

Buckeye Rate Adjustments

Terry Lowe, WRD Director

September 11, 2025



AGENDA

Buckeye Rates Recap

FY27-FY32 Forecasts

- CIP Forecasts
- New Asset Projections
- Personnel Needs
- Asset Management Needs

New Rates

- Proposed Structure
- Rate Scenarios
- Recommendation

Rates Recap

- Why are we here?
 - ✓ Council Request
 - ✓ Zero Rate Adjustment since 2013
 - ✓ Assist Staff in Public Outreach
 - ✓ Assist Staff through oversight of New Rate Recommendation
- Purpose of Rates
 - ✓ Recoupment of all expenses necessary to properly provide service in safe, efficient and effective manner:
 - Personnel, Supplies & Services
 - Water Portfolio
 - Asset Management and Non-growth related CIP
- Sound Rate Structures
 - ✓ Developed through analysis of system-wide usage and impacts of usage groups on the system
 - ✓ Encourage Conservation
 - ✓ Strengthen Drought Management plans
 - ✓ Support Grant Opportunities

Rates Recap

Bill Totals (1" Meter, 6K Gallons)					
Provider	Water Base	Water Usage	Sewer Base	Sewer Usage	Total* *Excluding Taxes & Fees
Avondale	\$17.20	\$15.02	\$9.34	\$16.16	\$57.72
Peoria	\$26.87	\$14.76	\$11.46	\$15.00	\$68.09
Tempe	\$20.10	\$18.96	\$19.25	\$14.88	\$73.19
Surprise	\$39.34	\$14.94	\$27.32	\$0.00	\$81.60
Glendale	\$26.10	\$22.32	\$13.00	\$30.42	\$91.84
Buckeye	\$32.94	\$23.58	\$28.86	\$12.00	\$97.38
EPCOR	\$46.46	\$21.99	\$46.56	\$0.00	\$115.01
Goodyear	\$28.86	\$14.52	\$41.87	\$44.82	\$130.07

Assets to Manage Comparisons

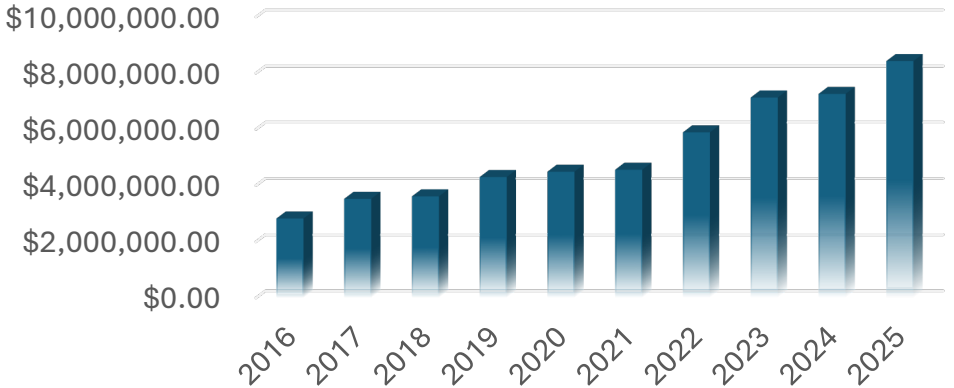
Data	Liberty	City of Goodyear	City of Buckeye
Treatment & Production Supervisors	1	2	3
Treatment & Production FTE	7	11	16
Wells	16	14	33
Booster Pumps	12	39	87
Reservoirs	2	9	24
Pressure Reducing Valves	4	4	24
RO Facilities	1	2	1
Generators	11	13	48
Gallons Produced (billions)	4.93	3.55	4.10
Square Miles	20	44	87.8*
Well Inspection Time (hours) (no issues)	8	6	18

