City of Mesa

FY 2020/21
Utility Rates Recommendations

City Council Study Session
October 22, 2020

Presented by:
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Seth Weld – Water Resources Deputy Director
Scott Bouchie – Environmental Management & Sustainability Director
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Utility Enterprise Operations

- Each utility is operated as a separate business center
- Reserve balance can be used to smooth rate adjustments year-to-year
- Reserve balance can be used to phase in new programs or changes in operations

Financial Principles

- Balanced 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 Enterprise Fund Forecast: No Rate Adjustments

For Planning Purposes Only

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

As of 08/16/2020	FY 20/21 Projected	FY 21/22 Forecast	FY 22/23 Forecast	FY 23/24 Forecast	FY 24/25 Forecast	FY 25/26 Forecast
WATER	($170,094)	($4,984,116)	($7,460,577)	($6,779,287)	($13,052,033)	($15,116,050)
WASTEWATER	($13,491,202)	($12,754,447)	($13,146,817)	($15,845,832)	($16,714,813)	($17,843,866)
SOLID WASTE	$3,725,506	$963,766	$1,394,272	($393,794)	$875,847	$1,013,800
ELECTRIC	$1,386,515	$152,000	($454,956)	($1,400,619)	($1,419,666)	($2,023,613)
NATURAL GAS	$1,958,550	($1,057,181)	($2,253,111)	($3,333,798)	($3,238,758)	($3,729,172)
DISTRICT COOLING	($251,566)	($110,159)	($156,107)	($150,469)	($238,691)	($390,925)
TOTAL NET SOURCES AND USES	($6,842,292)	($17,790,137)	($22,077,297)	($27,903,799)	($33,788,113)	($38,089,827)
Beginning Reserve Balance	$135,470,845	$128,628,553	$110,838,417	$88,761,120	$60,857,321	$27,069,207
Ending Reserve Balance	**$128,628,553**	**$110,838,417**	**$88,761,120**	**$60,857,321**	**$27,069,207**	**($11,020,619)**
Ending Reserve Balance Percent*	**31.6%**	**26.7%**	**20.9%**	**14.0%**	**6.1%**	**-2.4%**
*As a % of Next Fiscal Year's Expenditures						
WATER Residential	**0.00%**	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
WATER Non-Residential	**0.00%**	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
WASTEWATER Residential	**0.00%**	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
WASTEWATER Non-Residential	**0.00%**	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
SOLID WASTE Residential	**0.00%**	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
SOLID WASTE Commercial	**4.00%**	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*
SOLID WASTE Rolloff	**2.00%**	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*
ELECTRIC Residential - svc charge only	**$0.00**	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*
ELECTRIC Non-Residential - svc charge only	**$0.00**	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*
GAS Residential - svc charge only	**$0.00**	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*
GAS Non-Residential - svc charge only	**$0.00**	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*

Utility Enterprise Fund Forecast: FY 25/26 Balanced Net Sources & Uses

For Planning Purposes Only

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

As of 08/17/2020	FY 20/21 Projected	FY 21/22 Forecast	FY 22/23 Forecast	FY 23/24 Forecast	FY 24/25 Forecast	FY 25/26 Forecast
WATER	$596,627	($1,048,693)	($205,484)	$3,935,297	$1,237,726	$2,764,980
WASTEWATER	($12,984,174)	($10,092,584)	($8,207,513)	($8,515,511)	($6,908,221)	($5,422,729)
SOLID WASTE	$4,028,650	$1,904,900	$3,175,091	$2,272,961	$4,473,500	$5,591,629
ELECTRIC	$1,526,727	$574,495	$310,320	($288,041)	$44,675	($203,048)
NATURAL GAS	$2,310,474	$4,995	($311,780)	($476,115)	$536,357	$979,911
DISTRICT COOLING	($251,566)	($110,159)	($156,107)	($150,469)	($238,691)	($390,925)
TOTAL NET SOURCES AND USES	($4,773,261)	($8,767,045)	($5,395,474)	($3,221,879)	($854,653)	$3,319,819
Beginning Reserve Balance	$135,470,845	$130,697,584	$121,930,539	$116,535,065	$113,313,186	$112,458,533
Ending Reserve Balance	**$130,697,584**	**$121,930,539**	**$116,535,065**	**$113,313,186**	**$112,458,533**	**$115,778,352**
Ending Reserve Balance Percent*	**31.7%**	**28.7%**	**26.5%**	**25.1%**	**24.1%**	**24.1%**
*As a % of Next Fiscal Year's Expenditures						
WATER Residential	**2.50%**	*2.50%*	*2.50%*	*2.50%*	*2.50%*	*1.50%*
WATER Non-Residential (usage only)	**5.00%**	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*3.00%*
WASTEWATER Residential	**4.00%**	*4.00%*	*4.00%*	*4.00%*	*4.00%*	*3.50%*
WASTEWATER Non-Residential	**4.00%**	*4.00%*	*4.00%*	*4.00%*	*4.00%*	*3.50%*
SOLID WASTE Residential	**2.00%**	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*
SOLID WASTE Commercial	**4.00%**	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*
SOLID WASTE Rolloff	**3.00%**	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*
ELECTRIC Residential - svc charge only	**$2.50**	*$2.50*	*$2.50*	*$2.50*	*$2.50*	*$2.50*
ELECTRIC Non-Residential - svc charge only	**$3.00**	*$3.00*	*$3.00*	*$3.00*	*$3.00*	*$3.00*
GAS Residential - svc charge only	**$1.50**	*$1.50*	*$1.50*	*$1.50*	*$1.50*	*$1.50*
GAS Non-Residential - svc charge only	**$2.50**	*$2.50*	*$2.50*	*$2.50*	*$2.50*	*$2.50*

Utility Enterprise Fund Forecast: Draw Down Rate Adjustments

For Planning Purposes Only

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

As of 09/02/2020	FY 20/21 Projected	FY 21/22 Forecast	FY 22/23 Forecast	FY 23/24 Forecast	FY 24/25 Forecast	FY 25/26 Forecast
WATER	$110,345	($3,500,265)	($4,730,057)	($660,073)	$3,064,956	$9,745,324
WASTEWATER	($13,302,523)	($11,743,589)	($11,289,256)	($11,837,790)	($6,301,740)	($1,836,899)
SOLID WASTE	$3,709,462	$925,069	$1,600,988	$3,385,365	$8,088,403	$11,071,572
ELECTRIC	$1,477,744	$518,976	$277,620	($249,856)	$194,584	$39,036
NATURAL GAS	$2,182,874	($306,296)	($903,006)	($1,200,341)	($185,021)	$288,757
DISTRICT COOLING	($251,566)	($110,159)	($156,107)	($150,469)	($238,691)	($390,925)
TOTAL NET SOURCES AND USES	($6,073,664)	($14,216,264)	($15,199,817)	($10,713,165)	$4,622,492	$18,916,864
Beginning Reserve Balance	$135,470,845	$129,397,181	$115,180,917	$99,981,100	$89,267,935	$93,890,427
Ending Reserve Balance	**$129,397,181**	**$115,180,917**	**$99,981,100**	**$89,267,935**	**$93,890,427**	**$112,807,291**
Ending Reserve Balance Percent*	**31.6%**	**27.5%**	**23.0%**	**19.6%**	**19.8%**	**22.9%**

