



MEMORANDUM

Date: May 28, 2013

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to be "CHH", is written over the printed name "C.H. Huckelberry".

Re: **Comparison of Sewer Rates with City of Tucson Water Rates**

On May 21, 2013, the City of Tucson Mayor and Council adopted an increase to the current water rates recommended by the City of Tucson Water Department. Given the continuing concern for the increased sewer rates that are administered by Pima County, I requested a comparison of our recent history of sewer rate increases to those that have been experienced or are anticipated by Tucson Water.

The attached memorandum from the Regional Wastewater Reclamation Department reviews the rate history for both utilities for the last seven years. Please note that in approximately 2006, both the water and wastewater rates were essentially equivalent for the average monthly user. In response to the need for upgrading our major wastewater treatment facilities and conveyance and treatment infrastructure, a series of rate increases have occurred.

The average wastewater user pays approximately \$41 per month. With the recently adopted City of Tucson Water rates, the average water user pays approximately \$28 per month. However, given the intention of Tucson Water to incrementally increase rates to address their infrastructure needs, the potential exists that by 2017, water and sewer rates will once again be essentially equivalent. Obviously, both utilities will continue to experience the challenge of aging infrastructure and the potential for increased costs for complying with intensified regulations for improving water quality.

Based on the present financial plan approved by the Regional Wastewater Reclamation Advisory Committee and after the increase scheduled at the start of Fiscal Year (FY) 2013/14 on July 1, 2013, there will be no wastewater increase in FY 2014/15; and if necessary, a modest three percent increase in FY 2015/16.

We will continue to diligently manage our wastewater utility operations to minimize the cost to our customers to the maximum extent possible.

CHH/mjk

Attachment

c: John Bernal, Deputy County Administrator – Public Works
Jackson Jenkins, Regional Wastewater Reclamation Department Director



**PIMA COUNTY
REGIONAL WASTEWATER RECLAMATION DEPARTMENT**

201 NORTH STONE AVENUE
TUCSON, ARIZONA 85701-1207

JACKSON JENKINS
DIRECTOR

PH: (520) 740-6500
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May 23, 2013

TO: C.H. Huckelberry, County Administrator
THRU: John M. Bernal, P.E., Deputy County Administrator
FROM: Jackson Jenkins, Director
SUBJECT: Rate Increase Comparison with Tucson Water

The attached Rate Increase Comparison Chart compares the Tucson Water (TW) and Regional Wastewater Reclamation Department (RWRD) user fee rates and charges since 2004. TW households are calculated as using 10 hundred cubic feet (ccf) of water, and RWRD households are calculated as generating 8 ccf of wastewater flow. The chart shows that the user fee rates for these households were approximately equal in the 2004-06 period, but, beginning in 2006, RWRD rates have increased dramatically in two major phases.

The first phase, from 2006 to 2010, was a series of rate increases based on the Speedway incident and the subsequent Black and Veatch audit which recommended significant additional spending on RWRD conveyance and treatment infrastructure. The second phase began in 2010 with a series of annual increases in the user fee rates and charges to support the ROMP program.

Currently, the 2012 RWRD rates for the basic 8 ccf monthly residential user are \$3.523 per ccf while the TW 2012 rates for the 10 ccf level of consumption are \$1.69 per ccf (including the CAP and Conservation fees). However, as noted beneath the chart, TW rates are tiered with higher consumption users paying significantly more for consumption in each succeeding tier - ranging from \$2.45 per ccf in the 11-15 ccf tier to \$10.45 per ccf in the over 30 ccf tier.

Going forward, the April 2013 RWRD Financial Plan currently reflects the implementation of

- the previously authorized 10% volume charge and 6.5% service charge increases on July 1, 2013,
- no anticipated rate increases in 2014-15, and
- in fiscal year 2013-14, "an evaluation of rate increases that may be necessary for future years in order to maintain adequate debt service ratios in future years and to maintain low interest rates".

The TW Financial Plan (attached as FY 14 Summary Cost of Service) indicates that 8.3% increases in revenue are anticipated in each of the next five years beginning in the 2013-2014 fiscal year. Only the 2013-14 increase has been approved at this time.

Staff obtained further information on the TW rate increases from the discussion and actions of the City Council at their May 21 meeting. Eric Wieduwilt attended the meeting and reported that the Council adopted Option C (see pages 18-22 of the Summary Cost Document) as the actual rate schedule to be used to implement the 8.3% revenue increase for 2013-14.

