



Date: October 2, 2023  
To: Interested Parties  
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer  
Marc Heirshberg, Deputy City Manager  
From: Brian A. Ritschel, Management and Budget Director  
Christopher Hassert, Water Resources Director  
Scott Bouchie, Energy Resources Director  
Sheri Collins, Solid Waste Director  
Subject: Fiscal Year 2023/2024 Utility Rate Recommendations

The following information has been compiled and placed on file with the City of Mesa Clerk in Compliance with Arizona Revised Statutes.

The attached information outlines recommended electric, natural gas, solid waste, wastewater and water utility rates, components, fees and/or charges to be presented to the City Council in association with the introduction of utility rate ordinances on November 20, 2023. This will be followed by the public hearing on December 4, 2023 as stated in the Notice of Intention, which is on the October 2, 2023 City Council Meeting agenda.

Discussion of the recommendations to the City Council occurred at the study session on September 28, 2023. Additionally, the Utility Fund forecast and utility rate recommendations were presented to the Audit, Finance and Enterprise Committee on September 7, 2023. Subsequently, the results of these discussions are available online at the City of Mesa website, [Mesaaz.gov](http://Mesaaz.gov), under City Council Meetings, agendas and minutes.

The purpose of this report is to provide staff recommendations for utility rate adjustments. The rate adjustments are recommended to be effective February 1, 2024.

The forecasted expenses for each utility are compared to the forecasted revenues based on the current rates. The increases in annualized revenues due to the recommended rate adjustments are in the table below. Additionally, the table below shows the projected increases in operating and debt service expenses for each utility from FY 2022/23 to FY 2023/24.

<u>Utility</u>	<u>Revenue Increase</u>	<u>Expense Increase</u>
Solid Waste	\$2,588,000	\$5,912,000
Electric	\$833,000	\$2,458,000
Natural Gas	\$1,561,000	\$3,757,000
Water	\$9,775,000	\$12,683,000
Wastewater	\$4,834,000	\$11,911,000

The method of implementation of rate adjustments can vary from year to year based on the needs and goals of the individual utilities. The impact on individual customers can vary based on the method of implementation and the customer consumption.

For FY 2023/24, the following rate adjustments are being recommended (see Attachment 1 for more detail):

Solid Waste:

Residential barrel rates: 3% increase to monthly service charge

Front-load rates: Overall 7.5% increase

Commercial Roll-Off rates: Overall 6.5% increase

Electric:

Residential: \$2.25 per month service charge increase

Residential: 4% Winter Tier 1 usage charge increase

Residential: 39% Winter Tier 2 usage charge increase

Residential: 4.25% Summer Tier 2 usage charge increase

Non-Residential: \$5.00 per month service charge increase

Non-Residential: 1% Winter Tier 2 usage charge increase

Non-Residential: 6% Winter Tier 2 usage charge increase

Interdepartmental: 3.5% Tier 2 increase

Gas:

Residential: \$0.75 per month service charge increase

Residential: 5% Summer and Winter Tier 1 usage charge increase

Residential: 7% Winter tier 2 usage charge increase

Residential: 11% Summer tier 2 usage charge increase

Non-residential: \$2.00 per month service charge increase

Non-residential: 2% Summer and Winter Tier 1 usage charge increase

Non-residential: 4% Summer and Winter Tier 2 usage charge increase

Water:

All customers: 3% service charge increase

Residential: lower thresholds of Tiers 1 and 2 by 1kgal each

Residential: 3% Tier 1 usage charge increase

Residential: 3.5% Tier 2 usage charge increase

Residential: 4% Tiers 3 and 4 usage charges increase

General Commercial: 5% usage charge increase

Non-residential Landscape: 7.5% usage charge increase

Large Commercial and Industrial: 12% usage charge increase

Other non-residential: 6% usage charge increase

Non-residential General Excess Surcharge: 6.5% usage charge increase

Non-residential Landscape Excess Surcharge: 7.5% usage charge increase

Pumping Surcharge: 3% usage charge increase

Interdepartmental: 10% usage charge increase

Drought Commodity Charge: no recommended adjustment

Wastewater:

Residential rate: 4.75% service and usage components increase

Non-residential: 5% service and usage components increase

## **BACKGROUND AND DISCUSSION**

Each utility is operated as a separate business center. As such, rate schedules are adjusted annually in a manner consistent with costs of capital, as well as the fixed and variable costs of operation and maintenance within each utility. In addition, rates are reviewed and updated with the requirements of Title 3, Chapter 3 of the Mesa City Code. To develop rate recommendations, staff consider the following five (5) Financial Principles to ensure the reliability, sustainability, and affordability of the utilities:

- 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

In alignment with the City Code and the Financial Principles, the reserve balances are combined in the Utility Fund and are managed to maintain a targeted ending reserve balance of 20% or higher of the following year's estimated expenditures throughout the forecast period. The reserve balance allows for the smoothing of rate adjustments. This smoothing avoids large rate increases and minimizes the impact to customers in any single year.

The Utility Fund Cash Flow Projections (Attachment 2) includes projections of growth. The Water, Wastewater, and Solid Waste utilities have a citywide service area and are expected to grow by an average of about 1.0% per year during the forecast. With the inclusion of the Magma service area, the Natural Gas utility is expected to grow by 1,600 accounts in FY 2023/24. The Electric utility, with a smaller and largely built out service area when compared to the other utilities, is expected to grow by 100 accounts in FY 2023/24.

The Utility Fund Cash Flow Projections also include expenditures that are increased by inflationary factors in future years. Some inflationary factors are unique to the individual utilities, such as those used for chemicals or purchased water. Other citywide expenditure pressures that are included in the forecast are listed below.

### *Capital Investment*

The City continues to place a high priority on infrastructure investment to attract and service future development. The FY 2023/24 capital improvement program (CIP) includes the planning for increased customer demand, maintaining system reliability and satisfying contractual commitments. The debt service on utility systems revenue bonds and obligations is funded through the utility rates paid by customers. The City issues obligations on an as-needed basis in order to minimize the interest cost. Anticipated future debt service has been included in the forecast and rate recommendations.

