



Utility Rate Changes

Residential Customers

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Agenda

Rate Background

Water Fund

Causes, Rate Proposal, & Local Comparisons

Environmental Services Residential Fund

History, Causes, & Service and Cost Comparison

Total Residential Impact Comparison

Next Steps

Rate Background



Impact Fees vs. Rates

Impact Fees (System Development Fees)

- ✓ Assessed when new development occurs
- ✓ Calculated and assessed for expansion-related improvements
 - ✓ This includes growth related additions to:
 - ✓ Water production system (WTPs & wells)
 - ✓ Water distribution system (water lines, reservoirs, pump stations)
 - ✓ Water rights acquisitions (water rights purchases/leases)
- ✓ Growth required to pay for its expansion of the system
- ✓ NOT used for operating the system or non-growth related needs, like repair or replacement of the system

Rates (User Fees)

- ✓ Assessed monthly based on use or level of service
- ✓ Calculated based on a Cost of Service Model and Rate Study Report
 - ✓ This includes base level of service and volumetric water use (for water), categorized by user classes
 - ✓ User classes have different volumetric rates based on their annual water use effect on the system
- ✓ Costs included in the Model: Operation and Maintenance of the system, commodities, Repair and Replacement (R&R), debt service for R&R
- ✓ NOT used for expanding the system to accommodate new users (growth)

Rate Background



Gilbert - 2 Increases in 12 years

Year	Percent Change		
	Water	ESR	Wastewater
2005	6%	3.2%	5.0%
2006	10.0%	6.2%	-
2007	7.9%	5.8%	5.8%
2008	5.7%	6%	50%*
2009	6%	-	6%
2012	-	-7.5%	-
2018	11.4%	-7.5%	9.3%



2018 Rate Change

Comprehensive Cost of Service review and Water & Wastewater restructure.



Other Communities' Processes Differ

A common practice is for communities to review rates at least every 2 years, even if changes are modest.

Where's the Data?

[Gilbertaz.gov/UtilityRates](https://gilbertaz.gov/UtilityRates)

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FINANCE & MGMT SERVICES

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 - Sewer Rate Adjustments
 - FAQ
 - Alarm Permits
 - Billing & Fees
- Rates
 - 2022 Utility Rate Changes – Water and Environmental Services**
 - Commercial
 - Residential
 - Proposed Rate Adjustments
 - City Rates Comparison
 - Neighbor 2 Neighbor

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2022 Utility Rate Changes – Water and Environmental Services

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The Gilbert Town Council is currently reviewing a utility rate change to water and environmental services fees with an anticipated effective date of April 1, 2022.

Gilbert routinely evaluates the fiscal health of the community's water, wastewater, reclaimed water, environmental services, environmental compliance utilities. A [recent study](#) has determined that rate adjustments are needed for the water and environmental services fees to maintain the fiscal health of the utility operations and ensure continued quality services.

With these proposed utility rate increases, Gilbert will be able to maintain customer service levels, achieve revenue sufficiency, equitably assign the costs of service to different customer classes, promote efficient water use, and operate self-sufficient utilities that are not subsidized or that subsidize other services.

Our Utility Bill Calculator can help you determine the effect of the rate increase on your expected monthly bill.

[Utility Bill Calculator](#)

[View the Rate Study](#) | [View Notice of Intent](#)

Impacts

- [Residential](#)
- [Commercial](#)
- [City Rates Comparison](#)

Timeline



Water Fund

Current Water Rate Pressures



Bond payments for reconstruction of NWTP



Increased Construction Costs for Capital Improvement Plan



Rapidly rising cost of raw water



NWTP Facility Background



Service Area

45-mgd surface water plant located in the north Gilbert and currently serves **144,000 residents** (~250,000 at Buildout)



