

Buckeye Wastewater Rate Adjustments

Terry Lowe, WRD Director

September 25, 2025



AGENDA

Buckeye Rates Recap & Follow-Up Items

FY27-FY32 Forecasts

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

New Rates

- Proposed Structure
- Rate Scenarios
- Recommendations

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

Follow-Up Items from 9/11/25

Water CIP Impact Fee vs. Rate Base

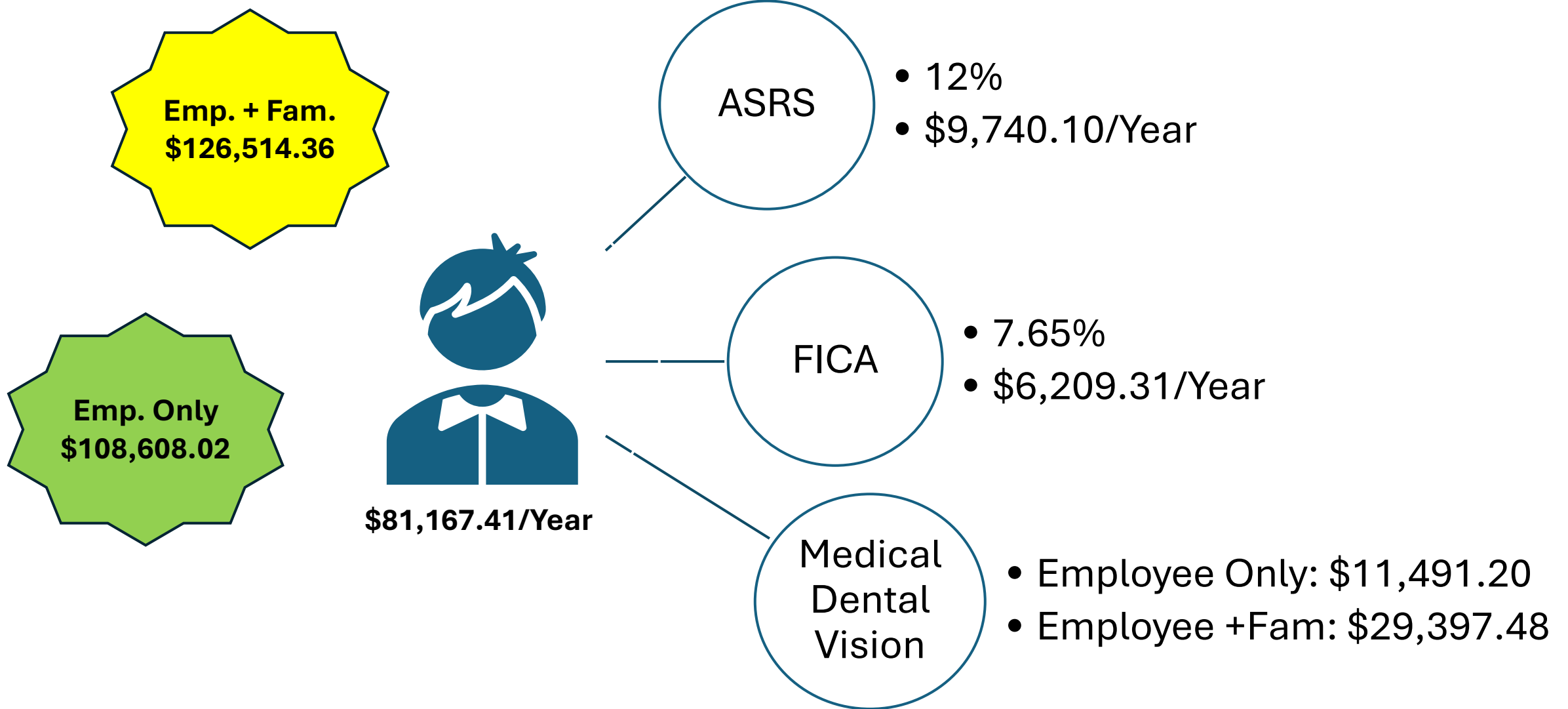
CIP Project	FY27-31 Total	Impact Fee %	Cost to Impact Fees	Cost to Rate Base	Alt Funding/Grant Opportunity
Pressure Reducing Valves	\$ 500,000	0%	\$-	\$500,000	N
Farallon Well #3	\$ 4,500,000	100%	\$ 4,500,000	\$ -	N
Sundance WC New Reservoir	\$ 6,000,000	100%	\$6,000,000	\$ -	N
Jackie Meck Water Campus Expansion	\$ 5,000,000	100%	\$5,000,000	\$ -	N
Sundance WC pH Control	\$ 2,500,000	0%	\$-	\$2,500,000	N
Valencia System Distribution Mains Upgrade	\$ 6,000,000	0%	\$-	\$6,000,000	Y
North Airport Water Campus Expansion	\$ 8,000,000	100%	\$8,000,000	\$ -	N
Brine Solar Drying Pilot Project	\$ 1,000,000	0%	\$ -	\$1,000,000	N
Water Resources Operations Center (WROC)	\$ 15,000,000	40%	\$6,000,000	\$8,000,000	N
North Airport WC AS/F Treatment Expansion #1	\$ 14,000,000	50%	\$ 7,000,000	\$7,000,000	N
Sundance Well #10 (Odessey Well)	\$ 4,500,000	100%	\$ 4,500,000	\$ -	N
Shadow Canyon Booster Station	\$ 1,250,000	0%	\$ -	\$ 1,250,000	N
North Airport Well #4	\$ 5,000,000	100%	\$ 5,000,000	\$ -	N
Farallon Well #4	\$ 5,000,000	100%	\$ 5,000,000	\$ -	N
Sun Valley Water System Improvements	\$ 17,000,000	0%	\$ -	\$ 17,000,000	Y
Brackish Groundwater Treatment	\$ 13,000,000	50%	\$ 6,500,000	\$ 6,500,000	N