*As a % of Next Fiscal Year's Expenditures

WATER Residential	**0.00%**	*0.00%*	*0.00%*	*9.00%*	*9.00%*	*0.00%*
WATER Non-Residential (usage only)	**4.00%**	*4.00%*	*4.00%*	*11.00%*	*11.00%*	*4.00%*
WASTEWATER Residential	**0.00%**	*0.00%*	*0.00%*	*11.00%*	*11.00%*	*0.00%*
WASTEWATER Non-Residential	**3.50%**	*3.50%*	*3.50%*	*11.00%*	*11.00%*	*3.00%*
SOLID WASTE Residential	**0.00%**	*0.00%*	*0.00%*	*8.00%*	*8.00%*	*0.00%*
SOLID WASTE Commercial	**3.50%**	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*
SOLID WASTE Rolloff	**1.00%**	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*
ELECTRIC Residential - svc charge	**$1.00**	*$1.50*	*$2.00*	*$2.50*	*$2.50*	*$2.50*
ELECTRIC Non-Residential - svc charge	**$2.50**	*$2.50*	*$2.50*	*$2.50*	*$2.50*	*$2.50*
GAS Residential - svc charge	**$0.25**	*$0.50*	*$0.75*	*$1.00*	*$1.00*	*$1.00*
GAS Non-Residential - svc charge	**$2.00**	*$2.00*	*$2.00*	*$2.00*	*$2.00*	*$2.00*

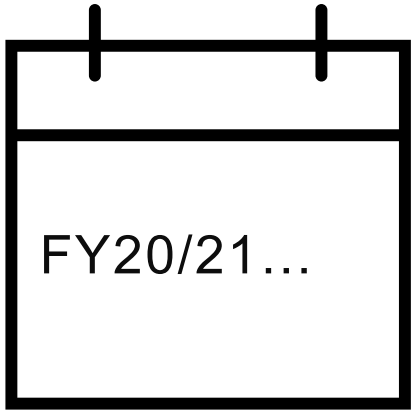
Utility Enterprise Fund Forecast:
FY 20/21 Recommended Rate Adjustments

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

As of 09/08/2020	FY 20/21 Projected	FY 21/22 Forecast	FY 22/23 Forecast	FY 23/24 Forecast	FY 24/25 Forecast	FY 25/26 Forecast
WATER	$430,158	($1,882,070)	($1,748,628)	$1,644,732	($1,812,306)	($738,851)
WASTEWATER	($13,020,598)	($10,282,065)	($8,486,135)	($8,642,281)	($6,864,876)	($5,106,376)
SOLID WASTE	$3,709,462	$1,106,445	$2,281,696	$1,280,248	$3,377,725	$4,387,995
ELECTRIC	$1,449,220	$428,351	$184,489	($344,983)	$97,774	($58,289)
NATURAL GAS	$2,182,874	($306,296)	($903,006)	($1,200,341)	($185,021)	$288,757
DISTRICT COOLING	($251,566)	($110,159)	($156,107)	($150,469)	($238,691)	($390,925)
TOTAL NET SOURCES AND USES	($5,500,449)	($11,045,795)	($8,827,691)	($7,413,095)	($5,625,395)	($1,617,690)
Beginning Reserve Balance	$135,470,845	$129,970,396	$118,924,601	$110,096,910	$102,683,815	$97,058,420
Ending Reserve Balance	**$129,970,396**	**$118,924,601**	**$110,096,910**	**$102,683,815**	**$97,058,420**	**$95,440,730**
Ending Reserve Balance Percent*	**31.6%**	**28.1%**	**25.2%**	**22.8%**	**20.9%**	**20.0%**
*As a % of Next Fiscal Year's Expenditures						
WATER Residential	**1.50%**	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*
WATER Non-Residential (usage only)	**5.00%**	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*
WASTEWATER Residential	**3.50%**	*3.50%*	*4.50%*	*4.50%*	*4.50%*	*4.50%*
WASTEWATER Non-Residential	**4.00%**	*4.00%*	*4.00%*	*4.00%*	*4.00%*	*4.00%*
SOLID WASTE Residential	**0.00%**	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*
SOLID WASTE Commercial	**3.50%**	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*
SOLID WASTE Rolloff	**1.00%**	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*
ELECTRIC Residential - svc charge	**$1.00**	*$1.50*	*$2.00*	*$2.50*	*$2.50*	*$2.50*
ELECTRIC Non-Residential - svc charge	**$0.00**	*$2.50*	*$2.50*	*$2.50*	*$2.50*	*$2.50*
GAS Residential - svc charge	**$0.25**	*$0.50*	*$0.75*	*$1.00*	*$1.00*	*$1.00*
GAS Non-Residential - svc charge	**$2.00**	*$2.00*	*$2.00*	*$2.00*	*$2.00*	*$2.00*