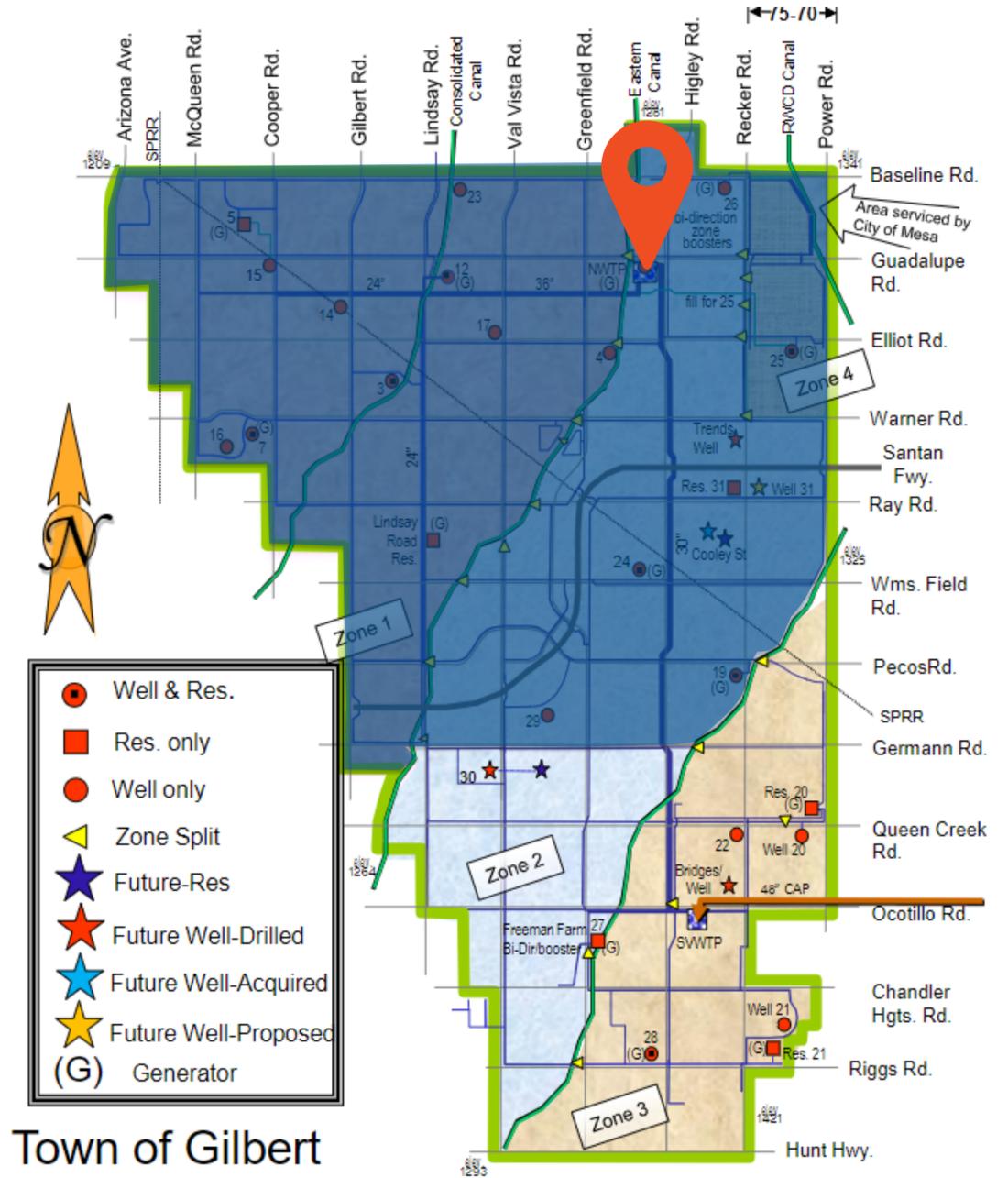
Water Production

Functions as the backbone of the sustainable water supply, with projected demands of 55+mgd



Economic Driver

The primary water source for the NW Redevelopment district, Heritage District, Gateway Employment Corridor, and the Banner Gateway Medical Center Campus



Town of Gilbert Water System by Pressure Zones



Project History

The NWTP is the key to sustainable, reliable water supply for the majority of Gilbert, including important economic areas such as the Heritage District and NW Redevelopment Corridor.

The needs of the facility have been increasing and reached a critical point with the recent comprehensive evaluation efforts for the water system and the plant itself.

NWTP – Facility Condition



1996

Facility Constructed (15mgd)
Low-Bid Construction Methods
Inadequate Construction Oversight

1996-2020

Three plant expansions (15-45mgd)
2013 Corrosion Study
2017 Integrated Water Resources MP
2018 Water Quality Master Plan
2019 Facility Condition Assessment
2020 Financial Retreat

2021

Facility expansion to meet system demand
>\$70M in structural repairs needed
Annual reinvestment is double industry standard
Facility treatment needs cannot optimized



