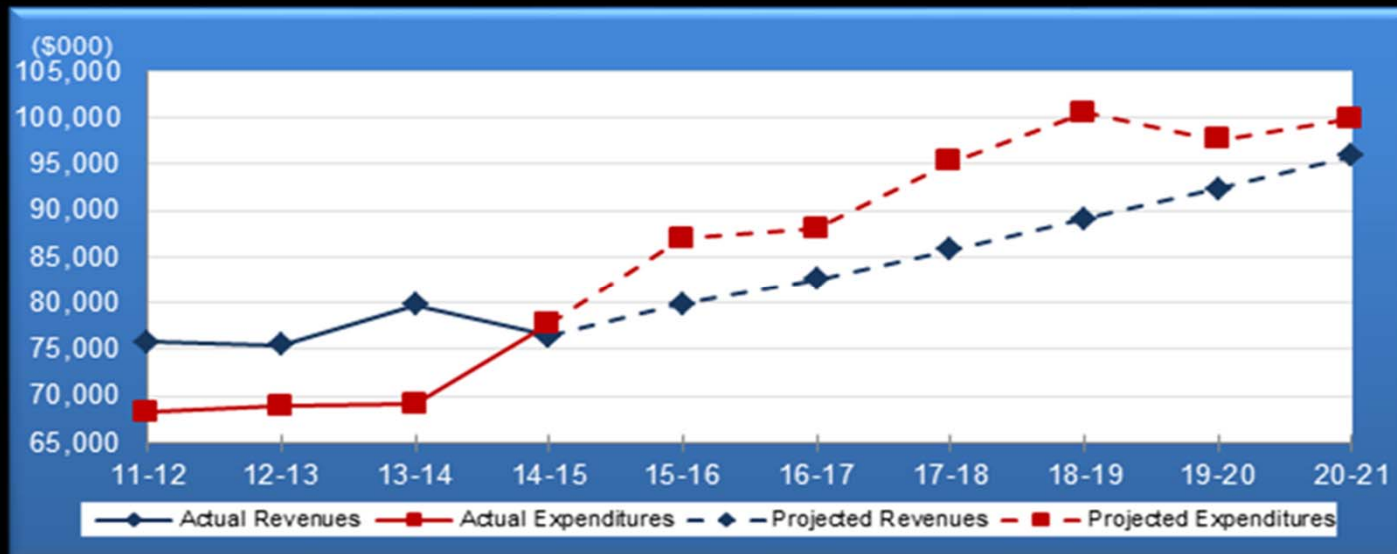


Water Volume Rates

PRE-2016 TIERS	PRE-2016 RATES (X1,000 GAL)	CURRENT TIERS	RATES (X1,000 GAL)	
			CY2016	CY2017 *
WATER				
0 to 8,000 gals	\$2.00	0 to 6,000 gals	\$1.79	\$1.88*
8,001 to 15,000 gals	\$2.50	6,001 to 12,000 gals	\$2.24	\$2.35*
15,001 to 25,000 gals	\$3.13	12,001 to 20,000 gals	\$3.36	\$3.52*
> 25,000 gals	\$3.92	> 20,000 gals	\$5.05	\$5.29*
SEWER				
Residential	\$1.75		\$1.84	\$1.89*

