



# Reliable and Affordable Utilities

January 30<sup>th</sup>, 2020

## Public Assistance

- Ordinance formalizes ability to offer utility assistance programs. These programs may include:
  - 30% discount on the water service charge for low income seniors
  - No electricity or water disconnects during excessive heat warnings
  - Triples the amount of the delinquent balance to trigger a utility disconnect from \$50 to \$150
  - Provides \$125,000 in community partnership funds to assist low income customers with utility payments

## Franchise Fee

- Franchise fees are typically charged to utility, telecommunication and cable companies to use city owned streets, alleys and other rights-of-way.
- Mesa currently has agreements with private gas and telecommunication companies with franchise fees up to 5% of gross revenues.

## Franchise Fee (cont.)

- Ordinance would allow for a fee of 3% of the gas and electric revenues and 5% of the water and wastewater revenues.
- Other cities in the east valley have implemented similar approaches:
  - City of Scottsdale and Town of Queen Creek both have franchise fees of 5% charged to their municipal water and wastewater utilities.



# Public Safety and General Use Transfers

- Ordinance would allow for the transfer of up to 25% of utility revenues to the general fund for public safety purposes.
- Up to an additional 5% of utility revenues may be transferred to general fund for general use.