### *Review of the General Fund Contribution*

The Utility Fund contribution to the General Fund is calculated based off of 30% of each utility's gross operating revenues. The amount of the transfer throughout the forecast period is adjusted based the gross operating revenue forecast. The adjustment for FY 2023/24 is projected to be an increase of \$7.9 million, moving from \$119.3 million to \$127.2 million.

### SOLID WASTE UTILITY

Solid waste services are charged flat monthly rates for the various services provided.

#### *Residential Rates*

Staff is recommending a 3.0% increase to all residential rates. The standard black barrel refuse service includes a blue barrel recycling service.

90-gallon trash barrel: Increase of \$0.92 per month, from \$30.52 to \$31.44

60-gallon trash barrel: Increase of \$0.82 per month, from \$27.24 to \$28.06

Additional trash barrel: Increase of \$0.43, from \$14.41 to \$14.84

Green barrel: Increase of \$0.22, from \$7.21 to \$7.43

The projected annualized revenue increase is \$1,650,000.

#### *Commercial Front-Load Trash*

There are various rate factors related to Front-Load service. The Front-Load program serves customers in competition with private waste collection companies.

Staff is recommending increasing the base rate, out-of-zone, and multi-day factor. The projected overall increase for Front-Load Trash is 7.5%.

Increase base rates for all size bins by 5.0%

Increase out-of-zone fee by \$5.00, from \$20.00 to \$25.00

Decrease multi-day discount by 5 percentage points, from 15% to 10%

Increase additional weight charge by 8.9%

The projected increase in annualized revenue is expected to be \$706,000 for Front-Load Trash.

#### *Commercial Front-Load Cardboard*

Staff is recommending increasing the base rate.

Base rate for cardboard:

Increase 2-yard from \$50.94 to \$67.75

Increase 3-yard from \$55.37 to \$73.64

Increase 4-yard from \$59.80 to \$79.53  
Increase 6-yard from \$73.22 to \$97.38  
Increase 8-yard from \$86.32 to \$114.81

The projected increase in annualized revenue is expected to be \$101,000 for Front-Load Cardboard.

*Commercial Front-Load Compactor*

Staff is recommending increasing the base rate for compactor bins:

Base rate for Compactor:

Increase 2-yard from \$121.00 to \$125.00  
Increase 3-yard from \$143.00 to \$148.00  
Increase 4-yard from \$164.00 to \$171.00  
Increase 6-yard from \$173.00 to \$188.00  
Increase 8-yard from \$183.00 to \$199.25

The projected increase in annualized revenue is expected to be \$1,000 for Front-Load Compactors.

*Commercial Roll-Off*

The Roll-Off program serves residents and business customers in competition with private waste collection companies.

Staff is recommending the following Roll-Off rate adjustments:

Increase trash and green set fee by \$10.50, from \$139.50 to \$150.00  
Increase trash per ton charge by \$4.76, from \$37.44 to \$42.20  
Increase green waste per ton charge by \$5.55 from \$44.35 to \$49.90

The projected roll-off increase in annualized revenue is approximately \$130,000 for Roll-Off containers.

Solid waste rates across Arizona range from \$20.00 to \$60.00 a month. Costs to provide this service varies depending on many factors such as, but not limited to, distance to the landfill from collection location and landfill costs. An informal survey of private hauler service for county island residents within the City of Mesa resulted in costs comparable to those proposed by staff for FY 2023/24, but the private haulers do not provide recycling service in all locations.

The projected annualized increase in revenue for all Solid Waste utility recommendations is approximately \$2,588,000.

## ELECTRIC UTILITY

Rates for electric service are comprised of three major components: System Service Charge with a flat monthly rate, Energy Usage Charge based on units of consumption, and the Electric Energy Cost Adjustment Factor (EECAF) which passes the cost of the purchase of the electric commodity to the customer.

Adjustments to the system service charge component of the electric rate allows for a more stable revenue source for the program and insulates customers from higher energy costs during peak demand periods such as the summer. Currently only 14% of the revenues (excluding EECAF) from electric customers are fixed revenues. The program is heavily reliant on consumption to cover fixed expenses. Rate adjustments applied to the system service charge allows for a movement toward a more balanced rate structure. Average customer bills for the City of Mesa are slightly above Salt River Project, but slightly below Arizona Public Service.

Additionally, the electric program is experiencing inflationary pressures on operating costs, as well as increased debt service expenses related to system infrastructure improvements.

The EECAF component is adjusted monthly to “pass-through” increases and decreases in the costs of electric energy supplies acquired to meet customers’ needs. The electric energy market is experiencing a shrinking of reserves and decreases in generation, which increase prices. Additionally, population growth in the Western Market for electricity also puts additional pressures on price increases for electricity. The impact of these factors results in increased costs for electricity. Electric energy supply costs were \$16.0M in FY 2020/21. Electricity costs were \$33.5M in FY 2021/22 and \$25.0M in FY 2022/23. Staff continues to actively monitor pricing for electricity and apply the increasing costs using a smoothing approach in order to prevent spikes in customer bills.

Additionally, City Council approved the use of \$20M in federal American Rescue Plan Act (ARPA) funds to be used to offset a portion of the higher electricity prices reflected in the EECAF. These ARPA funds will be fully spent by October 2023.

### *Residential*

Staff recommends the following rate adjustments:

System Service Charge: increase of \$2.25 per month, from \$14.50 to \$16.75  
Usage Charge: 4.0% increase in Winter Tier 1 usage charge, 39.0% increase in Winter Tier 2 usage charge, and 4.25% increase in Summer Tier 2 usage charge

The increase in the Winter Tier 2 usage charge is a part of a 3-year plan to align Tier 1 and Tier 2 Winter charges. The adjustment to the Winter Tier 2 rate does not impact small and average customers.

Average residential bill with customer charge, energy usage charge, and EECAF: from \$135.09 to \$137.92, a 2.1% increase, or \$2.83 per month

Average residential customer bills for the City of Mesa are slightly above Salt River Project (\$122.43), but slightly below Arizona Public Service (\$143.73).

### *Non-Residential*

Staff recommends the following rate adjustments:

Service Charge: increase of \$5.00 per month, from \$9.72 to \$14.72

Usage Charge: 1.0% increase for Winter Tier 2 and a 6.0% increase for Summer Tier 2

Average residential bill with customer charge, energy usage charge, and EECAF: from \$556.97 to \$561.97, a 0.9% increase, or \$5.00 per month

### *Interdepartmental Electric*

Staff recommends a 3.5% increase for the Interdepartmental Tier 2 usage charge. The Interdepartmental rates have not been adjusted since 2016.