*CY2017 rate adjustment 4.75% in water and 2.50% in sewer

Long Range Forecast: Water/Wastewater Fund



Fund Balance as
% of Revenue

72%

82%

88%

75%

66%

53%

38%

31%

28%

Environmental Changes

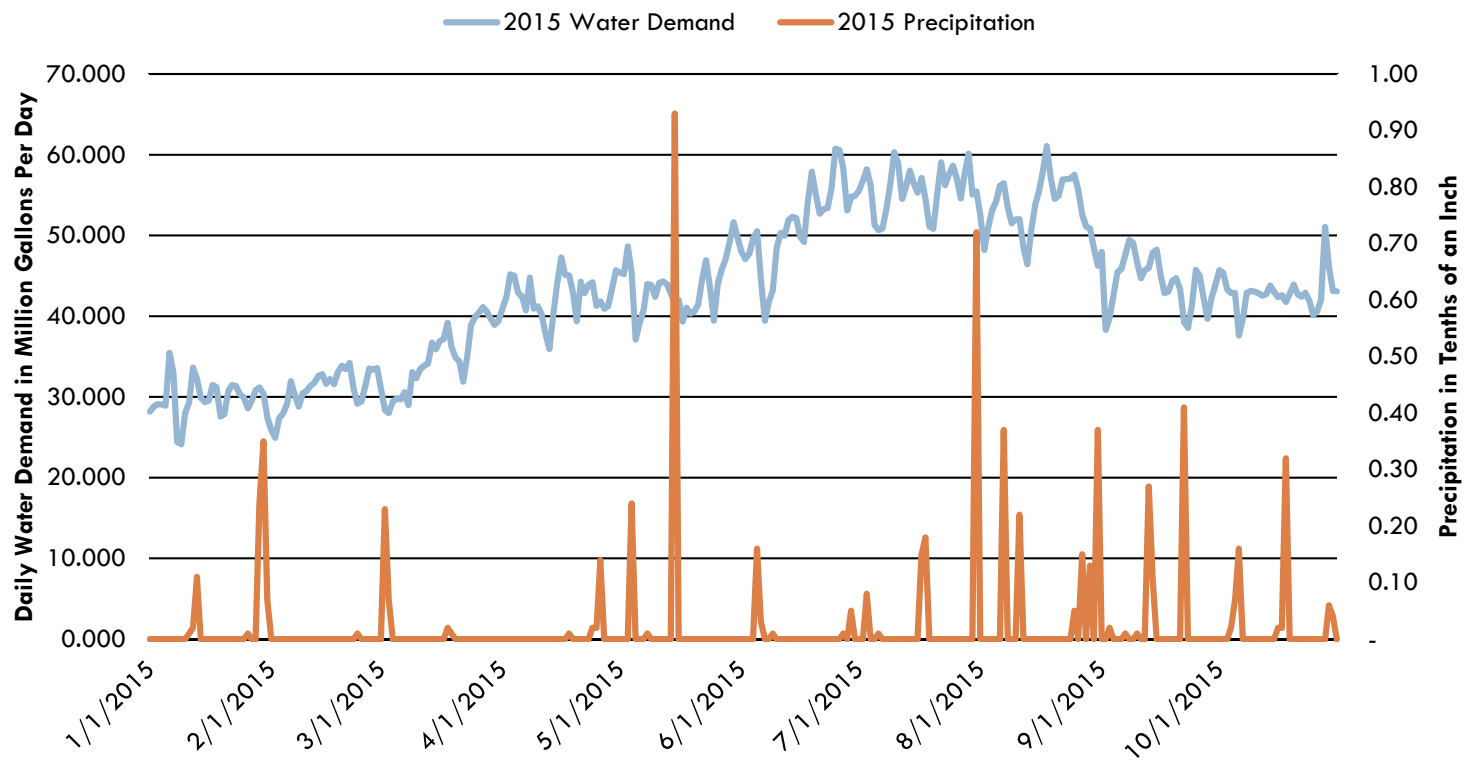
2015 Precipitation



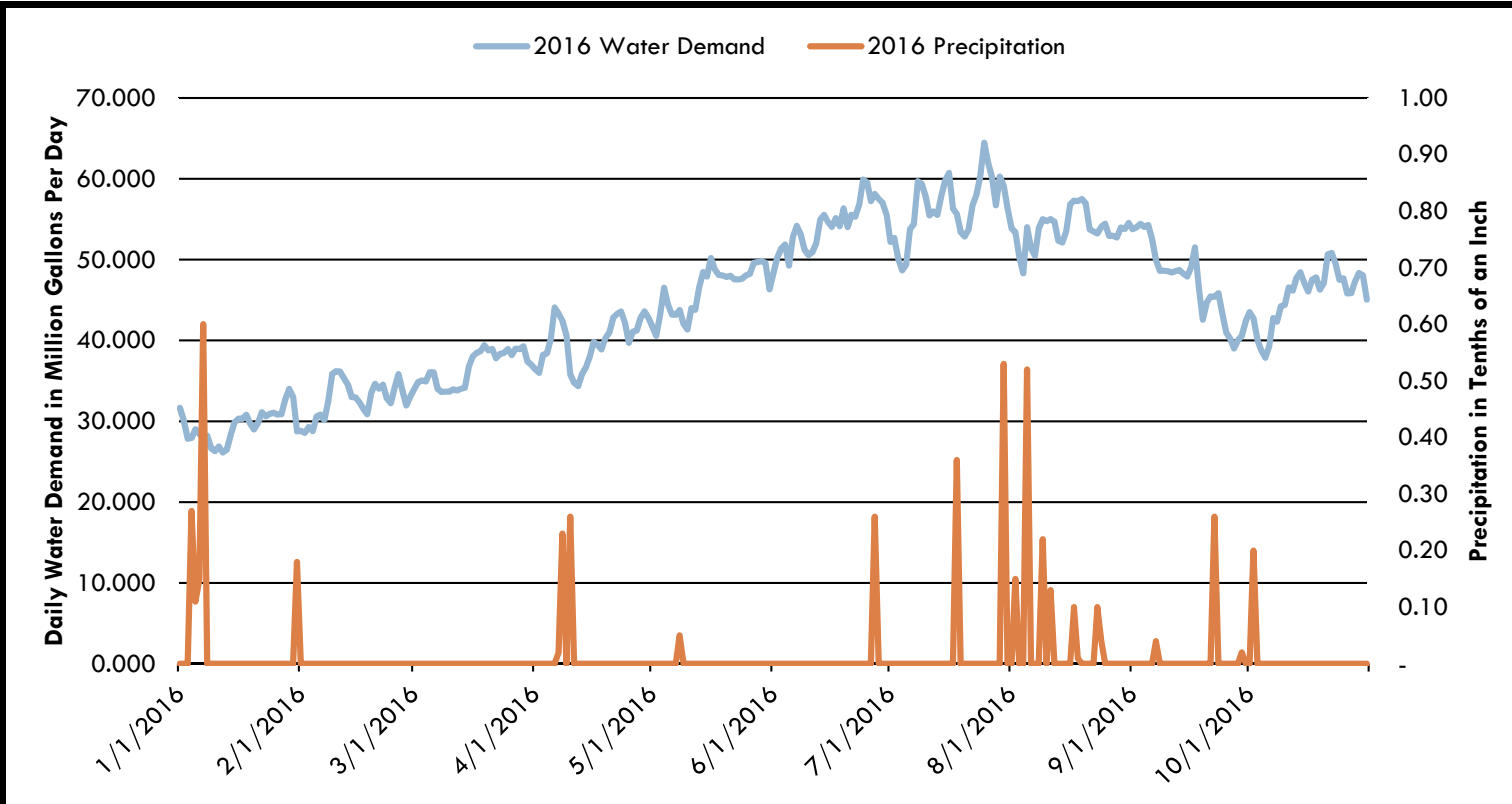
2016 Precipitation



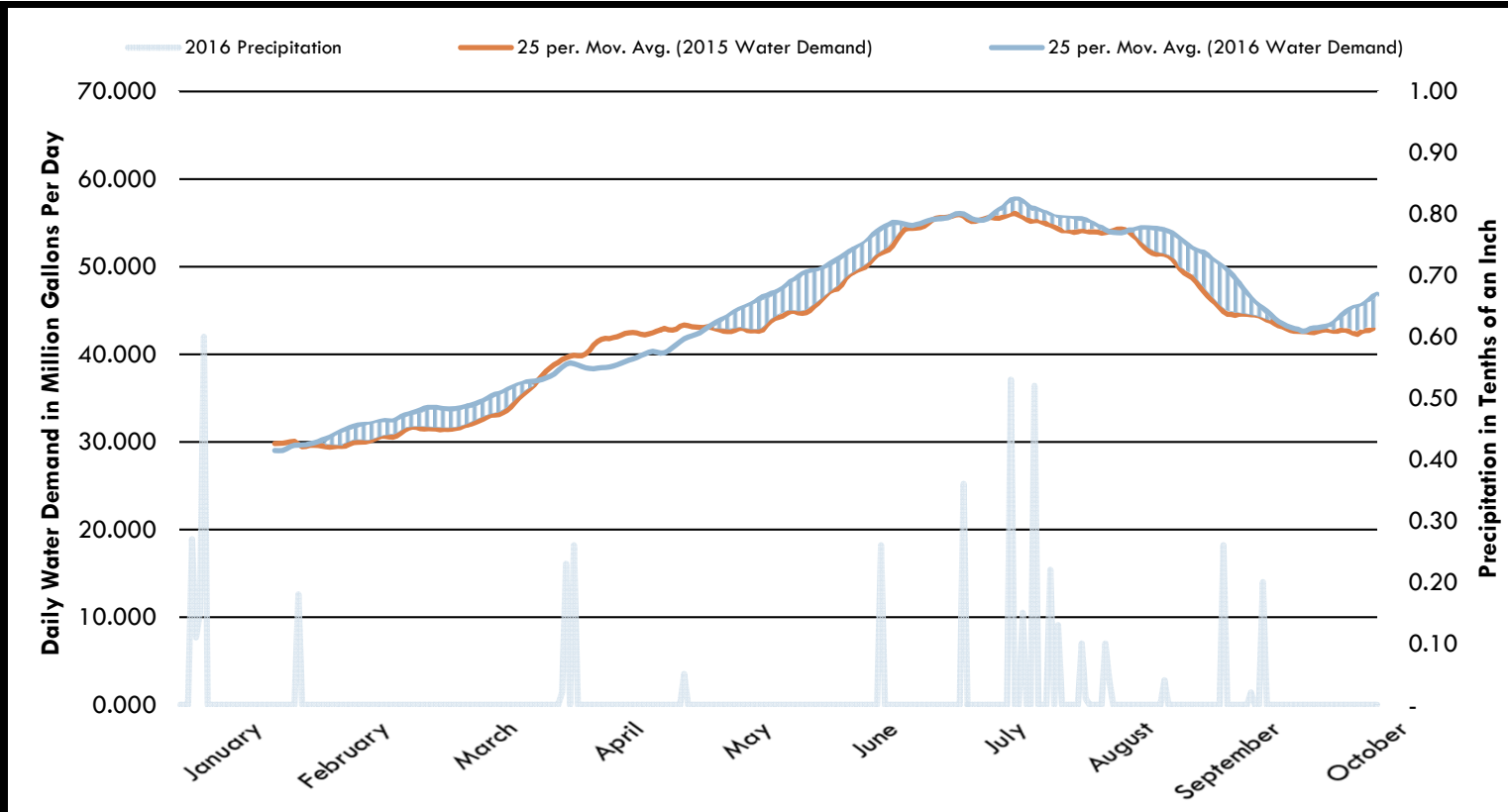