Follow-Up Items from 9/11/25

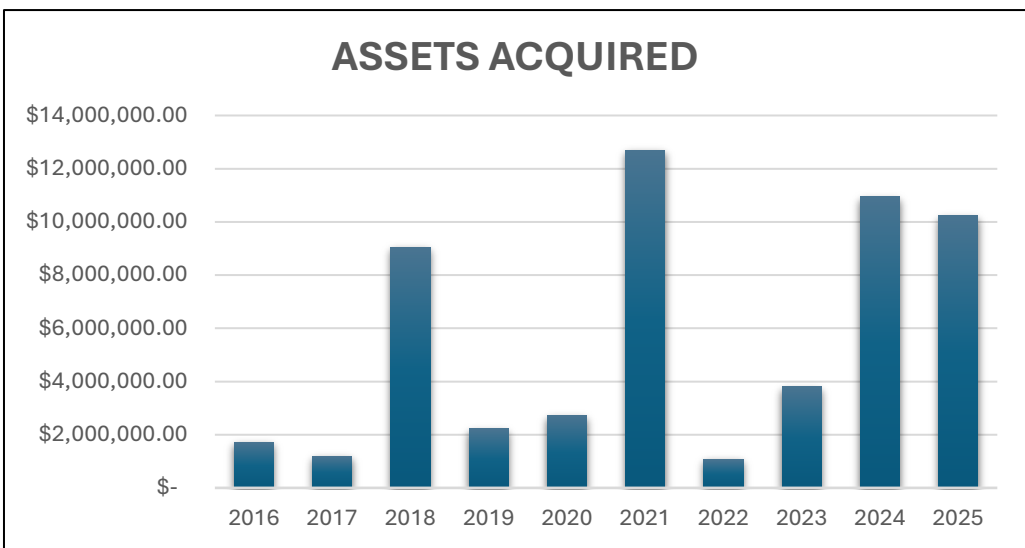
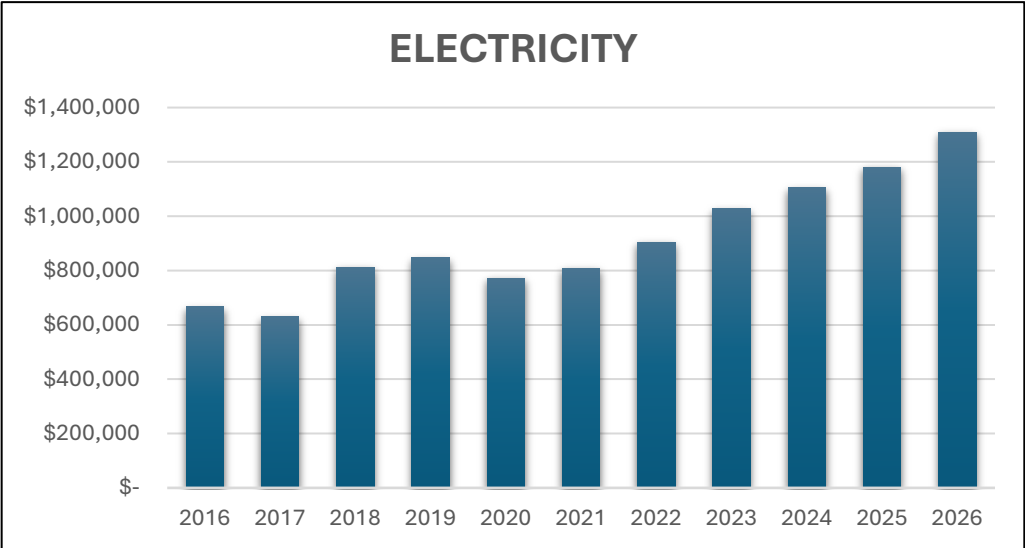
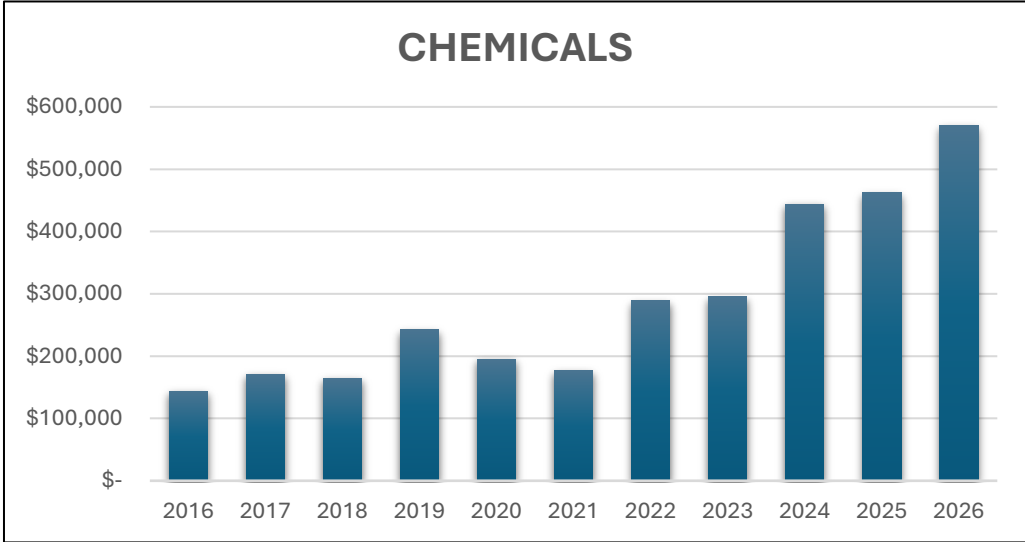
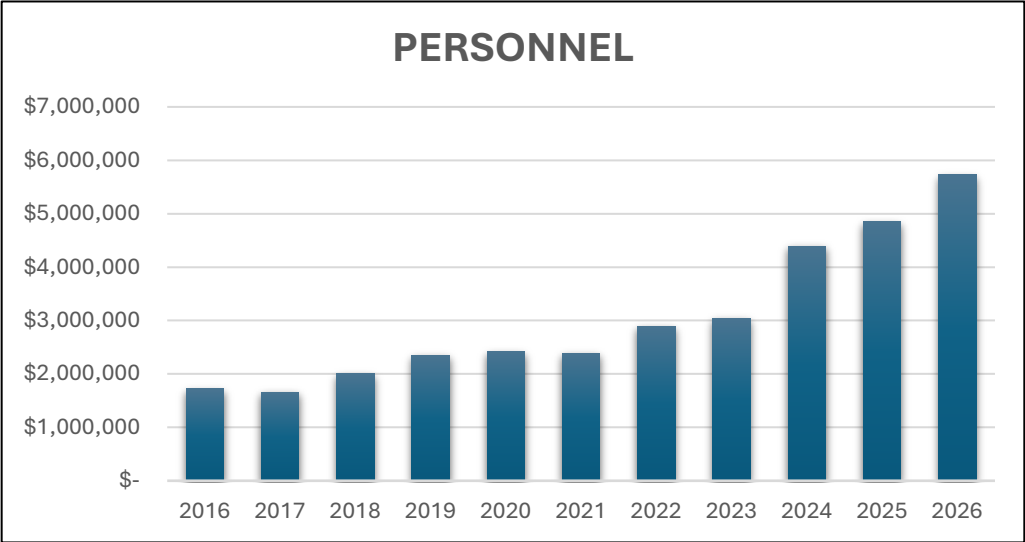
- Water rate increase percentages spread out more evenly.