### *Electric Utility Rules and Regulations*

Staff recommends various adjustments to the Electric Utility Rules and Regulations. These Rules and Regulations have not been updated since 2009. The recommended adjustments include removing obsolete sections and changes to align the Rules and Regulations with the Terms and Conditions.

The projected annualized increase in revenue for the Electric utility recommendations is approximately \$833,000.

## NATURAL GAS UTILITY

Rates for natural gas service are comprised of three components: System Service Charge with a flat monthly rate, Usage Charge based on units of consumption, and the Purchased Natural Gas Cost Adjustment Factor (PNGCAF) which passes the cost of the purchase of the natural gas commodity to the customer. Those customers that reside in the Magma service area also have a Magma adjustment factor rate component. The adjustment factor benchmarks the City's rates to the rates of Southwest Gas to provide market equity.

Additionally, the natural gas program is experiencing inflationary pressures on operating costs, as well as increased debt service expenses related to system infrastructure expansion and improvements.

As the recommended system service charge increase is a flat amount, the dollar impact would be equal on each bill but the percentage impact would vary based on consumption. The higher the consumption, the lower the percentage impact would be. The Tier 2 Summer/Winter Usage increase would increase rates over 25 therms of usage and lessen the rate disparity for higher consumption.

Adjustments to the system service charge component of the natural gas rate allows for a more stable revenue source for the program and insulates customers from higher natural gas costs during peak demand periods such as the winter. Currently only 38% of the revenues (excluding PNGCAF) from natural gas customers are fixed revenues. The program is heavily reliant on consumption to cover fixed expenses. Applying the rate adjustments to the system service charge allows for a movement toward a more balanced rate structure.

The PNGCAF component has been adjusted monthly to “pass-through” increases and decreases in the costs of natural gas supplies acquired to meet customers’ needs. This rate component has varied between \$0.41885 and \$0.78701 per therm in the most recent twelve months.

Staff recommends the following rate adjustments:

*Residential*

Service Charge - summer: increase \$0.75, from \$16.56 to \$17.31

Service Charge - winter: increase \$0.75, from \$19.49 to \$20.24

Usage Charge – Tier 1 – under 25 therms: 5.0% increase for summer and winter

Usage Charge – Tier 2 –over 25 therms: 7.0% increase for winter, and 11.0% increase for summer

Average monthly Mesa resident bill with customer charge, usage charge, and PNGCAF: from \$45.68 to \$47.32, a 3.6% increase, or \$1.64 per month

*Non-Residential*

Service Charge - summer: increase \$2.00, from \$39.66 to \$41.66

Service Charge - winter: increase \$2.00, from \$49.34 to \$51.34

Non-Residential Usage Charge – Tier 1: 2.0% increase for summer and winter

Non-Residential Usage Charge – Tier 2: 4.0% increase for summer and winter

Average monthly Mesa resident bill with customer charge, usage charge, and PNGCAF: from \$541.85 to \$549.27, a 1.4% increase, or \$7.42 per month

The projected annualized increase in revenue for the Natural Gas utility recommendations is approximately \$1,561,000.



## WATER UTILITY

Rates for water service are comprised of two components: Service Charge, with a flat monthly rate based on the water meter size and Usage Charge, based on units of water consumption.

The water utility forecast includes increased costs for debt service, joint venture costs for the operation of the Val Vista Water Treatment Facility, and power, commodity, and chemicals at the City's water treatment plants. Staff reviews and forecasts all costs each year to ensure rates are sufficient to keep up with expenses. This includes significant cost increases for operational (\$9.8M) and debt service (\$2.9M) costs from FY 2022/23 to FY 2023/24.

Over the last few years, the City has concentrated on aligning its fixed revenues with fixed costs. The goal is to achieve revenues from the Service (fixed) Charge at 35% to 40% of overall rate revenues. FY 2022/23 fell within this goal at 37.5% of total rate revenues.

The variable rate component (Usage Charge) is based on water consumption rounded to 1,000 gallon increments. There are four tiers (or levels of usage). Each tier has a different rate. The tier structure allows for a demand based rate as customers with higher usage patterns create a greater demand for infrastructure and service capacity.

### *Drought Commodity Charge*

As a result of continuing drought conditions, the Water utility is experiencing cost pressures due to the rising price of the water commodity. The drought commodity charge is applied to all customers for all water usage above the 3,000 gallons that are included in the service charge. The charge amount is determined by achieving cost recovery for the incremental cost increase between the price of water in drought conditions compared to the price of water if no drought conditions existed.

In August 2023, the federal Bureau of Reclamation declared a Tier 1 shortage. In order to achieve cost recovery for the increase in water commodity costs between Tier 1 and Tier 0, staff recommends no change to the existing \$0.08 drought commodity charge per 1,000 gallons for all water usage above the 3,000 gallons that are included in the service charge. The drought commodity charge is separately applied and is not included for the purposes of calculating the Utility Fund contribution to the General Fund. The continuation of the Drought Charge is made in addition to the other rate recommendations described in this report.

Staff will continuously monitor shortage conditions for all City water sources and recommend changes to the drought commodity charge as conditions change. For example, if shortage conditions are eliminated, the drought commodity charge can be discontinued.

