

# City of Mesa FY 2024/25 Utility Fund Forecast & Rates Recommendation

Audit, Finance & Enterprise Committee

September 5, 2024

## Presented by:

Brian A. Ritschel – Management & Budget Director

Christopher Hassert – Water Resources Director

Scott Bouchie – Energy Resources Director

Sheri Collins – Solid Waste Director

# Utility Operations

- Each utility is operated as a separate business center but treated as one fund
- Reserve balance provides a safety net for unforeseen conditions
- Reserve balance can be used to smooth rate adjustments year to year

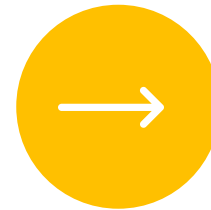
# Financial Principles



BALANCE NET  
SOURCES AND  
USES



20% OR HIGHER  
RESERVE FUND  
BALANCE



RATE ADJUSTMENTS  
THAT ARE  
PREDICTABLE AND  
SMOOTHED  
THROUGHOUT THE  
FORECAST



EQUITY BETWEEN  
RESIDENTIAL AND  
NON-RESIDENTIAL  
RATES



AFFORDABLE  
UTILITY SERVICES

# Utility Fund Forecast

# Utility Fund Forecast: FY 24/25 Adopted Budget

As of 5/13/2024	FY 22/23 Actuals	FY 23/24 Projected	FY 24/25 Budget	FY 25/26 Forecast	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast
WATER	\$664,297	(\$2,031,906)	(\$1,110,998)	(\$4,235,954)	(\$5,341,202)	(\$4,604,501)	(\$4,038,374)
WASTEWATER	(\$4,836,241)	(\$14,547,656)	(\$10,795,466)	(\$6,526,562)	(\$2,908,668)	\$2,284,669	\$1,232,638
SOLID WASTE	(\$628,592)	(\$5,607,363)	(\$8,455,942)	(\$4,383,083)	(\$3,079,692)	(\$5,057,071)	(\$2,239,761)
ELECTRIC	\$1,271,958	(\$727,886)	(\$1,146,977)	(\$367,901)	(\$121,376)	(\$279,617)	(\$981,062)
NATURAL GAS	\$3,351,380	(\$6,488,067)	(\$5,548,916)	(\$3,999,018)	(\$3,131,134)	(\$2,906,907)	\$533,632
DISTRICT COOLING	\$19,154	(\$251,692)	(\$154,613)	(\$77,190)	(\$49,999)	(\$57,903)	(\$51,153)
<b>TOTAL NET SOURCES AND USES</b>	(\$158,043)	(\$29,654,570)	(\$27,212,912)	(\$19,589,708)	(\$14,632,071)	(\$10,621,329)	(\$5,544,081)
Beginning Reserve Balance	\$144,571,686	\$144,413,643	\$114,759,072	\$87,546,160	\$67,956,452	\$53,324,381	\$42,703,052
<b>Ending Reserve Balance</b>	<b>\$144,413,643</b>	<b>\$114,759,072</b>	<b>\$87,546,160</b>	<b>\$67,956,452</b>	<b>\$53,324,381</b>	<b>\$42,703,052</b>	<b>\$37,158,971</b>
Ending Reserve Balance Percent*	<b>29.2%</b>	<b>21.7%</b>	<b>16.0%</b>	<b>11.5%</b>	<b>9.1%</b>	<b>7.1%</b>	<b>6.0%</b>

\*As a % of Next Fiscal Year's Expenditures

# Utility Fund Forecast: FY 24/25 Recommended Rate Adjustments

- Balanced Net S&U
- 20% Fund Balance
- Smoothed Adjustments
- Equity Res. & Non-Res.
- Affordable Services

As of 8/22/2024	FY 23/24 Projected	FY 24/25 Budget	FY 25/26 Forecast	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast
WATER	(\$137,327)	(\$2,297,373)	(\$9,745,447)	(\$12,649,920)	(\$12,282,263)	(\$9,938,493)	(\$2,007,840)
WASTEWATER	(\$11,719,217)	(\$11,256,668)	(\$8,456,620)	(\$5,358,502)	(\$1,423,833)	\$3,249,395	\$12,189,109
SOLID WASTE	(\$5,223,675)	(\$5,389,701)	(\$1,273,786)	\$1,673,155	\$1,505,566	\$6,300,262	\$9,474,694
ELECTRIC	\$289,913	(\$907,913)	(\$1,012,864)	(\$729,993)	(\$817,186)	(\$1,225,376)	(\$1,993,115)
NATURAL GAS	(\$4,888,484)	(\$1,935,219)	(\$2,334,058)	(\$2,323,860)	(\$1,962,375)	\$1,496,589	\$865,154
DISTRICT COOLING	(\$364,841)	(\$154,613)	(\$77,190)	(\$49,999)	(\$57,903)	(\$51,153)	(\$52,668)
<b>TOTAL NET SOURCES AND USES</b>	<b>(\$22,043,631)</b>	<b>(\$21,941,486)</b>	<b>(\$22,899,965)</b>	<b>(\$19,439,119)</b>	<b>(\$15,037,993)</b>	<b>(\$168,777)</b>	<b>\$18,475,335</b>
Beginning Reserve Balance	\$144,413,643	\$122,370,012	\$100,428,526	\$77,528,561	\$58,089,442	\$43,051,449	\$42,882,672
<b>Ending Reserve Balance</b>	<b>\$122,370,012</b>	<b>\$100,428,526</b>	<b>\$77,528,561</b>	<b>\$58,089,442</b>	<b>\$43,051,449</b>	<b>\$42,882,672</b>	<b>\$61,358,007</b>
Ending Reserve Balance Percent*	<b>23.2%</b>	<b>17.9%</b>	<b>12.3%</b>	<b>9.2%</b>	<b>6.5%</b>	<b>6.2%</b>	<b>8.6%</b>

\*As a % of Next Fiscal Year's Expenditures

# Water Resources Department

Presented by:

Christopher Hassert – Water Resources Director

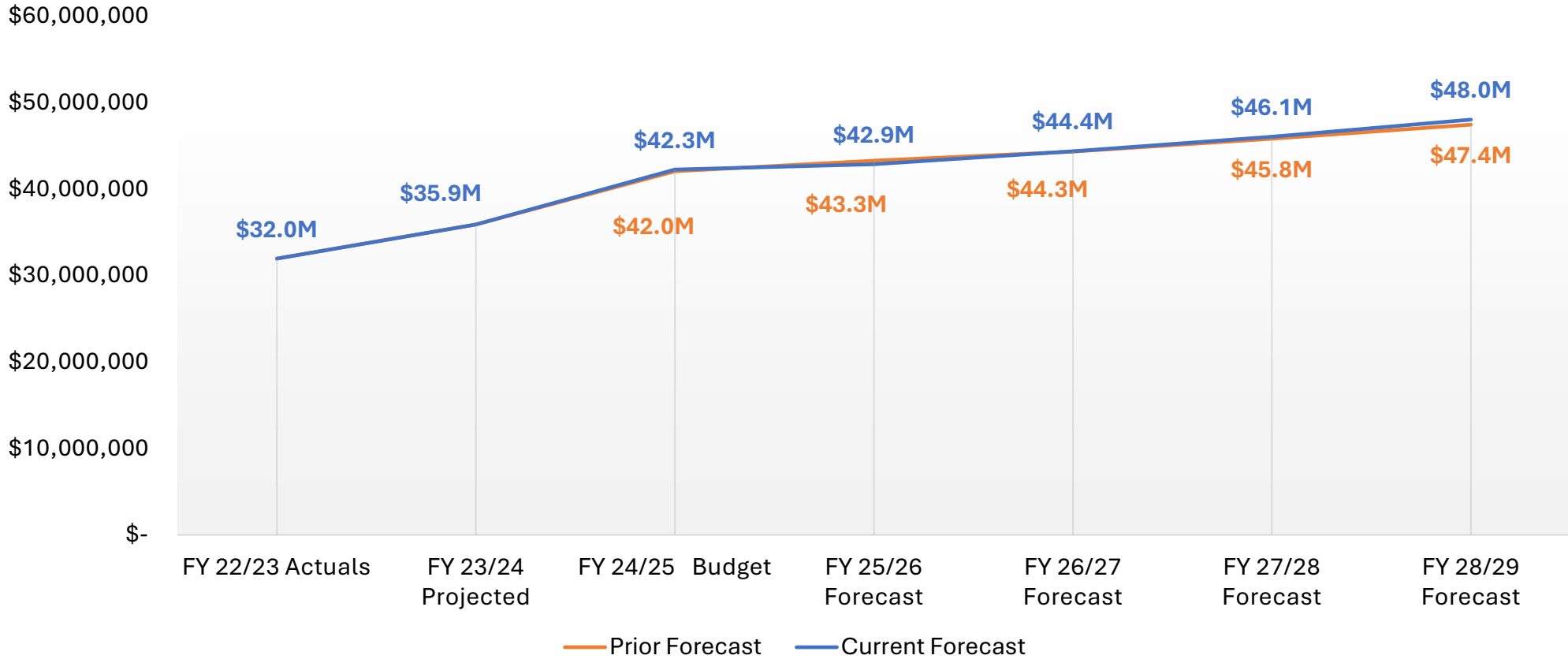
Seth Weld – Water Resources Deputy Director

Erik Hansen – Management Assistant II



# Wastewater

# Increasing Operating Costs on the Wastewater Utility



# Increasing Project Costs on the Wastewater Utility

Over the next five (5) years:

<b>Regional Commitments</b> <ul style="list-style-type: none"><li>• \$78M 91st Ave WWTP</li><li>• \$5M Joint w/ Tempe Sewer Lines</li></ul>	<b>Lifecycle Replacement</b> <ul style="list-style-type: none"><li>• \$82M Sewer Collection System</li><li>• \$28M NWWRP</li><li>• \$26M GWRP (Mesa Share)</li><li>• \$16M SEWRP</li></ul>
<b>Growth</b> <ul style="list-style-type: none"><li>• \$45M New Large Diameter Sewer Lines</li><li>• \$8M Pumps at TS1 &amp; TS2</li><li>• \$7M Lift Station &amp; Force Main</li><li>• \$2M GWRP Phase IV Expansion &amp; Misc</li></ul>	<b>Joint with Transportation</b> <ul style="list-style-type: none"><li>• Val Vista: Southern to University</li><li>• Broadway Road Phase I: Lesueur to Spur</li></ul>

# Increasing Costs on the Wastewater Utility

**Regional Commitments**



*91<sup>st</sup> Ave WWTP*

**Lifecycle Replacement**



*Northwest WWTP*

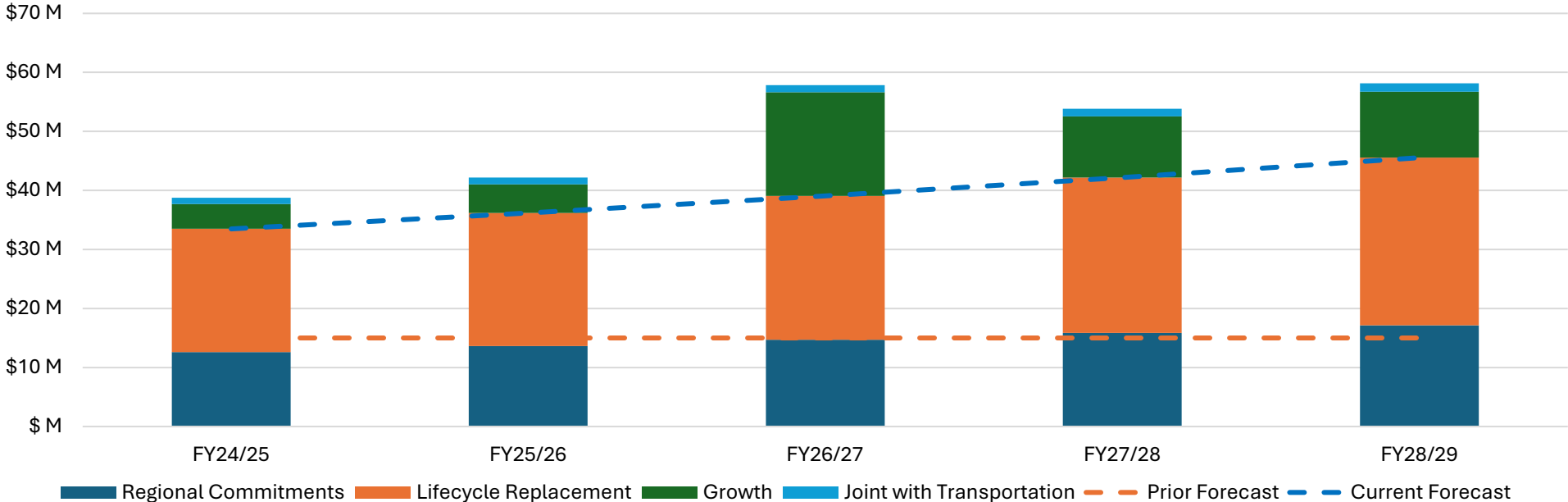
**Growth**



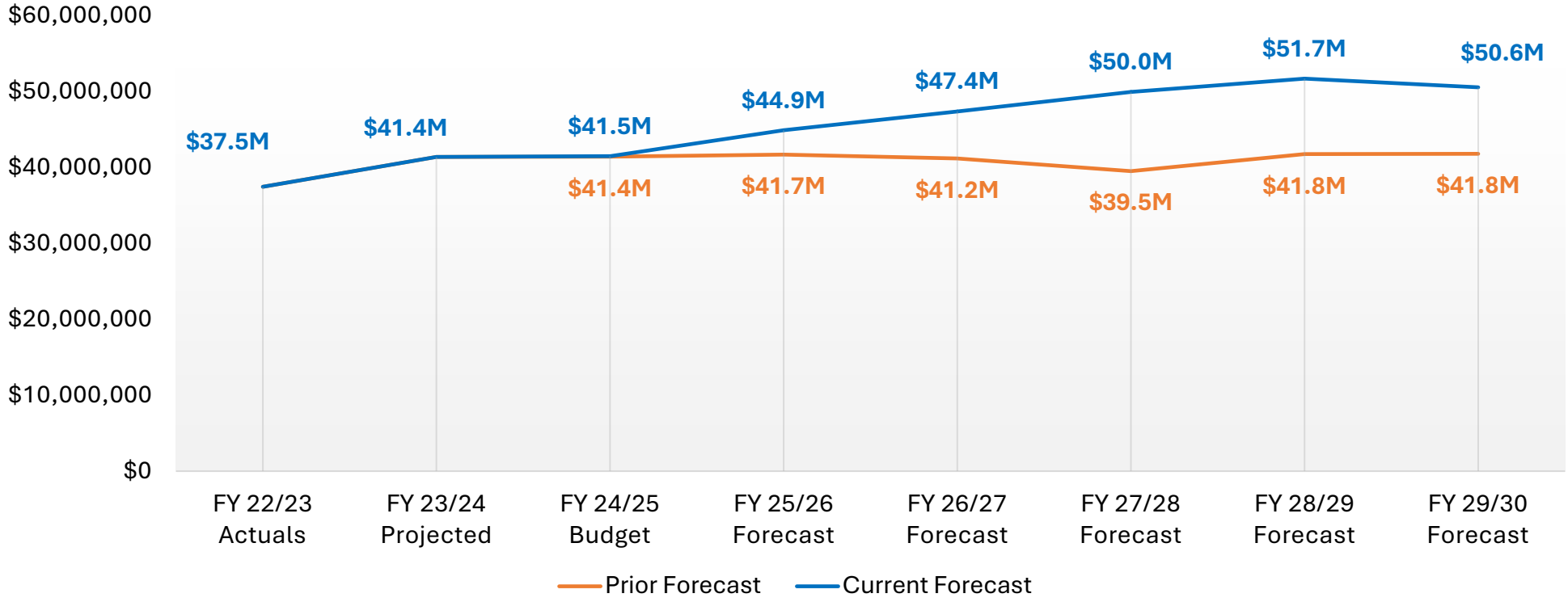
*New Sewer Mains*

# Increasing Project Costs on the Wastewater Utility

- Prior forecast used a base amount of \$15M per year for the Department, determined pre-inflation
- Current forecast uses a base amount of \$33M for FY 24/25 for the Department and includes inflation



# Increasing Costs on the Wastewater Utility – Debt Service



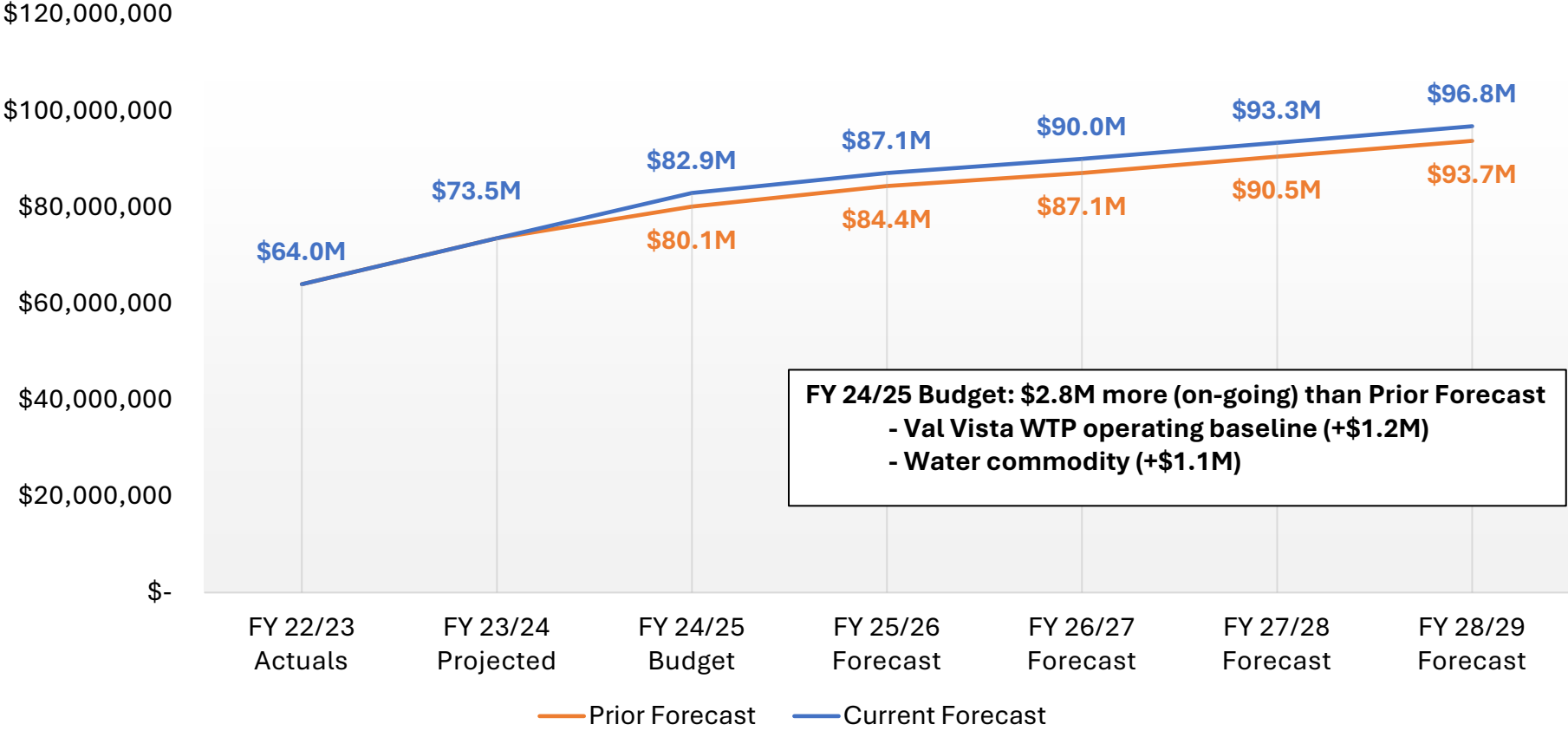
# Proposed Rate Adjustments – Typical Customer