Category	Current	2026	2027	2028	2029	2030
Residential	\$ 56.52	\$62.06	\$67.95	\$74.41	\$81.12	\$88.41
YOY % Inc.	-	9.8%	9.5%	9.5%	9.0%	9.0%

Follow-Up Items from 9/11/25



Major Expenses 2016-2025



FY27-FY31 WW CIP Forecasts

CIP Project	FY27	FY28	FY29	FY30	FY31	Total Est. Project Cost	% Impact Fee	Cost to Impact Fees	Cost to Rate Base	Alt Funding/ Grant Opportunity
Sundance WRF Improvements	\$ 3,900,000	\$ -	\$ -	\$ -	\$ -	\$ 3,900,000	0%	\$ -	\$ 3,900,000	Y
Central WRF Ring Levee Project	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -	\$ 15,000,000	0%	\$ -	\$ 15,000,000	Y
Central WRF 1.5 MGD Expansion #1	\$ 15,750,000	\$ 12,000,000	\$ 6,000,000	\$ -	\$ -	\$ 33,750,000	70%	\$ 23,625,000	\$ 10,125,000	N
Central WRF Reclaimed Water Management Phase I	\$ -	\$ 6,000,000	\$ 9,500,000	\$ 12,000,000	\$ 8,000,000	\$ 35,500,000	50%	\$ 17,750,000	\$ 17,750,000	Y
Central WRF* Improvements	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ -	\$ 20,000,000	0%	\$ -	\$ 5,000,000	Y
Water Resources Operations Center	\$ 3,000,000	\$ 8,000,000	\$ 4,000,000	\$ -	\$ -	\$ 15,000,000	40%	\$ 6,000,000	\$ 9,000,000	N
EPCOR Influent to Sundance	\$ -	\$ -	\$ 500,000	\$ 3,000,000	\$ 2,000,000	\$ 5,500,000	0%	\$ -	\$ 5,500,000	N

FY27-FY31 New Asset Forecasts WW

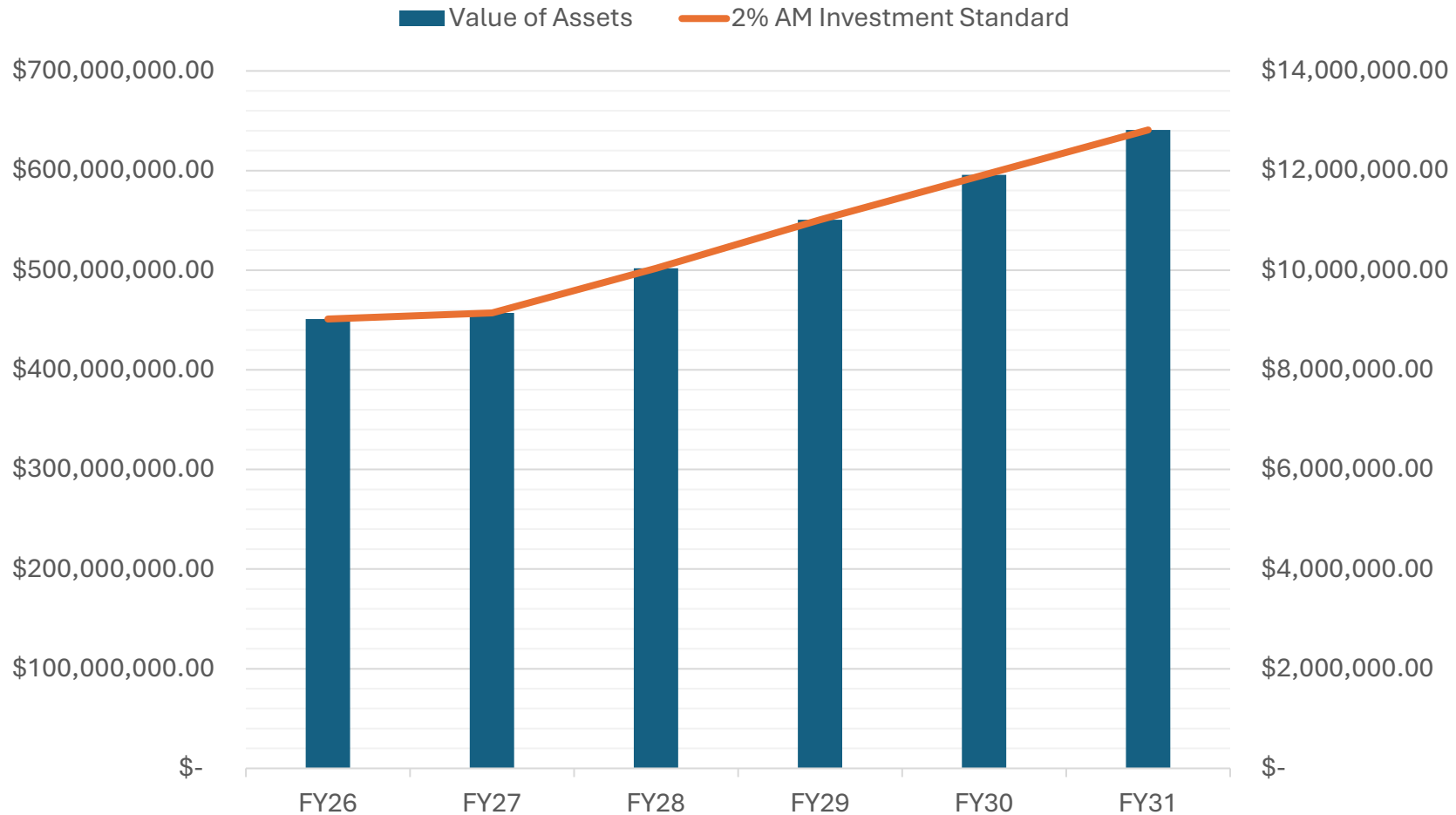
New Asset	FY27	FY28	FY29	FY30	FY31
Festival Wagner Wash Recharge Facility	\$ 6,000,000				
Festival WRF Expansion		\$ 15,000,000			
Tartesso WRF Expansion		\$ 30,000,000			
Central WRF Expansion #1 (CIP)			\$ 33,750,000		
WROC (CIP)			\$ 15,000,000		
Teravalis WRF - Perm				\$ 45,000,000	
Grandview WRF					\$ 45,000,000