Option C provides the lowest burden to low consumption uses and a greater burden to higher consumption users. This will increase the low-user (10 ccf) monthly bill by \$2.91 to \$28.08 including increases in the monthly service charge (\$1.41), residential volume (\$.30), and CAP (\$1.20).

Please note that the April 16, 2013, TW PowerPoint presentation (attached) of the 8.3% proposed revenue increase to the Council included the upcoming RWRD increases in each of the slides for Options A – C. The slides indicated (accurately) that the RWRD monthly bill (8 ccf) was increasing to \$40.81 including increases in the monthly service charge (\$0.77) and residential volume (\$2.56). At no point does TW use its mid- or high-tier rates to compare total or like-kind charges.

There were only two citizen comments at the meeting: one saying fixed income residents would have difficulty with the increase, and another (a CWAC member speaking as a private citizen) suggesting an alternative rate schedule.

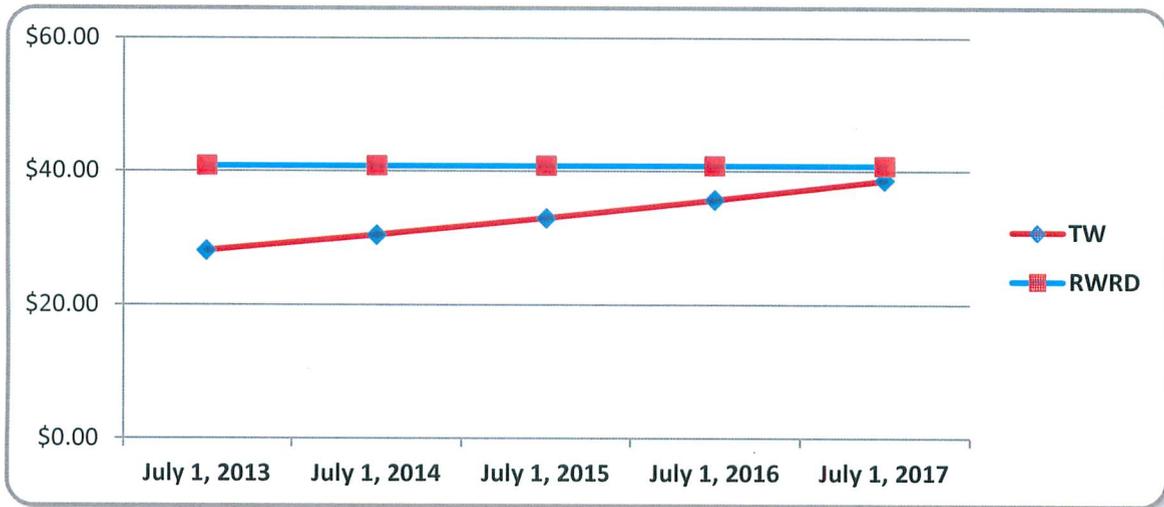
There were several questions and comments from the Council regarding:

- how these rates compared to other AZ providers (below average);
- how they impact duplexes and triplexes (same as a single family residence); and
- that TW needed to start increasing lower consumption rates or the higher consumption users would reduce their usage and the anticipated revenues would decline (no response from staff or Council).

TW staff also noted that Option C would also expand the low income program. The motion to adopt Option C passed unanimously.

In closing, staff prepared the tables/chart below showing the impact of the rate increases currently anticipated (but not formally approved) in the TW and RWRD Financial Plans for the five years beginning in 2013. The assumptions are that TW continues the 8.3% increases and RWRD increases are held to 0%.

July 1, 2013	\$28.08	\$40.81
July 1, 2014	\$30.41	\$40.81
July 1, 2015	\$32.93	\$40.81
July 1, 2016	\$35.66	\$40.81
July 1, 2017	\$38.61	\$40.81



Please let me know if you have any questions or would like further discussion on these issues.

JJ:JMB:acd

C: John Bernal, Deputy County Administrator

Attachments: Finance/Tucson Water Rate Increase Comparison Chart
Tucson Water FY 2014 Summary Cost of Service/Revenue Targets
Tucson Water Rate Recommendations to Mayor and Council April 16, 2013