	2024	2025 - Prior Forecast		2025 - Current Forecast	
Residential	\$26.11/mo	Service Charge	4.75%	Service Charge	7.50%
		Usage Charge	4.75%	Usage Charge	7.50%
		\$27.35/mo (\$1.24/mo)		\$28.07/mo (\$1.96/mo)	
Commercial	\$52.38/mo	Service Charge	5.00%	Service Charge	8.50%
		Usage Charge	5.00%	Usage Charge	8.50%
		\$55.00/mo (\$2.62/mo)		\$56.83/mo (\$4.45/mo)	

Water



# Increasing Operating Costs on the Water Utility



# Increasing Costs on the Water Utility – Central Mesa Reuse Pipeline (CMRP)



- 10.5 miles of 36” Pipeline  
Designed to deliver 12 MGD average flow with a peak flow rate of 18 MGD from NWWRP to GRIC turnout
- New pipe initial deliveries to the Gila River Indian Community will be about 9,000 AF/year

# Increasing Costs on the Water Utility – Signal Butte Expansion

- Current Max Day demand is 30 MGD
- The plant is currently rated for 24 MGD and there is 10 MGD of firm well water connected to SBWTP for a total of 34 MGD



# Increasing Costs on the Water Utility – AMI



- Phase II started Sept 2023
- 24,000 Water Meters Installed through Aug 2024
- Expected Completion end of 2026

# Increasing Project Costs on the Water Utility – Big 3 Projects

Current forecast includes additional \$125M for Big 3 Projects based on latest cost estimates and contract costs:

- Central Mesa Reuse Pipeline: +\$55M
- Signal Butte WTP Expansion: +\$55M
- AMI: +\$15M

Cost increases driven by:

- Commodity costs (steel, concrete)
- Electrical gear
- Lack of qualified bidders for many trades

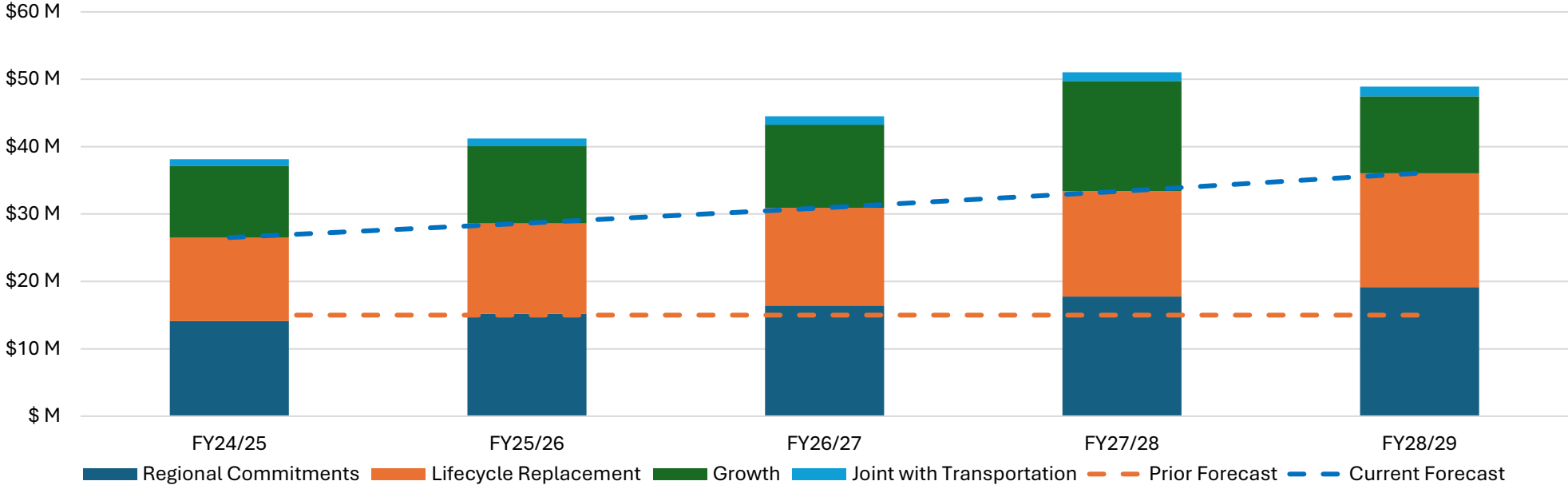
# Increasing Project Costs on the Water Utility

Over the next five (5) years:

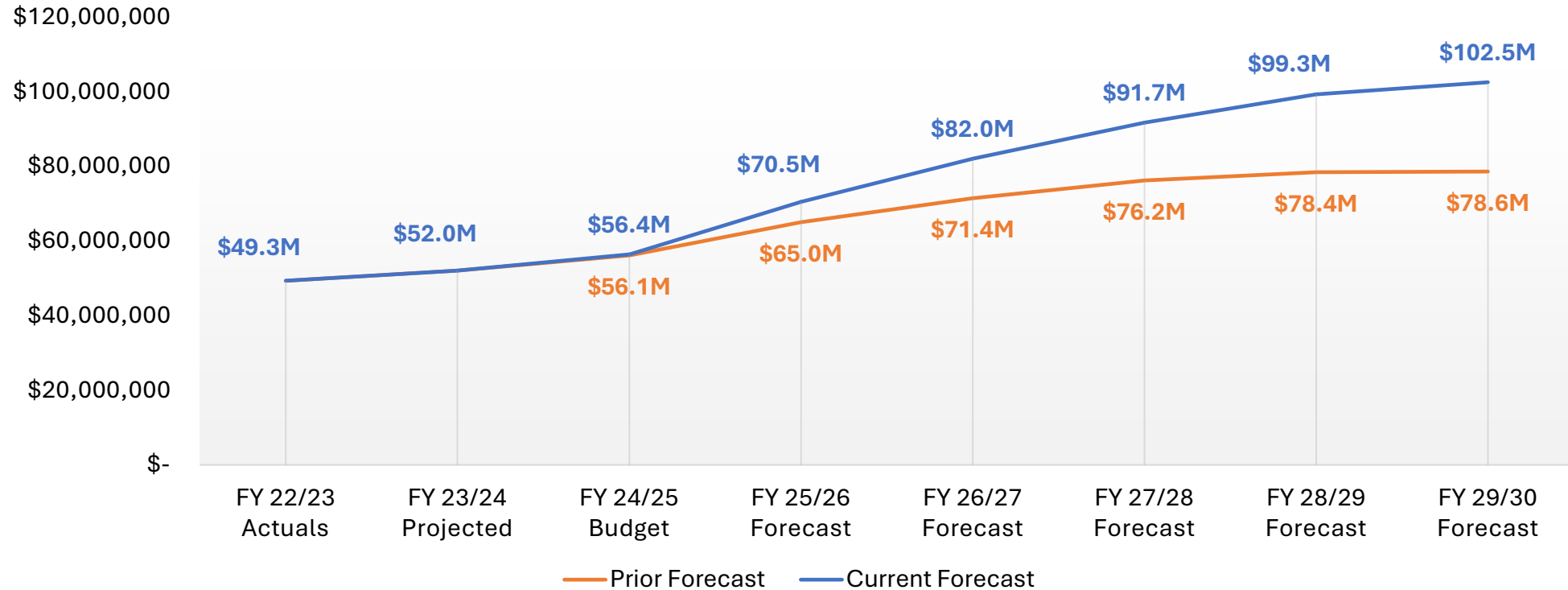
<p><b>Regional Commitments</b></p> <ul style="list-style-type: none"><li>• \$57M Val Vista WTP</li><li>• \$7M White Mtn Apache Water Settlement</li><li>• \$5M SRP/CAP Interconnect Facility</li><li>• \$5M Bartlett Dam Expansion</li></ul>	<p><b>Lifecycle Replacement</b></p> <ul style="list-style-type: none"><li>• \$107M Water Distribution System</li><li>• \$32M Groundwater Well Re-drill and Equip</li><li>• \$2M BRWTP</li><li>• \$2M Reservoir Rehab</li></ul>
<p><b>Growth</b></p> <ul style="list-style-type: none"><li>• \$37M New Groundwater Wells &amp; Lines</li><li>• \$11M PMGA Water and Sewer Lines</li></ul>	<p><b>Joint with Transportation</b></p> <ul style="list-style-type: none"><li>• Val Vista: Southern to University</li><li>• Broadway Road Phase I: Lesueur to Spur</li></ul>

