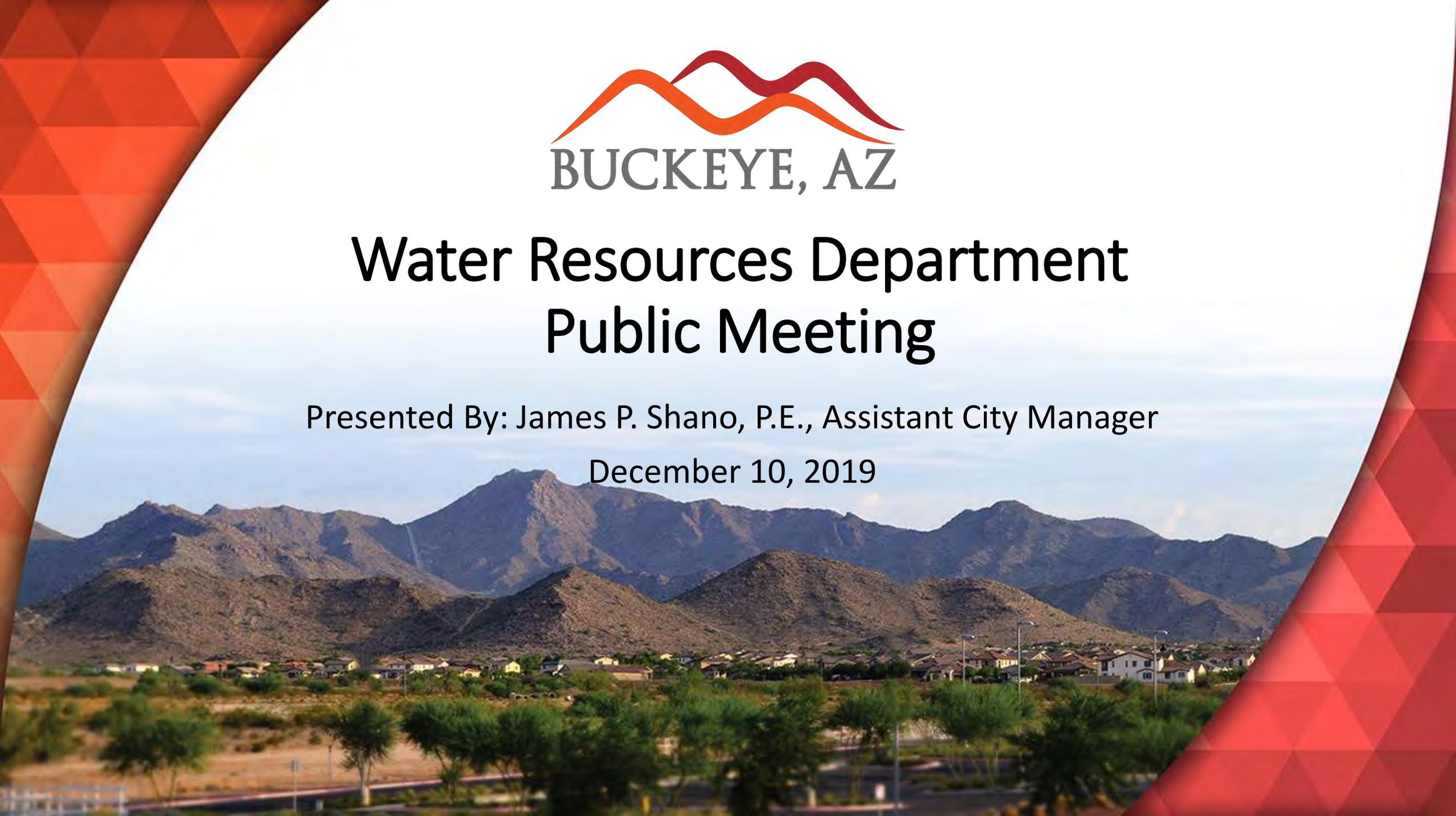




Water Resources Department Public Meeting

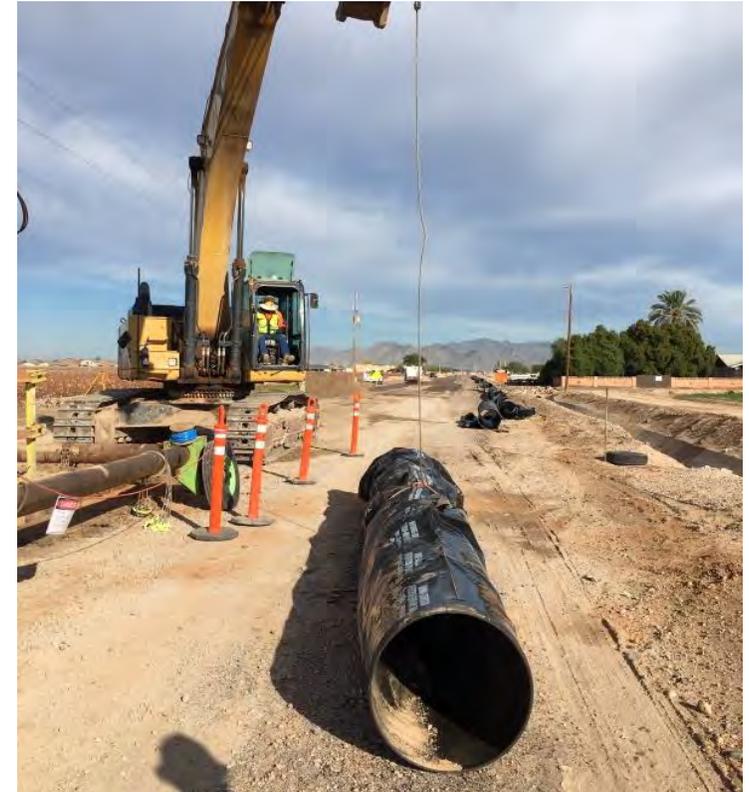
Presented By: James P. Shano, P.E., Assistant City Manager

December 10, 2019



Presentation Goals

1. We want to do better and improve
2. We will do better and improve
3. We want it to benefit you, our customers!
 - Maintain, Repair and Replacement of existing infrastructure
 - Future Infrastructure – Growth / Economic Development



Department Goals

- Improve water quality
- Enhance customer experience
- Support economic growth
- Protect current water sources
- Invest in future water supplies
- Maintain financial stability



Council & Staff Initiatives

- **Attract new economic development**
 - New employers, retail shops, restaurants and other services
- **Improve water quality**
 - Drilling new wells, blending different water sources, new equipment, etc.
- **Provide exceptional customer service**
 - Recording all phone calls, updating policies, etc.
- **Maintain financial stability**
 - Buckeye received “Award of Excellence in Financial Reporting” from the Government Finance Officers Assoc.

What does the proposed fee cover?

- Ongoing operations and maintenance
 - Water treatment and delivery
 - Technology
 - Customer service and billing
- Capital Improvement Projects
 - Repair and replacement infrastructure
 - Improvement in water quality
- WIFA loans/Debt repayment



Water Resources Capital Improvement Plan

- 21 projects in the next 5 years
 - Broadway Road Water Campus (Replacement & Growth)
 - Farallon Water Treatment Facility (Replacement & Growth)
 - Airport Water Line (Growth)
 - Non-Indian Agricultural CAP Water (Growth)
- Projected CIP, over \$200M FY 20-24
- WIFA funding proposed for \$144M