Guess How Many

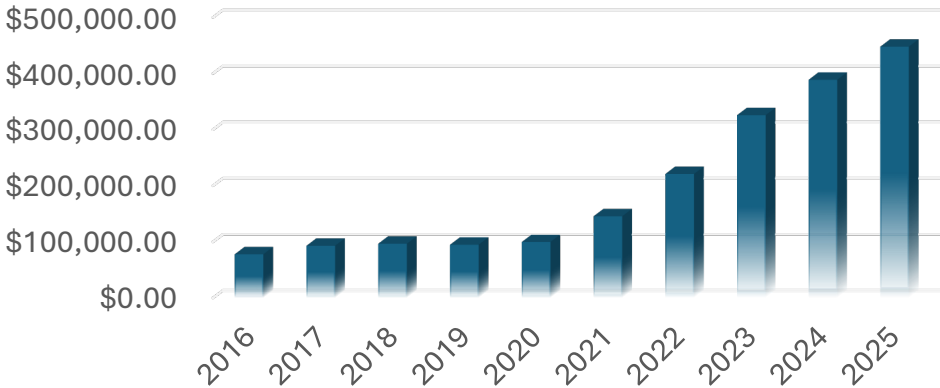


Major Expenses 2016-2025

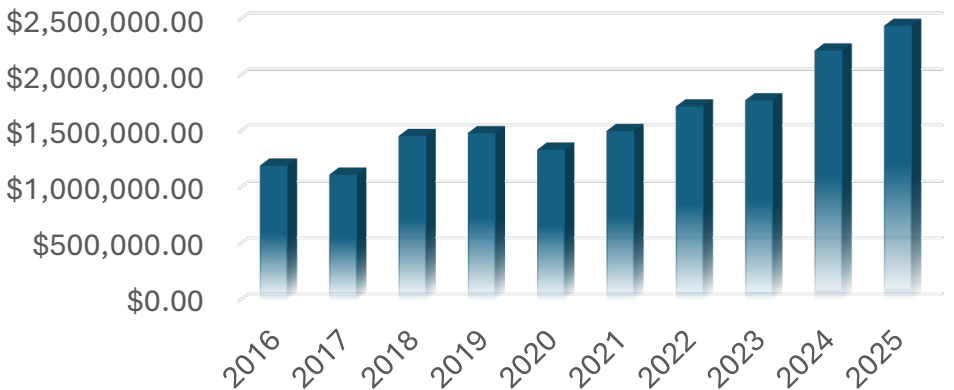
PERSONNEL



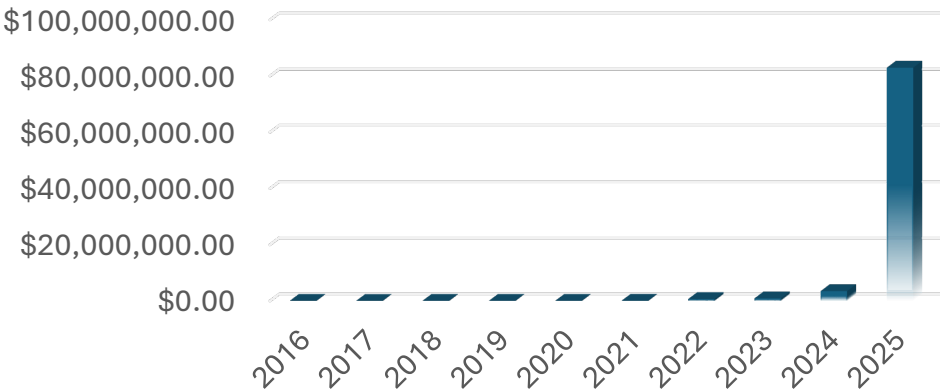
CHEMICALS



ELECTRICITY

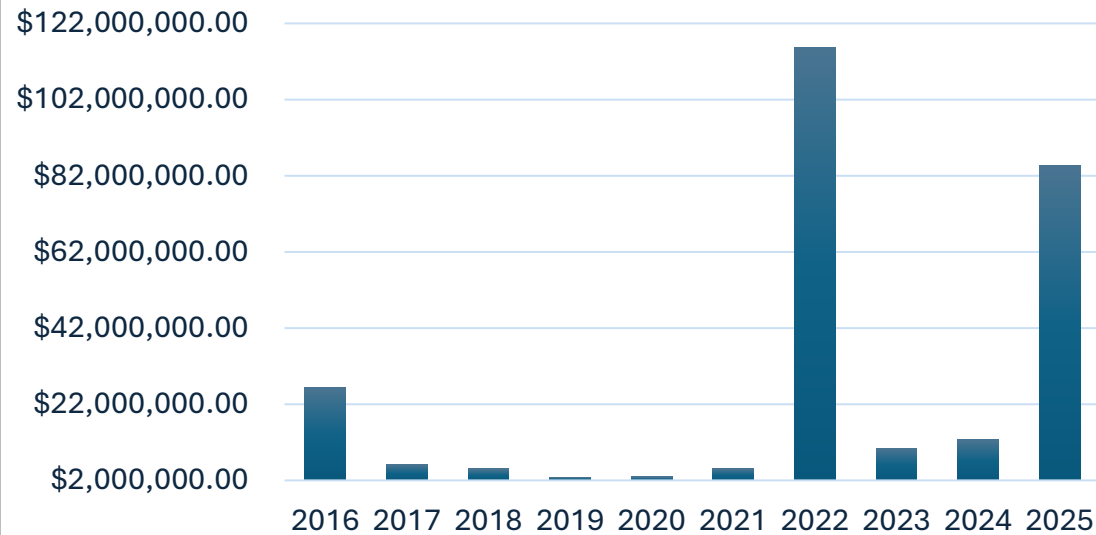


PORTFOLIO

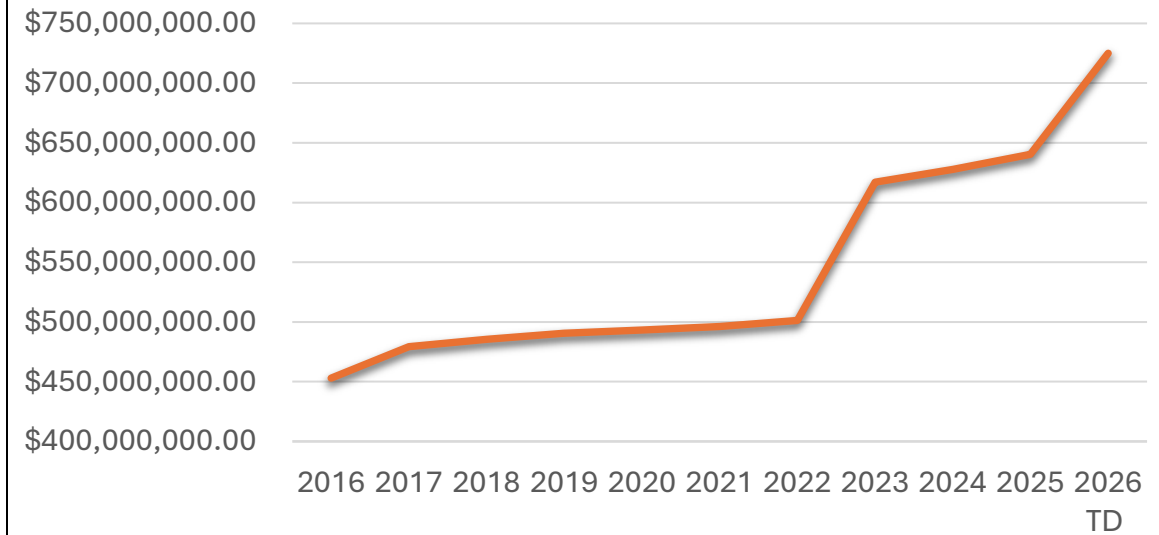


Assets Since 2016

Assets Acquired Per Year



Total Asset Value Per Year



FY27-FY31 Capital Improvement Project Forecasts

CIP Project	FY27	FY28	FY29	FY30	FY31
Pressure Reducing Valves	\$ 500,000	\$ 500,000			
Farallon Well #3	\$ 4,500,000				
Sundance WC New Reservoir	\$ 6,000,000				
Jackie Meck Water Campus Expansion	\$ 5,000,000				
Sundance WC pH Control	\$ 2,500,000				
Valencia System Distribution Mains Upgrade	\$ 3,000,000	\$ 3,000,000			
North Airport Water Campus Expansion	\$ 3,000,000		\$ 3,000,000	\$ 2,000,000	
Brine Solar Drying Pilot Project	\$ 500,000	\$ 500,000			
Water Resources Operations Center (WROC)	\$ 3,000,000	\$ 8,000,000	\$ 4,000,000		
North Airport WC AS/F Treatment Expansion #1	\$ 1,000,000	\$ 5,000,000	\$ 5,000,000	\$ 3,000,000	