# Increasing Project Costs on the Water Utility

- Prior forecast used a base amount of \$15M per year, determined pre-inflation
- Current forecast uses a base amount of \$27M for FY 24/25 and includes inflation



# Increasing Costs on the Water Utility – Debt Service





# Proposed Rate Adjustments – Typical Customer

	2024	2025 - Prior Forecast		2025 - Current Forecast	
<b>Residential (6kgal/mo)</b>	\$41.70/mo	Service Charge Usage Charge Effective Increase \$43.00/mo (\$1.30/mo)	3.00% 3.50% 3.11%	Service Charge Usage Charge <b>Effective Increase</b> \$43.98/mo ( <u>\$2.28/mo</u> )	5.50% 5.50% <b>5.50%</b>
<b>Commercial General (9kgal/mo)</b>	\$73.82/mo	Service Charge Usage Charge Effective Increase \$76.64/mo (\$2.82/mo)	3.00% 5.50% 3.82%	Service Charge Usage Charge <b>Effective Increase</b> \$78.47/mo ( <u>\$4.65/mo</u> )	5.50% 8.00% <b>6.31%</b>
<b>Commercial Landscape (29kgal/mo)</b>	\$162.64/mo	Service Charge Usage Charge Effective Increase \$172.50/mo (\$9.86/mo)	3.00% 7.50% 6.06%	Service Charge Usage Charge <b>Effective Increase</b> \$176.51/mo ( <u>\$13.87/mo</u> )	5.50% 10.00% <b>8.53%</b>
<b>Large Commercial (7,500kgal/mo)</b>	\$20,849.00/mo	Service Charge Usage Charge Effective Increase \$23,244.51/mo (\$2,395.51/mo)	3.00% 12.00% 11.49%	Service Charge Usage Charge <b>Effective Increase</b> \$24,446.09/mo ( <u>\$3,597.09/mo</u> )	5.50% 18.00% <b>17.25%</b>

# Water Conservation

## Residential

	<u>Previous</u>	<u>Current</u>
• Tier 2:	+3.50%	+6.50%
• Tier 3:	+4.00%	+7.50%
• Tier 4:	+4.50%	+8.50%

## Non-residential

	<u>Previous</u>	<u>Current</u>
• General:	+6.00%	+9.00%

## Surcharge for Use Above Winter Water Average (Non-residential)

	<u>Previous</u>	<u>Current</u>
• General:	+6.50%	+9.50%
• Landscape:	+7.50%	+10.00%

# Other Rates

## Interdepartmental Usage Rate

<u>Previous</u>	<u>Current</u>
+10.00%	+10.00%

## PMGA Fire Protection Demand Charge

- Fire pump station constructed in 2004
- Currently serving eleven (11) customers
- Rate has not been updated in ten (10) years
- Being updated to bring in line with cost recovery



# Financing Future Growth

## Capacity Fee

- New fee
- Charged to project developer
- Recover costs associated with new development in the City:
  - Treatment/Reclamation Plant Expansion
  - New Pipelines
- Prevent new growth from being financed by existing ratepayers
- Based on meter size; pricing being determined

# Energy Resources Department

Presented by:

Scott Bouchie – Energy Resources Director

Anthony Cadorin – Energy Resources Program Manager

John Petrof – Senior Fiscal Analyst

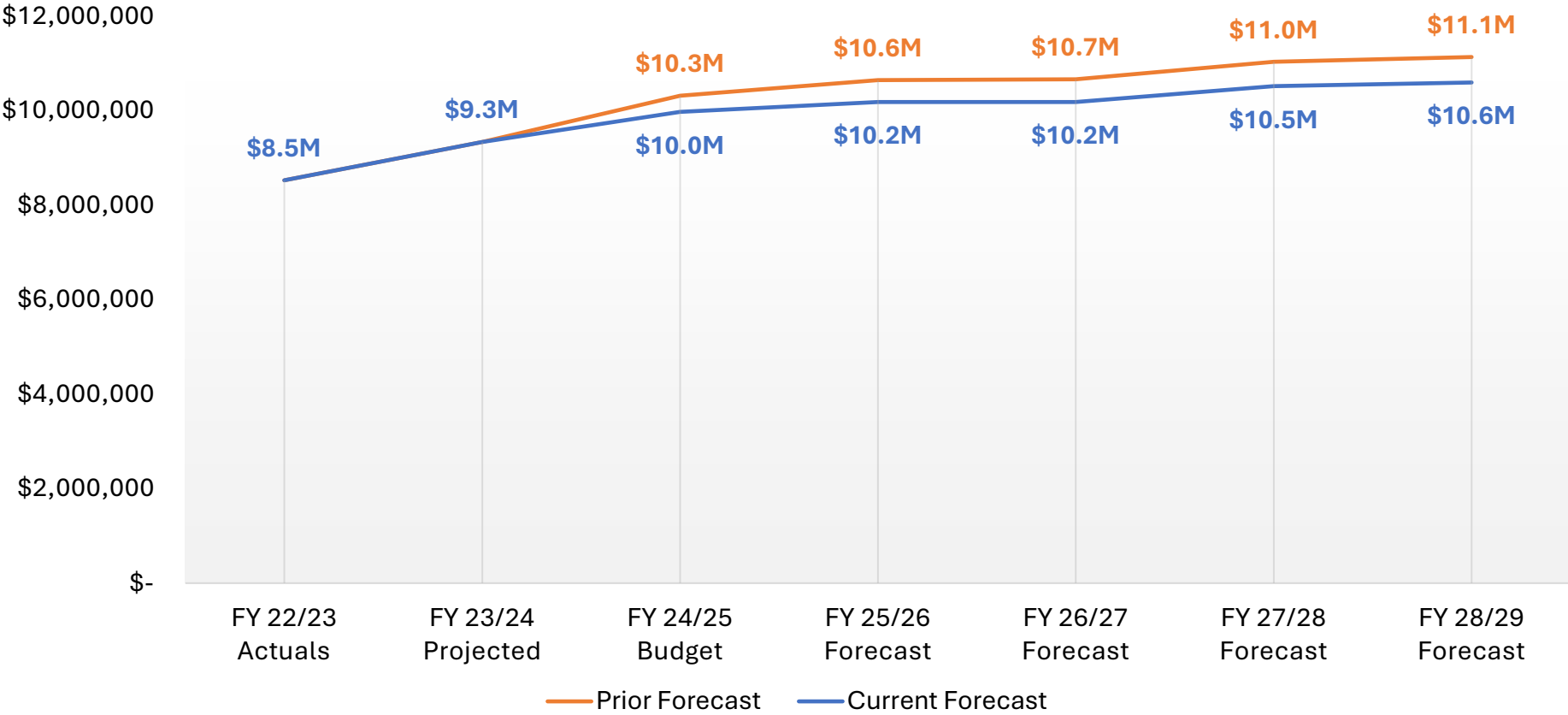


Electric

# Increasing Costs/Pressures on the Electric Utility

- Operating Budget
  - Inflation on commodities and other services
  - Personal services increases
- Debt Service
  - Meeting growth demands in Downtown
  - Multi-department projects (Broadway Rd)
  - Reliability/Generation projects
    - 69 kV Looping
    - AMI Budget Increase
    - Microgrid Budget Increase