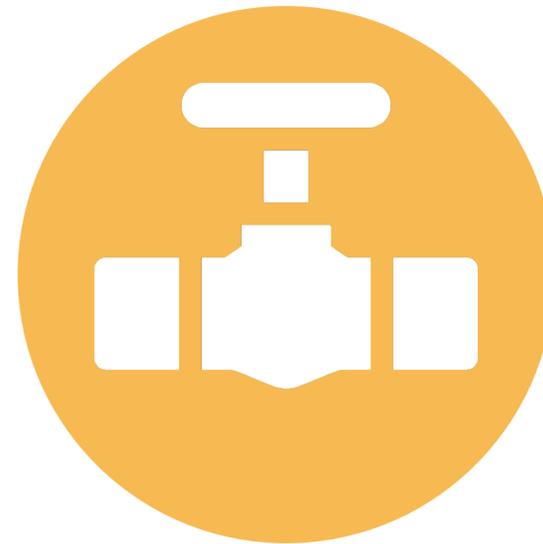
\$400+ Million



Water Distribution Assets



14,180 Fire Hydrants



36,511 Valves



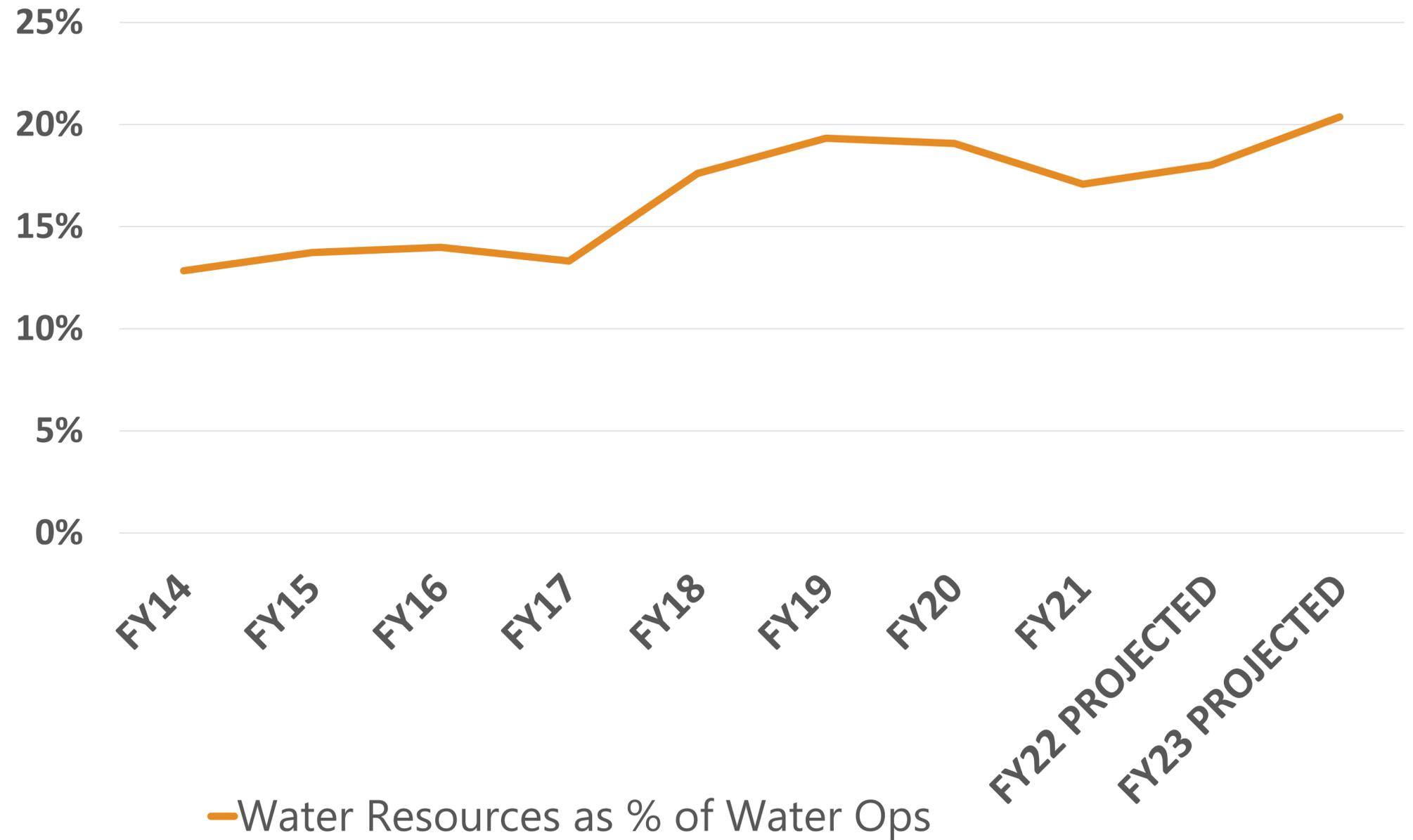
1,452 Miles of Water Mains

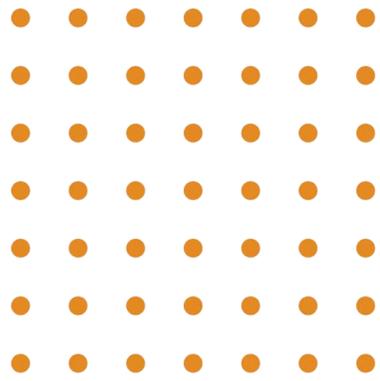
Current Water Rate Pressures



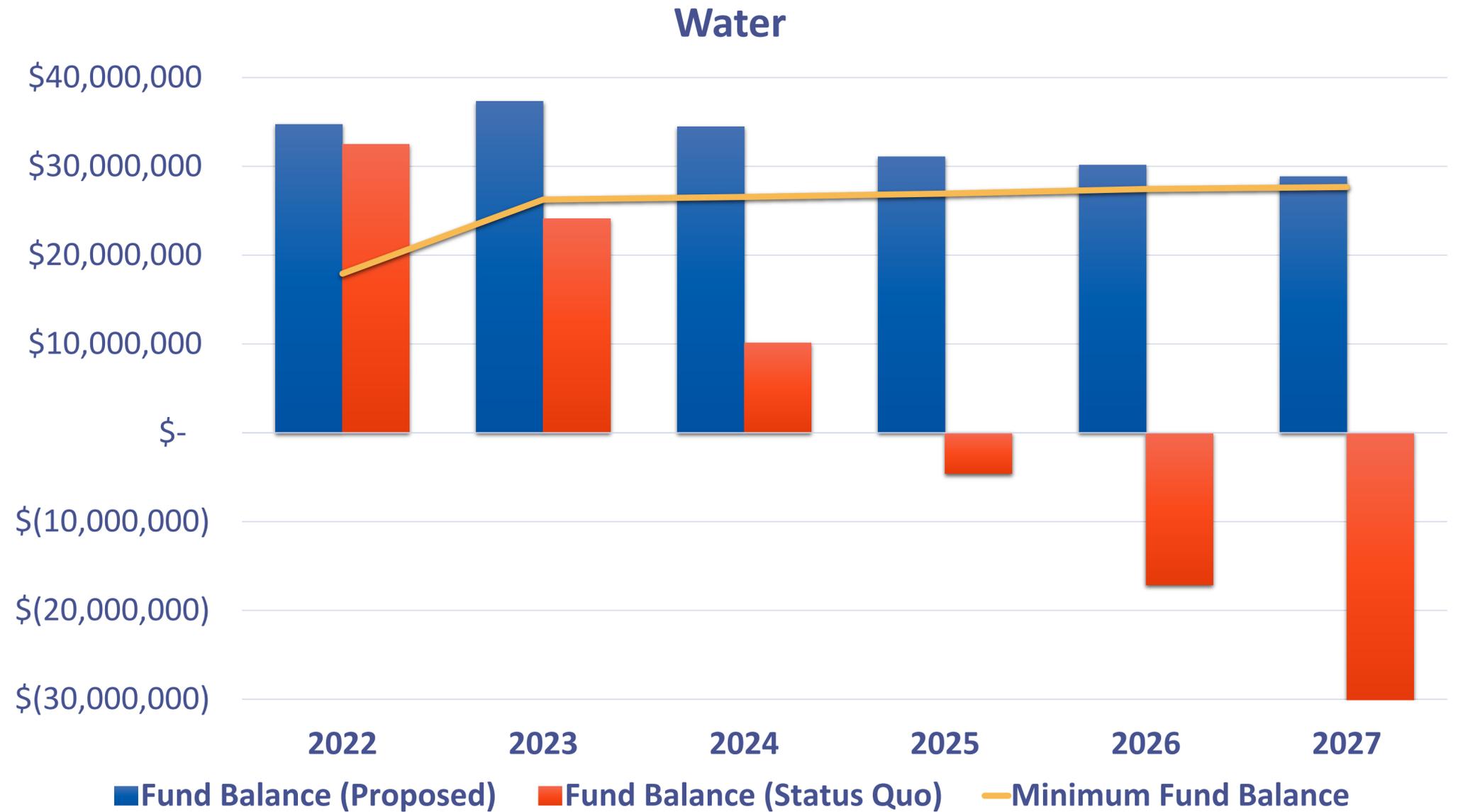
**Rapidly rising
cost of raw
water**

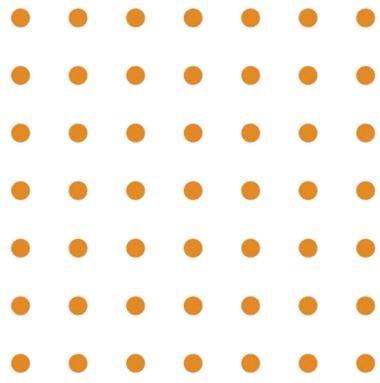
Water Resources Cost as % of Water Budget





Water Fund Impact





Water Rates

Meter Base Fee

Meter Size	3/4"	1"	1-1/2"	2"	3"	4"	6"	8"	10"	12"
Current	\$16.30	\$27.25	\$54.30	\$86.90	\$173.95	\$271.75	\$543.30	\$869.30	\$1,249.40	\$2,336.30
Proposed	\$21.13	\$35.32	\$70.37	\$112.63	\$225.47	\$352.25	\$704.29	\$1,126.91	\$1,619.68	\$3,028.69

Volume Rate

	Residential Tiers (1,000 gallons)				Non-Residential		Hydrant
	0-8	9-20	21-30	30+	Domestic	Landscape	
Current	\$1.20	\$1.28	\$1.60	\$2.06	\$1.60	\$2.06	\$8.02
Proposed	\$1.42	\$1.71	\$2.52	\$3.75	\$2.14	\$2.78	\$9.58