Water and Wastewater

Increasing Costs



Water

- Operating Expenditures: +$15.2 million
- Debt Service Transfer: +$4.1 million

Wastewater

- Operating Expenditures: +$6.4 million
- Debt Service Transfer: +$3.9 million

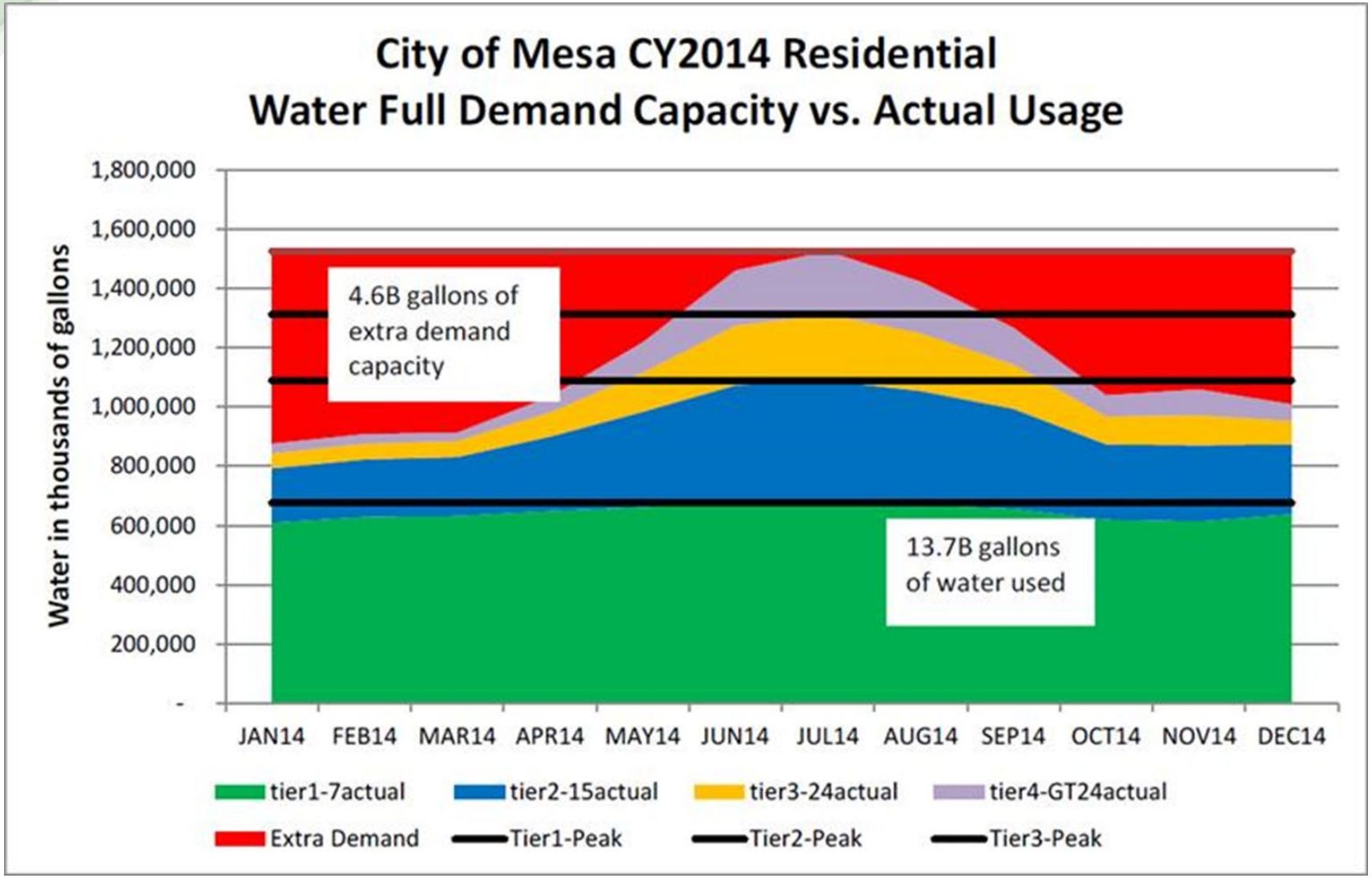
Rate Structure Adjustments

Additional items

- Complete final Water Residential tier realignment

- Eliminate Water Non-Residential Excess Surcharge holiday

Residential Water Tiers



Typical Customer - Water

	Current	Recommended
Residential (3/4" line), 6.0kgal/mo.		
Service Charge:	$28.10/mo.	$28.52/mo.
Usage Charge:	$3.19/kgal	$3.24/kgal
Monthly bill:	**$37.67/mo.**	**$38.24/mo.**
	(effective increase 1.5% or $0.57/mo.)	
Commercial-General (1" line), 9.0kgal/mo.		
Service Charge:	$31.47/mo.	$31.94/mo.
Usage Charge:	$3.38/kgal	$3.55/kgal
Monthly bill:	**$51.75/mo.**	**$53.24/mo.**
	(effective increase 2.9% or $1.49/mo.)	
Commercial-Landscape (1" line), 31.0kgal/mo.		
Service Charge:	$31.47/mo.	$31.94/mo.
Usage Charge:	$3.38/kgal	$3.55/kgal
Monthly bill:	**$126.11/mo.**	**$131.34/mo.**
	(effective increase 4.1% or $5.23/mo.)	

Typical Customer - Wastewater

	Current	Recommended
Residential: 4.0kgal/mo. (90% 3-mo. WWA)		
Service Charge:	$19.27/mo.	$19.94/mo.
Usage Charge:	$1.58/kgal	$1.64/kgal
Monthly bill:	**$22.43/mo.**	**$23.22/mo.**
	(effective increase 3.5% or $0.79/mo.)	
Commercial: 9.0kgal/mo.		
Service Charge:	$20.67/mo.	$21.50/mo.
Usage Charge:	$1.65/kgal	$1.72/kgal
Surcharge:	$2.98/kgal	$3.10/kgal
Monthly bill:	**$44.14/mo.**	**$45.94/mo.**
	(effective increase 4.0% or $1.80/mo.)	

Solid Waste

Solid Waste Utility Rate Recommendations

- Residential Barrels:
  - No increase
- Commercial Front Load Rates:
  - Overall 3.5% increase
- Commercial Roll Off Rates:
  - Overall increase 1%
- Bulk Item:
  - Collection Fee increase by $1.96, from $23.04 to $25.00
  - Not Out Fee increase by $13.21, from $11.79 to $25.00
- HHM Only - WW Charge
  - $0.41 per month

Front Load Trash Rate Recommendations

- Increase base rates for all size bins by $1.50
- Increase out-of-zone fee by $1.50, from $15.00 to $16.50
- Increase multi-day and multi-bin discounts by 2 percentage points
- Implement a Front Load Set Fee $80.00 per Bin
- Implement a Front Load Removal Fee $110.00 per Bin
- Implement a Front Load Relocation Fee
  - $85.00 First Bin
  - $10.00 Each Additional Bin
- Implement a Change in Size Fee $90.00 per Bin

Roll Off Rate Recommendations

- Increase trash and green set fee by $2.00, from $58.00 to $60.00
- Increase trash per ton charge by $0.20, from $33.30 to $33.50
- Increase green waste per ton charge by $7.45, from $32.30 to $39.75
- Increase blocked/overloaded/unserviceable charge by $25.00, from $65.00 to $90.00
- Implement a 24-hour cancellation charge of $90.00

