

City of Apache Junction Water Utilities Community Facilities District

Agenda Item 2

**Discussion on Proposed
Fiscal Year 2020–2021 Budget
July 7, 2020**

Overview

- **Proposed 2020-21 Budget**
- **Proposed Rates, Fees, and Charges**
- **Classification and Compensation Plan**

Proposed 2020-21 District Budget SUMMARY

- Resources:

Revenues	\$ 5,151,500
Reserves	<u>1,036,895</u>
Total Resources	<u>\$ 6,188,395</u>

- Expenditures:

Administration	\$ 2,163,290
System Operations	<u>4,025,105</u>
	<u>\$ 6,188,395</u>

Proposed 2020-21 District Budget

CAPITAL PROJECTS

- 1) Design and build raw water impound at
Superstition Area Water Plant
Phase 1 of 2 - \$800,000
- 2) Replace coating on hydro-tank at
booster station #2 - \$20,000

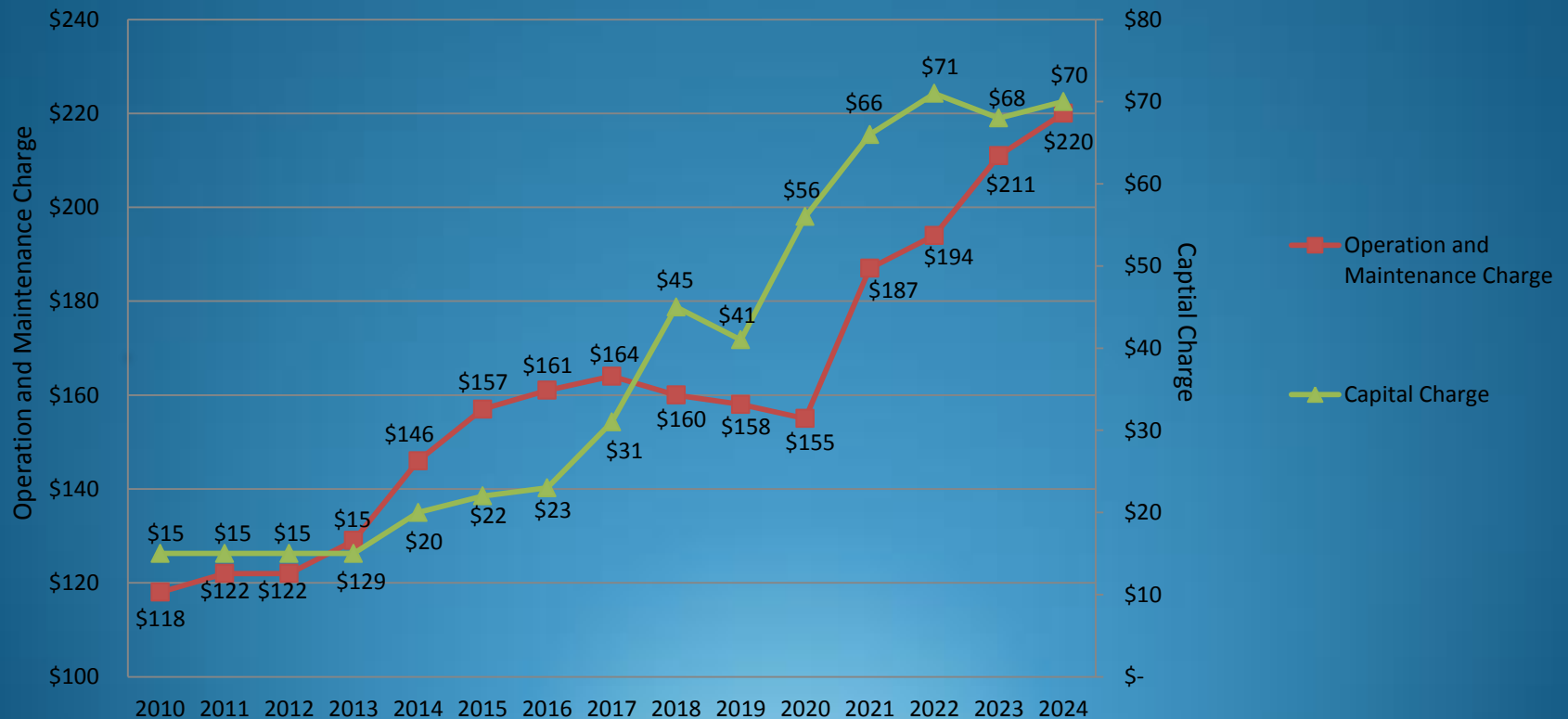
Proposed 2020-21 District Budget EXPENDITURE INCREASES