### *Residential Water*

Staff recommends a 3% increase to all service charges, and the following increases to Residential usage charges:

- Tier 1: 3% increase, from \$3.41 to \$3.51 per 1,000 gallons
- Tier 2: 3.5% increase, from \$5.12 to \$5.30 per 1,000 gallons
- Tier 3: 4% increase, from \$6.18 to \$6.43 per 1,000 gallons
- Tier 4: 4% increase, from \$6.90 to \$7.18 per 1,000 gallons

Additionally, to enable conservation efforts and align with current usage patterns, staff recommends the following adjustments to the residential Tier Structure:

#### *Current Tier Structure*

- The first 3,000 gallons are included in the service charge
- Tier 1: 4,000 – 7,000 gallons;
- Tier 2: next 8,000 gallons;
- Tier 3: next 9,000 gallons;
- Tier 4: all additional 1,000 gallons

#### *Recommended Tier Structure*

- The first 3,000 gallons are included in the service charge
- Tier 1: 4,000 – 6,000 gallons;
- Tier 2: next 8,000 gallons;
- Tier 3: next 10,000 gallons;
- Tier 4: all additional 1,000 gallons

#### *Typical Residential Water Consumer Impact:*

- Service Charge: \$0.90 increase per month, from \$30.03 to \$30.93
- Usage Charges: \$0.30 per month, from \$10.47 to \$10.77
- Total average monthly bill impact: \$1.20 per month, from \$40.50 to \$41.70

#### Arizona Water Company comparison:

- Service Charge: \$33.51 per month
- Usage Charges (6,000 gallons): \$15.64
- Total average monthly bill: \$49.15

### *Non-Residential Water*

Consistent with the direction promoting equity with residential rates and furthering conservation efforts, the City is focused on identifying necessary and discretionary water use. Additionally, FY 2022/23 continued the recent trend of higher usage for non-

residential customers compared to residential customers. The impact of increased non-residential water usage impacts the amount of water and infrastructure needed to serve these customers.

Staff recommends the following non-residential usage rate adjustments:

- General Commercial: 5% increase
- General Other Non-Residential, including multi-unit, public authorities, etc.: 6% increase
- General excess surcharge usage: 6.5% increase
- Landscape usage and excess surcharge usage: 7.5% increase
- Large Commercial and Industrial: 12% increase

Prior to FY 2020/21, the non-residential usage rate was aligned with the necessary usage tier (Residential Tier 1). The proposed rate increases continue to move the non-residential usage rates closer to the usage tiers representing discretionary usage (Residential Tiers 2, 3, and 4). Similar to residential customers, all non-residential customers would have a 3% increase in their Service Charge. As the recommended increase is higher for the Usage Charge, the monthly bill increase will be smaller for customers that consume less water.

*Typical Non-residential Water Consumer Impact:*

Commercial General typical monthly bill (consumption of 9,000 gallons):  
increase of \$2.21, from \$57.76 to \$58.97, or a 4.8% increase.

Commercial Landscape typical monthly bill (consumption of 34,000 gallons):  
increase of \$8.96, from \$138.08 to \$147.04, or a 6.4% increase

*Interdepartmental Water*

For FY 2023/24, staff recommends a 10% increase to the interdepartmental water usage charges. FY 2023/24 represented the second year of a 4-year plan to increase interdepartmental water rates to align with the residential tier 1 usage charge.

The projected annualized increase in revenue for all Water utility recommendations is approximately \$9,775,000.

WASTEWATER UTILITY

Rates for residential wastewater service are comprised of two components: Service Charge with a flat monthly rate, and Usage Charge based on wastewater demand volume. Wastewater volume is calculated for each customer based on 90% of the average monthly water use for the three lowest water usage months from December through March (also known as the “winter water monthly average”). This approximates indoor household usage and the resulting demand on the wastewater system. A City-

wide winter water monthly average is used for new customers until an individual customer average can be determined.

The wastewater utility forecast includes significant cost increases within the utility such as, the cost of chemicals, electricity, one-time maintenance at the Greenfield Water Reclamation Plant, and the cost of ownership, operation, and maintenance of the 91st Avenue Wastewater Treatment Plant (a joint venture with the cities of Glendale, Phoenix, Scottsdale, and Tempe). Staff reviews and forecasts costs each year to ensure rates are sufficient to keep up with expenses. The debt service costs are projected to increase by \$4.2M and operational costs are projected to increase by \$1.1M from FY 2022/23 to FY 2023/24.

Staff recommends a 4.75% increase to the Service Charge and the Usage Charge for Residential customers, and a 5% increase to the Service Charge and the Usage Charge for Non-residential customers.

*Typical Residential Wastewater Consumer Impact:*

Service Charge: \$1.02 increase per month, from \$21.41 to \$22.43  
Usage Charge (Winter water average): \$0.16 increase per month, from \$3.52 to \$3.68  
Total average monthly bill impact: Approximately \$1.18 per month, from \$24.93 to \$26.11

Liberty Utilities comparison:

Service Charge: \$52.40 per month  
Usage Charges: \$2.34  
Total average monthly bill: \$54.74

EPCOR (formerly Johnson Utilities) comparison:

Service Charge: \$46.30 per month  
Usage Charges: \$0.00  
Total average monthly bill: \$46.30

*Typical General Commercial Wastewater Consumer Impact:*

Service Charge: \$1.17 increase per month, from \$23.37 to \$24.54  
Usage Charge (based on water consumption): \$0.63 increase per month, from \$13.09 to \$13.72  
Surcharge (based on water consumption): \$0.68 increase per month, from \$13.44 to \$14.12  
Typical monthly bill impact: \$2.48 per month, from \$49.90 to \$52.38

Interdepartmental wastewater rates are recommended to be held constant.

The total projected annualized increase in wastewater revenue is approximately \$4,834,000.

### UTILITY SERVICE REQUEST FEES

Staff recommends a number of service request fee increases, including utility turn on/off, connections and disconnections, fees regarding damaged equipment, and other service requests in order to improve cost recovery. These fees have not been adjusted in 7 years, and staff recommends adjusting these fees in line with inflation and “Time and Materials” where appropriate.

**ALTERNATIVES**

Modify the FY 2023/24 utility rate adjustment proposal. Examples include but are not limited to: increase, reduce or eliminate a recommended percentage.

The budgetary impact would need to be calculated by staff based on the modification requested.