2015 Precipitation and Water Demand



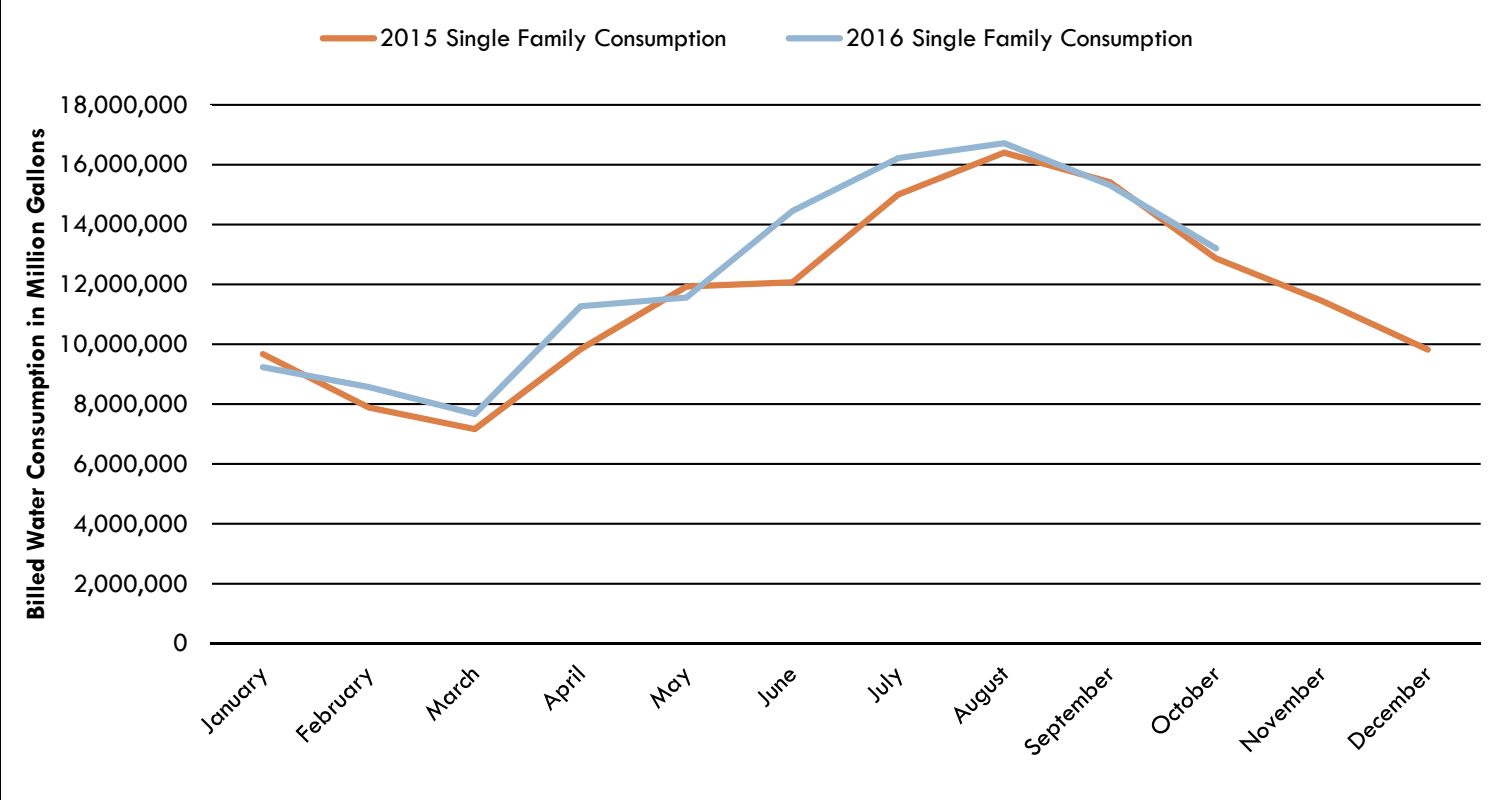
2016 Precipitation and Water Demand



2015-2016 Comparison



Single Family Water Consumption Data



Valley Comparison – Average SFR Water Charge

Last Updated 11/22/2016

Tempe Single Family Utility Rate Calculator/Comparison Dashboard

Single Fa...

