

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

City Council Study Session
September 12, 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

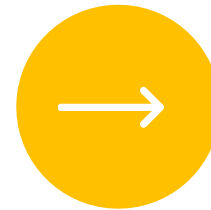
Financial Principles



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)
TOTAL NET SOURCES AND USES	(\$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
Ending Reserve Balance	\$144,413,643	\$114,759,072	\$87,546,160	\$67,956,452	\$53,324,381	\$42,703,052	\$37,158,971
Ending Reserve Balance Percent*	29.2%	21.7%	16.0%	11.5%	9.1%	7.1%	6.0%
*As a % of Next Fiscal Year's Expenditures							

Utility Fund Forecast:

FY 24/25 Recommended Rate Adjustments

<input checked="" type="checkbox"/>	Balanced Net S&U
<input type="checkbox"/>	20% Fund Balance
<input checked="" type="checkbox"/>	Smoothed Adjustments
<input checked="" type="checkbox"/>	Equity Res. & Non-Res.
<input checked="" type="checkbox"/>	Affordable Services

As of 8/22/2024	FY 23/24 Estimate	FY 24/25 Projected	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)
TOTAL NET SOURCES AND USES	(\$22,043,631)	(\$21,941,486)	(\$22,899,965)	(\$19,439,119)	(\$15,037,993)	(\$168,777)	\$18,475,335
Beginning Reserve Balance	\$144,413,643	\$122,370,012	\$100,428,526	\$77,528,561	\$58,089,442	\$43,051,449	\$42,882,672
Ending Reserve Balance	\$122,370,012	\$100,428,526	\$77,528,561	\$58,089,442	\$43,051,449	\$42,882,672	\$61,358,007
Ending Reserve Balance Percent*	23.2%	17.9%	12.3%	9.2%	6.5%	6.2%	8.6%
*As a % of Next Fiscal Year's Expenditures							

Water Resources Department

Presented by:

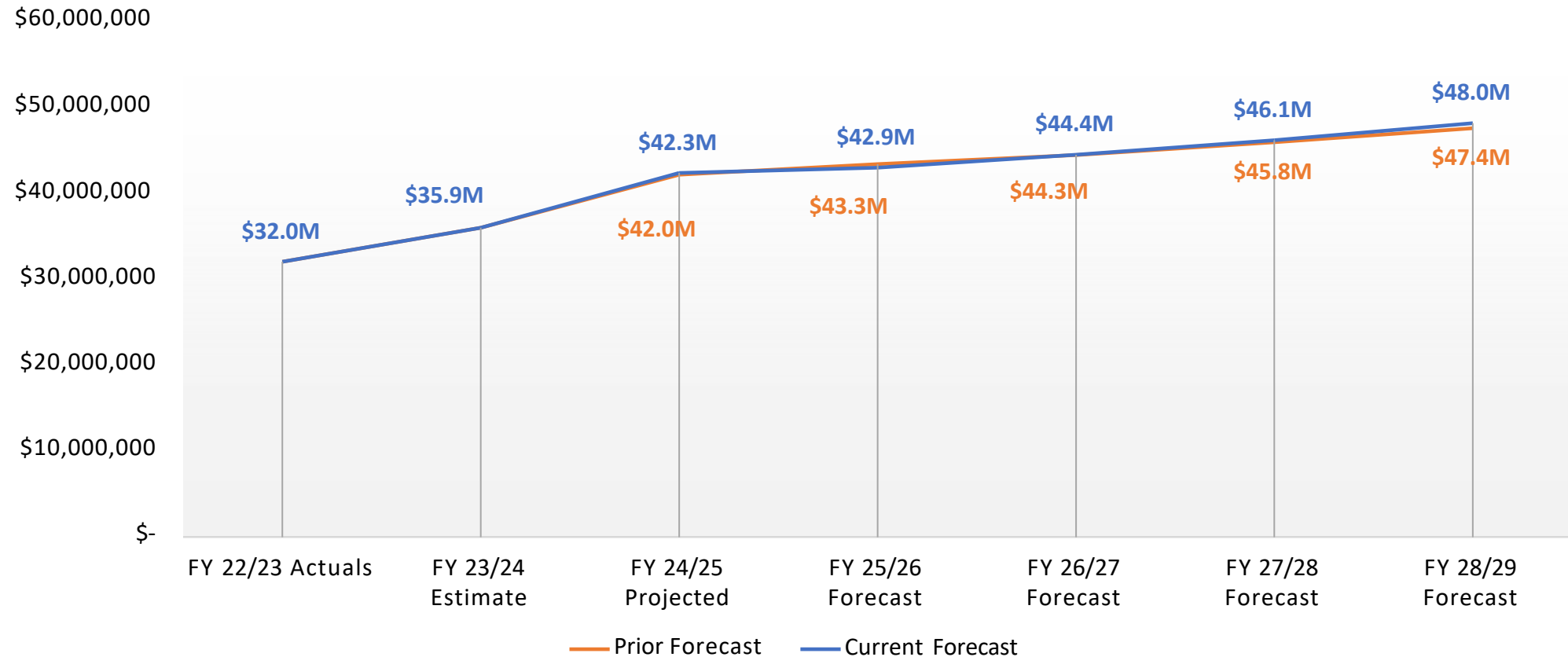
Christopher Hassert – Water Resources Director

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:

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

Increasing Costs on the Wastewater Utility

Regional Commitments



91st Ave WWTP

Lifecycle Replacement



Northwest WWTP

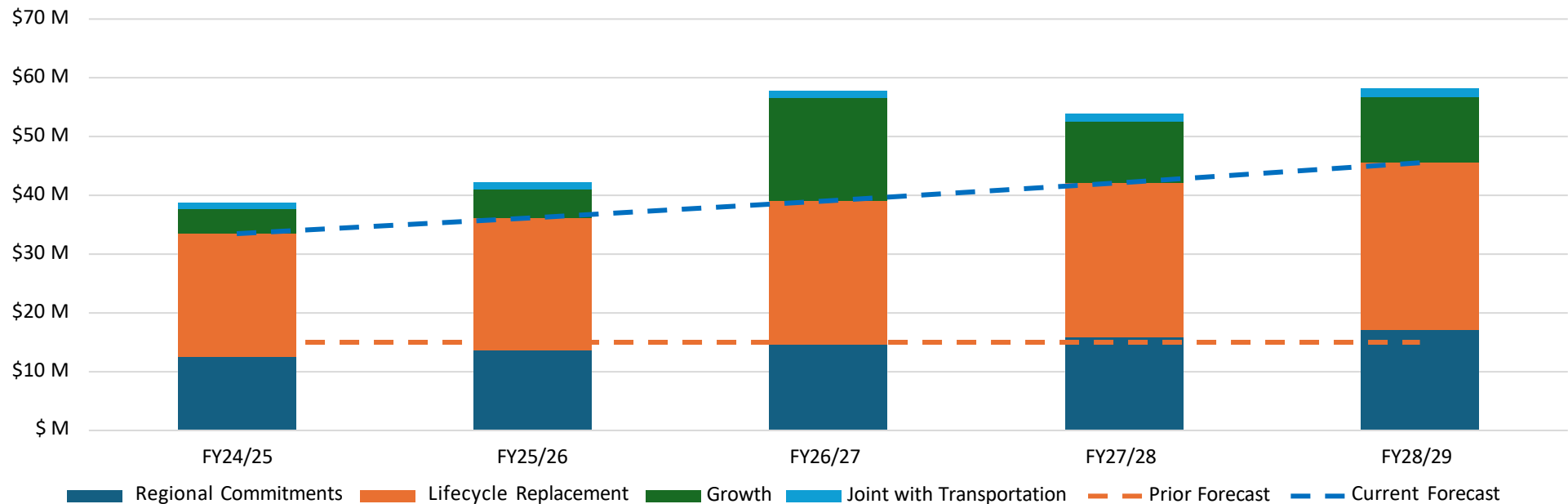
Growth



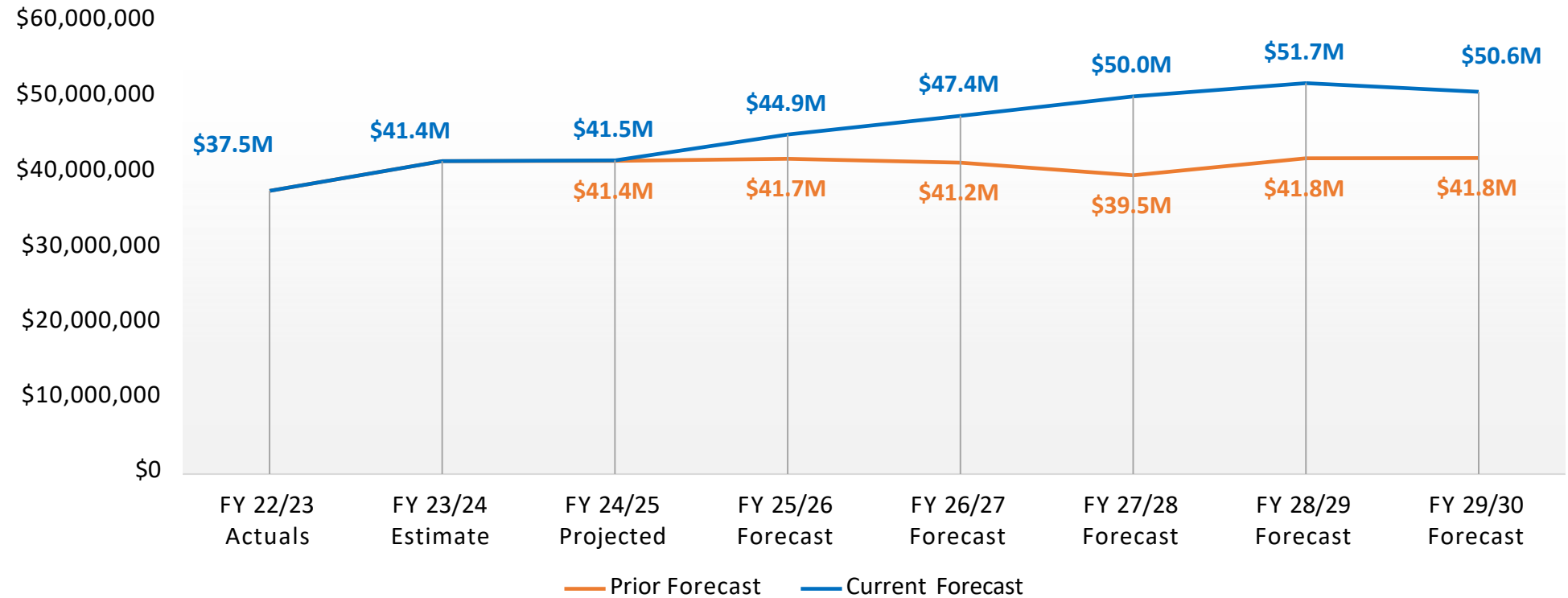
New Sewer Mains

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



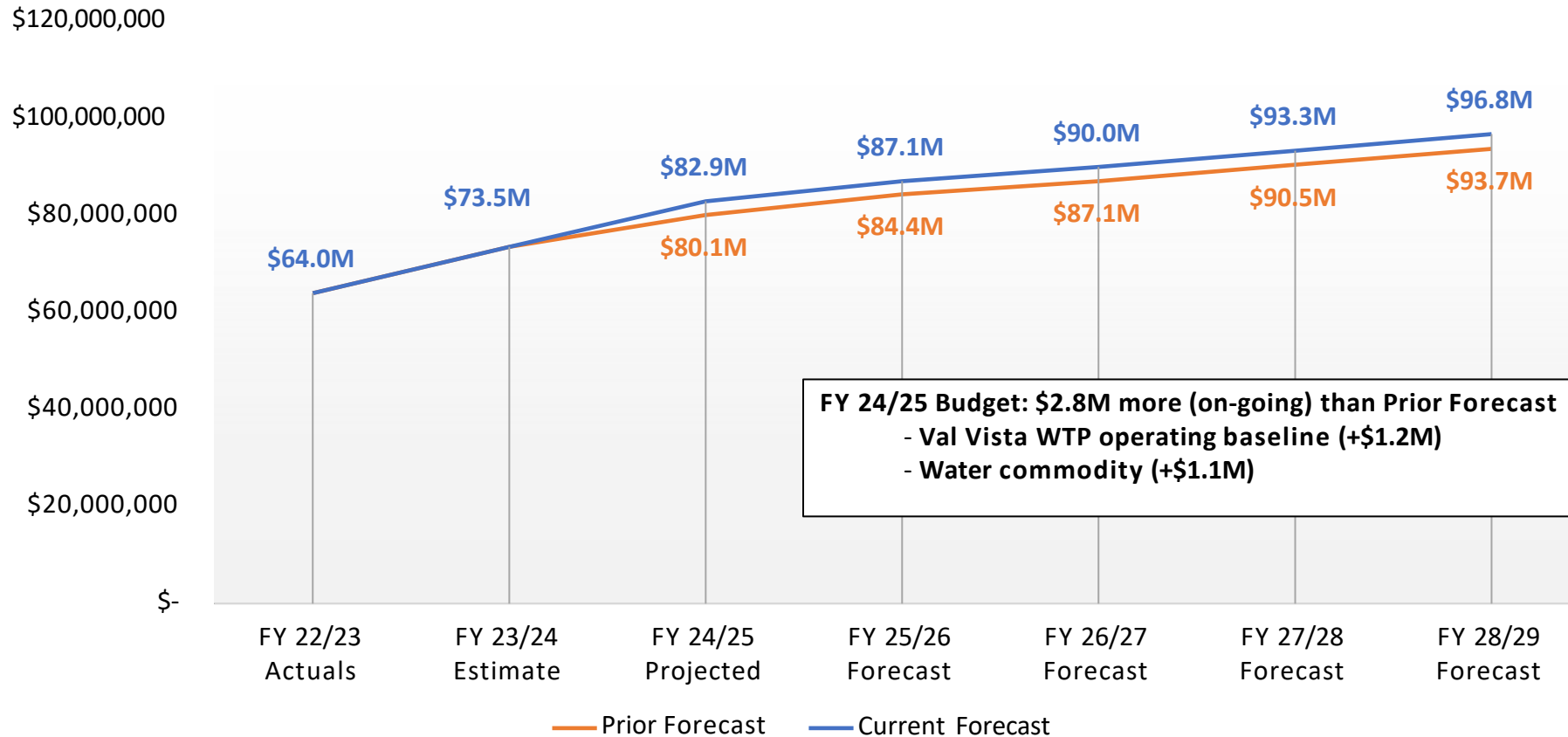
Proposed Rate Adjustments – Typical Customer

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 (<u>\$1.96/mo</u>)	
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 (<u>\$4.45/mo</u>)	

The image features a white background with several yellow decorative elements: a vertical bar on the left, a horizontal bar at the top right, and a horizontal bar at the bottom right.