FY27-FY31 Personnel Needs Forecasts

Division or Business Unit	FY27	FY28	FY29	FY30	FY31
Business	0.5	-	0.5	-	0.5
Treatment	-	-	-	3	-
Collections	-	1	-	-	1
Maintenance	-	1	1	-	-
Regulatory Compliance	0.5	-	-	-	-
Automation	-	-	0.5	-	-
Engineering/Construction	-	0.5	-	-	0.5
WW Fund FTE Sub Totals	49	51.5	53.5	58.5	60.5
WRD FTE Totals	119.5	127.5	133.5	138.5	145.5

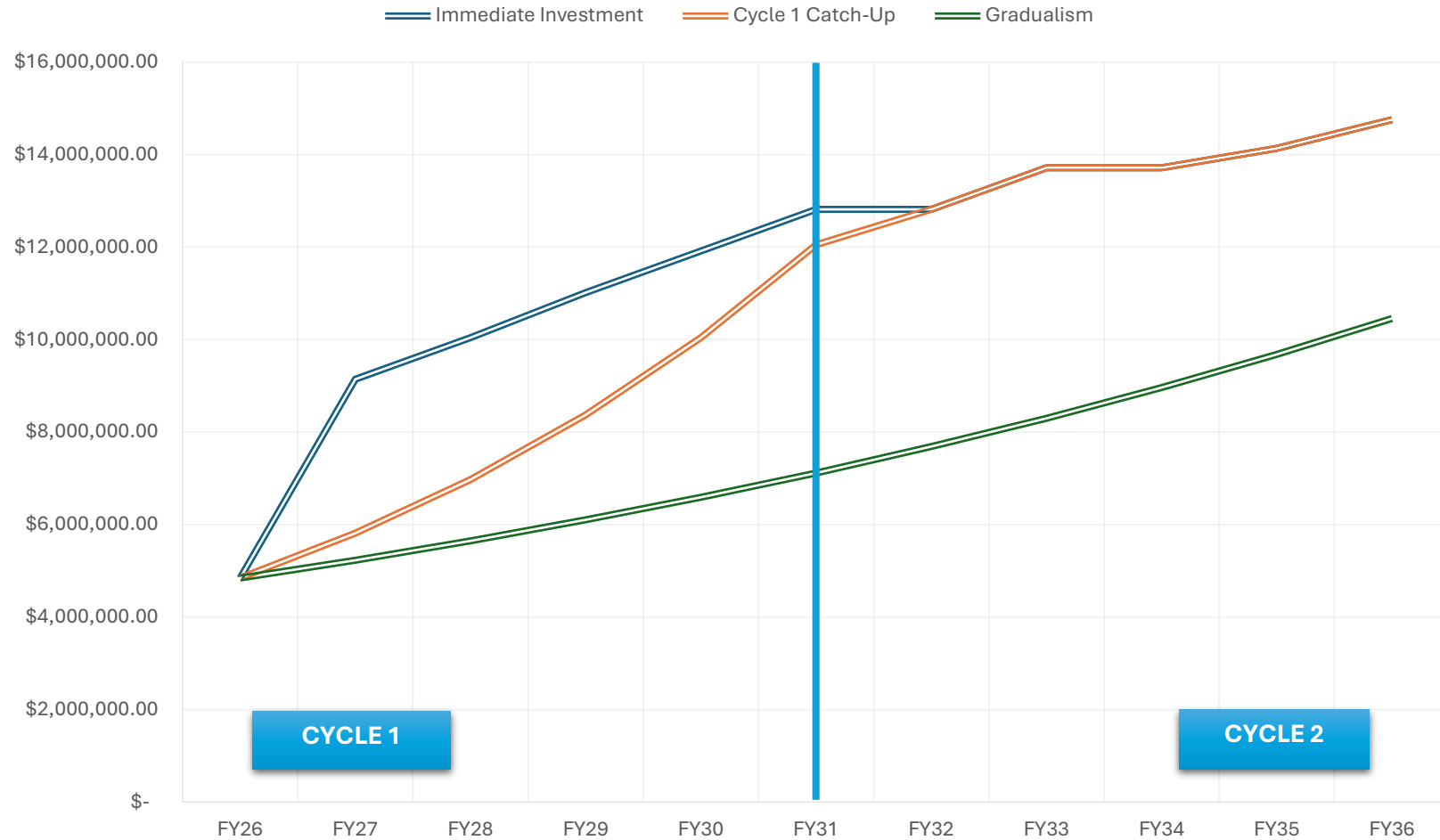
FY27 – FY31 Asset Value Increases

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

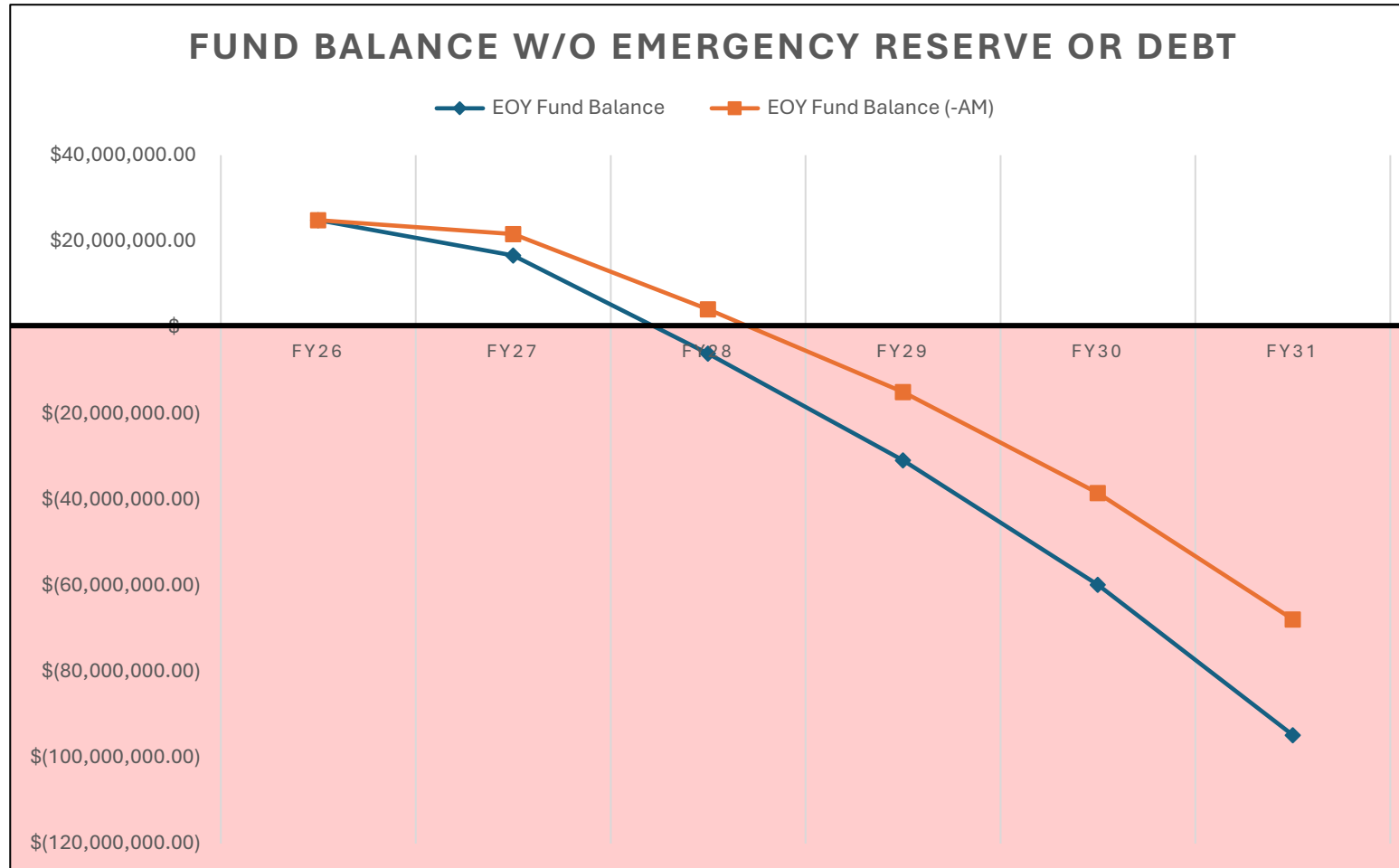
Base Rate (per meter size)
≤1"
1.5"
2"
3"
4"
6"
8"
10"

Res. Usage Rate
No Usage Charge

Comm. Usage Rate
Per Thousand Gallons

Non-Potable Water Rate
Per Thousand Gallons

Status Quo (Not an Option)



Immediate Catch Up (Not Recommended)