**FISCAL IMPACT**

The projected annualized increase in revenues in the Utility Fund from the recommended utility rate adjustments is \$19,591,000. The projected increase by individual utility is as follows:

<u>Utility</u>	<u>Annual Increase</u>
Solid Waste	\$2,588,000
Electric	\$833,000
Natural Gas	\$1,561,000
Water	\$9,775,000
Wastewater	\$4,834,000

The projected ending reserve balance for the Utility Fund with similar adjustment to rates each year is:

<u>Fiscal Year</u>	<u>Ending Reserve Balance</u>
22/23	26.1%
23/24	18.9%
24/25	15.6%
25/26	12.1%
26/27	10.3%
27/28	9.2%
28/29	9.0%

The projected increase on the typical residential customer for by individual utility is:

<u>Utility</u>	<u>Monthly</u>	<u>Annual</u>
Solid Waste	\$0.92	\$11.04
Electric	\$2.83	\$33.96
Natural Gas	\$1.64	\$19.68
Water	\$1.20	\$14.40
Wastewater	\$1.18	\$14.16

**Attachments:**

1. FY 2023/24 Utility Rate Adjustment Recommendation Summary
2. City of Mesa Utility Fund Cash Flow Projections

**City of Mesa, Arizona Utility Rate Adjustments Recommendations for FY 23/24**

as of 08/22/23

<p><b>Electric</b></p> <p>Residential: \$2.25 service charge increase, 4.25% Summer Tier 2 usage increase, 4% Winter Tier 1 usage increase, and 39% Winter Tier 2 usage increase</p> <p>examples:</p> <table border="1"> <thead> <tr> <th></th> <th>Current</th> <th>Recommended</th> <th>change</th> <th>pct change</th> </tr> </thead> <tbody> <tr> <td>low</td> <td>\$ 59.45</td> <td>\$ 61.88</td> <td>\$ 2.43</td> <td>4.1%</td> </tr> <tr> <td>average</td> <td>\$ 135.09</td> <td>\$ 137.92</td> <td>\$ 2.83</td> <td>2.1%</td> </tr> <tr> <td>high</td> <td>\$ 224.53</td> <td>\$ 229.33</td> <td>\$ 4.80</td> <td>2.1%</td> </tr> </tbody> </table> <p>(Including pass through of electric energy supply costs)</p> <p>Commercial: \$5 service charge increase, 1% Winter Tier 2 usage increase, and 6% Summer Tier 2 usage increase</p> <p>examples:</p> <table border="1"> <thead> <tr> <th></th> <th>Current</th> <th>Recommended</th> <th>change</th> <th>pct change</th> </tr> </thead> <tbody> <tr> <td>average</td> <td>\$ 556.97</td> <td>\$ 561.97</td> <td>\$ 5.00</td> <td>0.9%</td> </tr> </tbody> </table>		Current	Recommended	change	pct change	low	\$ 59.45	\$ 61.88	\$ 2.43	4.1%	average	\$ 135.09	\$ 137.92	\$ 2.83	2.1%	high	\$ 224.53	\$ 229.33	\$ 4.80	2.1%		Current	Recommended	change	pct change	average	\$ 556.97	\$ 561.97	\$ 5.00	0.9%	<p><b>Gas</b> Residential connections</p> <p>\$0.75 service charge increase, 5% Tier 1 usage increase, 7% Winter Tier 2 usage increase, 11% Summer Tier 2 usage increase</p> <p>examples:</p> <table border="1"> <thead> <tr> <th></th> <th>Current</th> <th>Recommended</th> <th>change</th> <th>pct change</th> </tr> </thead> <tbody> <tr> <td>low</td> <td>\$ 25.16</td> <td>\$ 26.12</td> <td>\$ 0.96</td> <td>3.8%</td> </tr> <tr> <td>average</td> <td>\$ 45.68</td> <td>\$ 47.32</td> <td>\$ 1.64</td> <td>3.6%</td> </tr> <tr> <td>high</td> <td>\$ 77.78</td> <td>\$ 80.65</td> <td>\$ 2.87</td> <td>3.7%</td> </tr> </tbody> </table> <p>(including pass through of natural gas energy supply costs)</p> <p>Commercial: \$2.00 increase on service charge; 2% Tier 1 usage increase, 4% Tier 2 usage increase</p> <p>examples:</p> <table border="1"> <thead> <tr> <th></th> <th>Current</th> <th>Recommended</th> <th>change</th> <th>pct change</th> </tr> </thead> <tbody> <tr> <td>average</td> <td>\$ 541.85</td> <td>\$ 549.27</td> <td>\$ 7.42</td> <td>1.4%</td> </tr> </tbody> </table>		Current	Recommended	change	pct change	low	\$ 25.16	\$ 26.12	\$ 0.96	3.8%	average	\$ 45.68	\$ 47.32	\$ 1.64	3.6%	high	\$ 77.78	\$ 80.65	\$ 2.87	3.7%		Current	Recommended	change	pct change	average	\$ 541.85	\$ 549.27	\$ 7.42	1.4%																				
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	Current	Recommended	change	pct change																																																																													
low	\$ 25.16	\$ 26.12	\$ 0.96	3.8%																																																																													
average	\$ 45.68	\$ 47.32	\$ 1.64	3.6%																																																																													
high	\$ 77.78	\$ 80.65	\$ 2.87	3.7%																																																																													
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average	\$ 541.85	\$ 549.27	\$ 7.42	1.4%																																																																													
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## Attachment 2 - City of Mesa Utility Fund Cash Flow Projections

As of 08/22/2023	FY 22/23 Estimate	FY 23/24 Projected	FY 24/25 Forecast	FY 25/26 Forecast	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast
WATER	(\$3,390,539)	(\$1,213,825)	\$824,968	(\$3,833,608)	(\$4,807,613)	(\$3,780,714)	(\$3,245,833)
WASTEWATER	(\$8,080,027)	(\$13,986,661)	(\$9,991,982)	(\$7,046,469)	(\$3,175,824)	\$2,203,698	\$877,990
SOLID WASTE	(\$4,455,062)	(\$7,390,204)	\$678,671	\$1,192,198	\$1,479,784	(\$239,847)	\$3,023,019
ELECTRIC	\$664,095	(\$1,990,443)	(\$718,719)	(\$842,119)	(\$558,839)	(\$714,081)	(\$1,361,963)
NATURAL GAS	\$2,153,284	(\$9,107,075)	(\$3,995,031)	(\$3,367,616)	(\$2,638,632)	(\$2,496,126)	\$863,070
DISTRICT COOLING	(\$45,576)	(\$298,342)	(\$461,410)	(\$132,520)	(\$104,958)	(\$114,287)	(\$111,479)
<b>TOTAL NET SOURCES AND USES</b>	<b>(\$13,153,827)</b>	<b>(\$33,986,550)</b>	<b>(\$13,663,502)</b>	<b>(\$14,030,134)</b>	<b>(\$9,806,082)</b>	<b>(\$5,141,357)</b>	<b>\$44,803</b>
Beginning Reserve Balance	\$144,571,686	\$131,417,859	\$97,431,309	\$83,767,807	\$69,737,673	\$59,931,590	\$54,790,233
<b>Ending Reserve Balance</b>	<b>\$131,417,859</b>	<b>\$97,431,309</b>	<b>\$83,767,807</b>	<b>\$69,737,673</b>	<b>\$59,931,590</b>	<b>\$54,790,233</b>	<b>\$54,835,037</b>
Ending Reserve Balance Percent*	<b>26.1%</b>	<b>18.9%</b>	<b>15.6%</b>	<b>12.0%</b>	<b>10.3%</b>	<b>9.2%</b>	<b>9.0%</b>