Pima County Wastewater -- Sewer User Rates

DATES IN EFFECT	RATE/CCF	Service Fee	Monthly Bill (Based on 8 CCF Usage)	Dollar Difference
Jul 05 - Jul 06	\$ 1.180	\$ 5.72	\$15.16	
Aug. 11, 2006 - Dec 31, 2006	\$ 1.251	\$ 5.72	\$15.73	\$0.57
Jan 1, 2007 - June 30, 2007	\$ 1.326	\$ 5.72	\$16.33	\$0.60
July 1, 2007 - January 1, 2008	\$ 1.406	\$ 5.72	\$16.97	\$0.64
January 1, 2008 - June 30, 2008	\$ 1.533	\$ 6.23	\$18.49	\$1.53
July 1, 2008 - March 20, 2009	\$ 1.679	\$ 6.82	\$20.25	\$1.76
March 20, 2009 - June 30, 2009	\$ 1.893	\$ 8.32	\$23.46	\$3.21
July 1, 2009 - Dec 31, 2009	\$ 2.134	\$ 8.32	\$25.39	\$1.93
January 1, 2010 - June 30, 2010	\$ 2.406	\$ 9.82	\$29.07	\$3.68
July 1, 2010 - June 30, 2011	\$ 2.847	\$ 10.46	\$31.64	\$2.57
July 1, 2011 - June 30, 2012	\$ 2.912	\$ 11.14	\$34.44	\$2.80
July 1, 2012 - June 30, 2013	\$ 3.203	\$ 11.86	\$37.48	\$3.05
July 1, 2013 -	\$ 3.523	\$ 12.63	\$40.61	\$3.33

Tucson Water -- Residential Water Rates

DATES IN EFFECT	RATE/CCF	Service Fee	CAP Rate/CCF	Conservation Fee (per 10 CCF)	Monthly Bill (Based on 10 CCF Usage)	Dollar Difference
July 11, 2004 - August 5, 2006	\$ 1.03	\$ 5.35	\$ 0.04	\$ -	\$16.05	
August 6, 2006 - July 7, 2007	\$ 1.10	\$ 5.35	\$ 0.04	\$ -	\$16.75	\$0.70
July 8, 2007 - July 6, 2008	\$ 1.17	\$ 5.42	\$ 0.05	\$ -	\$17.62	\$0.87
July 7, 2008 - July 5, 2009	\$ 1.23	\$ 5.52	\$ 0.05	\$ 0.30	\$18.62	\$1.00
July 6, 2009 - July 4, 2010	\$ 1.39	\$ 5.62	\$ 0.05	\$ 0.40	\$20.42	\$1.80
July 5, 2010 - July 4, 2011	\$ 1.54	\$ 5.87	\$ 0.05	\$ 0.50	\$22.27	\$1.85
July 5, 2011 - July 1, 2012	\$ 1.60	\$ 7.53	\$ 0.05	\$ 0.70	\$24.73	\$2.46
July 2, 2012 -	\$ 1.26	\$ 8.27	\$ 0.36	\$ 0.70	\$25.17	\$0.44
Proposed for July 2013						
Option A	\$ 1.36	\$ 9.25	\$ 0.48	\$ 0.70	\$28.35	\$3.18
Option B	\$ 1.41	\$ 9.25	\$ 0.48	\$ 0.70	\$28.85	\$3.68
Option C	\$ 1.29	\$ 9.68	\$ 0.48	\$ 0.70	\$28.08	\$2.91

Note: Tucson Water's residential usage charges are structured in tiers. The 10 CCF example is the lowest tier. Higher rates are charged at 11 CCF (\$2.45), 16 CCF (\$6.45) and 31 CCF (\$10.45).