# Increasing Operating Costs on the Electric Utility

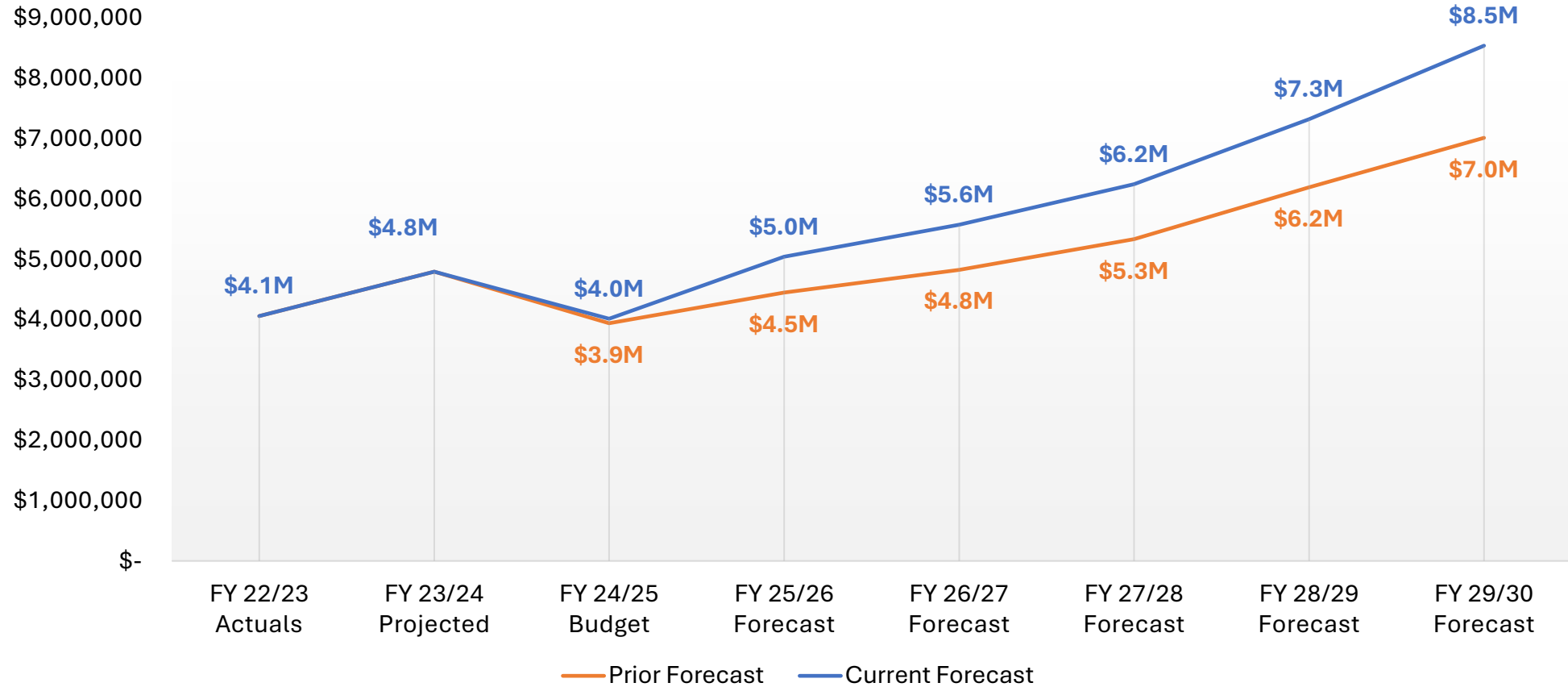




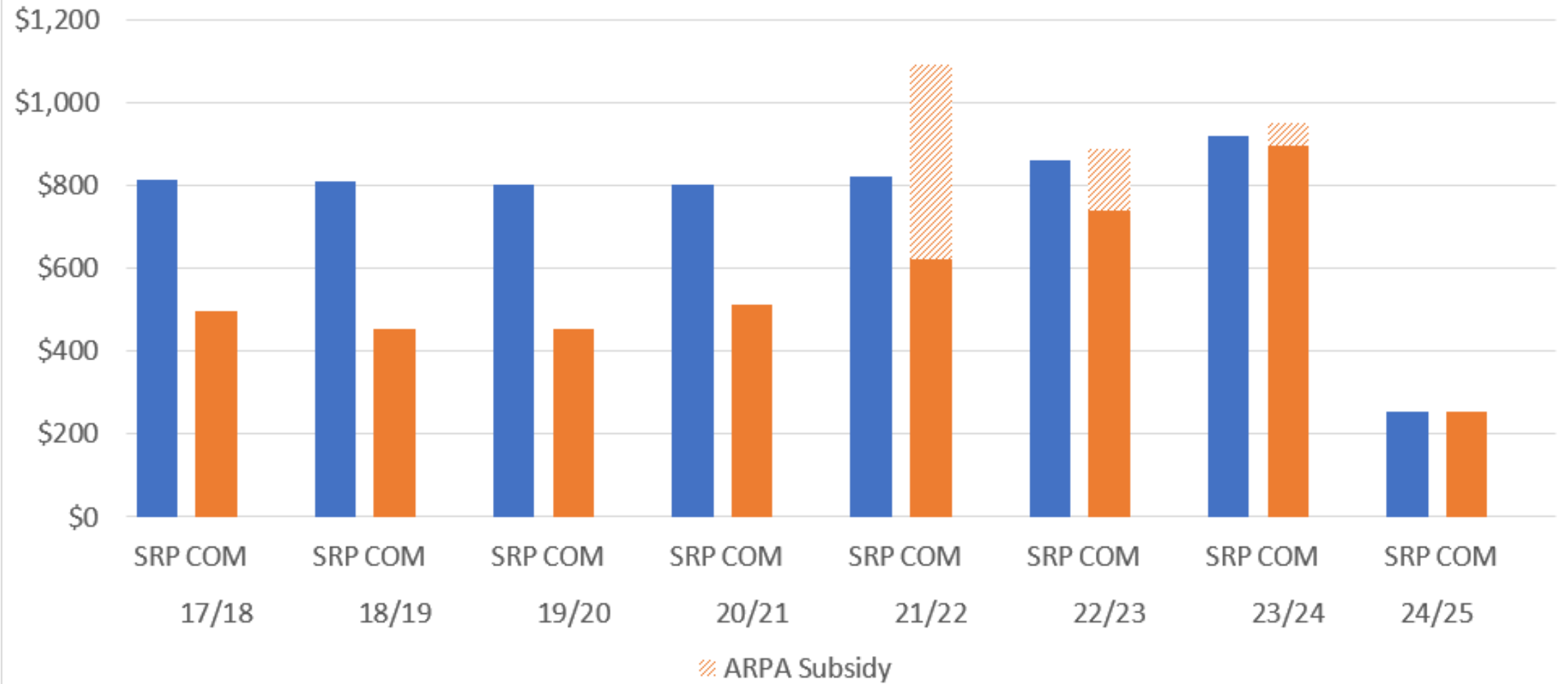
# Electric Project Cost Increases

PROJECT	PRIOR FORECAST	CURRENT FORECAST	INCREASE
Advanced Metering Infrastructure	\$1.2M	\$3.4M	\$2.2M
Edge on Main (New service)	\$0	\$2.4M	\$2.4M
Substation Improvements (w/SRP at Rogers)	\$200k	\$1.5M	\$1.3M
Electric Improvements w/Water (Duct bank relocation, Broadway & Morris)	\$0	\$300k	\$300k

# Increasing Debt Service Costs on the Electric Utility



### Total Residential Customer Supply Cost - SRP vs COM



# Residential Electric Bill Comparison



\*SRP amount includes proposed November rate increase

# Proposed Residential Electric Rates

COMPONENT	CURRENT	PROPOSED	CHANGE	PRIOR FORECAST
SYSTEM SERVICE CHARGE	\$16.75	\$19.50	\$2.75	\$2.50
USAGE CHARGE SUMMER per kWh	Tier 1 - \$0.05231 Tier 2 - \$0.05027	Tier 1 - \$0.05231 Tier 2 - \$0.05027	0% 0%	0% 4.25%
USAGE CHARGE WINTER per kWh	Tier 1 - \$0.04317 Tier 2 - \$0.02502	Tier 1 - \$0.04317 Tier 2 - \$0.03479	0% 39%	5% 39%
MONTHLY BILL (Average Customers)	\$147.49	\$150.24	\$2.75	\$3.22
EFFECTIVE INCREASE			1.9%	2.2%

# Commercial Electric Bill Comparison



\*SRP amount includes proposed November rate increase

# Proposed Commercial Electric Rates

COMPONENT	CURRENT	PROPOSED	CHANGE	PRIOR FORECAST
SYSTEM SERVICE CHARGE	Single Phase - \$14.72 Three Phase - \$20.74	Single Phase - \$19.72 Three Phase - \$25.74	\$5.00	\$2.50
USAGE CHARGE SUMMER per kWh	Tier 2 - \$0.04591	Tier 2 - \$0.04867	6%	6%
USAGE CHARGE WINTER per kWh	Tier 2 - \$0.03916	Tier 2 - \$0.03994	2%	1%
MONTHLY BILL (Average Customers)	\$604.45	\$609.45	\$5.00	\$2.50
EFFECTIVE INCREASE			0.8%	0.4%