Sundance Well #10 (Odessey Well)		\$ 4,500,000			
Shadow Canyon Booster Station		\$ 1,250,000			
North Airport Well #4		\$ 500,000	\$ 4,500,000		
Farallon Well #4			\$ 500,000	\$ 4,500,000	
Sun Valley Water System Improvements			\$ 5,000,000	\$ 7,000,000	\$ 5,000,000
Citywide Poor-Quality Treatment				\$ 3,000,000	\$ 10,000,000

FY27-FY31 New Asset Forecasts

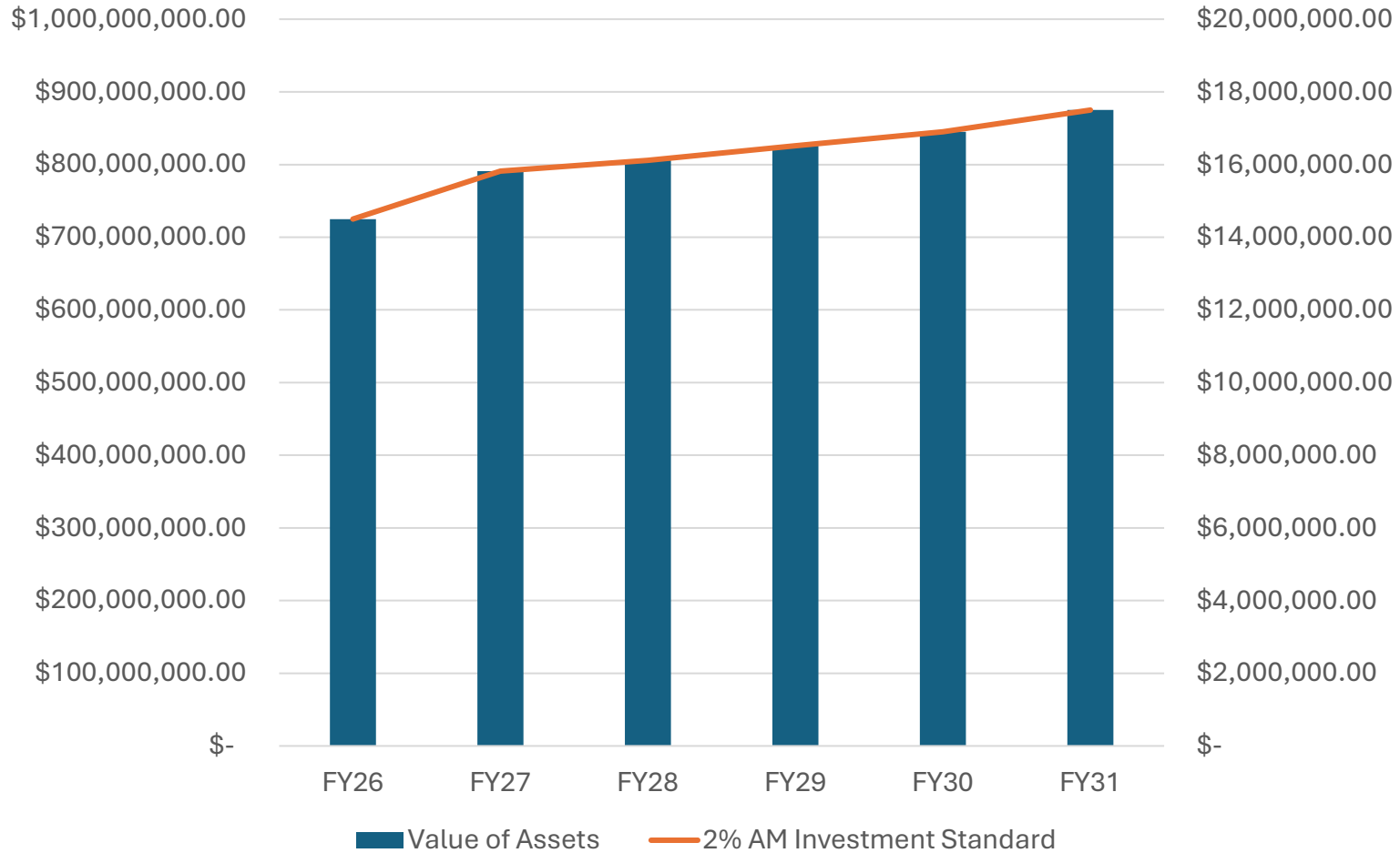
New Asset	FY26	FY27	FY28	FY29	FY30	FY31
Farallon RO	\$16,000,000*					
Festival AS Treatment		\$6,000,000				
Festival Well 4			\$5,000,000			
Teravalis WC		\$30,000,000				
Teravalis Well 1		\$5,000,000				
Teravalis Well 2		\$5,000,000				
Teravalis Well 3			\$5,000,000			
White Tanks Recovery Well		\$5,000,000				
N. Airport Well 4				\$5,000,000		
N. Airport AS/F Treatment					\$14,000,000	
Ventana Well 2		\$5,000,000				
Farallon Well 1		\$5,000,000				
Farallon Well 2		\$5,000,000				
Farallon Well 3			\$5,000,000			
WROC				\$15,000,000		
Grand View Well						\$30,000,000