 - Broadway Road Water Campus (Application Submission FY 19-20, \$109M)
 - Farallon Water Treatment Facility (Application Submission FY 22-23, \$35M)



Water Infrastructure Financing Authority

- Changed from revenue rate bonds to (WIFA) loans
 - Decreased financial costs
 - Reduced interest rate from 4% to 2.5% (estimates)
 - \$5.9M in savings in the first 5 years
 - \$17.8M in savings over life of the loan
 - Lowered origination percentages from 1.5% to 0%
 - \$12.2M in savings from interest and one-year reserve requirement
 - Expanded loan terms from 20-year payback (revenue bonds) to 25-year payback (WIFA loans)



WIFA

Current Status

The Water Resources Department is requesting a new repair and replacement fee

- \$3.05/month (plus tax) for all water customers (residential, multi-unit, commercial, landscape customers)
- Fee ensures sufficient revenues are available to issue new debt to support the Water Resources Department Capital Improvement Program
- If approved, fee to be implemented on water bills on and after February 7, 2020



Rate & Fee History

- 1980 – Buckeye establishes water rates
- 1987 – Tiered rates established
- 2011 – Environmental fee established
 - Permitting fees, testing, certifications, etc.
- 2015 – City purchases Global Water; last rate increase approved
- 2019 – Proposed water rate increase voted down by Council
- 2020 – Recommending new repair and replacement fee

Timeline

- November 5, 2019 – Notice of intent at City Council meeting to create a new fee
- November 6, 2019 – Report posted in City Clerk's office & city web site
- December 10, 2019 – Public Outreach Meeting
- January 7, 2020– Public hearing at City Council and vote on fee
- February 7, 2020 – If approved, new fee takes effect



Thank you.