Commercial Recycling

CARDBOARD

BIN SIZE	CURRENT	PROPOSED
2 YD	$ 36.00	$ 45.06
3 YD	$ 39.36	$ 49.18
4 YD	$ 42.72	$ 53.03
6 YD	$ 53.03	$ 65.87
8 YD	$ 63.09	$ 78.12
Multi-Bin Factor	0.65	0.67

Eliminate Frontload Commercial Commingled Recycling

Electric Service

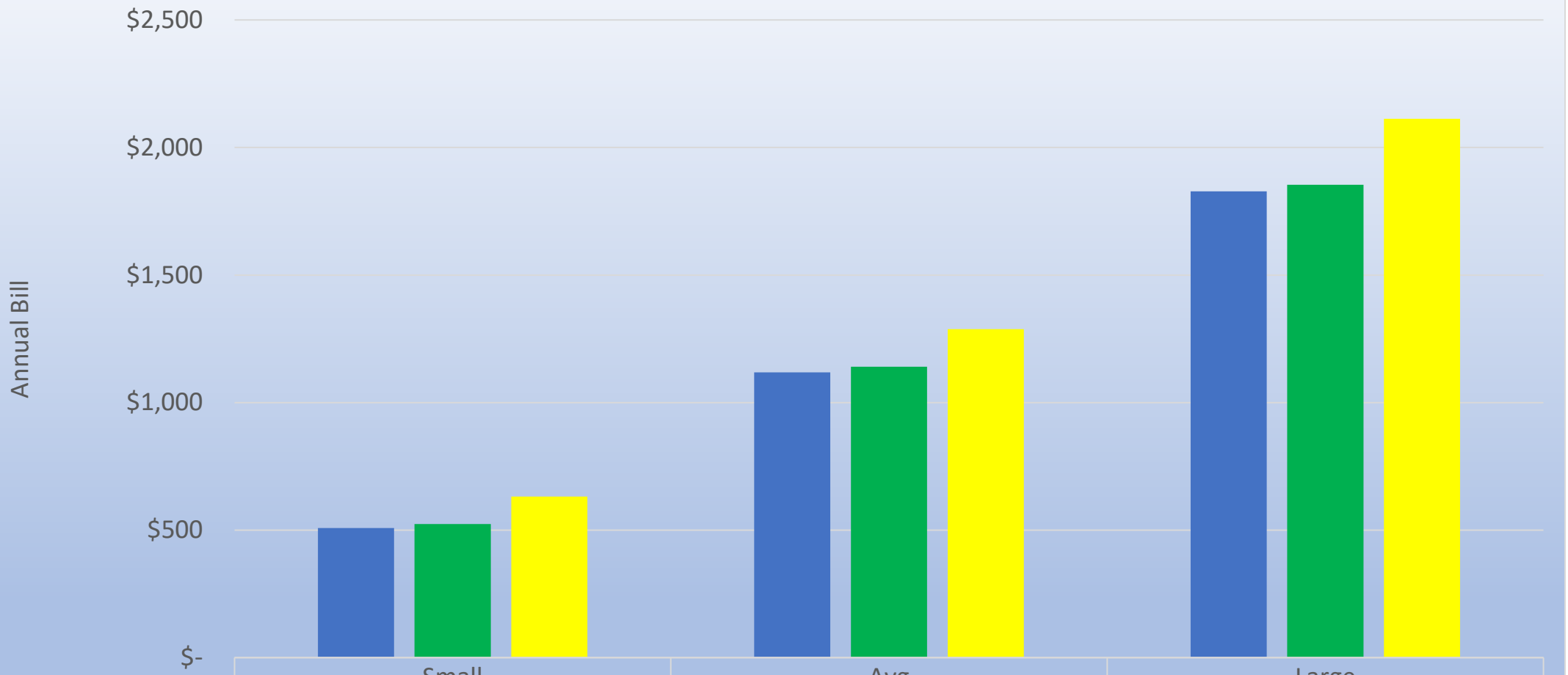
ENERGY RATE ADJUSTMENT PRINCIPLES

- Recover costs incurred to provide service
  - Infrastructure investments to enhance safety, reliability & efficiency
  - Align recovery of fixed costs with rate components that are not a function of consumption
- Promote energy efficiency & conservation
- Minimize rate/bill spikes
  - Long-term rate stability
  - Minimize bill impacts of extreme weather
- Benchmark with neighboring utilities (SRP & SWG)

RESIDENTIAL ELECTRIC RATE STRUCTURE

There are three components

- System Service Charge (fixed $ per month per account)
- Usage (Consumption)
- Electric Energy Cost Adjustment Factor (EECAF)
  - Consumption
  - Pass-through of cost of commodity



	Small	Avg	Large
Mesa - Current	$508.59	$1,118.50	$1,828.15
Mesa - Proposed	$524.39	$1,140.65	$1,854.34
SRP	$632.19	$1,287.81	$2,112.99