- \$800,000: Design and Construction Raw Water Impound at the SAWP Phase 1 of 2
- \$50,000: Utility Billing Software
- \$125,000: Central Arizona Project proposed rate structure

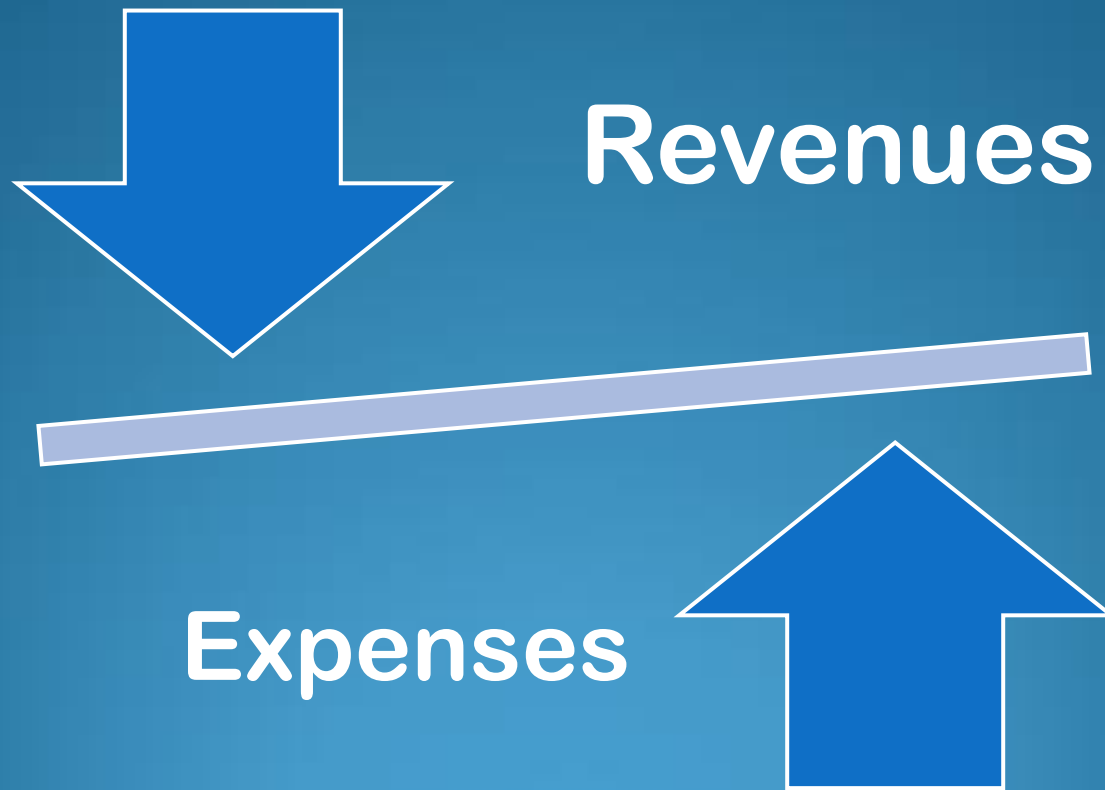
Proposed 2020-21 District Budget

CAP WATER CHARGES

Cost of Central Arizona Project Water



Proposed 2020-21 District Budget

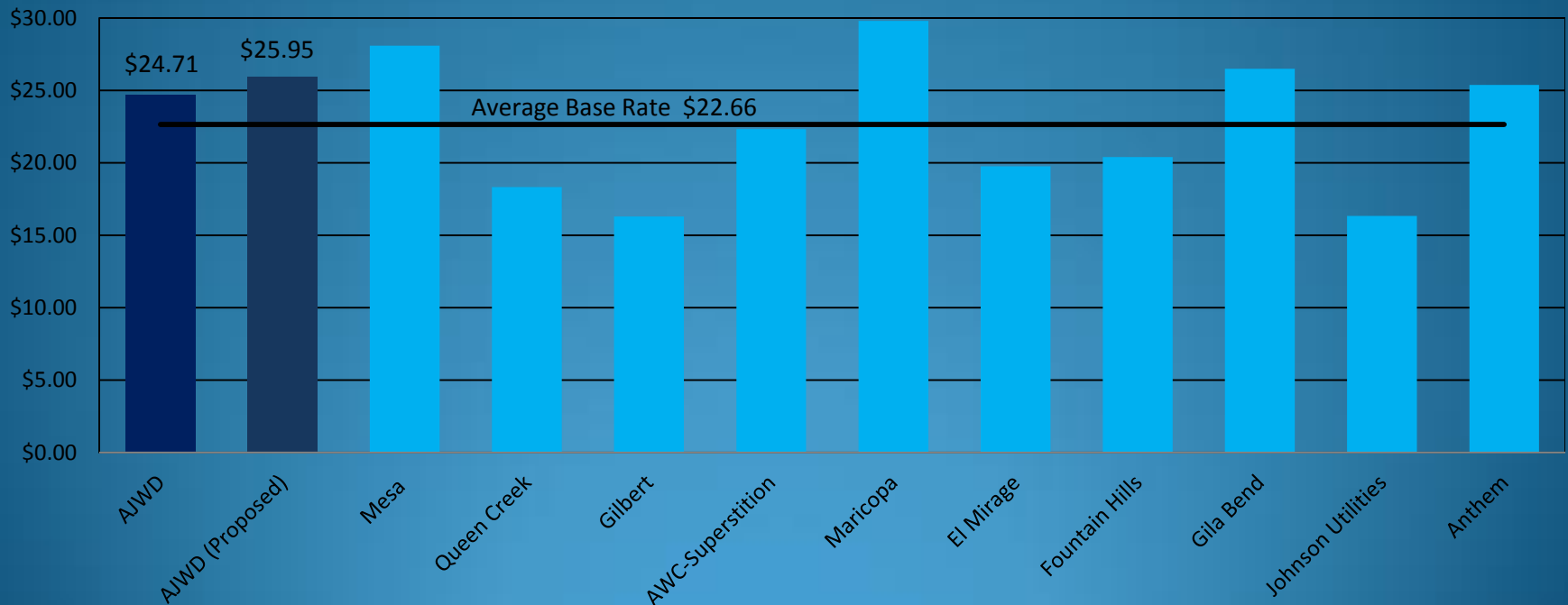


Approach is sensible, reasonable and balanced

Proposed 2020-21 Rates

BASE RATES COMPARISON

Base Water Rates



Proposed 2020-21 District Budget

PROPOSED RATE ADJUSTMENTS

- Customers Within the City Limits of Apache Junction
 - Base Rate: 5% Increase
 - Consumption Rates: NO CHANGE
 - Consumption Tiers: NO CHANGE

Proposed 2020-21 District Budget

PROPOSED RATE ADJUSTMENTS

- Customers in County and County Islands
 - Base Rate: 5.0% Increase
 - Consumption Rates: 5.0% Increase
 - Consumption Tiers: NO CHANGE

COMPARISON – PROPOSED RATES

District Customers within City Limits

5/8" METER RATE	EXISTING	PROPOSED	DIFFERENCE
Base Rate	\$ 24.71	\$ 25.95	\$ 1.24
Consumption Rate	\$ 34.70	\$ 34.70	\$ 0
Subtotal	\$ 59.41	\$ 60.65	\$ 1.24
Tax	\$ 6.30	\$ 6.43	\$ 0.13
TOTAL	\$ 65.71	\$ 67.08	\$ 1.37

2.0% overall increase

Based on AVERAGE Customer (i.e. small household) using
7,500 gallons per month

COMPARISON – PROPOSED RATES