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

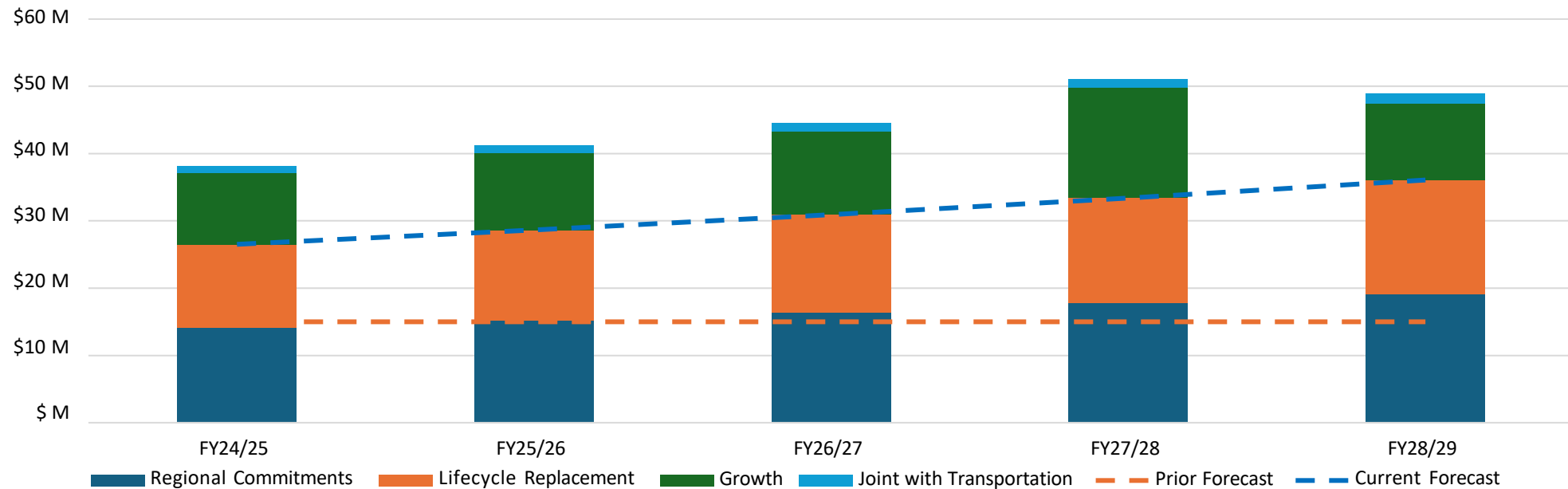
Increasing Project Costs on the Water Utility

Over the next five (5) years:

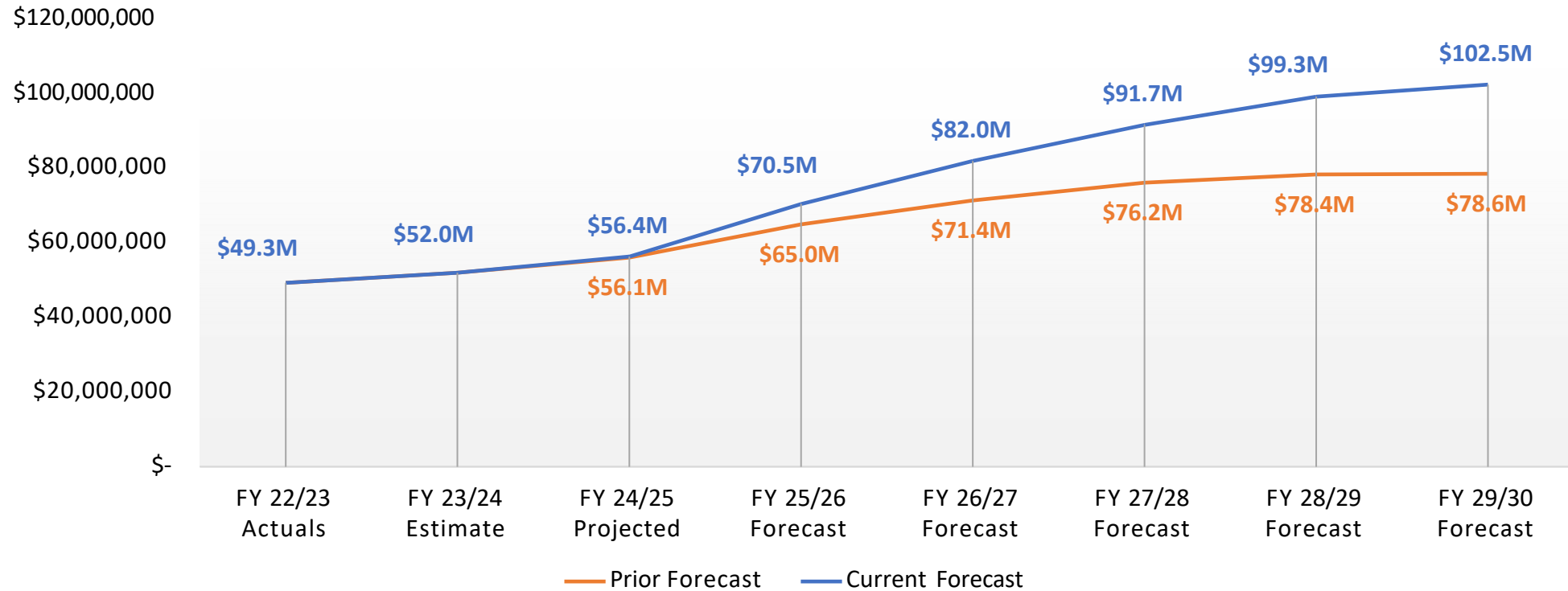
Regional Commitments <ul style="list-style-type: none">• \$57M Val Vista WTP• \$7M White Mtn Apache Water Settlement• \$5M SRP/CAP Interconnect Facility• \$5M Bartlett Dam Expansion	Lifecycle Replacement <ul style="list-style-type: none">• \$107M Water Distribution System• \$32M Groundwater Well Re-drill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