PROPOSED ELECTRIC RATE ADJUSTMENTS

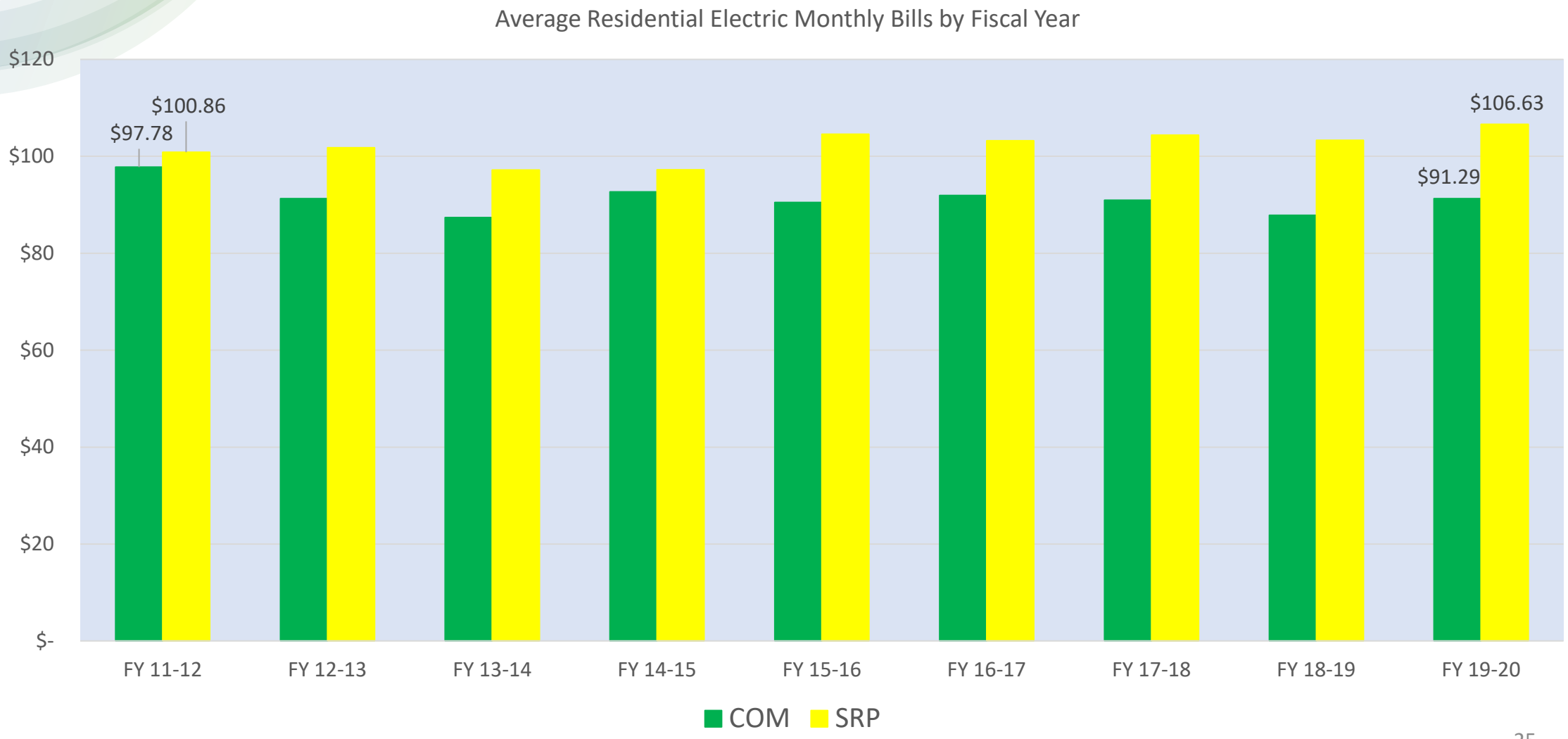
- Minimal Rate & Bill Adjustments
  - Residential: System Service Charge rate adjustment and Summer/Winter usage charge rate adjustment
  - New Electric Services & Rates
    - Standby Rate

PROPOSED RESIDENTIAL ELECTRIC RATES

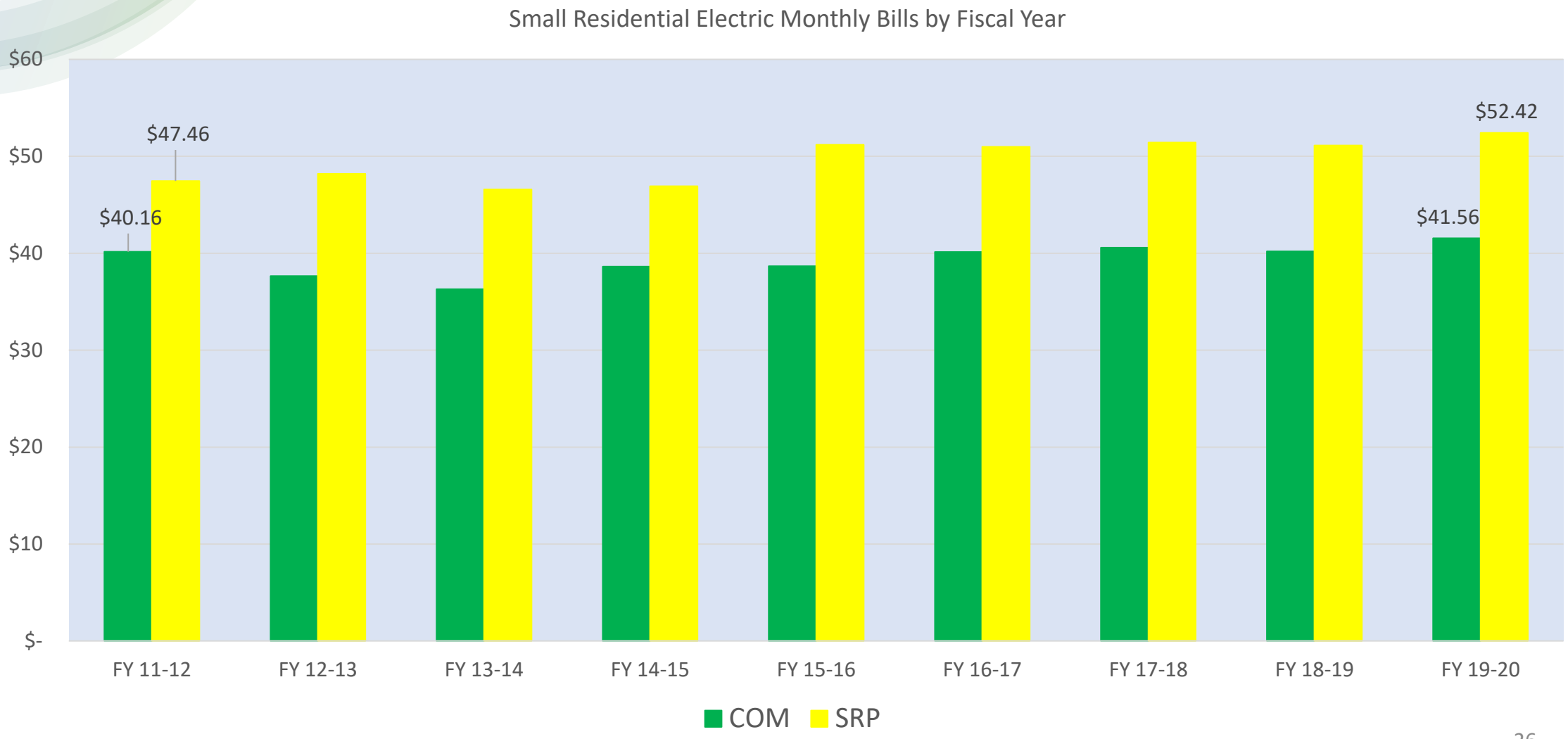
COMPONENT	CURRENT	PROPOSED
SYSTEM SERVICE CHARGE	$12.00	$13.00
USAGE CHARGE SUMMER per kWh	Tier 1 - $0.05128 Tier 2 - $0.04822	Tier 1 - $0.05179 Tier 2 - $0.04822
USAGE CHARGE WINTER per kWh	Tier 1 - $0.03765 Tier 2 - $0.01633	Tier 1 - $0.03953 Tier 2 - $0.01715
ELECTRIC ENERGY SUPPLY COST	$0.04618/kWh	$ 0.04618/kWh