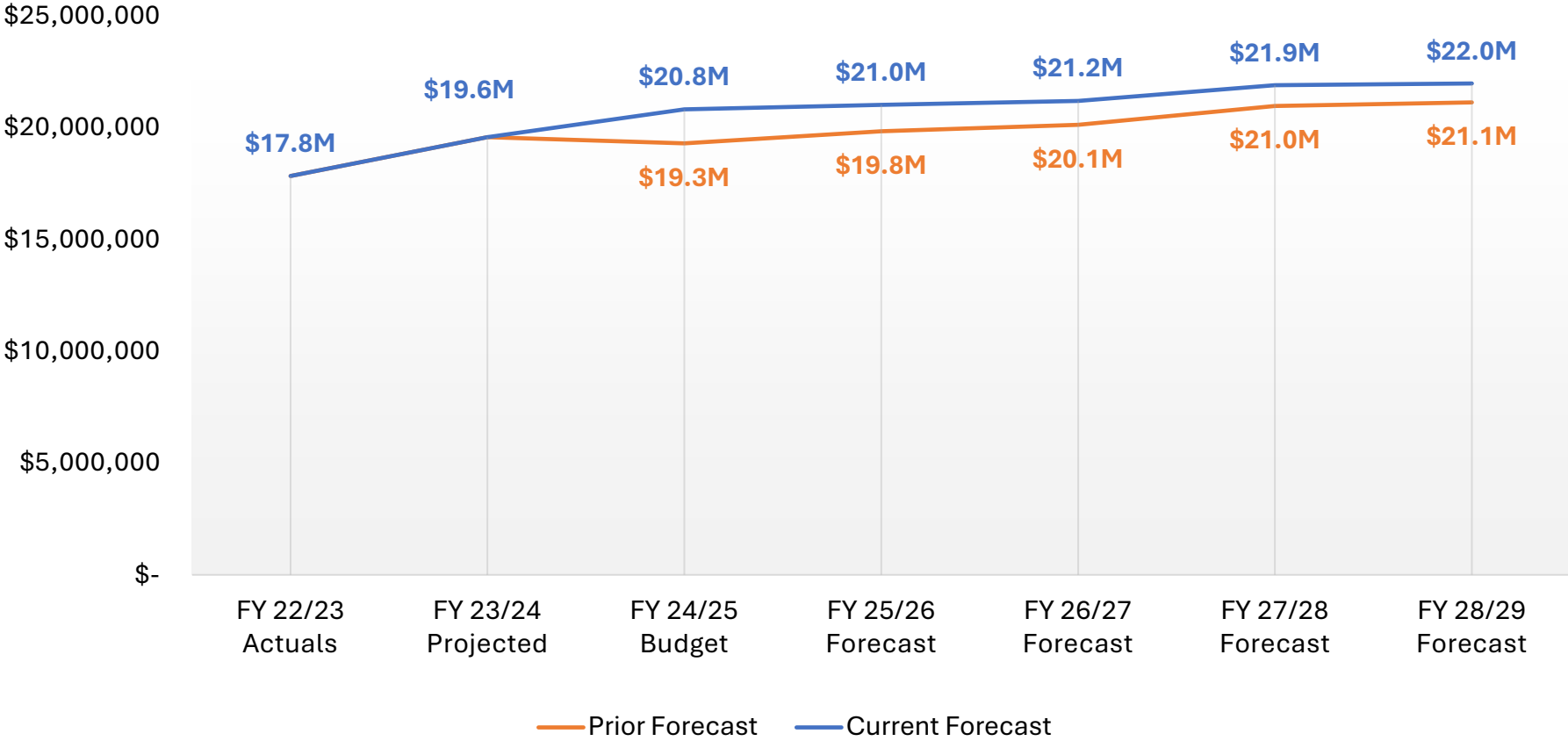
# Natural Gas



# Increasing Costs/Pressures on the Gas Utility

- Operating Budget
  - Inflation on commodities, services, and contracts
  - Personal services increases
- Debt Service
  - Meeting growth demands in Magma service territory
    - New Gate Station
    - Gantzel Rd
    - Arizona Farms Road
    - New Services
  - Quarter Section Renewal Projects
  - AMI Budget Increase

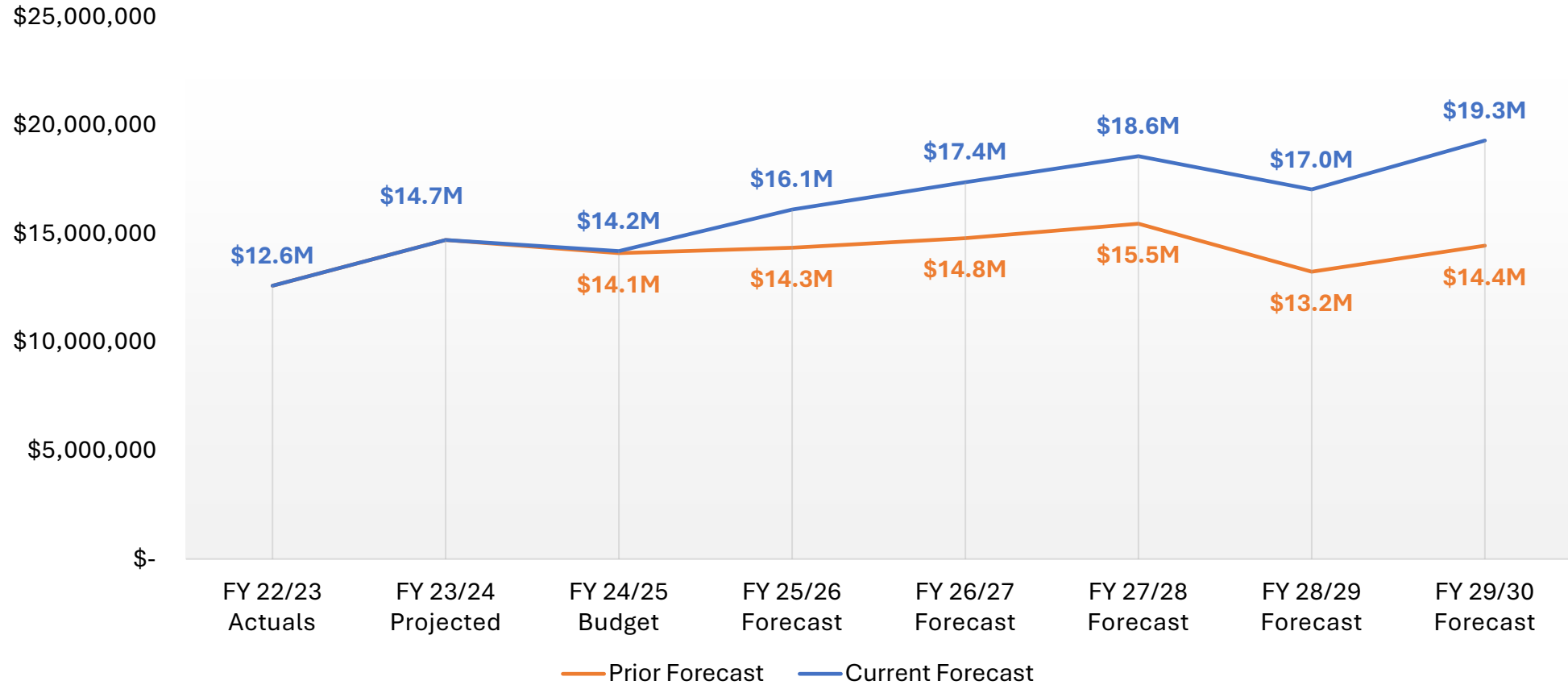
# Increasing Operating Costs on the Gas Utility



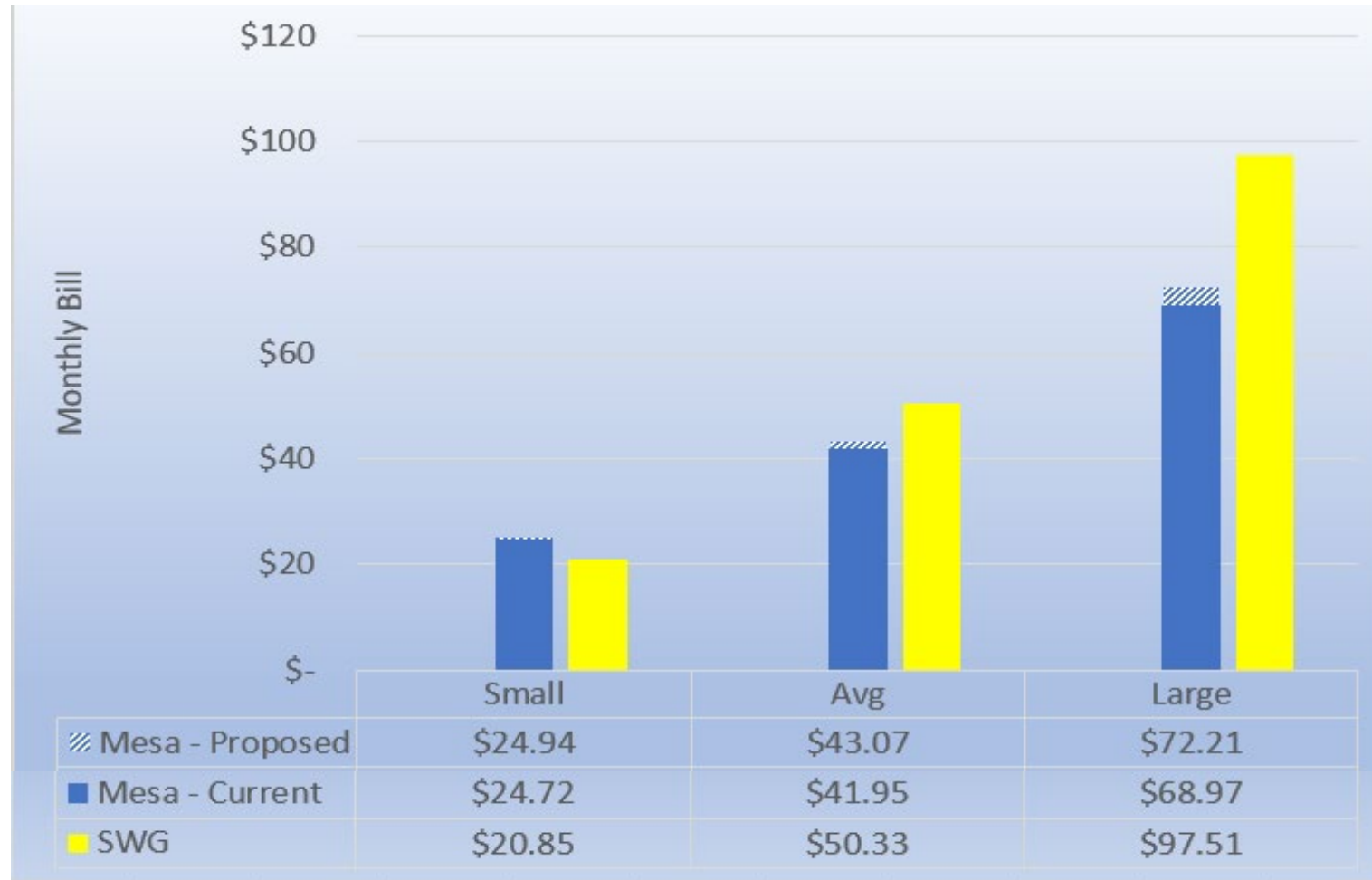
# Gas Project Cost Increases

PROJECT	PRIOR FORECAST	CURRENT FORECAST	INCREASE
Advanced Metering Infrastructure	\$3.2M	\$14.0M	\$10.8M
Main Replacement (various locations w/Water)	\$0	\$1.8M	\$1.8M
New Mains	\$14.0M	\$15.3M	\$1.3M
New Services	\$14.0M	\$14.6M	\$600k
High Pressure Mains	\$1.7M	\$4.3M	\$2.6M