District Customers in County Areas

5/8" METER RATE	EXISTING	PROPOSED	DIFFERENCE
Base Rate	\$ 25.45	\$ 26.72	\$ 1.27
Consumption Rate	\$ 39.45	\$ 41.41	\$ 1.97
Subtotal	\$ 64.90	\$ 68.13	\$ 3.24
Tax	\$ 4.67	\$ 4.91	\$ 0.23
TOTAL	\$ 69.57	\$ 73.04	\$ 3.47

4.7% overall increase

Based on AVERAGE Customer (i.e. small household) using
7,500 gallons per month

COMPARISON – PROPOSED RATES

5/8" METER RATE	CITY	COUNTY
Base Rate	\$ 25.95	\$ 26.72
Consumption Rate	\$ 34.70	\$ 41.41
Tax	\$ 6.43	\$ 4.91
TOTAL	\$ 67.08	\$ 73.04

**Based on AVERAGE Customer (i.e. small household)
using 7,500 gallons per month**

Residential System Connection Fees

Does Not Affect Current Customer Base

SERVICE TYPE	CURRENT 2019-2020	PROPOSED 2020-2021
Single Family	\$ 4,580	\$ 4,650
Multi-Family	\$ 4,410	\$ 4,480
Manufactured Home / RV Space	\$ 4,580	\$ 4,650

Proposed 1.5 % Increase

Proposed 2020-21 Rates

Potable Water station

- 725 E. Baseline Ave.



Existing Base Rate \$20.25

Non-Potable Water station

- Baseline Ave. at CAP canal



Proposed Base Rate \$30.38

Proposed 2020-21 District Budget CLASSIFICATION & COMPENSATION

- Will use same Classification and Compensation Plans as the City
- Recommend 2.5% step increase
- 7% increase to health insurance premiums, the District will cover the cost of the increase