FY27-FY31 Personnel Needs Forecasts

Division or Business Unit	FY27	FY28	FY29	FY30	FY31
Business	.5		.5		.5
Production/Treatment	2	2			2
Distribution		1	1	1	1
Maintenance		1	1		
Regulatory Compliance	1		1		1
Portfolio		1		1	
Automation			.5		
Engineering/Construction		.5			.5
Water Fund FTE Sub Totals	70.5	76	80	82	87
WRD FTE Totals	119.5	127.5	133.5	138.5	145.5

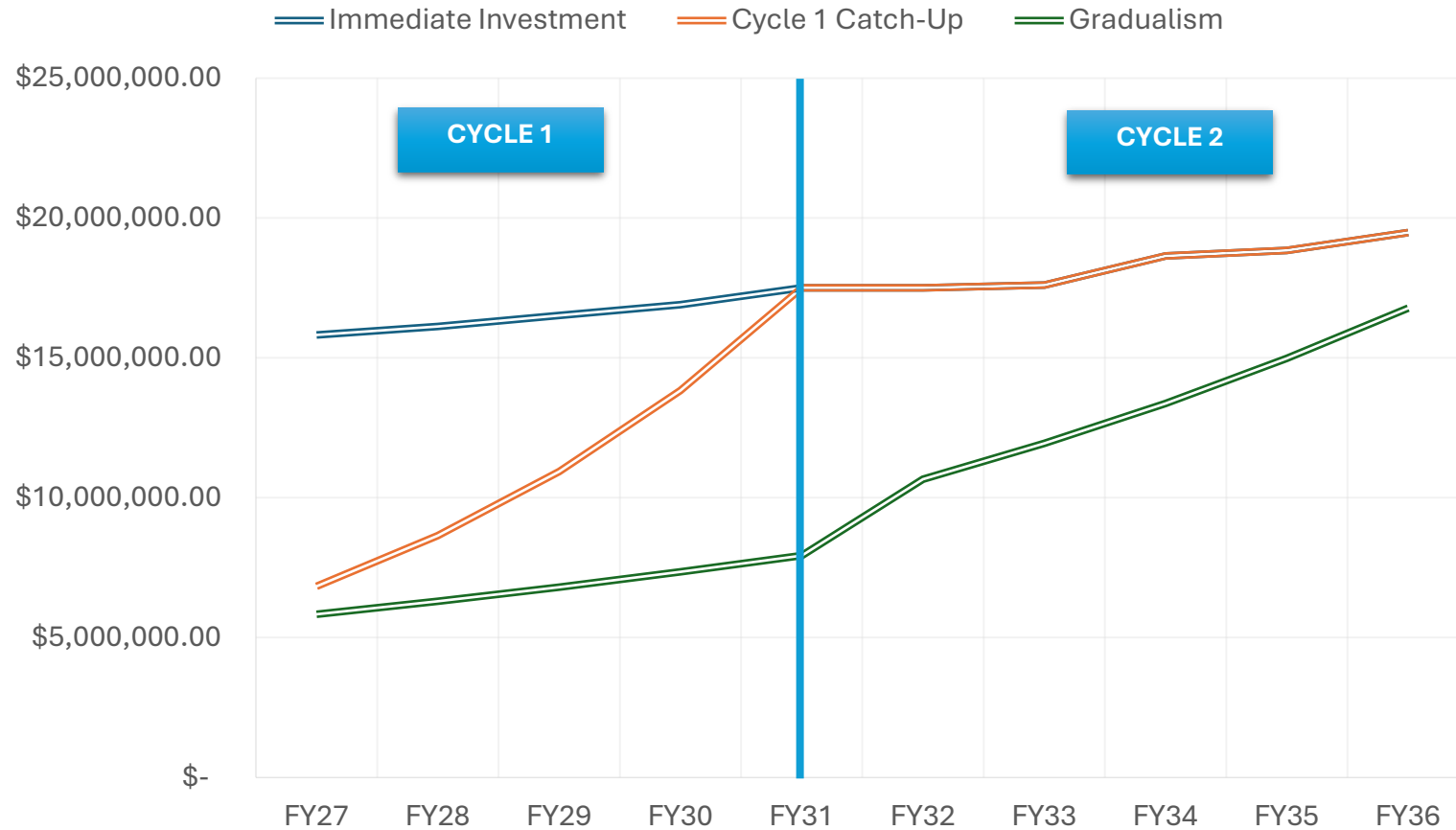
FY27 – FY31 Asset Value Increases

FY26-31 Asset Values w/Investment Standard



Asset Management Investment Scenarios

INVESTMENT OPTIONS TO REACH 2%



Proposed Rate Cycle

- **5-Year Rate Cycle:**
 - **Financial Stability:** Helps the utility maintain a stable financial position to fund long-term projects and ensure reliability.
 - **Predictability for Customers:** While rates will be reviewed regularly, rates set across 5 years gives customers advanced notice of the city's plans.
 - **Fiscal Responsibility:** A 5-Year cycle saves money by avoiding too frequent, formal rate studies.