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

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

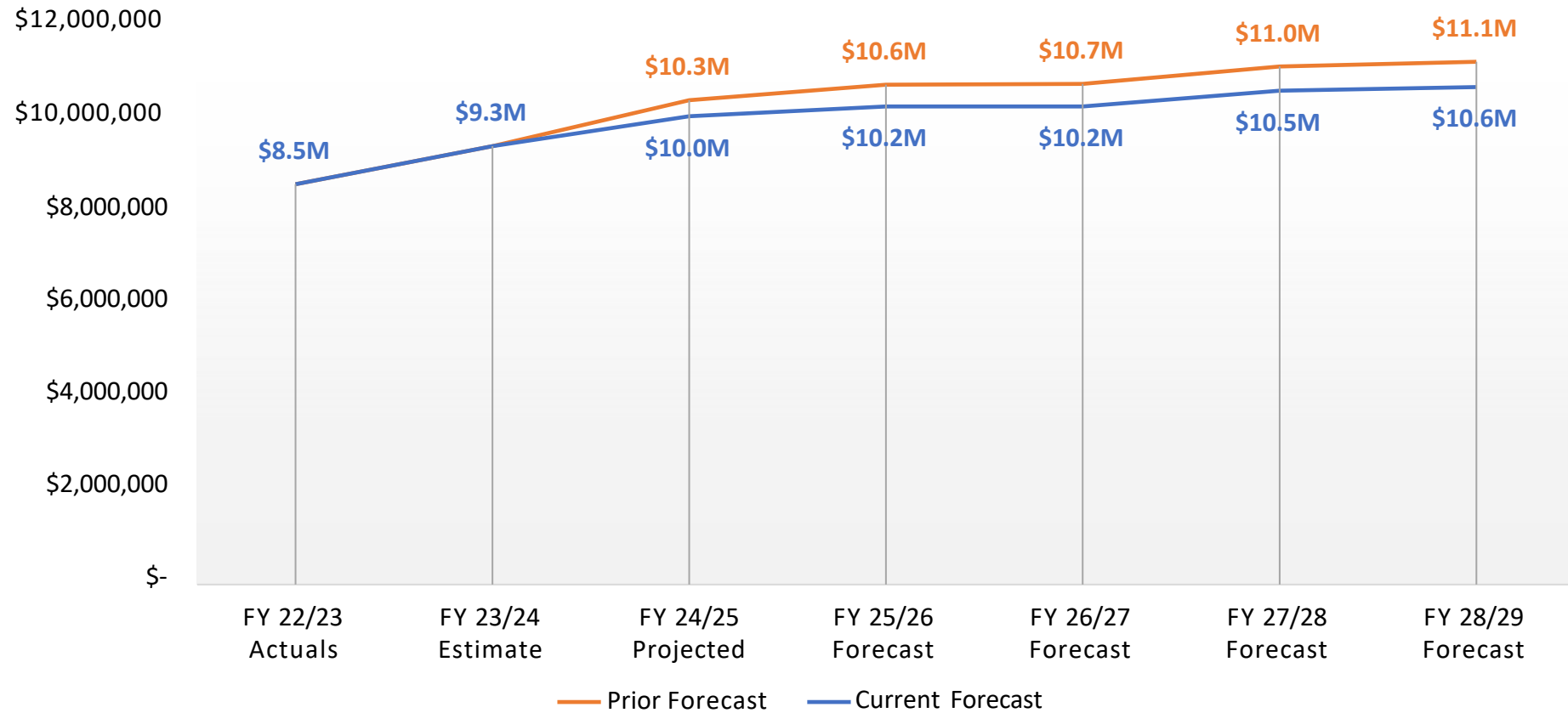
The image features a white background with several yellow decorative elements: a vertical bar on the left, a horizontal bar at the top right, and a horizontal bar at the bottom right.

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

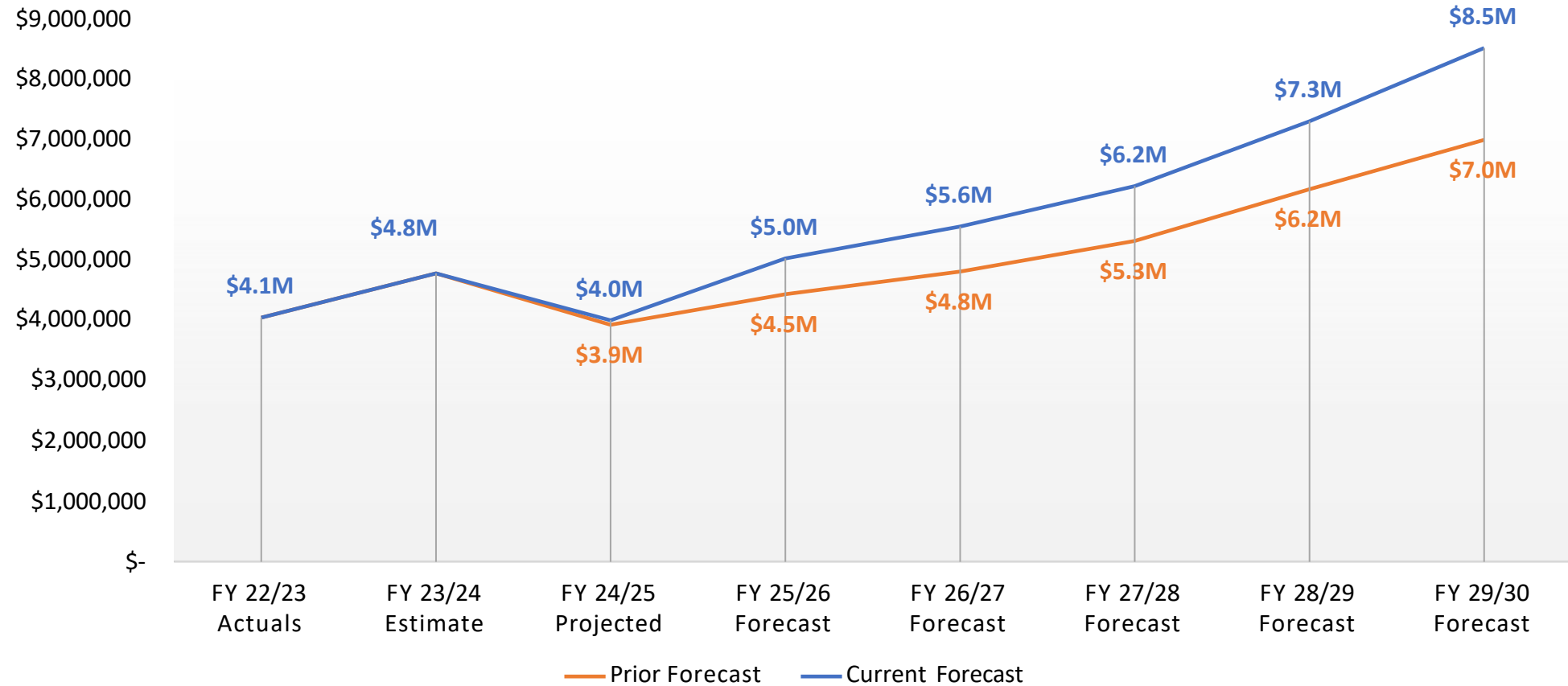
Increasing Operating Costs on the Electric Utility