Single Family Back Up Data

Water Calculator

Select Meter Size: 5/8" 3/4" 1"

Select Gallons: 9,000

Select Rate Increase: 0.00%

Current Fee	\$ Increase	Total
\$28.96	\$0.00	\$28.96

Wastewater Calculator

Gallons (Winter Average): 6,000

Select Rate Increase: 0.00%

Current Fee	\$ Increase	Total
\$21.34	\$0.00	\$21.34

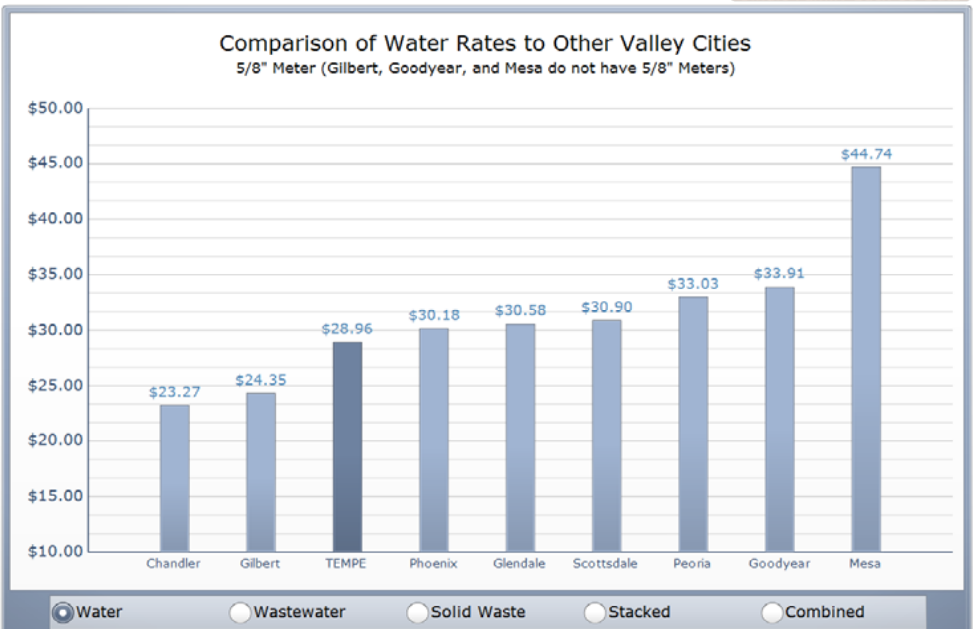
Solid Waste Calculator

Select Rate Increase: 0.00%

Current Fee	Increase	Total
\$23.00	\$0.00	\$23.00

Combined Monthly Totals

Current Fee	Increase	Total	% Increase
\$73.30	\$0.00	\$73.30	0.0%



	Chandler	Gilbert	Glendale	Goodyear	Mesa	Peoria	Phoenix	Scottsdale	Tempe
Adopted Rate	Oct-15	Jul-09	Oct-10	Jan-16	Aug-16	Jul-16	Mar-16	Jul-15	Jan-16

Valley Comparison – Average SFR Wastewater Charge

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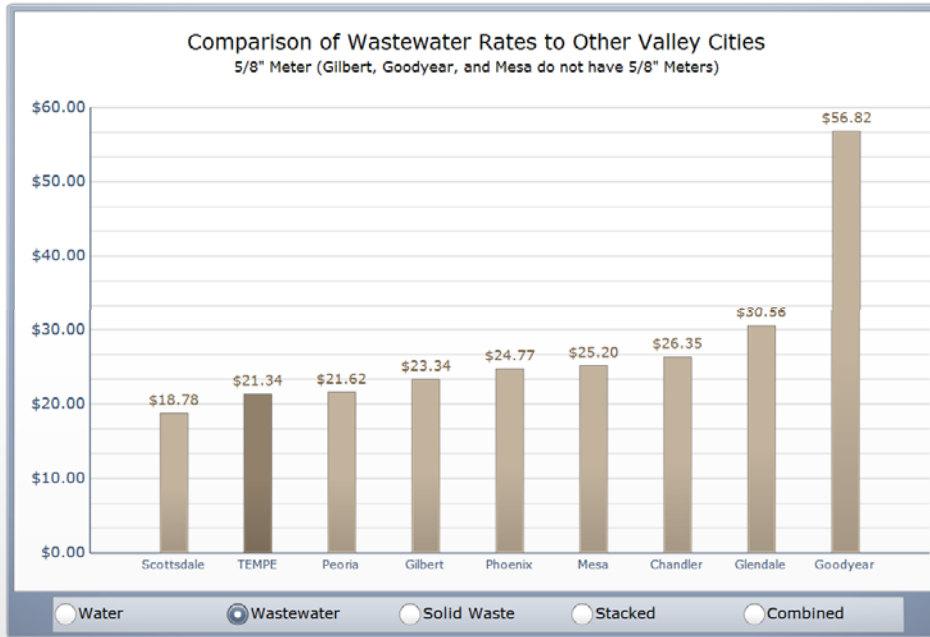
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Adopted Rate	Chandler	Gilbert	Glendale	Goodyear	Mesa	Peoria	Phoenix	Scottsdale	Tempe
	Oct-15	Jul-09	Oct-10	Jan-16	Aug-16	Jul-16	Mar-16	Jul-15	Jan-16