# Increasing Debt Service Costs on the Gas Utility



# Residential Gas Bill Comparison



# Proposed Residential Gas Rates

COMPONENT	CURRENT	PROPOSED	CHANGE	PRIOR FORECAST
SYSTEM SERVICE CHARGE SUMMER WINTER	\$17.31 \$20.24	\$17.31 \$20.24	\$0.00	\$0.75
USAGE CHARGE SUMMER per therm	Tier 1 - \$0.7019 Tier 2 - \$0.3201	Tier 1 - \$0.7440 Tier 2 - \$0.3682	6% 15%	5% 11%
USAGE CHARGE WINTER per therm	Tier 1 - \$0.7019 Tier 2 - \$0.7019	Tier 1 - \$0.7440 Tier 2 - \$0.8072	6% 15%	5% 5%
MONTHLY BILL (Average Customers)	\$41.95	\$43.07	\$1.12	\$1.49
EFFECTIVE INCREASE			2.7%	3.6%

# Commercial Gas Bill Comparison



# Proposed Commercial Gas Rates

COMPONENT	CURRENT	PROPOSED	CHANGE	PRIOR FORECAST
SYSTEM SERVICE CHARGE SUMMER WINTER	\$41.66 \$51.34	\$44.66 \$54.34	\$3.00	\$2.00
USAGE CHARGE SUMMER per therm	Tier 1 - \$0.5439 Tier 2 - \$0.3493	Tier 1 - \$0.5929 Tier 2 - \$0.4366	9% 25%	2% 4%
USAGE CHARGE WINTER per therm	Tier 1 - \$0.5891 Tier 2 - \$0.5046	Tier 1 - \$0.6421 Tier 2 - \$0.6308	9% 25%	2% 4%
MONTHLY BILL (Average Customers)	\$490.47	\$517.10	\$26.63	\$7.26
EFFECTIVE INCREASE			5.4%	1.5%



# Solid Waste Department

Presented by:

Sheri Collins – Solid Waste Director

Justin Stadt – Senior Fiscal Analyst

# Increasing Cost Pressures On The Utilities

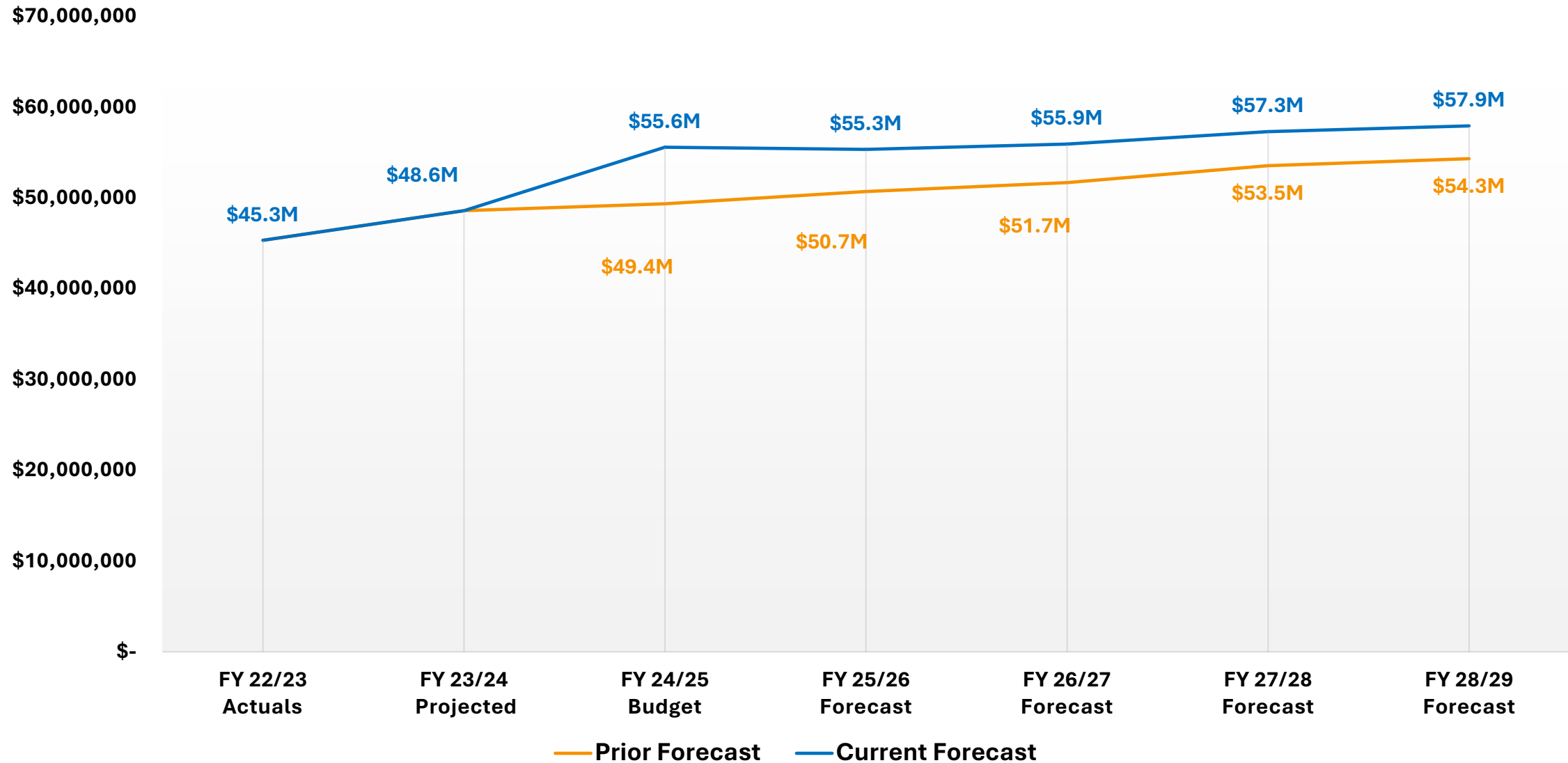


**Landfill Charges- \$3.0M**  
***(From \$9M to \$12M)***

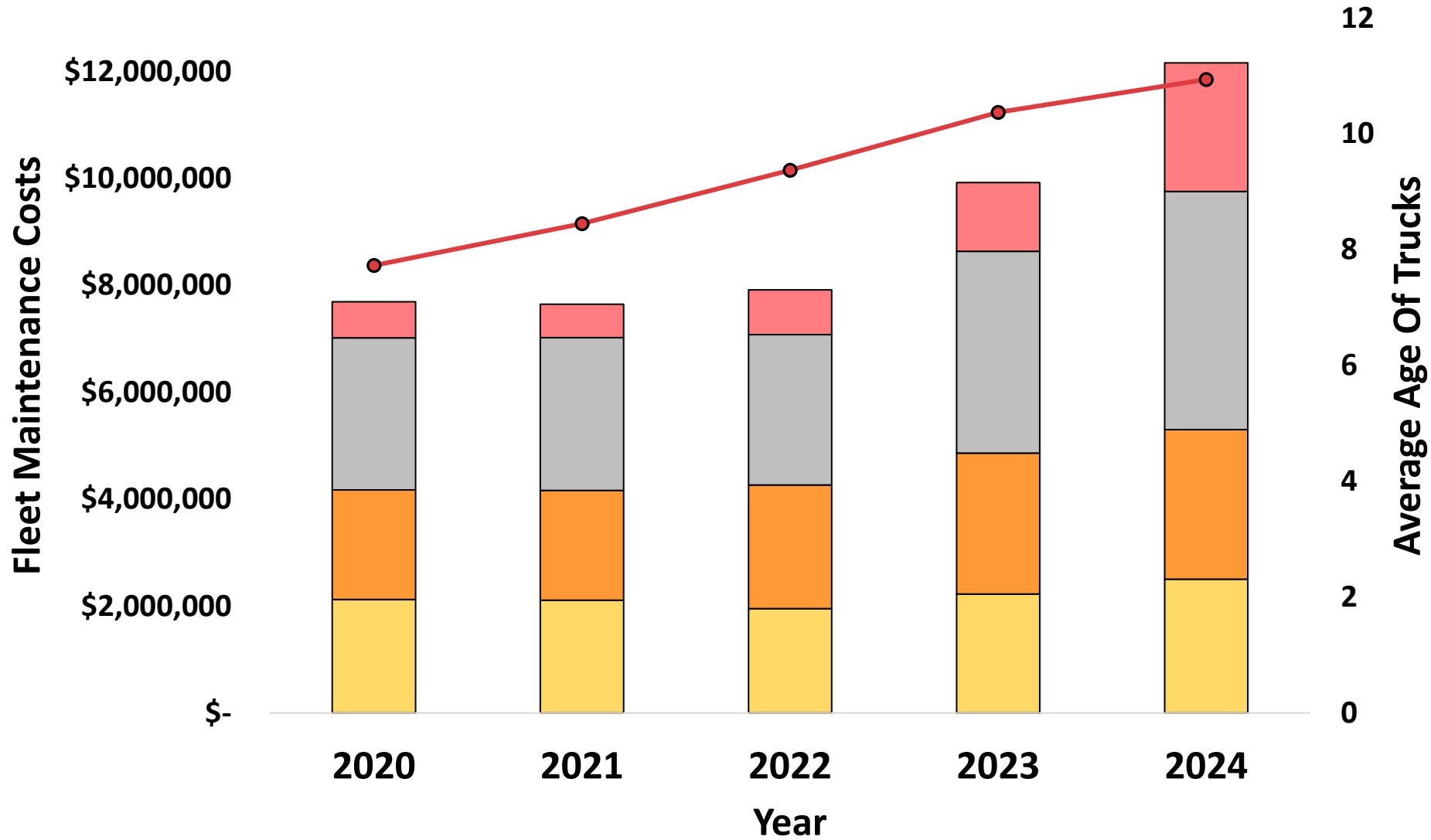


**Fleet Maintenance - \$3.0M**  
***(From \$8.6M to \$11.6M)***

# Increasing Operating Costs on the Solid Waste Utility



# Fleet Maintenance Costs Compared to Average Truck Age



Internal Labor
  Overhead
  Parts
  Outside Labor
  Average Age

# Solid Waste Residential Rate

## 5.5% Recommended Increase *(3% Prior Forecast)*

	2024 Rate	(3% increase) 2025 – Prior Forecast	(5.5% increase) 2025 – Current Forecast
Residential 90-gallon Trash & Recycling Barrel	\$31.44/mo	\$32.38	\$33.17



# Solid Waste Residential Green and Clean Fee *(No increase in prior forecast)*

	CURRENT	PROPOSED INCREASE	PROPOSED TOTAL
Green and Clean Fee	\$0.96	\$0.04	\$1.00



# Solid Waste

## Total Residential Increase

	CURRENT	PROPOSED INCREASE	PROPOSED TOTAL
90-gallon Trash Barrel	\$31.44	\$1.73	\$33.17
Green and Clean Fee	\$0.96	\$0.04	\$1.00
<b>Total</b>	<b>\$32.40</b>	<b>\$1.77</b>	<b>\$34.17</b>

# Commercial Front Load Trash Recommendations

## 10% Overall Rate Increase (3% *Prior Forecast*)



Increase base rate by 6.5%

- 6-yard bin increase from \$114.81 to \$122.22

Increase fee for out-of-zone collection

- From \$25.00 to \$28.00

Decrease multi-day discount

- From 10% to 5%

Increase contract limits

- From 8% to 10%



# Commercial Front Load Cardboard Recommendations

## 5% Increase (*3% Prior Forecast*)

- 6-yard bin increase from \$97.38 to \$102.25



# New - Commingled Downtown Front Load Recycling Program



Multi-family and commercial customers in the downtown area



\$102.25 monthly rate



Awarded \$135,500 ADEQ Grant during FY 2024



## - New Rate - Commercial Blue Barrel



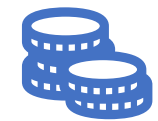
\$10 per  
barrel



1,300  
customers



5000+  
commercial  
blue barrels



+\$300,000  
in annual  
revenue

# Commercial Roll Off Recommendations

## 6.5% Overall Rate Increase (*3% Prior Forecast*)

- Increase tonnage rate to follow landfill increase
  - Increase trash tonnage rate from \$42.20 to \$47.75
  - Increase green waste tonnage rate from \$49.90 to \$55.50
- Increase haul fee by \$2
  - 30-yard roll off increase from \$143 to \$145



# Commercial Roll Off Recommendations

## 6.5% Overall Rate Increase (*3% Prior Forecast*)

- \$18.65 increase for a one-time trash customer
  - 30-yard box increase from \$419.60 to \$438.25
- \$18.80 increase for a one-time green waste customer
  - 30-yard box increase from \$442.70 to \$461.50



# Other Adjustments : Terms & Conditions and Utility Service Fees

# Other Adjustments

- Terms & Conditions for the Sale of Utilities:
  - Clarifying language that the City may trim vegetation or remove obstructions on a customer's premises if needed to access utility meter
- Utility Service Fees:
  - Align Trip-related charges for Turn On, Termination, and Unscheduled Trip services

<b>Service Trip</b>	<b>Current</b>	<b>Recommendation</b>
Next Day Turn On – Electric/Water (no change)	\$20	\$20
Termination of Service Disconnection	\$17	\$20
Unscheduled Trip	\$21	\$20

# Other Adjustments

- Utility Service Fees (continued):
  - Security Deposit increase for Hydrant Meters (construction use) from \$1,500 to \$2,500 due to increase in meter cost
  - Increase Unauthorized Use fees for repeat offenders:
    - Currently, \$100/occurrence for Residential customers, \$1,000/occurrence for Commercial customers

<b>Unauthorized Use</b>	<b>Residential</b>	<b>Commercial</b>
First Occurrence	\$100	\$1,000
Second Occurrence	\$500	\$2,500
Following Occurrence(s)	\$1,000	\$2,500



# Utility Fund Forecast Review

# Utility Fund Forecast: FY 24/25 Recommended Rate Adjustments

As of 08/26/2024	FY 23/24 Estimate	FY 24/25 Budget	FY 24/25 Projected
TOTAL NET SOURCES AND USES	(\$22,043,631)	(\$27,212,912)	(\$21,941,486)
Beginning Reserve Balance	\$144,413,643	\$114,759,072	\$122,370,012
<b>Ending Reserve Balance</b>	<b>\$122,370,012</b>	<b>\$87,546,160</b>	<b>\$100,428,526</b>
Ending Reserve Balance Percent*	<b>23.2%</b>	<b>16.0%</b>	<b>17.9%</b>
<small>*As a % of Next Fiscal Year's Expenditures</small>			
WATER Residential (Tier 1 usage)	3.00%	3.50%	5.50%
WATER Commercial (usage)	5.00%	5.50%	8.00%
WASTEWATER Residential	4.75%	4.75%	7.50%
WASTEWATER Non-Residential	5.00%	5.00%	8.50%
SOLID WASTE Residential	3.00%	3.00%	5.50%
SOLID WASTE Commercial	7.50%	3.00%	10.00%
SOLID WASTE Rolloff	6.50%	3.00%	6.50%
ELECTRIC Residential - svc charge	\$2.25	\$2.50	\$2.75
ELECTRIC Non-Residential - svc charge	\$5.00	\$2.50	\$5.00
GAS Residential - svc charge	\$0.75	\$0.75	\$0.00
GAS Non-Residential - svc charge	\$2.00	\$2.00	\$3.00

# Utility Fund Forecast: FY 24/25 Recommended Rate Adjustments

As of 8/22/2024	FY 23/24 Projected	FY 24/25 Budget	FY 25/26 Forecast	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast
WATER	(\$137,327)	(\$2,297,373)	(\$9,745,447)	(\$12,649,920)	(\$12,282,263)	(\$9,938,493)	(\$2,007,840)
WASTEWATER	(\$11,719,217)	(\$11,256,668)	(\$8,456,620)	(\$5,358,502)	(\$1,423,833)	\$3,249,395	\$12,189,109
SOLID WASTE	(\$5,223,675)	(\$5,389,701)	(\$1,273,786)	\$1,673,155	\$1,505,566	\$6,300,262	\$9,474,694
ELECTRIC	\$289,913	(\$907,913)	(\$1,012,864)	(\$729,993)	(\$817,186)	(\$1,225,376)	(\$1,993,115)
NATURAL GAS	(\$4,888,484)	(\$1,935,219)	(\$2,334,058)	(\$2,323,860)	(\$1,962,375)	\$1,496,589	\$865,154
DISTRICT COOLING	(\$364,841)	(\$154,613)	(\$77,190)	(\$49,999)	(\$57,903)	(\$51,153)	(\$52,668)
<b>TOTAL NET SOURCES AND USES</b>	<b>(\$22,043,631)</b>	<b>(\$21,941,486)</b>	<b>(\$22,899,965)</b>	<b>(\$19,439,119)</b>	<b>(\$15,037,993)</b>	<b>(\$168,777)</b>	<b>\$18,475,335</b>
Beginning Reserve Balance	\$144,413,643	\$122,370,012	\$100,428,526	\$77,528,561	\$58,089,442	\$43,051,449	\$42,882,672
<b>Ending Reserve Balance</b>	<b>\$122,370,012</b>	<b>\$100,428,526</b>	<b>\$77,528,561</b>	<b>\$58,089,442</b>	<b>\$43,051,449</b>	<b>\$42,882,672</b>	<b>\$61,358,007</b>
Ending Reserve Balance Percent*	<b>23.2%</b>	<b>17.9%</b>	<b>12.3%</b>	<b>9.2%</b>	<b>6.5%</b>	<b>6.2%</b>	<b>8.6%</b>

\*As a % of Next Fiscal Year's Expenditures

# Schedule for FY 2024/25 Utility Rate Adjustment Recommendation

- Sept 12** – City Council Discussion of Utility Rates
- Sept 19** – City Council Discussion of Utility Rates (if necessary)
- Sept 23** – City Council Action on Notice of Intent
- Nov 18** – Introduce Utility Rate Ordinances
- Dec 2** – City Council Action on Utility Rates
- Feb 1** – Effective date for Utility Rate changes



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