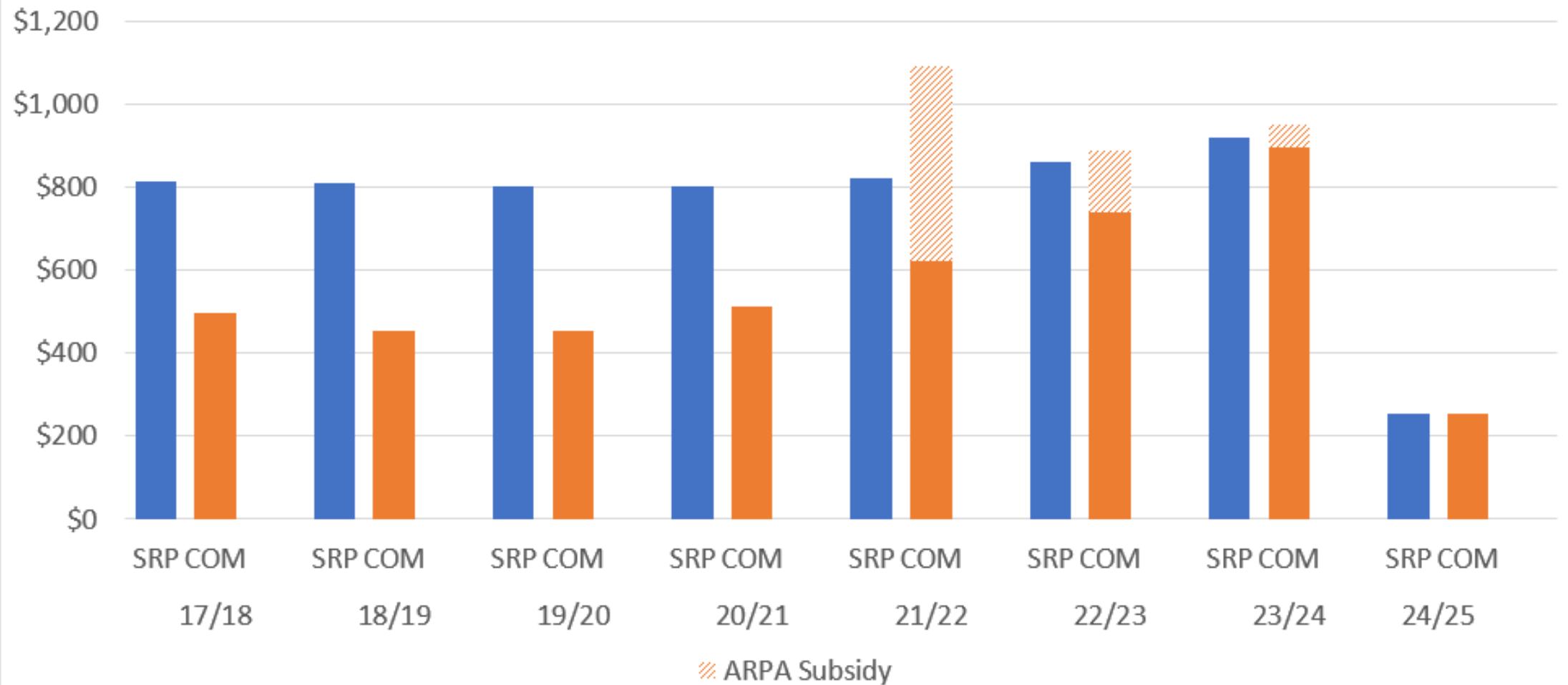
Electric Project Cost Increases

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

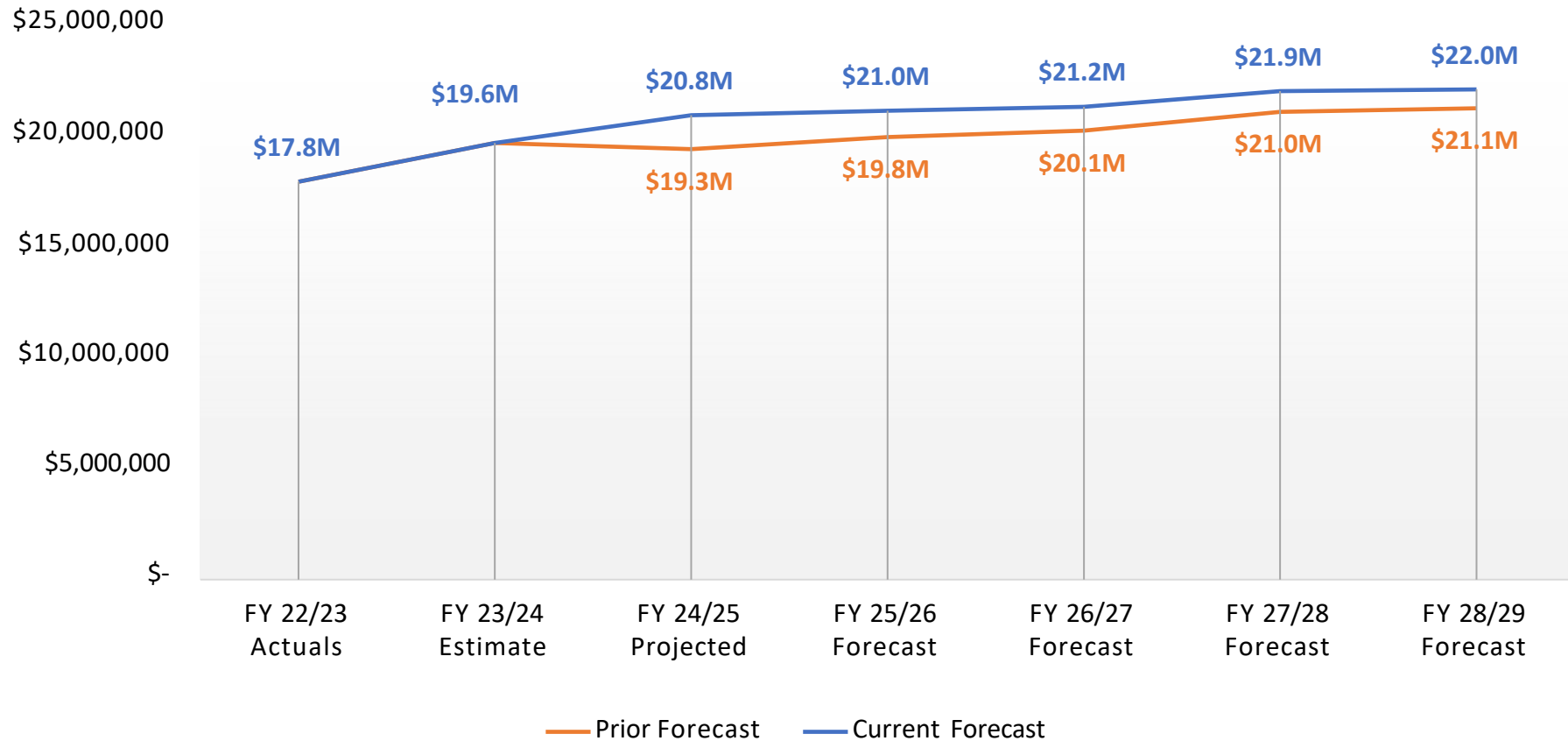
COMPONENT	CURRENT	PROPOSED	CHANGE	PRIOR FORECAST
SYSTEM SERVICE CHARGE	Single Phase - \$14.72 Three Phase - \$20.74	Single Phase - \$19.72 Three Phase - \$25.74	\$5.00	\$2.50
USAGE CHARGE SUMMER per kWh	Tier 2 - \$0.04591	Tier 2 - \$0.04867	6%	6%
USAGE CHARGE WINTER per kWh	Tier 2 - \$0.03916	Tier 2 - \$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