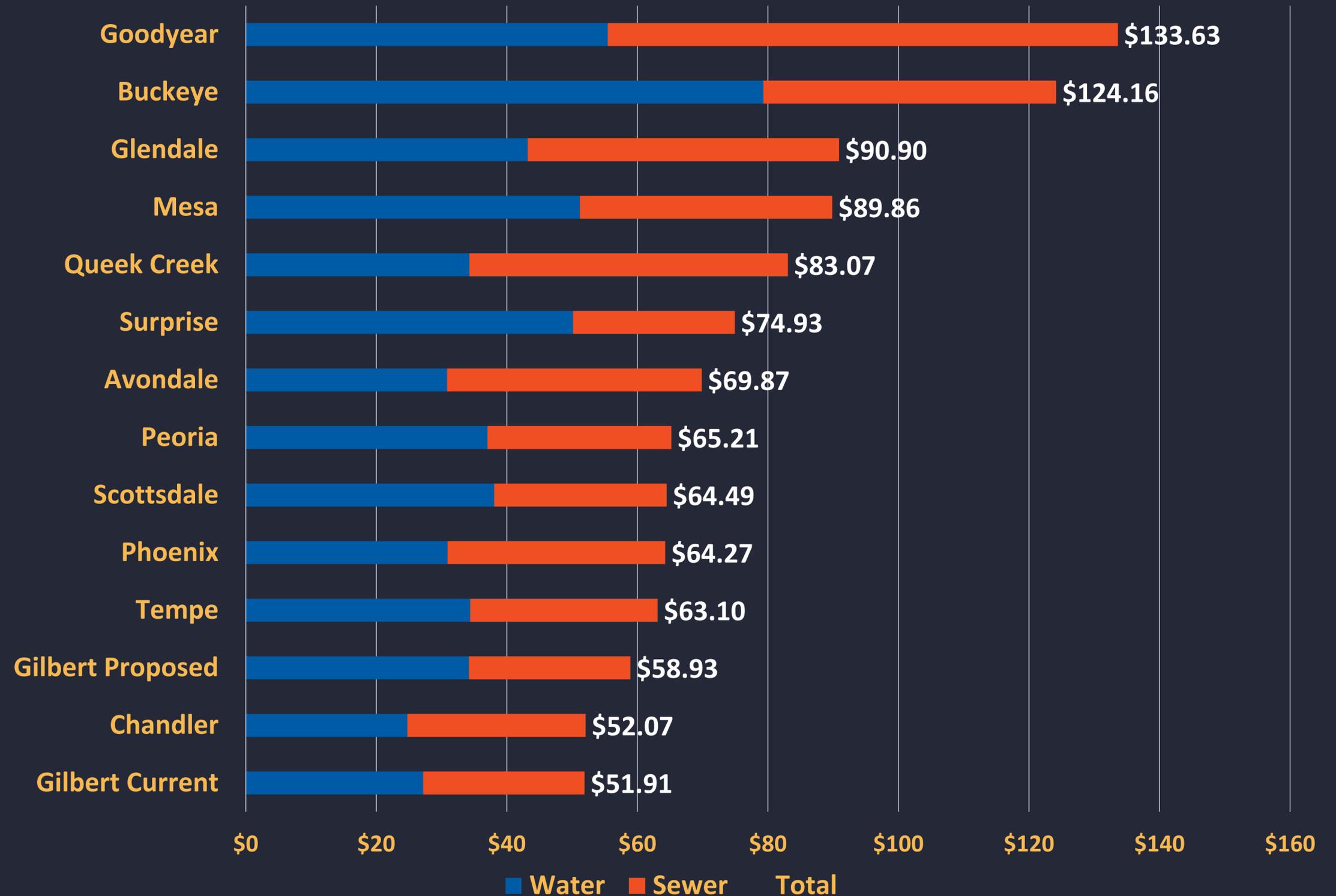




Residential Bill

A look at our benchmark cities

3/4" Meter, Water Use 9,000 Gallons & Sewer Flow 8,000 Gallons



**Environmental
Services
Residential**



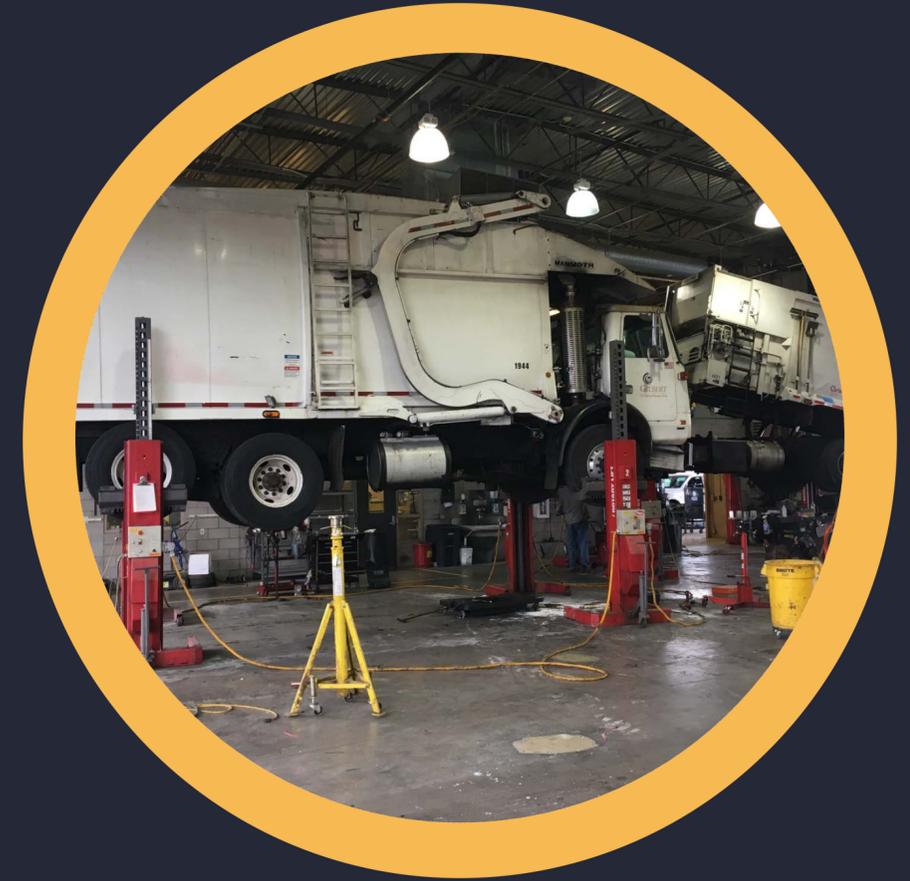
Environmental Services Rate Pressures