Proposed Rate Structures

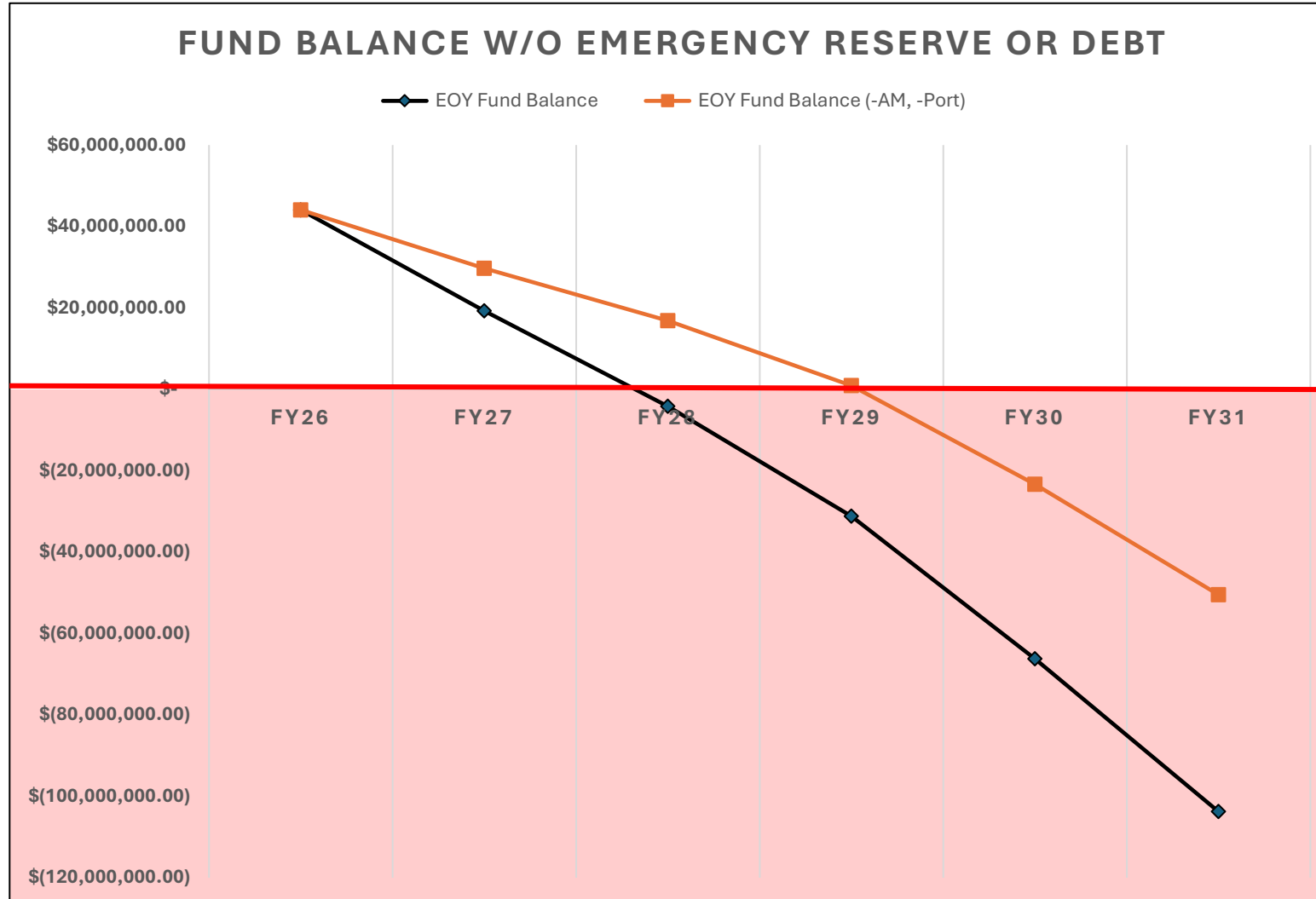
Base Rate (per meter size)
≤1"
1.5"
2"
3"
4"
6"
8"
10"

Res. Usage Rate (per month)
0 – 6k
6,001– 10k
10,001 – 20k
20,000 -30k
30,000+

Comm. Usage Rate (per month)
0 – 10k
10,001 – 20k
20,001 - 30k
30,000+

Landscape Usage Rate (per month)
0 – 50k
50,000+

Status Quo (Not an Option)



Immediate Catch-Up

Base Rate (per Meter Size)	Current	2026	2027	2028	2029	2030
≤1"	\$32.94	\$33.93	\$45.81	\$51.30	\$55.41	\$59.84
1.5"	\$32.94	\$67.67	\$91.35	\$102.32	\$110.50	\$119.34
2"	\$32.94	\$108.31	\$146.22	\$163.76	\$176.87	\$191.02
3"	\$32.94	\$216.81	\$292.69	\$372.82	\$354.04	\$382.37
4"	\$32.94	\$338.73	\$457.29	\$512.16	\$553.13	\$597.38
6"	\$32.94	\$677.27	\$914.31	\$1,024.03	\$1,105.95	\$1,194.43
8"	\$32.94	\$1,083.67	\$1,462.95	\$1,638.51	\$1,769.59	\$1,911.16
10"	\$32.94	\$1,557.93	\$2,103.21	\$2,355.59	\$2,544.04	\$2,747.56

Res. Usage Rate (per month)	Current (per kgal)	2026	2027	2028	2029	2030
0 – 6k	\$3.93	\$4.69	\$6.33	\$7.09	\$7.66	\$8.27
6,001– 10k	\$4.91	\$5.86	\$7.91	\$8.86	\$9.57	\$10.33
10,001 – 20k	\$6.14	\$7.32	\$9.89	\$11.08	\$11.96	\$12.92
20,000 -30k	\$7.68	\$9.16	\$12.36	\$13.84	\$14.95	\$16.15
30,000+	\$9.59	\$11.44	\$15.45	\$17.30	\$18.69	\$20.18

Landscape Usage Rate (per month)	Current (per kgal)	2026	2027	2028	2029	2030
0 – 50k	\$6.61	\$5.84	\$7.88	\$8.82	\$9.53	\$10.29
50,000+	\$7.93	\$8.75	\$11.82	\$13.23	\$14.29	\$15.44

Comm. Usage Rate (per month)	Current (per kgal)	2026	2027	2028	2029	2030
0 – 10k	\$8.08	\$6.49	\$8.77	\$9.82	\$10.61	\$11.45
10,001 – 20k	\$8.08	\$8.12	\$10.96	\$12.27	\$13.26	\$14.32
20,001 - 30k	\$8.08	\$12.18	\$16.44	\$18.41	\$19.89	\$21.48
30,000+	\$8.08	\$21.31	\$28.77	\$32.22	\$34.80	\$37.58