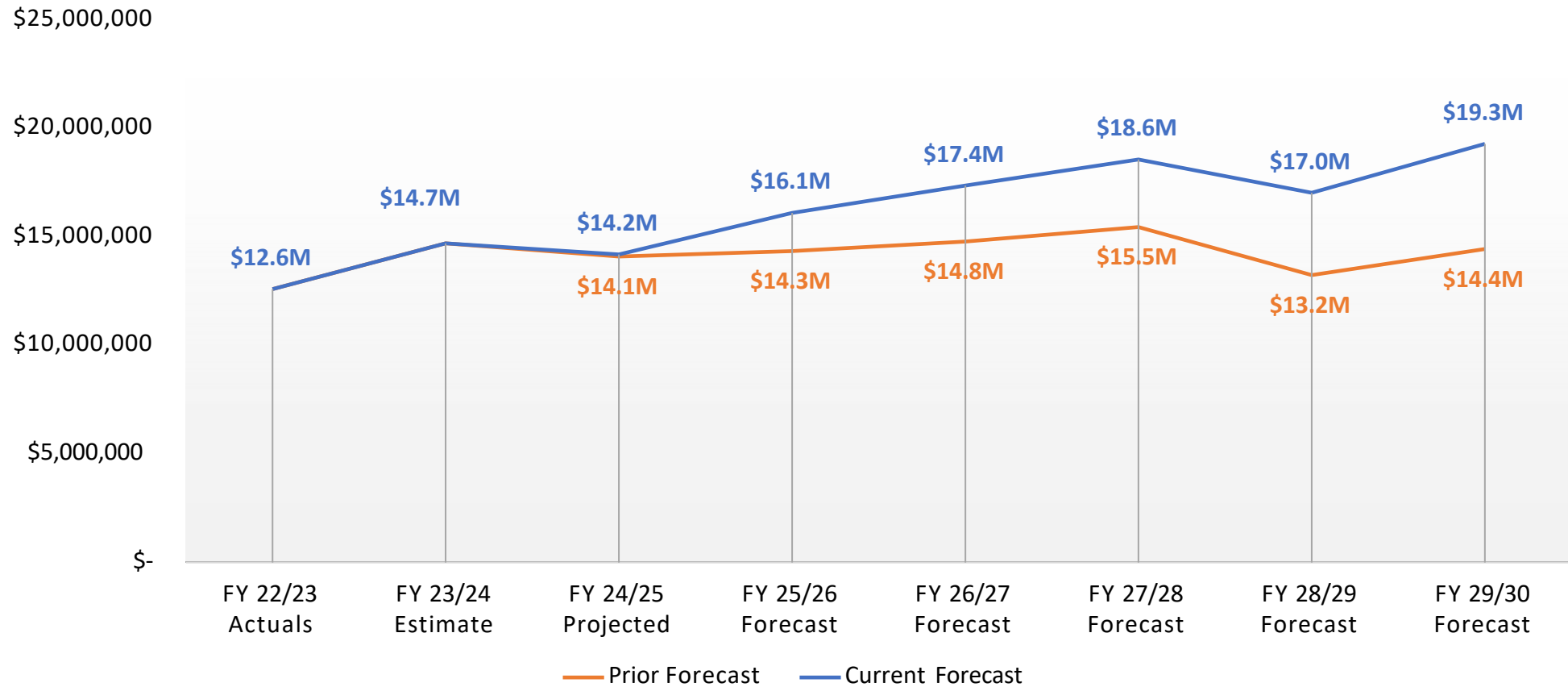
Increasing Operating Costs on the Gas Utility