Recycling Industry Volatility

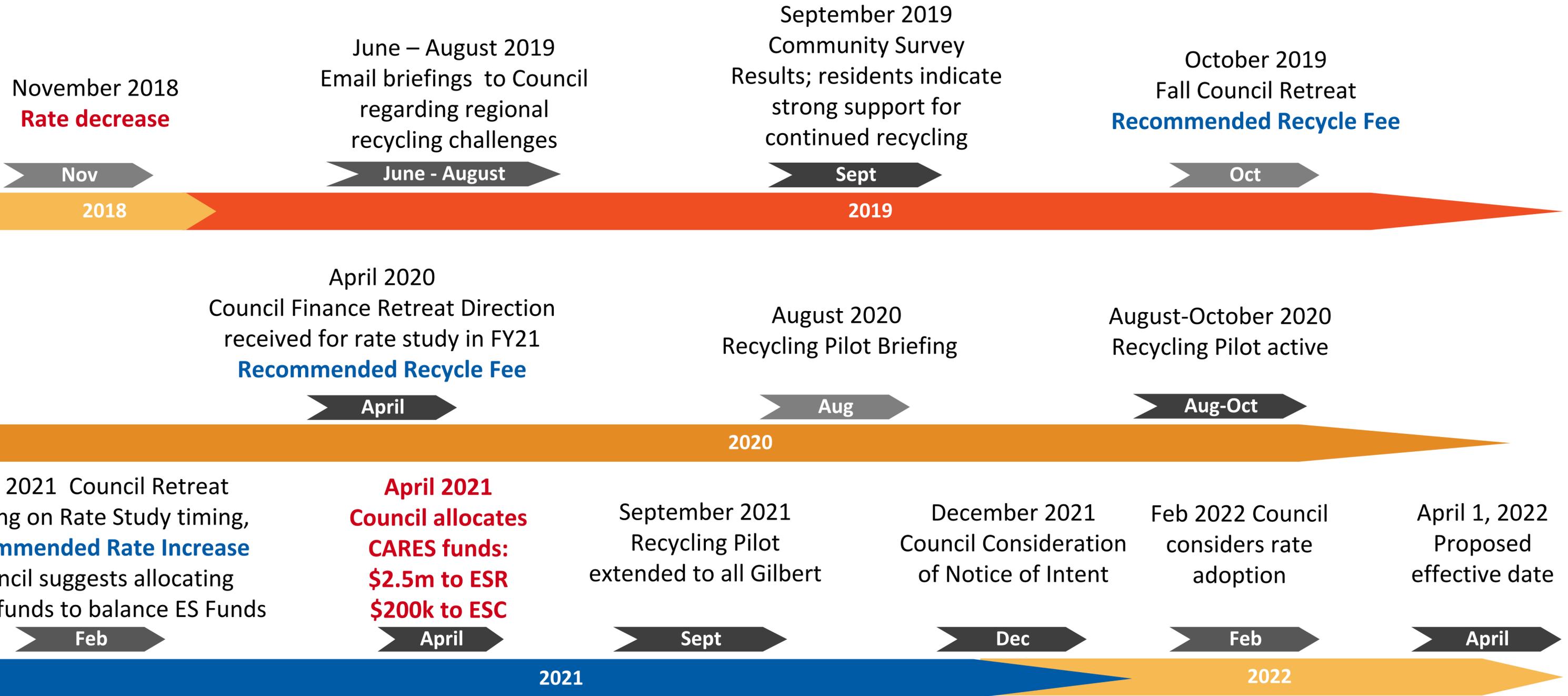


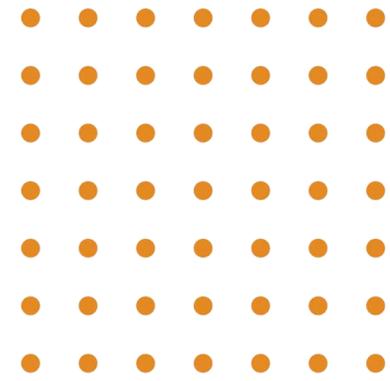
Increased Volume & Tipping Fees



One Time Costs Over Time

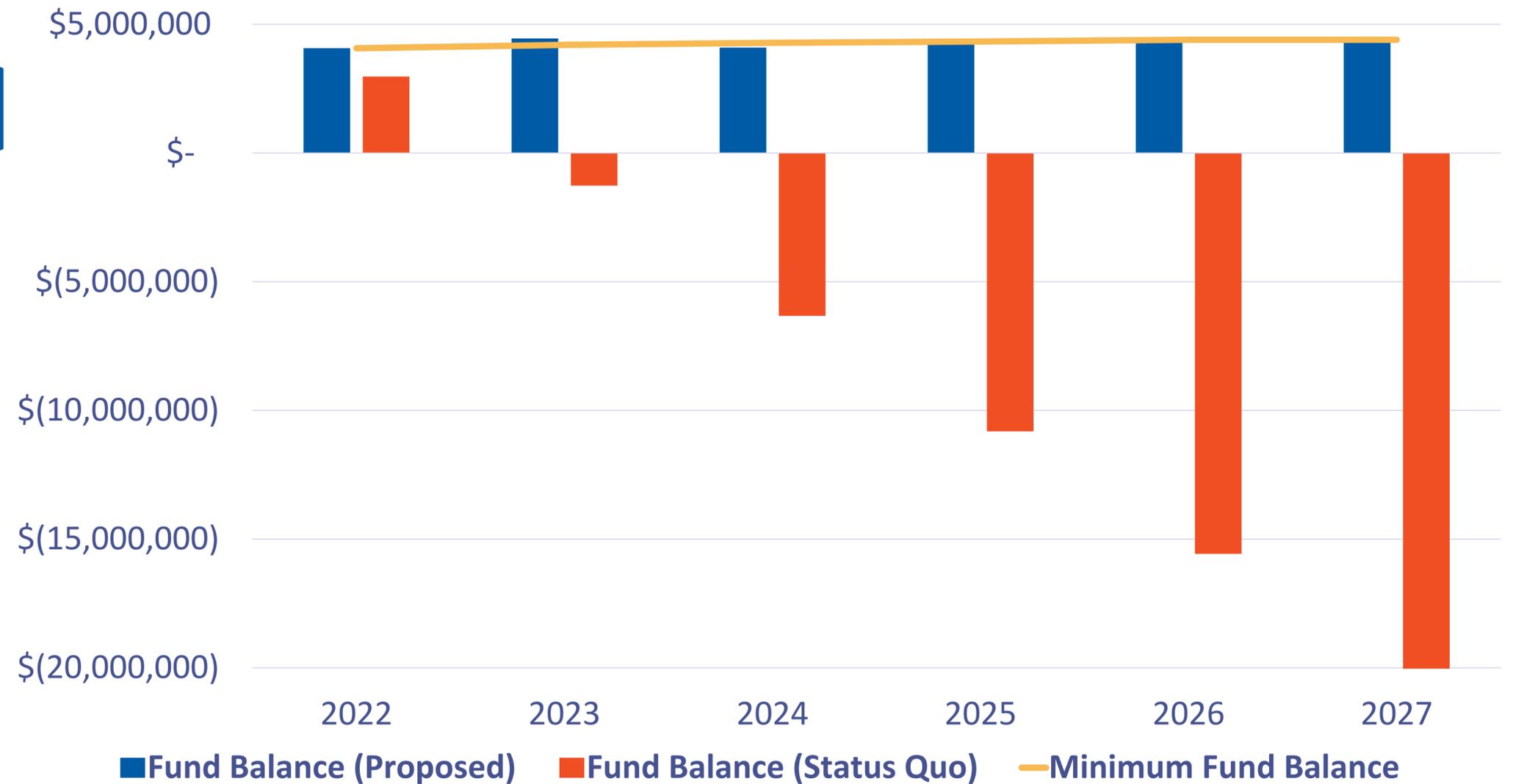
ENVIRONMENTAL SERVICES COUNCIL TOUCHPOINTS