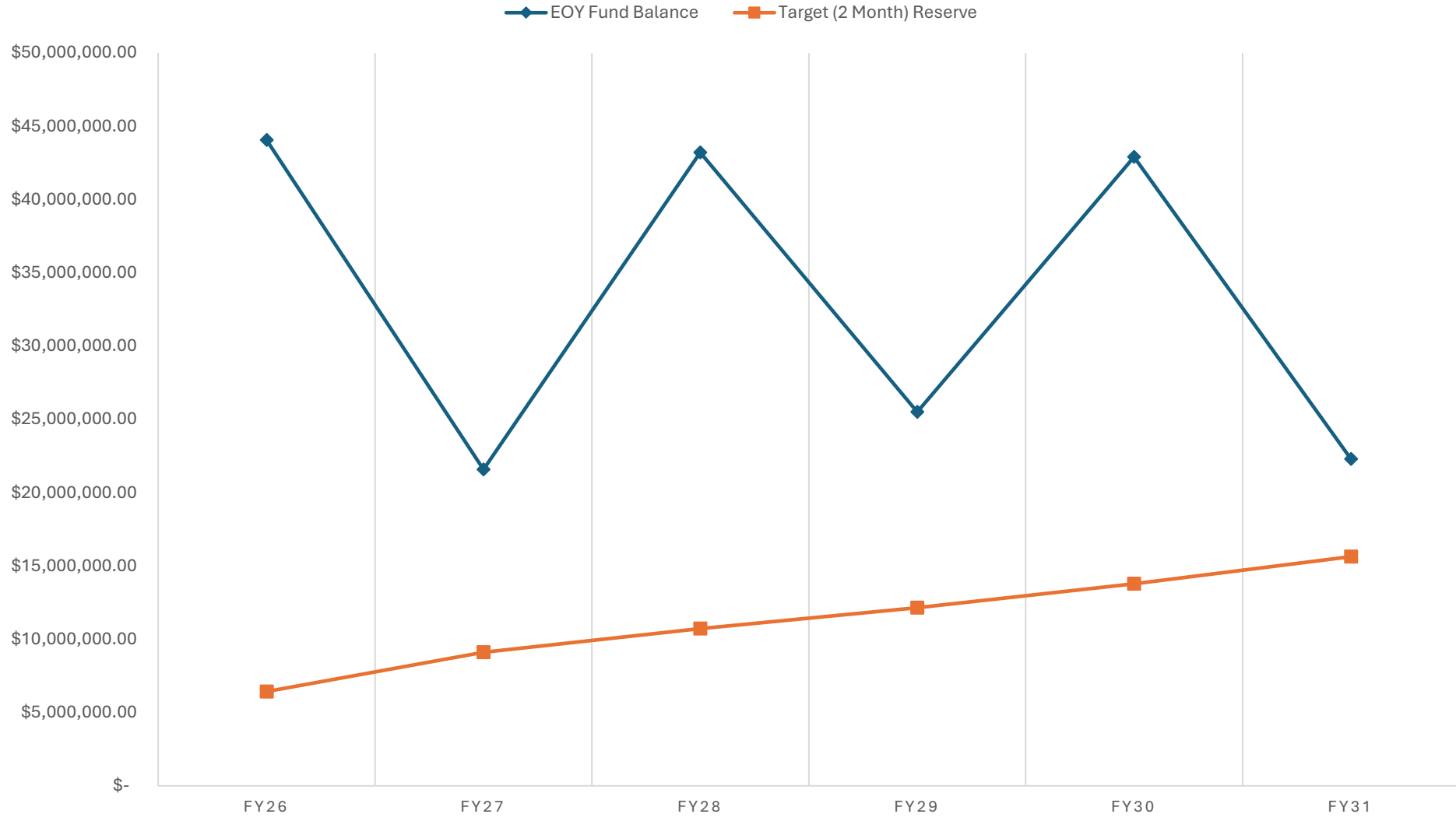
Immediate Catch-Up (Not Recommended)

Sample Bills (does **not** include sewer, taxes or fees)

- Residential : 1” meter and 6k monthly usage
- Commercial : 2” meter and 60k monthly usage
- Landscape: 2” meter and 150k monthly usage

Category	Current	2026	2027	2028	2029	2030
Residential	\$ 56.52	\$62.06	\$83.79	\$93.84	\$101.37	\$109.46
Commercial	\$772.60	\$792.27	\$1,069.62	\$1,197.76	\$1,293.97	\$1,397.32
Landscape	\$1,346.37	\$1,275.33	\$1,622.22	\$1,927.76	\$2,082.37	\$2,249.52

IMMEDIATE CATCH-UP FUND BALANCE W/ EMERGENCY RESERVE & DEBT



Cycle 1 Catch-Up

Base Rate (per Meter Size)	Current	2026	2027	2028	2029	2030	Res. Usage Rate (per month)	Current (per kgal)	2026	2027	2028	2029	2030
≤1"	\$32.94	\$33.93	\$39.02	\$44.87	\$50.26	\$56.29	0 – 6k	\$3.93	\$4.69	\$5.39	\$6.20	\$6.94	\$7.78
1.5"	\$32.94	\$67.67	\$77.82	\$89.49	\$100.23	\$112.26	6,001– 10k	\$4.91	\$5.86	\$6.74	\$7.75	\$8.68	\$9.72
2"	\$32.94	\$108.31	\$124.56	\$143.24	\$160.43	\$179.68	10,001 – 20k	\$6.14	\$7.32	\$8.42	\$9.69	\$10.85	\$12.15
3"	\$32.94	\$216.81	\$249.33	\$286.73	\$321.14	\$359.68	20,000 -30k	\$7.68	\$9.16	\$10.53	\$12.11	\$13.56	\$15.19
4"	\$32.94	\$338.73	\$389.54	\$447.97	\$501.73	\$561.93	30,000+	\$9.59	\$11.44	\$13.16	\$15.14	\$16.95	\$18.99
6"	\$32.94	\$677.27	\$778.86	\$895.69	\$1,003.17	\$1,123.55							
8"	\$32.94	\$1,083.67	\$1,246.22	\$1,433.15	\$1,605.13	\$1,797.75							
10"	\$32.94	\$1,557.93	\$1,791.62	\$2,060.36	\$2,307.61	\$2,587.52							