- EECAF is average of EECAF forecast for FY 20/21
  - Forecast range of $0.04475 to $0.04815

EECAF REDUCTION EFFECTS ON AVERAGE RESIDENTIAL MONTHLY BILLS VERSUS SRP



EECAF REDUCTION EFFECTS ON SMALL RESIDENTIAL MONTHLY BILLS VERSUS SRP



PROPOSED NEW STANDBY ELECTRIC RATE

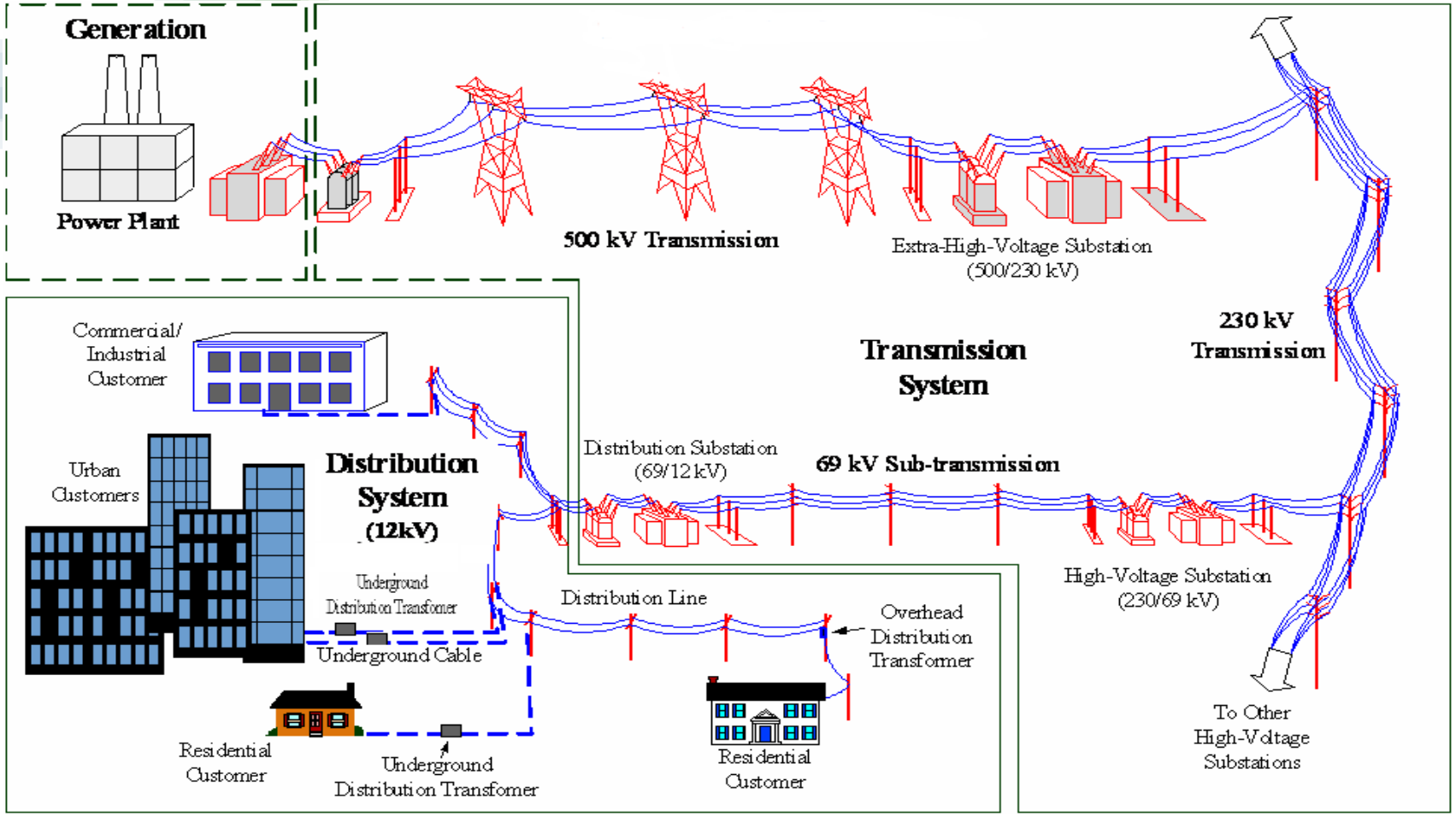
- Existing rates aren't adequate to ensure costs are recovered to provide requested service to new development projects
  - On-site Generation will provide significant portion of electric needs
  - Significant electric improvements to meet all electric needs
- Existing rates don't ensure timely & equitable cost recovery
- Standby rate "de-couples" cost recovery from whether utility or on-site generation meets energy needs
- Risks minimized that costs won't be recovered in a timely manner

ELECTRIC COMMERCIAL (E3.1) COMPARED TO PROPOSED NEW STANDBY RATE

COMPONENT	TIER	E3.1 (Summer, 3 Phase)	PROPOSED NEW STANDBY
SYSTEM SERVICE CHARGE ($/MONTH)	N/A	$13.24	$13.24
ENERGY CONSUMPTION CHARGE ($/kWh)	0 - 15,000 kWh	$0.06491	$0.06491
	15,001–75,000 kWh	$0.04125	$0.04125
	MORE THAN 75,000 kWh	$0.02901	$0.02901
DEMAND CHARGE ($/kW PER MONTH)	0-50 kW	0	N/A
	MORE THAN 50 kW	$3.9168	N/A
FACILITY CHARGE ($/kW PER MONTH)	Contract kW or Actual kW	N/A	$6.670
ELECTRIC ENERGY SUPPLY COST($/kWh)	All kW	$ 0.03483	$ 0.03483

- EECAF is average of EECAF forecast for FY 20/21
  - Forecast range of $0.03300 to $0.03625

Electric System



Standby Customers with on-site generation use entire electric system if their generation does not meet their energy requirements.