Residential Base Rate (per Meter Size)	Current	2026	2027	2028	2029	2030
≤1"	\$28.86	\$43.27	\$56.25	\$70.31	\$84.38	\$97.03

Commercial Base Rate (per Meter Size)	Current	2026	2027	2028	2029	2030
≤1"	\$60.06	\$43.27	\$56.25	\$70.31	\$84.38	\$97.03
1.5"	\$60.06	\$86.28	\$112.16	\$140.21	\$168.25	\$193.48
2"	\$160.19	\$138.10	\$179.53	\$224.41	\$269.30	\$309.69
3"	\$160.19	\$276.46	\$359.40	\$449.25	\$539.10	\$619.96
4"	\$300.36	\$431.92	\$561.50	\$701.87	\$842.24	\$968.58
6"	\$500.59	\$863.58	\$1,122.65	\$1,403.32	\$1,683.98	\$1,936.58
8"	\$1,001.18	\$1,381.78	\$1,796.31	\$2,245.39	\$2,694.47	\$3,098.64

Comm. Usage Rate	Current	2026	2027	2028	2029	2030
(per thousand gallons)	\$2.51	\$5.52	\$7.18	\$8.97	\$10.77	\$12.38

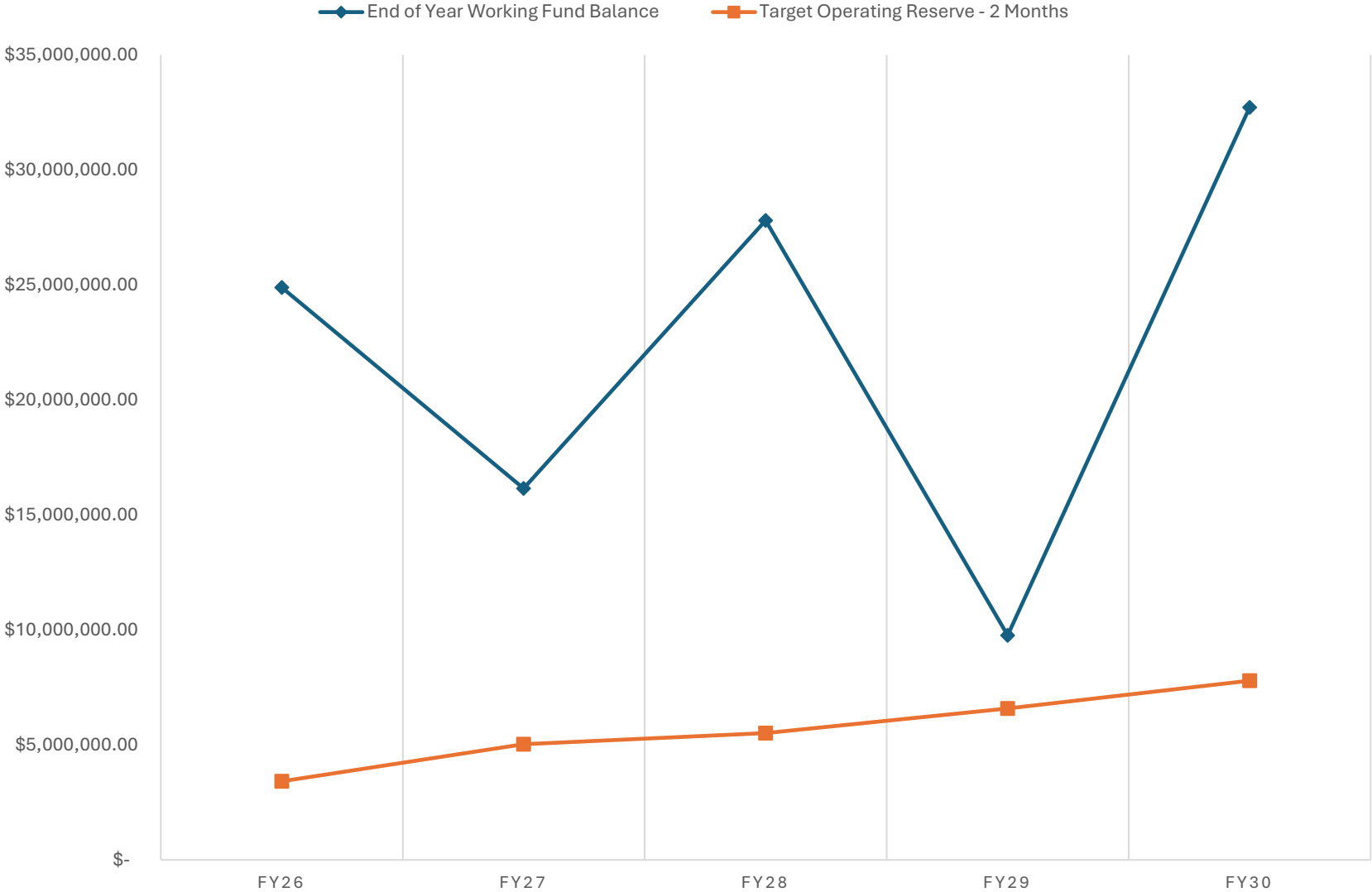
Immediate Catch-Up (Not Recommended)