TUCSON WATER

FY 2014

**Summary Cost of Service/Revenue Targets
&
Proposed Rate Schedules**

**March 20, 2013
CWAC Meeting**



**TUCSON WATER
FINANCIAL PLAN
FY2013-FY2018**

**Preliminary 2-06-2013
(\$1,000)**

LINE #		Fiscal Years Ending June 30:					
		FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
1	Projected Beginning Operating Working Capital	\$34,410	\$23,470	\$25,708	\$23,567	\$24,465	\$25,167
2	Beginning Infrastructure Fund	\$3,000	\$20,853	\$12,190	\$1,263	\$1,289	\$527
	PROJECTED REVENUES:						
3	Water Sales (existing rates)	\$148,572	\$145,468	\$143,220	\$141,009	\$140,136	\$139,273
4	Water Sales Increases from Rate Adjustments:						
	FY 2014 8.30%		\$12,074	\$11,887	\$11,704	\$11,631	\$11,560
	FY 2015 8.30%			\$11,887	\$11,704	\$11,631	\$11,560
	FY 2016 8.30%				\$11,704	\$11,631	\$11,560
	FY 2017 8.30%					\$11,631	\$11,560
	FY 2018 8.30%						\$11,560
	Total from Rate Adjustments		\$12,074	\$23,774	\$35,111	\$46,525	\$57,798
5	Water Sales (including Rate Adjustments)	\$148,572	\$157,542	\$166,994	\$176,121	\$186,661	\$197,071
6	Other Water Revenues/Sources	\$12,748	\$12,226	\$12,295	\$12,379	\$12,509	\$12,661
6A	System Equity Fee	\$2,371	\$2,371	\$2,371	\$2,371	\$2,371	\$2,371
6B	CAP Water Resource Fee	\$350	\$350	\$350	\$350	\$350	\$350
7	Total Revenues/Sources	\$164,041	\$172,489	\$182,610	\$191,220	\$201,892	\$212,452
	PROJECTED REQUIREMENTS:						
8	O & M Expense	\$79,197	\$87,742	\$89,899	\$93,480	\$96,208	\$98,852
9	Utility Tax Embedded in Water Sales Revenues	\$3,869	\$4,090	\$4,325	\$4,551	\$4,814	\$5,074
10	Debt Service	\$43,384	\$45,116	\$52,613	\$55,555	\$58,584	\$62,137
11	Other Requirements	\$1,758	\$2,501	\$2,492	\$2,751	\$2,823	\$2,798
12	In Lieu of Tax	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600
13	Low Income Program	\$517	\$525	\$540	\$555	\$571	\$591
14	Transfer to Infrastructure Fund	\$17,853	\$1,337	\$3,323	\$26	\$738	\$704
15	Capital from Water Revenues	\$17,941	\$18,436	\$20,201	\$22,382	\$26,160	\$26,937
16	Administrative Service Charge(direct/indirect)	\$8,861	\$8,905	\$9,158	\$9,421	\$9,691	\$10,020
17	Total Requirements	\$174,980	\$179,251	\$184,151	\$190,322	\$201,190	\$208,713
18	Projected Ending Operating Working Capital/Reserve	\$23,470	\$25,708	\$23,567	\$24,465	\$25,167	\$28,907
19	Estimated Reserves As % of Sales Revenue	15.8%	16.3%	14.1%	13.9%	13.5%	14.7%
20	Estimated Reserves as Days of O&M	95	95	85	85	85	95
	OTHER SIGNIFICANT DATA/PROJECTIONS:						
21	% Increases: Water Sales Rates/Revenue	N/A	8.3%	8.3%	8.3%	8.3%	8.3%
22	Debt Service Coverage (All Debt)	173.0%	166.0%	160.0%	161.0%	166.0%	168.0%
22a	Coverage: Senior Lien Debt	206.0%	197.0%	185.0%	185.0%	188.0%	189.0%
23	Total Capital Improvement Program (CIP)	\$68,811	\$67,382	\$68,664	\$56,499	\$78,232	\$68,081
	Debt Sales:						
24	Water System Revenue Obligations/Bonds	\$23,368	\$36,106	\$34,155	\$43,990	\$44,375	\$39,781
25	WIFA Loan	\$13,318	\$0	\$0	\$0	\$0	\$0
26	% of CIP from Current Revenue				42%		

Cost of Service Principles: *Slicing the Revenue Pie*

Theoretical framework for cost of service analysis:

- Utility is to be self-supporting
- Utility incurs costs to provide service

Costs are dependent upon or driven by:

- The nature of the water product delivered to customers (***system functions and service characteristics***)
- The water usage/demand of customers (***usage characteristics***)
- The number of customers in each class

Cost of service analysis attempts to assign an appropriate share of costs to customer groups based on:

- The water product the group is receiving (potable/reclaimed)
- The total amount/average daily amount of water the group uses
- The water usage pattern of the group (constant versus peaking)
- The number of customer connections and equivalent meters to the water system within each group

Summary Cost of Service

Options A B

FY 2014

**Scenarios A&B : RECLAIMED WATER TO RECOVER APPROX:
POTABLE USERS RECOVER % OF RECLAIMED
No Class Over 12% Increase; No Increase in Reclaimed Std. Rate**

Reclaimed COS to be recovered from reclaimed rate payers	\$9,876,910
Reclaimed Benefit to be Allocated	\$2,328,290
Potable COS	\$145,337,063
	<u>\$157,542,263</u>

Reclaimed Contract Customer Cost	\$2,053,865
(Difference between Avg. Reclaimed Rate & Contract rates)	
From Standard Rates (Based on current rates)	-\$274,425
From Potable Rates	\$2,328,290
Total	\$2,053,865