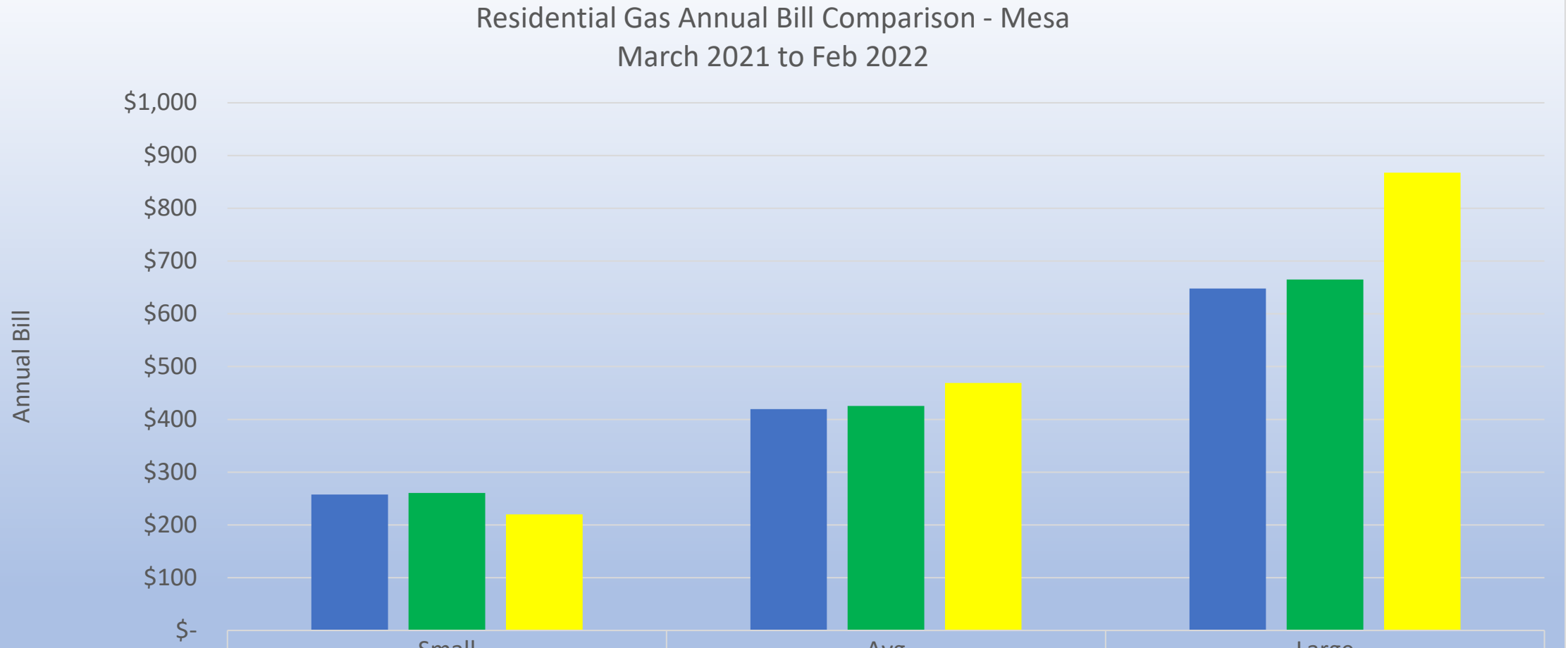
Additionally, significant investments in the 12 kV Distribution System are required to extend service to the new developments

Natural Gas Service

RESIDENTIAL NATURAL GAS RATE STRUCTURE

There are three components

- System Service Charge (fixed $ per month per account)
- Usage (Consumption)
- Purchased Natural Gas Cost Adjustment Factor (PNGCAF)
  - Consumption
  - Pass-through of cost of commodity



	Small	Avg	Large
Mesa - Current	$257.55	$419.61	$648.21
Mesa - Proposed	$260.55	$425.30	$665.01
SWG Annual Bill	$220.11	$468.94	$867.42

