



City of Mesa

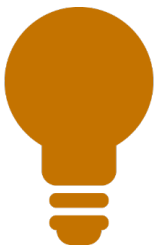
FY 2019/20

Utility Rate Adjustment Summary

January 13, 2020

Presented by

Candace Cannistraro – Management and Budget Director
Brian Ritschel – Management and Budget Deputy Director



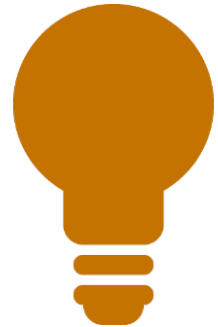
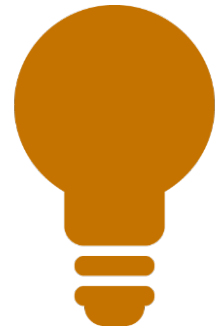
Solid Waste Utility Rate Adjustments

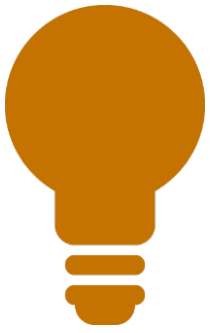
- **No Residential Barrel Rate Increase**
- **Front-Load Rates:**
 - Trash: Overall 3.8% increase
 - Adjustments include changes to base bin rates, multi-day factor, multi-bin factor, out-of-zone fees, and additional weight table
- **Front-Load Recycling**
 - Increases to cardboard and commingled base rates and multi-bin factors
- **Roll-Off Rates:**
 - Trash: Overall 2% increase
 - Green Waste: Overall 11% increase
- **Barrel Pullback Fee:**
 - Increase from \$2.21 to \$10.00



Electric Utility Rate Adjustments

- All Customers consumption component of rate:
No adjustment recommended
- Residential System Service Charge component:
increase \$0.25
- Non-Residential System Service Charge component:
increase \$1.00 per month
- Commodity costs for power are passed through to the customers and are not included in the annual rate review

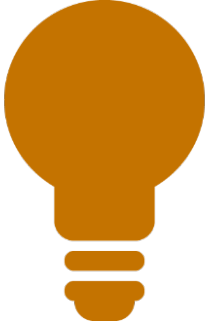




Voluntary Green Tariff

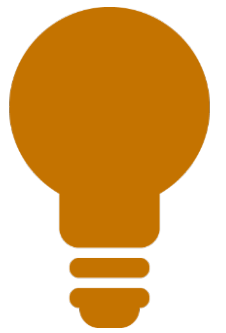


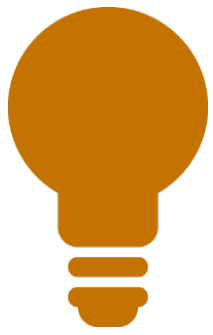
- Customers able to meet some, or all, of their electric energy needs with renewable resources
 - Energy Resources Department acquires renewable energy supplies on customers behalf
- Additional \$0.01/kWh usage charge
 - Options for customer to elect 25%, 50%, 75%, or 100% of needs with renewable energy



Natural Gas Utility Rate Adjustments

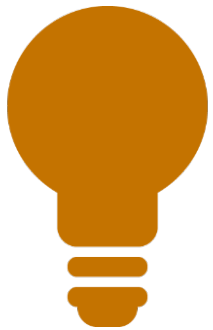
- All Customers consumption component of rate:
No adjustment recommended
- Residential customers System Service Charge: increase \$0.75 per month
 - Average residential monthly bill: from \$35.36 to \$35.16, **0.6% decrease** due to lower commodity pass-through costs
- Non-Residential System Service Charge component: increase \$2.00 per month
 - Average commercial monthly bill: from \$405.98 to \$402.07, **1.0% decrease** due to lower commodity pass-through costs
- Commodity costs for natural gas are passed through to the customers and are not included in the annual rate review