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

WATER Residential (Tier 1 usage)	2.75%	3.00%	3.50%	4.00%	4.00%	4.00%	4.00%
WATER Commercial (usage)	5.50%	5.00%	5.50%	5.75%	5.75%	5.75%	5.75%
WASTEWATER Residential	4.25%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
WASTEWATER Non-Residential	4.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
SOLID WASTE Residential	2.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
SOLID WASTE Commercial	4.50%	7.50%	3.00%	3.00%	3.00%	3.00%	3.00%
SOLID WASTE Rolloff	7.75%	6.50%	3.00%	3.00%	3.00%	3.00%	3.00%
ELECTRIC Residential - svc charge	\$0.00	\$2.25	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50
ELECTRIC Non-Residential - svc charge	\$0.00	\$5.00	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50
GAS Residential - svc charge	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75
GAS Non-Residential - svc charge	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00



## Attachment 2 - City of Mesa Utility Fund Cash Flow Projections

<b>TOTAL</b>							
As of 08/22/2023	FY 22/23 Estimate	FY 23/24 Projected	FY 24/25 Forecast	FY 25/26 Forecast	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast
<b>Sources of Funding</b>							
Revenues	\$398,420,940	\$425,949,632	\$450,750,756	\$474,318,122	\$499,399,029	\$526,237,571	\$544,765,026
EECAF/PNGCAF Revenues	\$52,730,098	\$44,280,547	\$52,445,805	\$50,097,617	\$48,940,577	\$48,624,139	\$47,844,582
<b>Total Sources</b>	<b>\$451,151,038</b>	<b>\$470,230,179</b>	<b>\$503,196,561</b>	<b>\$524,415,740</b>	<b>\$548,339,605</b>	<b>\$574,861,710</b>	<b>\$592,609,607</b>
<b>Uses of Funding</b>							
Operating Expenditures	\$171,225,830	\$199,677,078	\$202,484,238	\$209,895,603	\$214,959,276	\$222,873,435	\$228,842,707
EECAF/PNGCAF Expenditures	\$47,936,567	\$46,525,993	\$52,445,805	\$50,097,617	\$48,940,577	\$48,624,139	\$47,844,582
<b>Expenditure Subtotal</b>	<b>\$219,162,397</b>	<b>\$246,203,071</b>	<b>\$254,930,043</b>	<b>\$259,993,220</b>	<b>\$263,899,852</b>	<b>\$271,497,574</b>	<b>\$276,687,288</b>
Project Costs	\$728,104	\$527,763	\$0	\$7,286	\$0	\$0	\$0
General Fund Transfer	\$119,301,118	\$127,209,268	\$134,561,724	\$141,401,945	\$148,946,448	\$156,996,401	\$162,573,316
Debt Service Transfer	\$104,169,180	\$114,055,844	\$116,221,790	\$126,172,504	\$132,888,805	\$137,151,064	\$140,205,095
Lifecycle/ Infrastructure Transfers	\$8,994,224	\$9,373,029	\$10,038,365	\$10,462,238	\$10,940,141	\$11,469,997	\$11,824,363
Capital Transfer	\$11,949,842	\$6,847,754	\$1,108,141	\$408,680	\$1,470,442	\$2,888,030	\$1,274,742
<b>Total Uses</b>	<b>\$464,304,865</b>	<b>\$504,216,729</b>	<b>\$516,860,063</b>	<b>\$538,445,874</b>	<b>\$558,145,688</b>	<b>\$580,003,067</b>	<b>\$592,564,804</b>
<b>Net Sources and Uses</b>	<b>(\$13,153,827)</b>	<b>(\$33,986,550)</b>	<b>(\$13,663,502)</b>	<b>(\$14,030,134)</b>	<b>(\$9,806,082)</b>	<b>(\$5,141,357)</b>	<b>\$44,803</b>
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<b>Ending Reserve Balance Percent*</b>	<b>26.1%</b>	<b>18.9%</b>	<b>15.6%</b>	<b>12.0%</b>	<b>10.3%</b>	<b>9.2%</b>	<b>9.0%</b>

