

## WATER & GROWTH

We want to assure you that current Buckeye customers are not paying for new growth. Rates do not pay for the construction of new infrastructure for new development. New development pays for the construction of all new infrastructure and then dedicates the infrastructure to the city. The city then provides its utility services to the customers and, as the new owner of the infrastructure, operates and maintains it. The new customers associated with that new infrastructure then contribute by paying their water and sewer bills.

In essence, the pace that the city is growing is not outpacing the cost of the service. And each new customer also adds to the expenses, not just the revenues. The more water that has to be pumped means more running time for wells, more chemicals to treat, then eventually more reservoirs for storage and so on.

Utilities are considered enterprise funds, where the cost to deliver the water and sewer services are recouped by the rates. These costs include electricity, chemicals, fuel, vehicles and equipment, personnel, health insurance, and all maintenance requirements to ensure all services are provided in safe and efficient manner. The costs of all these items and activities are not the same as they were 12 years ago.



## INFRASTRUCTURE MAINTENANCE & REPAIR

Whether the infrastructure is new or old, it must be maintained, and the needs of an area can also change. Buckeye does have water infrastructure dating back to the 1960s, but places like Tartesso and Sundance are coming up on 20 years old and are in need of rehabilitation.

A few examples include investing \$9 million in fluoride and arsenic treatment for the Tartesso area, and \$18 million invested into the Sundance reclamation facility. These are revolving expense that we need to keep up with to continue providing you great service.