Small and Large Commercial CNG Customers

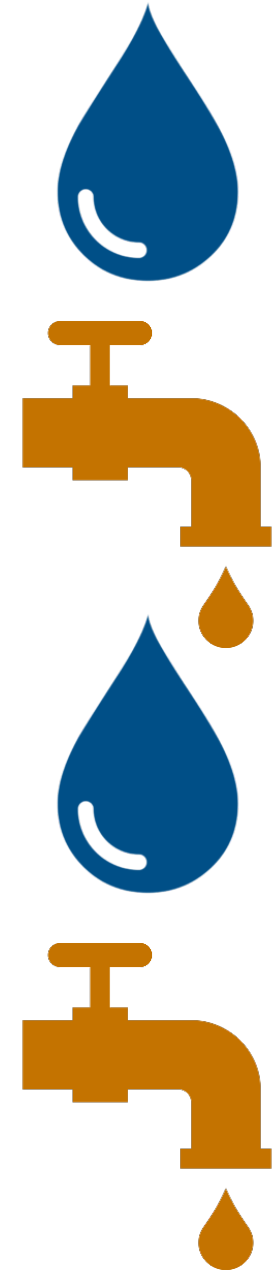
- Large CNG Customers (2 customers):
 - Monthly System Service Charge: from \$38.50 to \$100.00
 - Usage Charge per therm: from \$0.0879 to \$0.1379
 - Natural Gas commodity costs trend has been decreasing
 - Bill impact per customer: Customer 1 estimated **4.0% decrease**, Customer 2 estimated **3.4% decrease**
- Small CNG Customers (2 customers):
 - Monthly System Service Charge: \$38.50, no increase
 - Usage Charge per therm: from \$0.0879 to \$0.1379
 - Natural Gas commodity cost trend has been decreasing
 - Bill impact per customer: Customer 1 estimated **2.7% decrease**, Customer 2 estimated **4.6% decrease**



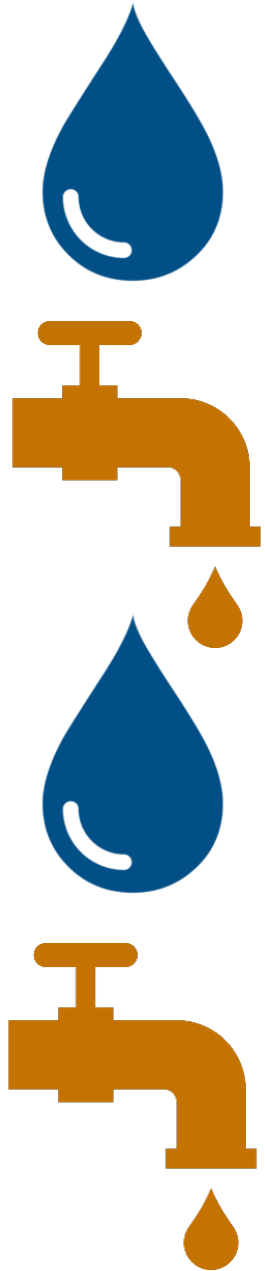
Water Utility Rate Adjustments

- **Residential customers: No adjustment**
- **Non-Residential customers: No service charge adjustment**
 - Usage Charges: 6% increase
 - Typical customer monthly bill impacts:
 - Commercial Landscape customers (44 kgal): from \$215.77 to \$225.26, \$9.49 (4.4%) increase
 - Commercial Non-Landscape customers (11 kgal): from \$84.90 to \$86.52, \$1.62 (1.9%) increase

New Class



Residential Water Utility Rate Tiers



Current Residential Tier Structure for 2019

First 3,000 gallons included in service charge

Gallons	Cost per 1,000 gal
4,000-9,000	\$3.19
Next 9,000 gallons	\$4.79
Next 6,000 gallons	\$5.77
All additional 1,000 gallons	\$6.46