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

- Residential : 1” meter and any monthly usage
- Commercial : 2” meter and 60k monthly usage

Category	Current	2026	2027	2028	2029	2030
Residential	\$ 38.86	\$43.27	\$56.25	\$70.31	\$84.38	\$97.03
Commercial	\$310.79	\$469.30	\$610.33	\$762.61	\$915.50	\$1,052.49

IMMEDIATE FUND BALANCE W/EMERGENCY RESERVE & DEBT



Cycle 1 Catch Up (Not Recommended)

Residential Base Rate (per Meter Size)	Current	2026	2027	2028	2029	2030
≤1"	\$28.86	\$43.27	\$54.09	\$67.61	\$81.13	\$93.30

Commercial Base Rate (per Meter Size)	Current	2026	2027	2028	2029	2030
≤1"	\$60.06	\$43.27	\$54.09	\$67.61	\$81.13	\$93.30
1.5"	\$60.06	\$86.28	\$107.85	\$134.81	\$161.78	\$186.04
2"	\$160.19	\$138.10	\$172.63	\$215.78	\$258.94	\$297.78
3"	\$160.19	\$276.46	\$345.58	\$431.97	\$518.36	\$596.12
4"	\$300.36	\$431.92	\$539.90	\$674.88	\$809.85	\$931.33
6"	\$500.59	\$863.58	\$1,079.48	\$1,349.34	\$1,619.21	\$1,862.09
8"	\$1,001.18	\$1,381.78	\$1,727.23	\$2,159.03	\$2,590.84	\$2,979.46

Comm. Usage Rate (per thousand gallons)	Current	2026	2027	2028	2029	2030
	\$2.51	\$5.52	\$6.90	\$8.63	\$10.35	\$11.91

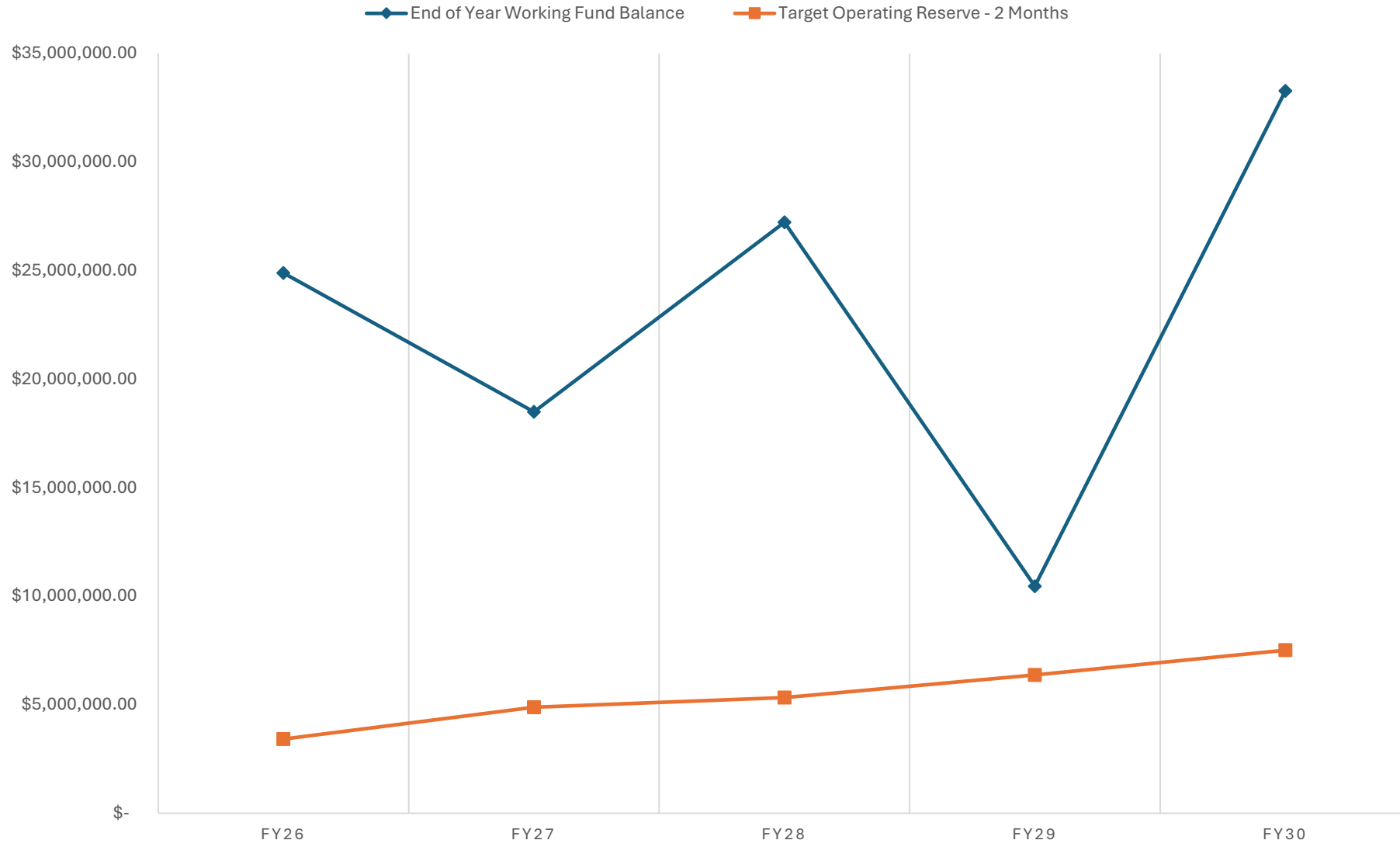
Cycle 1 Catch-Up (Not Recommended)