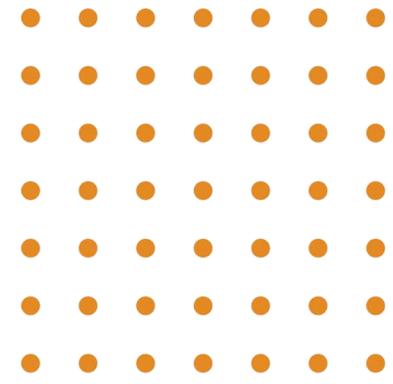




Environmental Services Residential Fund Impact

Environmental Services Residential



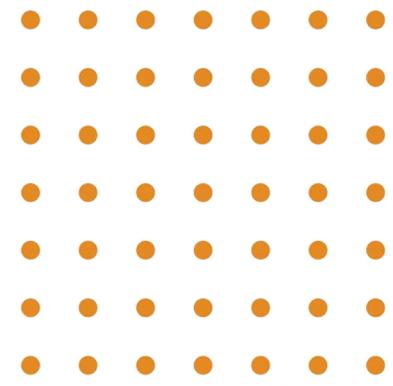


Environmental Services Residential



Monthly Fees

Container Size	Current Rate	Proposed Rate	Increase
90 Gallon	\$14.80	\$19.03	\$4.23
90 Gallon - Extra Cart	\$8.00	\$10.29	\$2.29
Additional Recycling Cart	-	\$5.00	\$5.00
Manure Collection	-	\$15.15	\$15.15
65 Gallon	\$13.60	\$17.49	\$3.89
300 Gallon	\$60.58	\$77.91	\$17.33



Environmental Services Residential

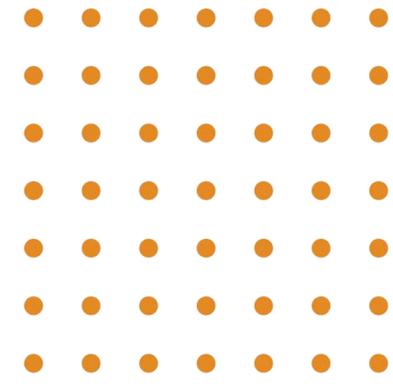


One Time Fees

Effective July 1st

Service	Proposed Fee Per Request
Collections	
Cans Not Out- verified	\$50.00
Extra Service	\$50.00
Missed Cans*	\$0.00
Container Maintenance	
Block Party/Special Event	\$30.00
New Container - Dirty/Smelly Can	\$59.00
Remove Compost Bin	\$28.00
Replace Broken Container	\$0.00
Appliance Pick Up	
In Zone- Scheduled for bulk pickup week	\$16.00
Out of Zone- Scheduled outside bulk pickup week	\$85.00
Bulk	
Bulk Special Pickup	\$100.00
Missed Pickup*	\$0.00

* If there is a possibility that Gilbert missed a can or bulk pickup, the service call will be free of charge

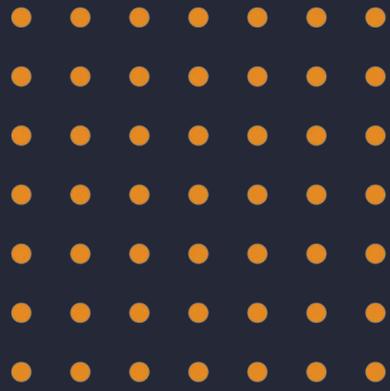


Environmental Services Residential

-  Event/Scheduled Dropoff
-  Facility Dropoff
-  One Time Pickup
-  Monthly Pickup
-  Appointment Pickup

Included Services

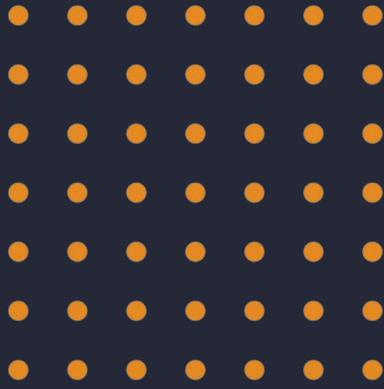
City	HHW	Bulk Method	Annual Bulk Pickups
Phoenix			4
Tempe			6
Mesa			\$
Fountain Hills			1
Surprise			20yrds/yr
Scottsdale			12
Avondale			12
Glendale			12
Buckeye			4
Gilbert			10
Goodyear			12
El Mirage			\$
Chandler			8
Queen Creek			12
Peoria			2