Valley Comparison – Large SFR Water Charge

Last Updated 11/22/2016

Tempe Single Family Utility Rate Calculator/Comparison Dashboard

Single Fa...

Single Family Back Up Data

Water Calculator

Select Meter Size

5/8"
 3/4"
 1"

Select Gallons

30,000

Select Rate Increase

0.00%

Current Fee	\$ Increase	Total
\$112.96	\$0.00	\$112.96

Wastewater Calculator

Gallons (Winter Average)

15,000

Select Rate Increase

0.0%

Current Fee	\$ Increase	Total
\$37.90	\$0.00	\$37.90

Solid Waste Calculator

Select Rate Increase

0.0%

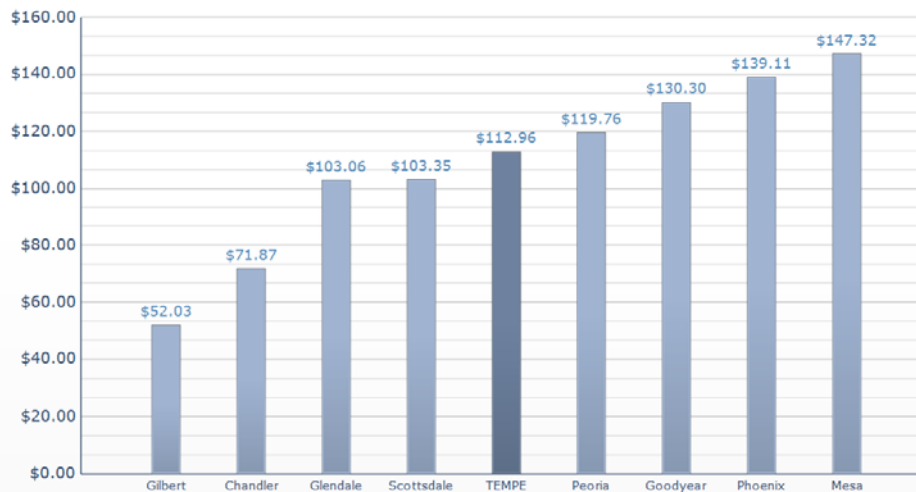
Current Fee	Increase	Total
\$23.00	\$0.00	\$23.00

Combined Monthly Totals

Current Fee	Increase	Total	% Increase
\$173.86	\$0.00	\$173.86	0.0%

Comparison of Water Rates to Other Valley Cities

5/8" Meter (Gilbert, Goodyear, and Mesa do not have 5/8" Meters)



Water
 Wastewater
 Solid Waste
 Stacked
 Combined

	Chandler	Gilbert	Glendale	Goodyear	Mesa	Peoria	Phoenix	Scottsdale	Tempe
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Valley Comparison – Large SFR Wastewater Charge

Last Updated 11/22/2016

Tempe Single Family Utility Rate Calculator/Comparison Dashboard

Single Fa...