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

- Residential : 1” meter and any monthly usage
- Commercial : 2” meter and 60k monthly usage

Category	Current	2026	2027	2028	2029	2030
Residential	\$ 38.86	\$43.27	\$54.09	\$67.61	\$81.13	\$93.30
Commercial	\$310.79	\$469.30	\$586.63	\$733.58	\$879.94	\$1,012.38

CYCLE 1 FUND BALANCE W/EMERGENCY RESERVE & DEBT



Gradualism (Recommended)

Residential Base Rate (per Meter Size)	Current	2026	2027	2028	2029	2030
≤1"	\$28.86	\$46.54	\$51.19	\$56.31	\$61.94	\$68.14

Commercial Base Rate (per Meter Size)	Current	2026	2027	2028	2029	2030
≤1"	\$60.06	\$46.54	\$51.19	\$56.31	\$61.94	\$68.14
1.5"	\$60.06	\$92.81	\$102.09	\$112.30	\$123.53	\$135.88
2"	\$160.19	\$148.55	\$163.41	\$179.75	\$197.72	\$217.49
3"	\$160.19	\$297.37	\$327.11	\$359.82	\$395.80	\$435.38
4"	\$300.36	\$464.59	\$511.05	\$562.15	\$618.37	\$680.21
6"	\$500.59	\$928.91	\$1,021.80	\$1,123.98	\$1,236.38	\$1,360.02
8"	\$1,001.18	\$1,486.31	\$1,634.94	\$1,798.44	\$1,978.28	\$2,176.11

Comm. Usage Rate	Current	2026	2027	2028	2029	2030
(per thousand gallons)	\$2.51	\$4.24	\$4.66	\$5.04	\$5.44	\$5.88

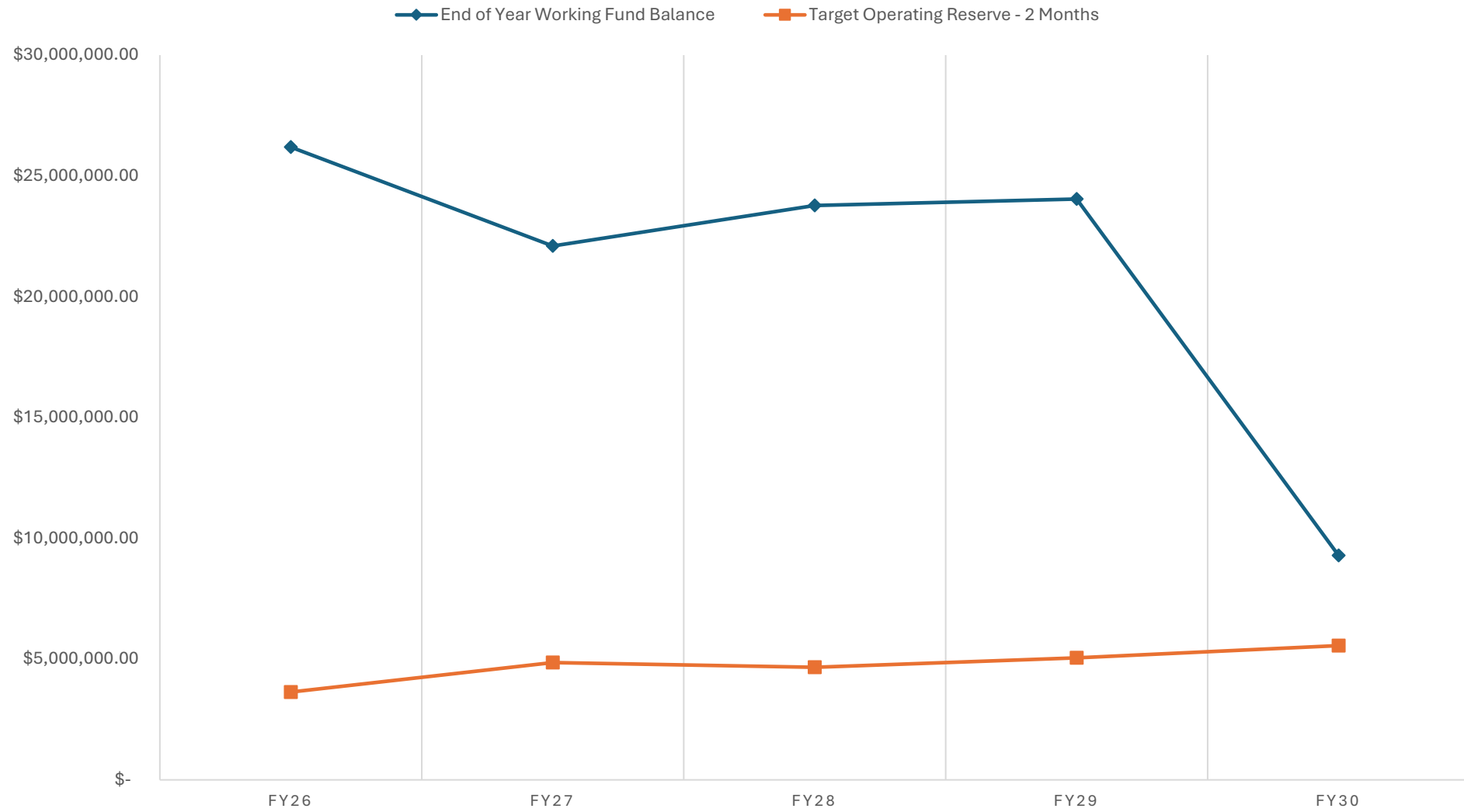
Gradualism (Recommended)