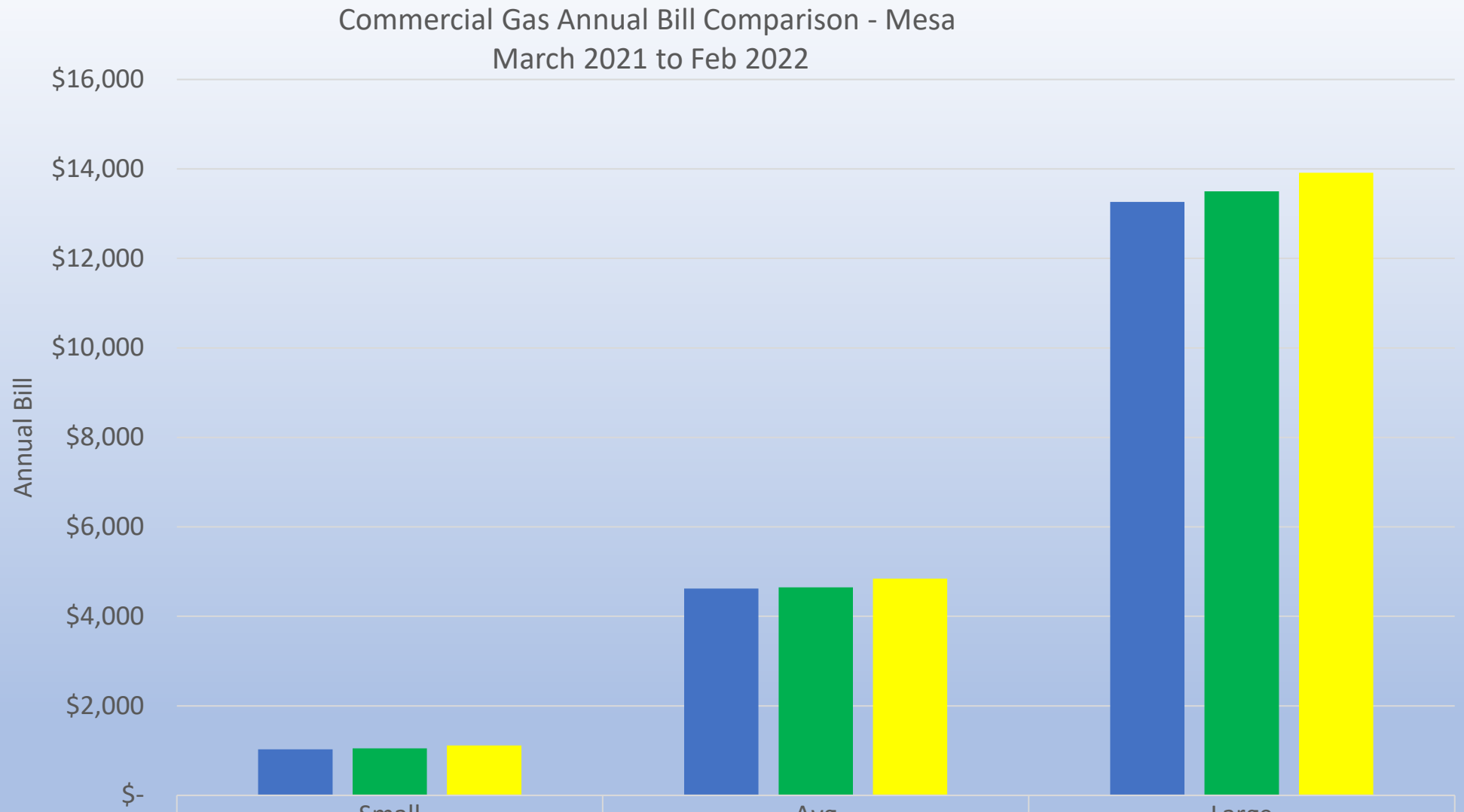
PROPOSED GAS RATE ADJUSTMENTS

- Minimal Rate & Bill Adjustments for natural gas
  - Residential: System Service Charge rate adjustment and Tier 2 usage charge rate adjustment
  - Non-Residential: System Service Charge rate adjustment, Tier 2 usage charge rate adjustment and increase Tier 1 usage limit to 1500 therms from 1200 therms
- New Gas Economic Development Rate

PROPOSED RESIDENTIAL GAS RATES

COMPONENT	CURRENT	PROPOSED
SYSTEM SERVICE CHARGE SUMMER WINTER	 $15.06 $17.99	 $15.31 $18.24
USAGE CHARGE SUMMER per therm	Tier 1 - $0.6685 Tier 2 - $0.2167	Tier 1 - $0.6685 Tier 2 - $0.2384
USAGE CHARGE WINTER per therm	Tier 1 - $0.6685 Tier 2 - $0.4926	Tier 1 - $0.6685 Tier 2 - $0.5419
NATURAL GAS SUPPLY COST	$0.1985/therm	$0.1985/therm

- PNGCAF is average of PNGCAF forecast for FY 20/21



	Small	Avg	Large
Mesa - Current	$1,027.57	$4,621.79	$13,264.87
Mesa - Proposed	$1,051.57	$4,645.79	$13,498.41
SWG Annual Bill	$1,112.80	$4,839.61	$13,914.37

PROPOSED COMMERCIAL GAS RATES

COMPONENT	CURRENT	PROPOSED
SYSTEM SERVICE CHARGE SUMMER WINTER	 $35.66 $45.34	 $37.66 $47.34
USAGE CHARGE SUMMER PER THERM	Tier 1 - $0.5280 Tier 2 - $0.3166	Tier 1 - $0.5280 Tier 2 - $0.3261
USAGE CHARGE WINTER PER THERM	Tier 1 - $0.5718 Tier 2 - $0.4574	Tier 1 - $0.5718 Tier 2 - $0.4711
TIER 1 to 2 THERM USAGE ADJUSTMENT	TIER 1: 0-1200 TIER 2: 1201+	TIER 1: 0-1500 TIER 2: 1501+
NATURAL GAS SUPPLY COST	$0.1985/therm	$0.1985/therm

- PNGCAF is average of PNGCAF forecast for FY 20/21

NEW GAS ECONOMIC DEVELOPMENT RATE

- Structured to encourage existing large gas customers to expand and new large gas customers to come to Mesa
- Tiered rate structure designed to encourage large users to come to Mesa while still adequately recovering Mesa's investment in infrastructure
  - 0-90,000 Therms: $0.2863
  - 90,000 – 500,000 Therms: $0.2100
  - 500,000+ Therms: $0.1400
- Criteria for enrollment:
  - $25 million in Capital Investment
  - 50 new employees
  - Minimum 36,000 therms of consumption per month

IN THE FUTURE

- Smart Meters
  - Time of Use Rates
    - Electric Vehicle Rates
  - Prepaid Electric Bills

Schedule for FY 2020/21 Utility Rates Adjustment Recommendation

Nov 16 – Introduce Utility Rate Ordinances

Dec 1 – City Council Action on Utility Rates.

Jan 1 – Effective date for Utility Rate changes

mesa·az

Rate Adjustment History

FY 19/20 Forecasted

	FY 17/18	FY 18/19	FY 19/20
WATER Residential	3.50%	2.00%	3.85%
WATER Non-Residential	3.50%	2.00%	3.85%
WASTEWATER Residential	4.00%	2.50%	4.35%
WASTEWATER Non-Residential	4.00%	2.50%	4.35%
SOLID WASTE Residential	3.50%	2.00%	3.85%
SOLID WASTE Commercial	2.50%	2.00%	2.00%
SOLID WASTE Rolloff	0.00%	0.00%	2.00%
ELECTRIC Residential -svc charge only	$1.25	$1.00	$2.25
ELECTRIC Non-Residential	$0.00	$0.00	$0.00
GAS Residential - svc charge only	$0.75	$0.45	$0.75
GAS Non-Residential - svc charge only	$0.75	$0.45	$0.75

FY 19/20 Adopted

	FY 17/18	FY 18/19	FY 19/20*
WATER Residential	3.50%	2.00%	0.00%
WATER Non-Residential (usage only)	3.50%	2.00%	6.00%
WASTEWATER Residential	4.00%	2.50%	0.00%
WASTEWATER Non-Residential	4.00%	2.50%	4.35%
SOLID WASTE Residential	3.50%	2.00%	0.00%
SOLID WASTE Commercial	2.50%	2.00%	3.80%
SOLID WASTE Rolloff	0.00%	0.00%	2.40%
ELECTRIC Residential - svc charge only	$1.25	$1.00	$0.25
ELECTRIC Non-Residential - svc charge only	$0.00	$0.00	$2.50
GAS Residential - svc charge only	$0.75	$0.45	$0.75
GAS Non-Residential - svc charge only	$0.75	$0.45	$2.00

*FY 19/20 Effective date shifted from July to March/April

Residential Water Tiers

Current Residential Tier Structure	
First 3,000 gallons included in service charge	
Gallons	Cost per 1,000 gal
4,000-9,000	$3.19
10,000-18,000	$4.79
19,000-24,000	$5.77
25,000 and greater	$6.46

Recommended Residential Tier Structure	
First 3,000 gallons included in service charge	
Gallons	Cost per 1,000 gal
4,000-7,000	$3.24
8,000-15,000	$4.86
16,000-24,000	$5.86
25,000 and greater	$6.56