Single Family Back Up Data

Water Calculator

Select Meter Size: 5/8" 3/4" 1"

Select Gallons: 30,000

Select Rate Increase: 0.00%

Current Fee	\$ Increase	Total
\$112.96	\$0.00	\$112.96

Wastewater Calculator

Gallons (Winter Average): 15,000

Select Rate Increase: 0.0%

Current Fee	\$ Increase	Total
\$37.90	\$0.00	\$37.90

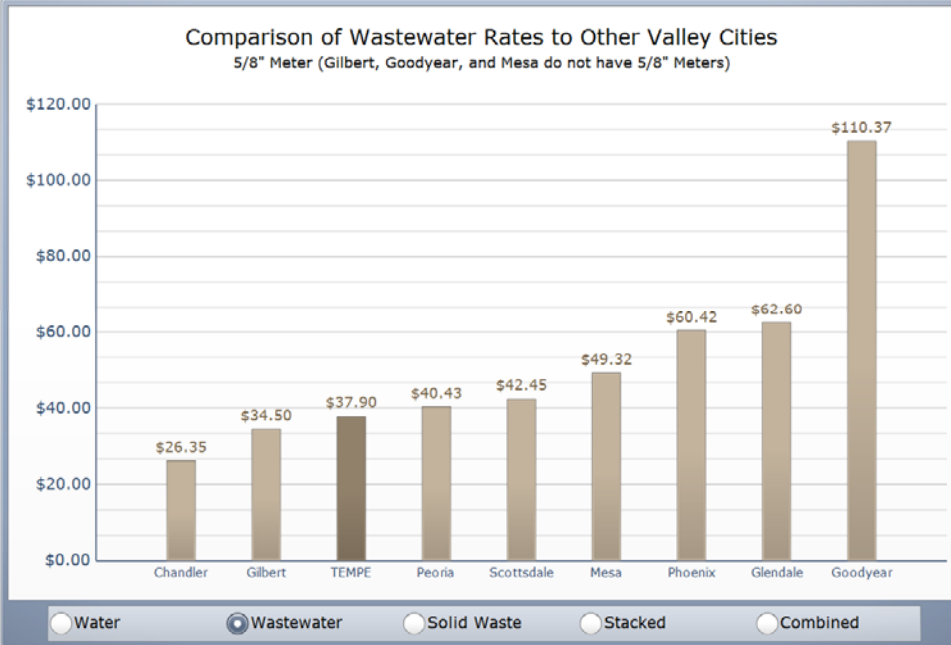
Solid Waste Calculator

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Combined Monthly Totals

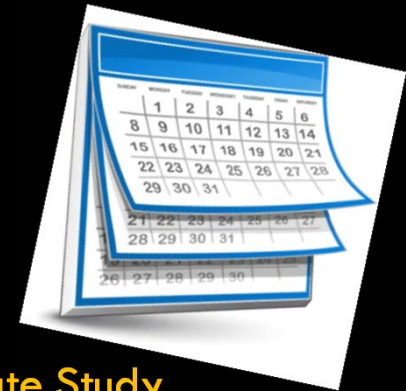
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Adopted Rate	Oct-15	Jul-09	Oct-10	Jan-16	Aug-16	Jul-16	Mar-16	Jul-15	Jan-16

Council Options

- **OPTION 1:** PROCEED with implementation of previously approved rate adjustment on January 1, 2017
- **OPTION 2:** DELAY January 1, 2017, rate adjustments
Requires Council Action – December 8th



MARCH 2017: Conduct Bi-Annual Water/Sewer/Solid Waste Rate Study
Prepare policy discussion for upcoming WSS

- | | | |
|-----------------|---|--------------------|
| ▪ Affordability | ➔ | Multiplier |
| ▪ Conservation | | Return Flow Credit |
| ▪ Large lots | | Tier Size |
| ▪ Seasonal | | Number of Tiers |