Sample Bills (does **not** include water, taxes and fees)

- Residential : 1” meter and any monthly usage
- Commercial : 2” meter and 60k monthly usage

Category	Current	2026	2027	2028	2029	2030
Residential	\$ 38.86	\$46.54	\$51.19	\$56.31	\$61.94	\$68.14
Commercial	\$310.79	\$402.94	\$443.01	\$482.15	\$524.12	\$570.29

GRADUALISM FUND BALANCE W/ EMERGENCY RESERVE & DEBT



Non-Potable Water

Base Rate (per Meter Size)	Current	2026	2027	2028	2029	2030
≤1"	\$32.94	\$33.93	\$37.15	\$40.68	\$44.34	\$48.34
1.5"	\$32.94	\$67.67	\$74.10	\$81.14	\$88.44	\$96.40
2"	\$32.94	\$108.31	\$118.60	\$129.87	\$141.55	\$154.29
3"	\$32.94	\$216.81	\$237.41	\$259.96	\$283.36	\$308.86
4"	\$32.94	\$338.73	\$370.91	\$406.15	\$442.70	\$482.54
6"	\$32.94	\$677.27	\$741.61	\$812.06	\$885.15	\$964.81
8"	\$32.94	\$1,083.67	\$1,186.62	\$1,299.35	\$1,416.29	\$1,543.75
10"	\$32.94	\$1,557.93	\$1,705.93	\$1,868.00	\$2,036.12	\$2,219.37

Res. Usage Rate	Current	2026	2027	2028	2029	2030
Per Thousand Gallons	\$3.93	\$4.69	\$5.13	\$5.62	\$6.13	\$6.68

RECOMMENDATIONS SUMMARY / RE-CAP

Gradualism Water Recommendation

Base Rate (per Meter Size)	Current	2026	2027	2028	2029	2030
≤1"	\$32.94	\$33.93	\$37.15	\$40.68	\$44.34	\$48.34
1.5"	\$32.94	\$67.67	\$74.10	\$81.14	\$88.44	\$96.40
2"	\$32.94	\$108.31	\$118.60	\$129.87	\$141.55	\$154.29
3"	\$32.94	\$216.81	\$237.41	\$259.96	\$283.36	\$308.86
4"	\$32.94	\$338.73	\$370.91	\$406.15	\$442.70	\$482.54
6"	\$32.94	\$677.27	\$741.61	\$812.06	\$885.15	\$964.81
8"	\$32.94	\$1,083.67	\$1,186.62	\$1,299.35	\$1,416.29	\$1,543.75
10"	\$32.94	\$1,557.93	\$1,705.93	\$1,868.00	\$2,036.12	\$2,219.37

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	\$5.13	\$5.62	\$6.13	\$6.68
6,001 – 10k	\$4.91	\$5.86	\$6.42	\$7.03	\$7.66	\$8.35
10,001 – 20k	\$6.14	\$7.32	\$8.02	\$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	\$12.53	\$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	\$7.11	\$7.79	\$8.49	\$9.25
10,001 – 20k	\$8.08	\$8.12	\$8.89	\$9.73	\$10.61	\$11.56
20,001 – 30k	\$8.08	\$12.18	\$13.33	\$14.60	\$15.92	\$17.35
30,000+	\$8.08	\$21.31	\$23.33	\$25.55	\$27.85	\$30.36

Gradualism Sewer Recommendation

Residential Base Rate (per Meter Size)	Current	2026	2027	2028	2029	2030
≤1"	\$28.86	\$46.54	\$51.19	\$56.31	\$61.94	\$68.14

Commercial Base Rate (per Meter Size)	Current	2026	2027	2028	2029	2030
≤1"	\$60.06	\$46.54	\$51.19	\$56.31	\$61.94	\$68.14
1.5"	\$60.06	\$92.81	\$102.09	\$112.30	\$123.53	\$135.88
2"	\$160.19	\$148.55	\$163.41	\$179.75	\$197.72	\$217.49
3"	\$160.19	\$297.37	\$327.11	\$359.82	\$395.80	\$435.38
4"	\$300.36	\$464.59	\$511.05	\$562.15	\$618.37	\$680.21
6"	\$500.59	\$928.91	\$1,021.80	\$1,123.98	\$1,236.38	\$1,360.02
8"	\$1,001.18	\$1,486.31	\$1,634.94	\$1,798.44	\$1,978.28	\$2,176.11

Comm. Usage Rate	Current	2026	2027	2028	2029	2030
(per thousand gallons)	\$2.51	\$4.24	\$4.66	\$5.04	\$5.44	\$5.88

Recommendation Sample Bills *taxes & fees not included*

Water	Assumptions	Current	2026	2027	2028	2029	2030
Residential	1" Meter, 6K/month usage	\$ 56.52	\$62.07	\$67.93	\$74.40	\$81.12	\$88.42
Commercial	2" Meter, 60K/month usage	\$772.60	\$792.01	\$893.40	\$949.87	\$1,035.55	\$1,128.59
Landscape	2" Meter, 150K/month usage	\$1,346.37	\$1,275.33	\$1,403.14	\$1,528.86	\$1,667.05	\$1,816.79
Non-Potable	2" Meter, 150K/month usage	\$655.19	\$811.88	\$881.10	\$972.87	\$1,061.05	\$1,156.29

Sewer	Assumptions	Current	2026	2027	2028	2029	2030
Residential	1" Meter, any usage	\$ 38.86	\$46.54	\$51.19	\$56.31	\$61.94	\$68.14
Commercial	2" Meter, 60K/month usage	\$310.79	\$402.94	\$443.01	\$482.15	\$524.12	\$570.29

Recommended Rates Comparison

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 *today	\$32.94	\$23.58	\$28.86	\$12.00	\$97.38
Buckeye *1/2026	\$33.93	\$28.14	\$46.54	\$0.00	\$108.61
EPCOR	\$46.46	\$21.99	\$46.56	\$0.00	\$115.01
Buckeye *1/2027	\$37.15	\$30.78	\$51.19	\$0.00	\$119.12
Goodyear*	\$28.86	\$14.52	\$41.87	\$44.82	\$130.07

Next Time

- Final Recap
- Committee Follow-up Discussions
- Committee Vote on New Rates

DISCUSSION & QUESTIONS