Landscape Usage Rate (per month)	Current (per kgal)	2026	2027	2028	2029	2030
0 – 50k	\$6.61	\$5.84	\$6.71	\$7.72	\$8.64	\$9.68
50,000+	\$7.93	\$8.75	\$10.07	\$11.58	\$12.96	\$14.52

Comm. Usage Rate (per month)	Current (per kgal)	2026	2027	2028	2029	2030
0 – 10k	\$8.08	\$6.49	\$7.47	\$8.59	\$9.62	\$10.77
10,001 – 20k	\$8.08	\$8.12	\$9.34	\$10.74	\$12.02	\$13.47
20,001 - 30k	\$8.08	\$12.18	\$14.00	\$16.10	\$18.04	\$20.20
30,000+	\$8.08	\$21.31	\$24.51	\$28.18	\$31.57	\$35.35

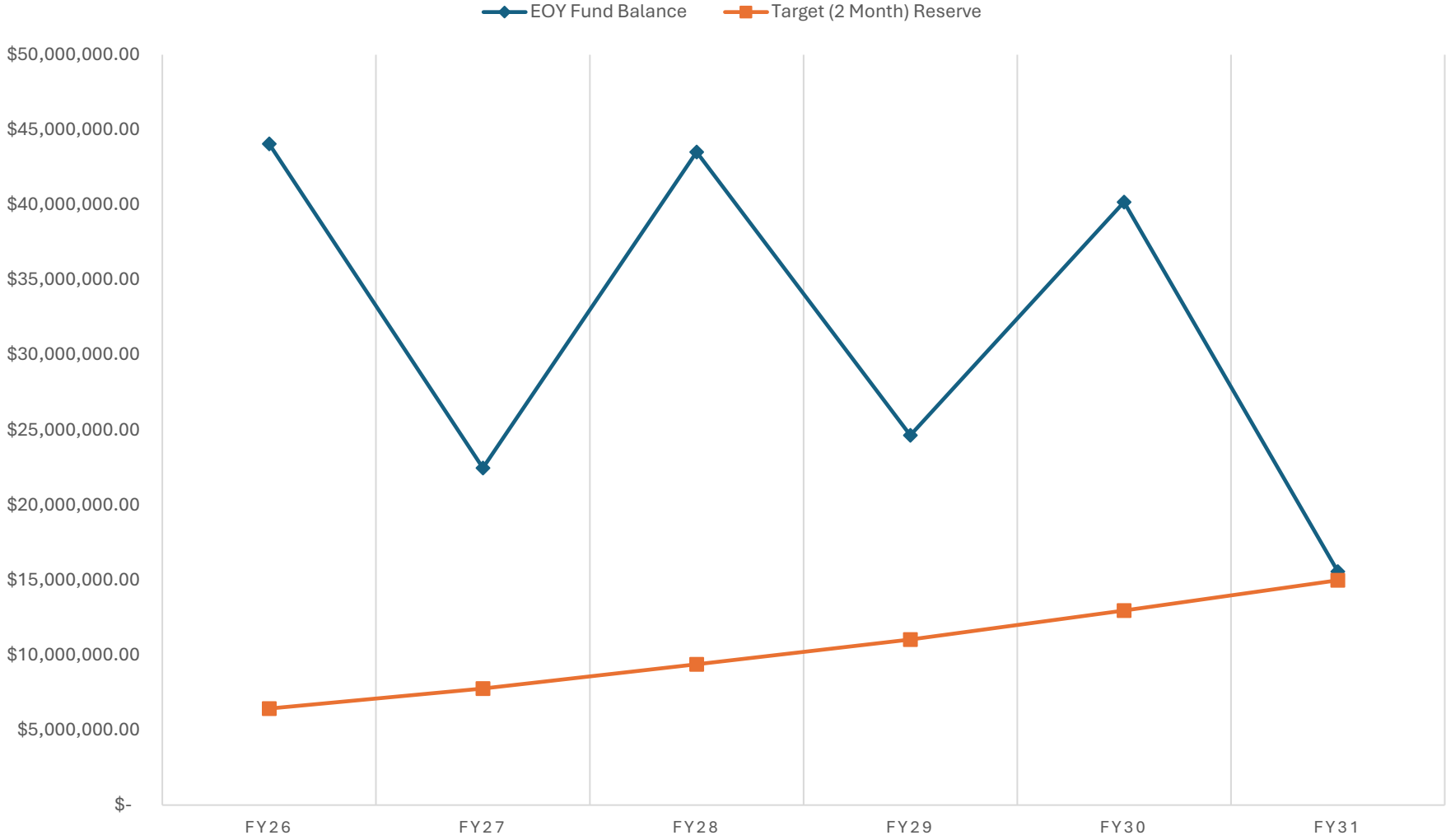
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- Landscape: 2” meter and 150k monthly usage

Category	Current	2026	2027	2028	2029	2030
Residential	\$ 56.52	\$62.06	\$71.36	\$82.07	\$91.90	\$102.97
Commercial	\$772.60	\$792.27	\$911.16	\$1,047.74	\$1,173.53	\$1,314.28
Landscape	\$1,346.37	\$1,275.33	\$1,467.06	\$1,687.24	\$1,888.43	\$2,115.68

CYCLE 1 CATCH-UP FUND BALANCE W/ EMERGENCY RESERVE & DEBT



Gradualism (Recommended)

Base Rate (per Meter Size)	Current	2026	2027	2028	2029	2030
≤1"	\$32.94	\$33.93	\$37.32	\$40.68	\$44.34	\$48.33
1.5"	\$32.94	\$67.67	\$74.44	\$81.14	\$88.44	\$96.40
2"	\$32.94	\$108.31	\$119.14	\$129.86	\$141.55	\$154.29
3"	\$32.94	\$216.81	\$238.49	\$259.96	\$283.35	\$308.85
4"	\$32.94	\$338.73	\$372.60	\$406.14	\$442.69	\$482.53
6"	\$32.94	\$677.27	\$745.00	\$812.05	\$885.13	\$964.79
8"	\$32.94	\$1,083.67	\$1,192.04	\$1,299.32	\$1,416.26	\$1,543.72
10"	\$32.94	\$1,557.93	\$1,713.72	\$1,867.96	\$2,036.07	\$2,219.32