Environmental Services Residential

A cost comparison of our benchmark cities

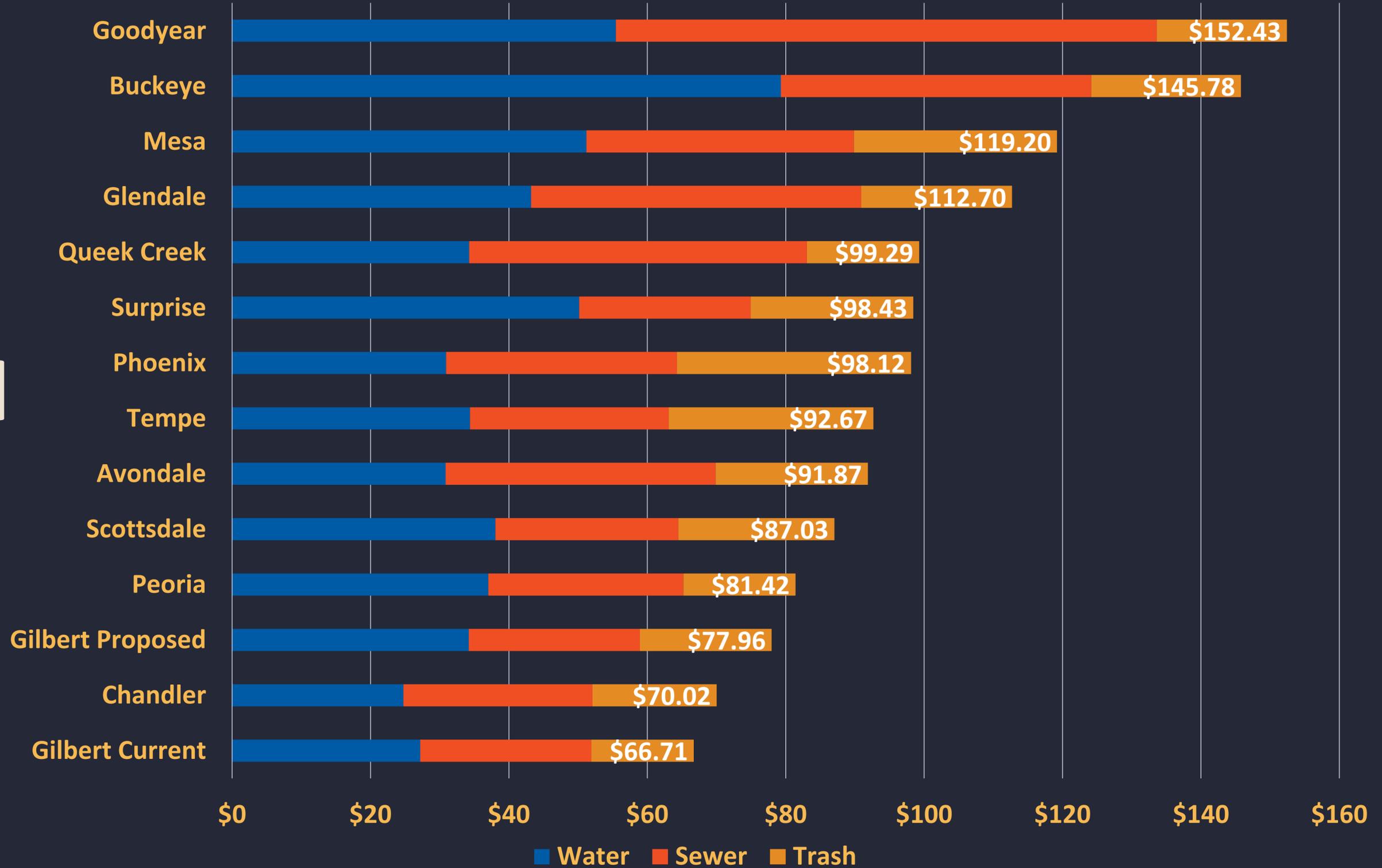


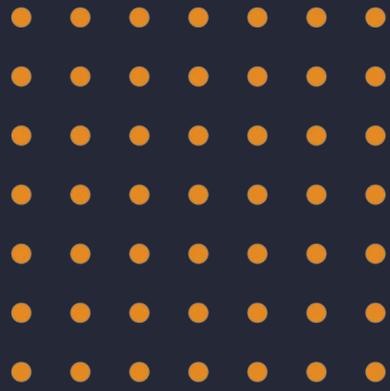


Residential Bill

A complete look at our benchmark cities

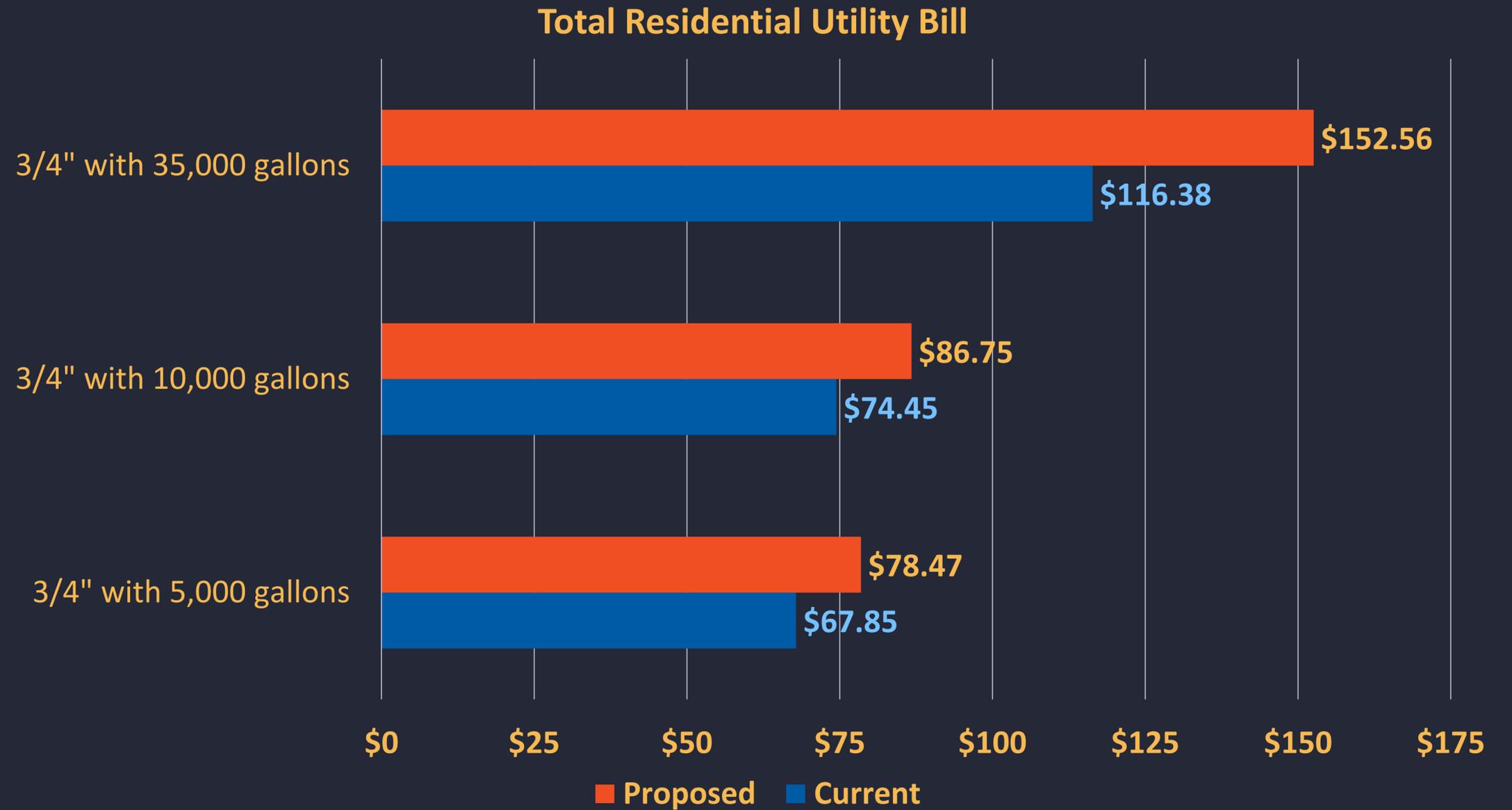
3/4" Meter, Water Use 9,000 Gallons & Sewer Flow 8,000 Gallons & Trash





Residential Utility Bill

What our residents can expect



What's Going to Happen to My Bill?