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

## Attachment 2 - City of Mesa Utility Fund Cash Flow Projections

<b>WATER</b>	FY 22/23 Estimate	FY 23/24 Projected	FY 24/25 Forecast	FY 25/26 Forecast	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast
<b>Sources of Funding</b>							
Residential Rate Revenues	\$92,848,750	\$102,278,473	\$108,275,755	\$112,602,637	\$118,285,735	\$124,306,893	\$129,242,956
Non-Residential Rate Revenues	\$67,140,841	\$82,325,159	\$88,329,315	\$95,559,246	\$102,101,859	\$109,074,235	\$113,309,329
Other Revenues	\$8,757,557	\$4,743,975	\$4,810,477	\$4,854,496	\$4,903,935	\$4,954,313	\$5,005,318
<b>Total Sources</b>	<b>\$168,747,148</b>	<b>\$189,347,606</b>	<b>\$201,415,547</b>	<b>\$213,016,379</b>	<b>\$225,291,528</b>	<b>\$238,335,441</b>	<b>\$247,557,603</b>
<b>Uses of Funding</b>							
Operating Expenditures	\$66,482,037	\$76,269,534	\$80,108,362	\$84,380,962	\$87,101,554	\$90,452,797	\$93,735,262
Project Costs	\$273,101	\$87,997	\$0	\$311	\$0	\$0	\$0
General Fund Transfer	\$50,398,981	\$56,228,661	\$59,761,162	\$63,011,422	\$66,714,198	\$70,625,762	\$73,411,089
Debt Service Transfer	\$49,358,660	\$52,254,627	\$56,090,523	\$64,993,165	\$71,412,996	\$76,178,507	\$78,380,668
Lifecycle/ Infrastructure Transfers	\$3,374,943	\$3,786,952	\$4,028,311	\$4,260,328	\$4,505,831	\$4,766,709	\$4,951,152
Capital Transfer	\$2,249,966	\$1,933,661	\$602,221	\$203,799	\$364,564	\$92,380	\$325,264
<b>Total Uses</b>	<b>\$172,137,687</b>	<b>\$190,561,431</b>	<b>\$200,590,579</b>	<b>\$216,849,987</b>	<b>\$230,099,142</b>	<b>\$242,116,155</b>	<b>\$250,803,436</b>
<b>Net Sources and Uses</b>	<b>(\$3,390,539)</b>	<b>(\$1,213,825)</b>	<b>\$824,968</b>	<b>(\$3,833,608)</b>	<b>(\$4,807,613)</b>	<b>(\$3,780,714)</b>	<b>(\$3,245,833)</b>
<b>WASTEWATER</b>							
<b>WASTEWATER</b>	FY 22/23 Estimate	FY 23/24 Projected	FY 24/25 Forecast	FY 25/26 Forecast	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast
<b>Sources of Funding</b>							
Residential Rate Revenues	\$51,702,845	\$54,710,753	\$57,952,185	\$61,049,881	\$64,720,930	\$68,672,826	\$72,225,659
Non-Residential Rate Revenues	\$41,048,495	\$45,457,657	\$48,174,866	\$51,161,014	\$54,265,669	\$57,595,494	\$57,986,858
Other Revenues	\$2,901,836	\$2,577,587	\$2,589,387	\$2,589,387	\$2,589,387	\$2,589,387	\$2,589,387
<b>Total Sources</b>	<b>\$95,653,176</b>	<b>\$102,745,998</b>	<b>\$108,716,439</b>	<b>\$114,800,283</b>	<b>\$121,575,986</b>	<b>\$128,857,707</b>	<b>\$132,801,905</b>
<b>Uses of Funding</b>							
Operating Expenditures	\$32,852,154	\$40,582,859	\$42,046,089	\$43,280,943	\$44,343,376	\$45,804,522	\$47,444,185
Project Costs	\$108,525	\$167,756	\$0	\$6,975	\$0	\$0	\$0
General Fund Transfer	\$28,695,953	\$30,823,799	\$32,614,932	\$34,440,085	\$36,472,796	\$38,657,312	\$39,840,571
Debt Service Transfer	\$37,481,199	\$41,661,785	\$41,436,965	\$41,725,754	\$41,215,436	\$39,547,357	\$41,774,657
Lifecycle/ Infrastructure Transfers	\$1,913,064	\$2,054,920	\$2,174,329	\$2,296,006	\$2,431,520	\$2,577,154	\$2,656,038
Capital Transfer	\$2,682,309	\$1,441,539	\$436,106	\$96,989	\$288,683	\$67,663	\$208,463
<b>Total Uses</b>	<b>\$103,733,203</b>	<b>\$116,732,658</b>	<b>\$118,708,420</b>	<b>\$121,846,752</b>	<b>\$124,751,810</b>	<b>\$126,654,009</b>	<b>\$131,923,915</b>
<b>Net Sources and Uses</b>	<b>(\$8,080,027)</b>	<b>(\$13,986,661)</b>	<b>(\$9,991,982)</b>	<b>(\$7,046,469)</b>	<b>(\$3,175,824)</b>	<b>\$2,203,698</b>	<b>\$877,990</b>

## Attachment 2 - City of Mesa Utility Fund Cash Flow Projections

<b>SOLID WASTE</b>	FY 22/23 Estimate	FY 23/24 Projected	FY 24/25 Forecast	FY 25/26 Forecast	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast
<b>Sources of Funding</b>							
Revenues	\$69,632,300	\$71,060,655	\$74,654,831	\$77,436,947	\$80,328,769	\$83,330,873	\$86,310,956
<b>Uses of Funding</b>							
Operating Expenditures	\$44,396,346	\$51,612,148	\$49,360,208	\$50,701,095	\$51,683,951	\$53,541,885	\$54,316,401
Project Costs	\$174,067	\$71,274	\$0	\$0	\$0	\$0	\$0
General Fund Transfer	\$20,889,690	\$21,318,197	\$22,396,449	\$23,231,084	\$24,098,631	\$24,999,262	\$25,893,287
Debt Service Transfer	\$670,305	\$633,480	\$656,771	\$656,657	\$644,742	\$634,431	\$613,293
Lifecycle/ Infrastructure Transfers	\$1,392,646	\$1,421,213	\$1,493,097	\$1,548,739	\$1,606,575	\$1,666,617	\$1,726,219
Capital Transfer	\$6,564,309	\$3,394,548	\$69,635	\$107,173	\$815,087	\$2,728,525	\$738,737
<b>Total Uses</b>	<b>\$74,087,362</b>	<b>\$78,450,859</b>	<b>\$73,976,159</b>	<b>\$76,244,749</b>	<b>\$78,848,985</b>	<b>\$83,570,721</b>	<b>\$83,287,937</b>
<b>Net Sources and Uses</b>	<b>(\$4,455,062)</b>	<b>(\$7,390,204)</b>	<b>\$678,671</b>	<b>\$1,192,198</b>	<b>\$1,479,784</b>	<b>(\$239,847)</b>	<b>\$3,023,019</b>
<b>ELECTRIC</b>	FY 22/23 Estimate	FY 23/24 Projected	FY 24/25 Forecast	FY 25/26 Forecast	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast
<b>Sources of Funding</b>							
Revenues	\$19,624,386	\$19,710,747	\$20,854,461	\$21,850,184	\$22,793,917	\$23,833,912	\$24,261,669
EECAF Revenues	\$25,827,058	\$27,534,432	\$32,341,629	\$30,295,104	\$28,645,666	\$27,824,521	\$26,527,637
<b>Total Sources</b>	<b>\$45,451,444</b>	<b>\$47,245,179</b>	<b>\$53,196,090</b>	<b>\$52,145,288</b>	<b>\$51,439,583</b>	<b>\$51,658,433</b>	<b>\$50,789,306</b>
<b>Uses of Funding</b>							
Operating Expenditures	\$8,576,792	\$10,339,265	\$10,310,719	\$10,643,616	\$10,658,938	\$11,029,772	\$11,131,607
EECAF Expenditures	\$24,976,321	\$27,170,796	\$32,341,629	\$30,295,104	\$28,645,666	\$27,824,521	\$26,527,637
<b>Expenditure Subtotal</b>	<b>\$33,553,113</b>	<b>\$37,510,061</b>	<b>\$42,652,348</b>	<b>\$40,938,720</b>	<b>\$39,304,604</b>	<b>\$38,854,293</b>	<b>\$37,659,244</b>
Project Costs	\$58,739	\$33,101	\$0	\$0	\$0	\$0	\$0
General Fund Transfer	\$5,887,316	\$5,913,224	\$6,256,338	\$6,555,055	\$6,838,175	\$7,150,174	\$7,278,501
Debt Service Transfer	\$4,062,102	\$4,757,494	\$3,942,201	\$4,450,726	\$4,826,851	\$5,334,879	\$6,197,737
Lifecycle/ Infrastructure Transfers	\$909,029	\$944,904	\$1,063,922	\$1,042,906	\$1,028,792	\$1,033,169	\$1,015,786
Capital Transfer	\$317,051	\$76,839	\$0	\$0	\$0	\$0	\$0
<b>Total Uses</b>	<b>\$44,787,349</b>	<b>\$49,235,622</b>	<b>\$53,914,809</b>	<b>\$52,987,407</b>	<b>\$51,998,422</b>	<b>\$52,372,514</b>	<b>\$52,151,269</b>
<b>Net Sources and Uses</b>	<b>\$664,095</b>	<b>(\$1,990,443)</b>	<b>(\$718,719)</b>	<b>(\$842,119)</b>	<b>(\$558,839)</b>	<b>(\$714,081)</b>	<b>(\$1,361,963)</b>