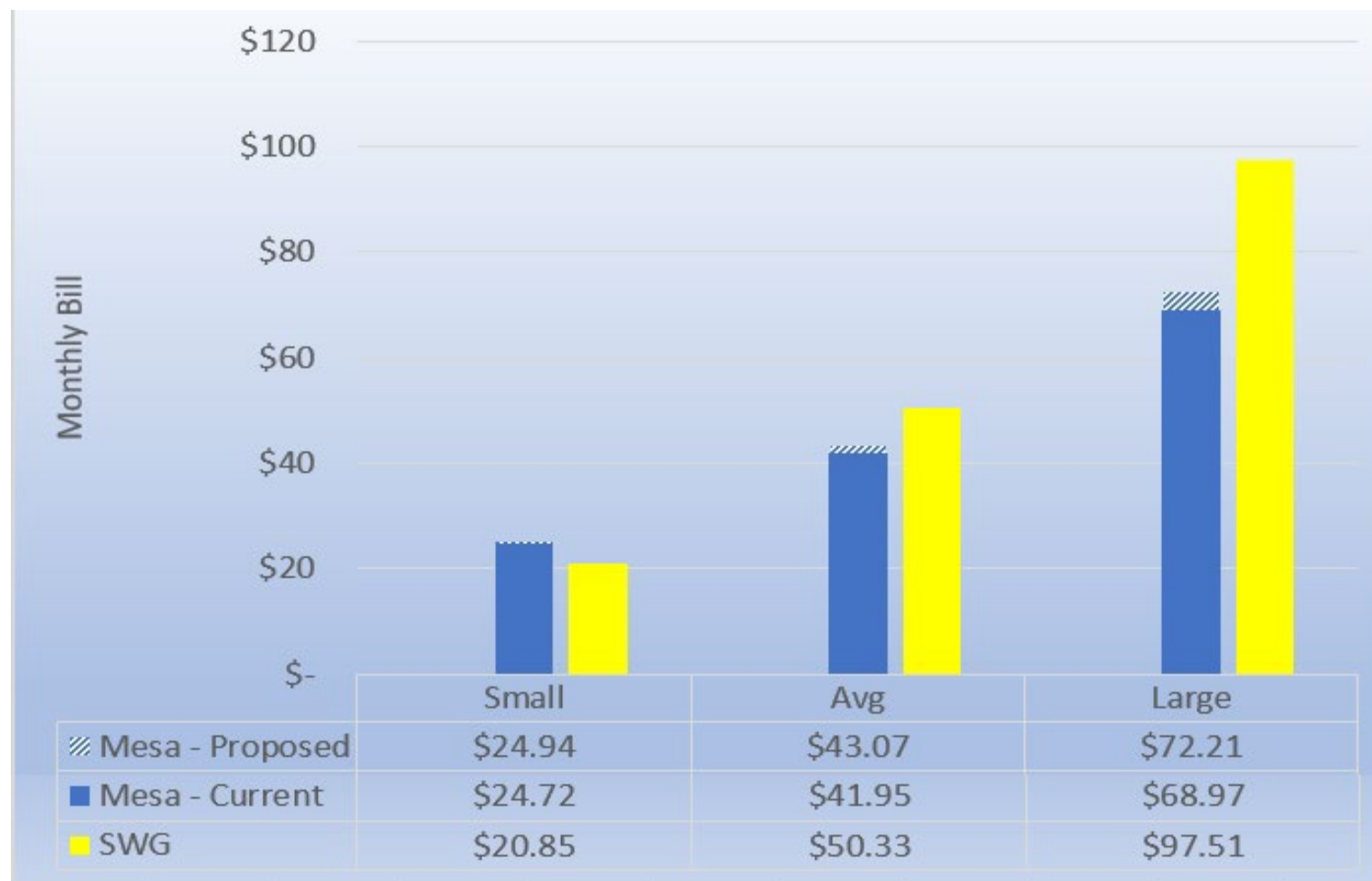
Gas Project Cost Increases

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



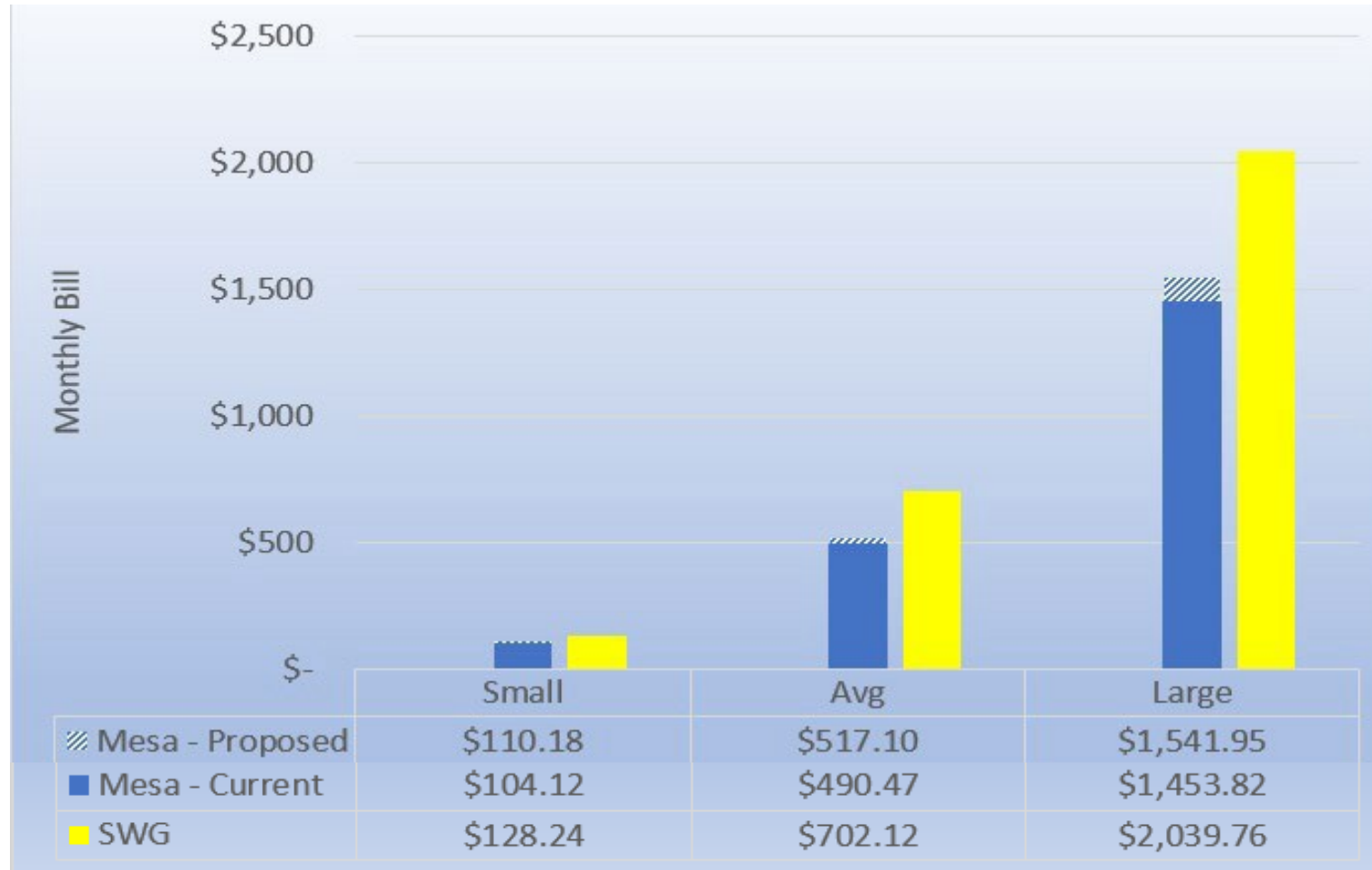
Residential Gas Bill Comparison



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

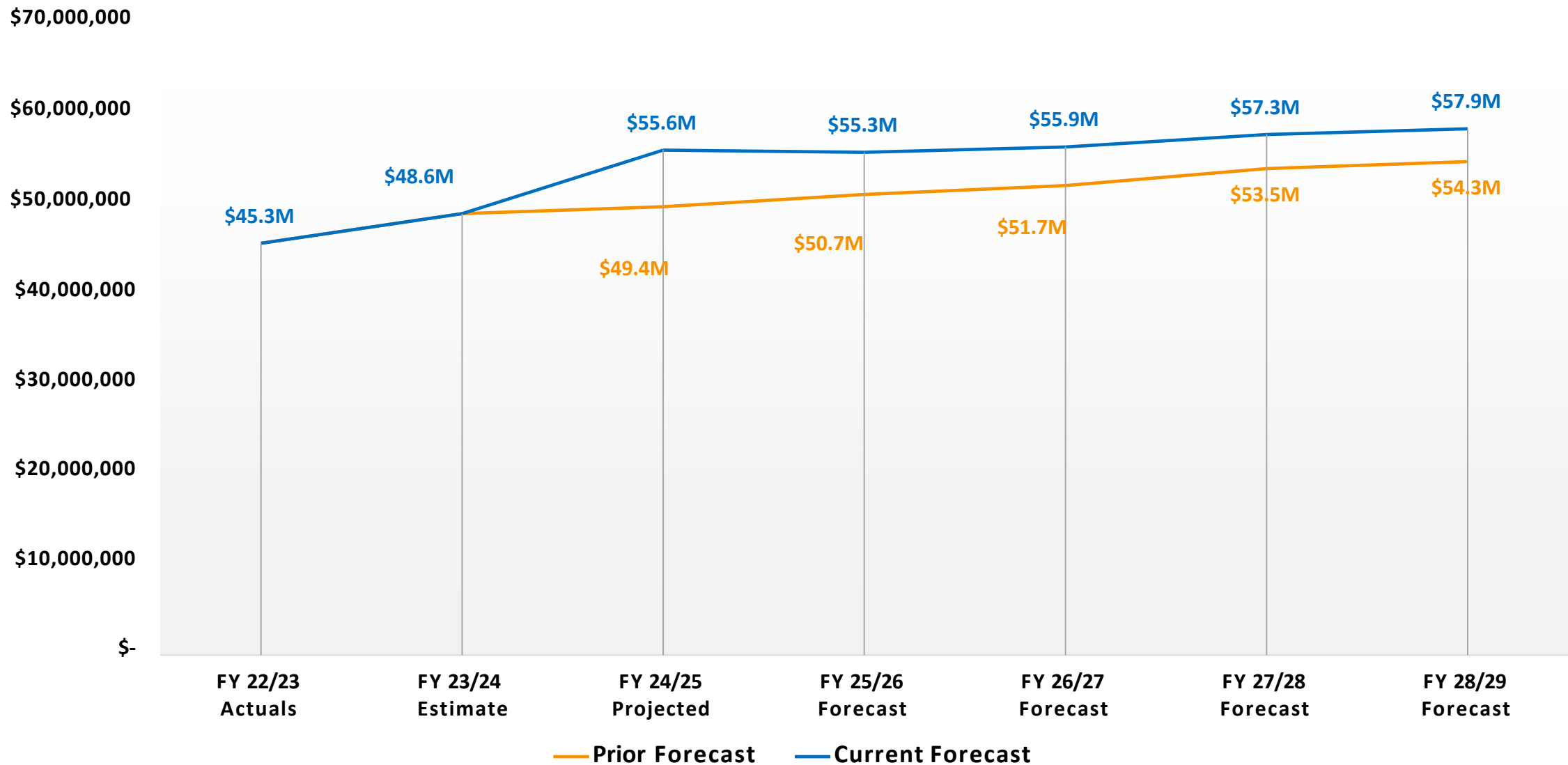


Landfill Charges- \$3.0M
(From \$9M to \$12M)

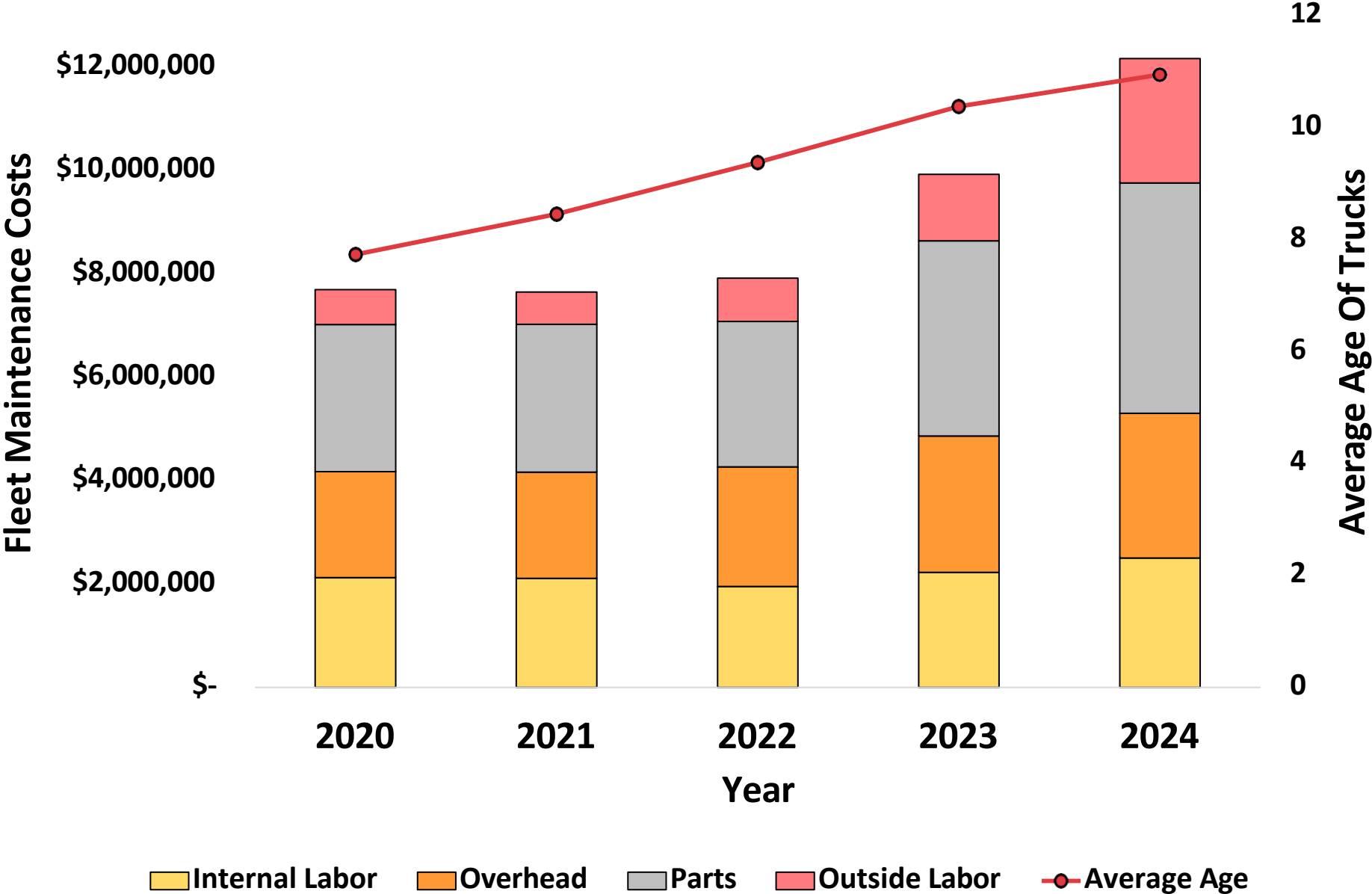


Fleet Maintenance - \$3.0M
(From \$8.6M to \$11.6M)

Increasing Operating Costs on the Solid Waste Utility



Fleet Maintenance Costs Compared to Average Truck Age



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
Total	\$32.40	\$1.77	\$34.17

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



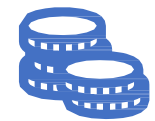
\$10 per
barrel



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

Service Trip	Current	Recommendation
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

Unauthorized Use	Residential	Commercial
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
Ending Reserve Balance	\$122,370,012	\$87,546,160	\$100,428,526
Ending Reserve Balance Percent*	23.2%	16.0%	17.9%
*As a % of Next Fiscal Year's Expenditures			
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 Estimate	FY 24/25 Projected	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)
TOTAL NET SOURCES AND USES	(\$22,043,631)	(\$21,941,486)	(\$22,899,965)	(\$19,439,119)	(\$15,037,993)	(\$168,777)	\$18,475,335
Beginning Reserve Balance	\$144,413,643	\$122,370,012	\$100,428,526	\$77,528,561	\$58,089,442	\$43,051,449	\$42,882,672
Ending Reserve Balance	\$122,370,012	\$100,428,526	\$77,528,561	\$58,089,442	\$43,051,449	\$42,882,672	\$61,358,007
Ending Reserve Balance Percent*	23.2%	17.9%	12.3%	9.2%	6.5%	6.2%	8.6%

*As a % of Next Fiscal Year's Expenditures

Schedule for FY 2024/25 Utility Rate Adjustment Recommendation

- | | |
|----------------|---|
| 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 |



mesa·az