Gilbertaz.gov/UtilityRates

The screenshot shows the Gilbert website's navigation menu on the left, with 'FINANCE & MGMT SERVICES' expanded to show 'Rates'. The main content area features a breadcrumb trail: 'Departments » Finance & Mgmt Services » Utilities » Rates ». The title is '2022 Utility Rate Changes – Water and Environmental Services'. Below the title are links for 'Font Size', 'Share & Bookmark', 'Feedback', and 'Print'. The main text states: 'The Gilbert Town Council is currently reviewing a utility rate change to water and environmental services fees with an anticipated effective date of April 1, 2022.' It explains that Gilbert routinely evaluates the fiscal health of the community's water, wastewater, reclaimed water, and environmental services. A 'recent study' has determined that rate adjustments are needed to maintain the fiscal health of the utility operations and ensure continued quality services. It further states that with these proposed utility rate increases, Gilbert will be able to maintain customer service levels, achieve revenue sufficiency, equitably assign the costs of service to different customer classes, promote efficient water use, and operate self-sufficient utilities that are not subsidized or that subsidize other services. A 'Utility Bill Calculator' is highlighted with a red oval and a red button. Below it are links for 'View the Rate Study' and 'View Notice of Intent'. The 'Impacts' section includes three icons: 'Residential' (house icon), 'Commercial' (building icon), and 'City Rates Comparison' (magnifying glass icon). The 'Timeline' section is partially visible at the bottom.

Proposed Changes

Out of the five utility services, only two rates would change.



A recent study has determined that rate adjustments are needed for the **water** and **environmental services*** fees to maintain the fiscal health of the utility operations and ensure continued quality services.

The new proposed rates reflect the increased costs to operate these utility services and for infrastructure improvements, such as the reconstruction of the North Water Treatment Plant.

*Environmental Services are refuse (solid waste), bulk trash and recycling.

Next Steps

2022 Utility Rate Changes – Water and Environmental Services

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The Gilbert Town Council is currently reviewing a utility rate change to water and environmental service fees with an anticipated effective date of April 1, 2022.

Gilbert routinely evaluates the fiscal health of the community's water, wastewater, reclaimed water, environmental services, environmental compliance utilities. A recent study has determined that rate adjustments are needed for the water and environmental services fees to maintain the fiscal health of the utility operations and ensure continued quality services.

With these proposed utility rate increases, Gilbert will be able to maintain customer service levels, achieve revenue sufficiency, equitably assign the costs of service to different customer classes, promote efficient water use, and operate self-sufficient utilities that are not subsidized or that subsidize other services.

Timeline

November 8-9: Proposed rates presented at the Gilbert Town Council Retreat.

December 14: Review for Adoption of "Notice of Intent to Raise Rates and Fees" at Council meeting.

Between January and February: Virtual and in-person customer workshops will be held. Dates and time will be determined and posted soon.

February 22: Public hearing and possible Council Adoption of new rates: 6:30PM at 6860 S Power Road. Find more information on attending or viewing [Town Council meetings](#).

April 1: New water and environmental services rates become effective.



NOTICE:

Proposed Utility Rate Increase

For Gilbert Residential Utility Customers

The Town of Gilbert routinely evaluates the fiscal health of the community's water, wastewater, reclaimed water, environmental services, and environmental compliance utilities to plan for the future. A recent study determined that rate increases are needed for the water and environmental services (solid waste and recycling) fees to maintain utility operations and ensure continued quality services.

The Gilbert Town Council has adopted a Notice of Intent to increase utility rates for water and environmental service fees. A public hearing and vote to adopt the new rates will occur at the Council Meeting on February 22. If approved, the new rates would go into effect on April 1.

The environmental compliance, wastewater, and reclaimed water rates will remain the same. Residential water rates and environmental services rates were last changed in 2018.

Learn more at gilbertaz.gov/UtilityRates or join us for an upcoming workshop, see reverse side for details.



Past and Next Steps

November:

- Council 1:1's
- Finalize Rate Study
- Update rate pages & calculator

December 14: Notice of Intent at Council Meeting & Publish Final Rate Study

January/February: Two (2) Open houses & Publish Newspaper Notices

February 22: Council Consideration of Rates

April 1: Rates effective

gilbert Monthly Utility Bill Calculator

Water

Customer Classification: Single Family Residential

Meter Size (in inches): 3/4, Monthly Consumption (in thousands of gallons): 5

Amount	Existing	Proposed
Meter Base Fee	\$16.30	\$21.13
Volume Charge	\$6.00	\$7.10
Total Monthly Bill	\$22.30	\$28.23

Sewer

Customer Classification: Single Family Residential

Amount	Existing	Proposed
Base Fee	\$24.73	\$24.73
Volume Charge	\$0.00	\$0.00
Total Monthly Bill	\$24.73	\$24.73

Environmental Services

Container Size and Frequency: 90 Gallon (Standard)

Additional Trash Bin: No Additional Bin

Additional Residential Recycling Bin

Amount	Existing	Proposed
Bin Size/Frequency	\$14.80	\$19.03
Additional Bin	\$0.00	\$0.00
Total Monthly Bill	\$14.80	\$19.03

Total Monthly Bill

Note: The totals provided by this calculator are an estimate. Other factors may affect the actual totals on your upcoming bills.

Service	Existing	Proposed
Water	\$22.30	\$28.23
Sewer	\$24.73	\$24.73
Environmental Services	\$14.80	\$19.03
Environmental Compliance	\$4.28	\$4.28
Total Monthly Bill	\$66.11	\$76.27

Questions?

Utility.Rates@GilbertAZ.gov



For FAQs & Bill Calculator
Gilbertaz.gov/UtilityRates

For water conservation:
Gilbertaz.gov/water



We wanted to thank our local garbage/recycle man for making our daughters day this morning ❤️ she was so excited about the little toy garbage truck he gave her! I wish I caught his name! Town of gilbert truly is the best town to live in!!!



Laptops and staff
available to help
with Bill Calculator
to find your
potential impact.