## Attachment 2 - City of Mesa Utility Fund Cash Flow Projections

<b>NATURAL GAS</b>	FY 22/23 Estimate	FY 23/24 Projected	FY 24/25 Forecast	FY 25/26 Forecast	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast
<b>Sources of Funding</b>							
Revenues	\$43,324,086	\$41,505,883	\$43,831,180	\$45,910,466	\$48,076,248	\$50,517,796	\$52,441,426
PNGCAF Revenues	\$26,903,040	\$16,746,115	\$20,104,176	\$19,802,513	\$20,294,911	\$20,799,618	\$21,316,945
<b>Total Sources</b>	<b>\$70,227,126</b>	<b>\$58,251,998</b>	<b>\$63,935,356</b>	<b>\$65,712,979</b>	<b>\$68,371,159</b>	<b>\$71,317,415</b>	<b>\$73,758,371</b>
<b>Uses of Funding</b>							
Operating Expenditures	\$17,865,064	\$19,470,978	\$19,302,821	\$19,844,481	\$20,135,803	\$20,976,345	\$21,132,022
PNGCAF Expenditures	\$22,960,246	\$19,355,197	\$20,104,176	\$19,802,513	\$20,294,911	\$20,799,618	\$21,316,945
<b>Expenditure Subtotal</b>	<b>\$40,825,310</b>	<b>\$38,826,175</b>	<b>\$39,406,997</b>	<b>\$39,646,994</b>	<b>\$40,430,713</b>	<b>\$41,775,964</b>	<b>\$42,448,967</b>
Project Costs	\$113,672	\$167,635	\$0	\$0	\$0	\$0	\$0
General Fund Transfer	\$12,997,226	\$12,451,765	\$13,149,354	\$13,773,140	\$14,422,875	\$15,155,339	\$15,732,428
Debt Service Transfer	\$12,596,914	\$14,748,458	\$14,095,329	\$14,346,202	\$14,788,780	\$15,455,890	\$13,238,739
Lifecycle/ Infrastructure Transfers	\$1,404,543	\$1,165,040	\$1,278,707	\$1,314,260	\$1,367,423	\$1,426,348	\$1,475,167
Capital Transfer	\$136,178	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Uses</b>	<b>\$68,073,842</b>	<b>\$67,359,073</b>	<b>\$67,930,388</b>	<b>\$69,080,596</b>	<b>\$71,009,791</b>	<b>\$73,813,541</b>	<b>\$72,895,301</b>
<b>Net Sources and Uses</b>	<b>\$2,153,284</b>	<b>(\$9,107,075)</b>	<b>(\$3,995,031)</b>	<b>(\$3,367,616)</b>	<b>(\$2,638,632)</b>	<b>(\$2,496,126)</b>	<b>\$863,070</b>
<b>DISTRICT COOLING</b>	FY 22/23 Estimate	FY 23/24 Projected	FY 24/25 Forecast	FY 25/26 Forecast	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast
<b>Sources of Funding</b>							
Revenues	\$1,439,844	\$1,578,743	\$1,278,298	\$1,303,864	\$1,332,580	\$1,361,841	\$1,391,467
<b>Uses of Funding</b>							
Operating Expenditures	\$1,053,438	\$1,402,295	\$1,356,040	\$1,044,505	\$1,035,655	\$1,068,114	\$1,083,229
General Fund Transfer	\$431,953	\$473,623	\$383,489	\$391,159	\$399,774	\$408,552	\$417,440
Project Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Transfer	\$29	\$1,167	\$178	\$719	\$2,109	-\$538	\$2,277
<b>Total Uses</b>	<b>\$1,485,420</b>	<b>\$1,877,085</b>	<b>\$1,739,708</b>	<b>\$1,436,384</b>	<b>\$1,437,538</b>	<b>\$1,476,128</b>	<b>\$1,502,946</b>
<b>Net Sources and Uses</b>	<b>(\$45,576)</b>	<b>(\$298,342)</b>	<b>(\$461,410)</b>	<b>(\$132,520)</b>	<b>(\$104,958)</b>	<b>(\$114,287)</b>	<b>(\$111,479)</b>