Landscape Usage Rate (per month)	Current (per kgal)	2026	2027	2028	2029	2030
0 – 50k	\$6.61	\$5.84	\$6.42	\$7.00	\$7.63	\$8.31
50,000+	\$7.93	\$8.75	\$9.63	\$10.49	\$11.44	\$12.47

Res. Usage Rate (per month)	Current (per kgal)	2026	2027	2028	2029	2030
0 – 6k	\$3.93	\$4.69	\$5.16	\$5.62	\$6.13	\$6.68
6,001 – 10k	\$4.91	\$5.86	\$6.45	\$7.03	\$7.66	\$8.35
10,001 – 20k	\$6.14	\$7.32	\$8.06	\$8.78	\$9.57	\$10.43
20,000 – 30k	\$7.68	\$9.16	\$10.07	\$10.98	\$11.97	\$13.04
30,000+	\$9.59	\$11.44	\$12.59	\$13.72	\$14.96	\$16.30

Comm. Usage Rate (per month)	Current (per kgal)	2026	2027	2028	2029	2030
0 – 10k	\$8.08	\$6.49	\$7.14	\$7.79	\$8.49	\$9.25
10,001 – 20k	\$8.08	\$8.12	\$8.93	\$9.73	\$10.61	\$11.56
20,001 – 30k	\$8.08	\$12.18	\$13.40	\$14.60	\$15.91	\$17.35
30,000+	\$8.08	\$21.31	\$23.44	\$25.55	\$27.85	\$30.36

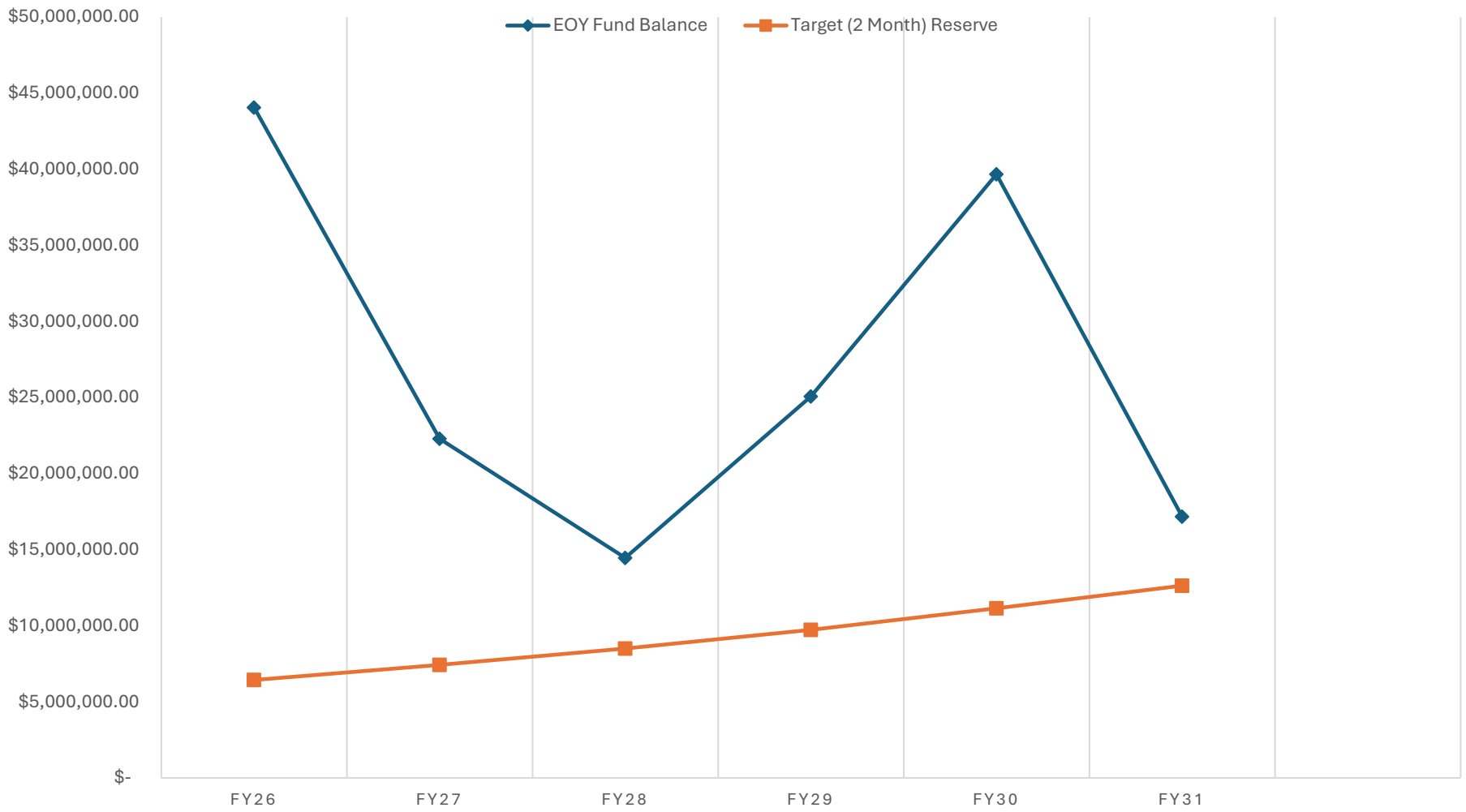
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Commercial	\$772.60	\$792.27	\$871.54	\$949.86	\$1,035.35	\$1,128.59
Landscape	\$1,346.37	\$1,275.33	\$1,403.14	\$1,528.86	\$1,667.05	\$1,816.79

GRADUALISM FUND BALANCE W/ EMERGENCY RESERVE & DEBT



QUESTIONS