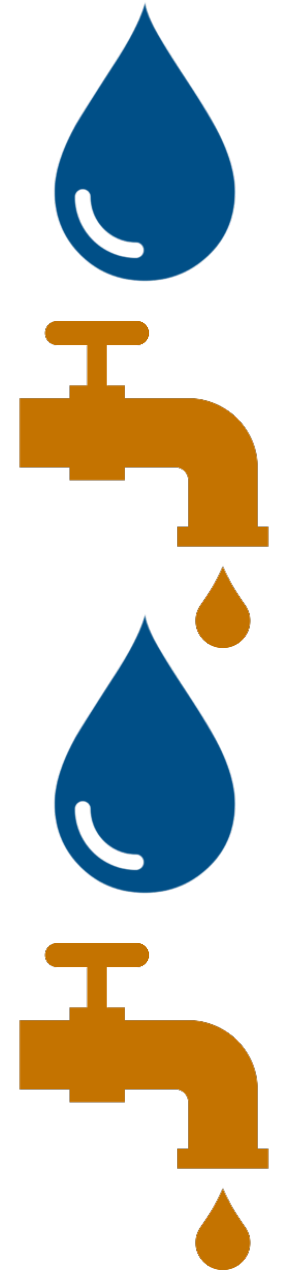
Proposed Residential Tier Structure for 2020

First 3,000 gallons included in service charge

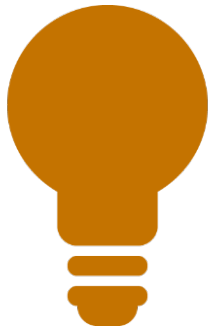
Gallons	Cost per 1,000 gal
4,000-8,000	\$3.19
Next 8,000 gallons	\$4.79
Next 8,000 gallons	\$5.77
All additional 1,000 gallons	\$6.46

Wastewater Utility Rate Adjustments

- **Residential customers: No adjustment**
- Non-Residential customers: 4.35% increase on all rate components
 - Typical commercial customer monthly bill impact (11 kgal): \$2.21 increase







Electric & Gas Utilities

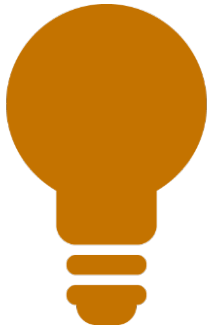
- Electric Utility

- Residential: 14,303 customers billed in December 2019
- Non-Residential: 2,559 customers billed in December 2019



- Gas Utility

- Residential: 64,745 customers billed in December 2019
- Non-Residential: 2,538 customers billed in December 2019



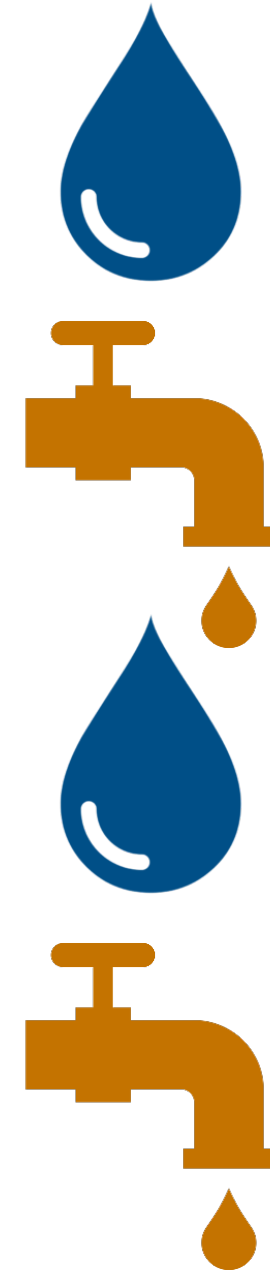
Water & Wastewater Utilities

- Water Utility

- Residential: 135,775 customers billed in December 2019
- Non-Residential: 15,676 customers billed in December 2019

- Wastewater Utility

- Residential: 125,408 customers billed in December 2019
- Non-Residential: 10,229 customers billed in December 2019



Solid Waste Utility Rate Recommendations

Front-Load Recycling Increases

Current Rates

	Base Rate	Multi Bin Factor
Cardboard	\$28.00	0.645
Commingled	\$36.00	0.645

Proposed Rates

	Base Rates				
	2 Yard	3 Yard	4 Yard	6 Yard	8 Yard
Cardboard	\$36.00	\$39.36	\$42.72	\$53.03	\$63.09
Commingled	\$36.00	\$39.36	\$42.72	\$53.03	\$63.09

Multi Bin Factor 0.650



City of Mesa CY2014 Residential Water Full Demand Capacity vs. Actual Usage