Customer Class	(1) FY 2014 % Potable COS, Less Pvt Hyd & Public FP	(2) Allocated COS (\$1,000)	(3) Allocate Reclaimed Benefit (\$1,000)	(4) Class Adjustments	(5) Adjusted COS (\$1,000)	(6) Revenue Under Existing Rates (\$1,000)	(7) Change in Revenue Target (\$1,000)	(8) % Revenue Increase Required
Residential	60.14%	87,405	1,304	48	88,757	80,042	(8,715)	10.9%
Multifamily	15.56%	22,613	452	12	23,077	21,823	(1,254)	5.8%
Commercial	20.61%	29,957	512	16	30,485	28,883	(1,602)	5.6%
Industrial	1.51%	2,199	40	1	2,241	2,139	(102)	4.8%
Construction Water	0.94%	1,372	20	0	1,392	1,253	(139)	11.1%
Private Fire Protection:								
Fire Sprinkler Service	1.23%	1,791		(78)	1,713	1,532	(181)	11.9%
Sub-Total Potable	100.00%	145,337	2,328	0	147,665	135,672	(11,994)	8.8%
Total Potable		145,337			147,665	135,672	(11,994)	8.8%
Reclaimed		<u>12,205</u>		(2,328)	9,878	9,797	(81)	0.8%
Utility Total		157,542			157,543	145,468	(12,075)	8.3%

FY 2014
Rate Schedule
CWAC
Finance Sub-Committee
Option A



Option A
Tucson Water
Recommended Water Rate Schedule
Comparison of Existing Rates and Proposed Rates
FY2014

Customer Class	Amount			Amount			Amount		
	Existing	Proposed	Increase	Existing	Proposed	Increase	Existing	Proposed	Increase
Service Charge	<i>Potable</i>			<i>Reclaimed</i>			<i>Fire Sprinkler</i>		
Meter Size									
5/8"	\$8.27	\$9.25	\$0.98	\$6.66	\$7.30	64.4%	na	na	na
3/4"	\$10.92	\$12.21	\$1.29	na	na	na	na	na	na
1"	\$16.23	\$18.12	\$1.89	\$12.21	\$13.25	\$1.04	na	na	na
1.5"	\$29.49	\$32.89	\$3.40	\$21.46	\$23.16	\$1.70	na	na	na
2"	\$45.41	\$50.62	\$5.21	\$32.55	\$35.05	\$2.50	\$8.20	\$9.19	\$0.99
2.5"	\$66.64	\$74.26	\$7.62	\$47.35	\$50.90	\$3.55	na	na	na
3"	\$87.86	\$97.90	\$10.04	\$62.15	\$66.76	\$4.61	\$13.43	\$15.05	\$1.62
4"	\$148.89	\$165.87	\$16.98	\$104.89	\$112.34	\$7.65	\$20.76	\$23.24	\$2.48
6"	\$301.71	\$336.07	\$34.36	\$211.22	\$226.49	\$15.27	\$39.61	\$44.32	\$4.71
8"	\$454.00	\$505.69	\$51.69	\$317.38	\$340.25	\$22.86	\$58.45	\$65.39	\$6.94
10"	\$692.79	\$771.64	\$78.85	\$483.84	\$518.61	\$34.76	\$88.29	\$98.75	\$10.46
12"	\$1,143.82	\$1,273.99	\$130.17	\$798.27	\$855.51	\$57.25	\$143.78	\$160.80	\$17.02
Usage Charge (Per Ccf)									
Residential (Single Family) Block Rates									
1-10 Ccf	\$1.26	\$1.36	\$0.10						
11-15 Ccf	\$2.45	\$2.70	\$0.25						
16-30 Ccf	\$6.45	\$6.83	\$0.38						
Over 30 Ccf	\$10.45	\$10.85	\$0.40						
Residential (Duplex-Triplex) Block Rates									
1-15 Ccf	\$1.26	\$1.36	\$0.10						
16-20 Ccf	\$2.45	\$2.70	\$0.25						
21-35 Ccf	\$6.45	\$6.83	\$0.38						
Over 35 Ccf	\$10.45	\$10.85	\$0.40						
Other Classes: Base Rates									
Multifamily *	\$2.29	\$2.31	\$0.02						
Mobile Home Parks w/sub-meters *	\$1.75	\$1.75	\$0.00						
Commercial	\$2.25	\$2.26	\$0.01						
Industrial	\$2.05	\$2.05	\$0.00						
Construction *	\$2.55	\$2.75	\$0.20						
Tier Rates (Summer Only: May - Oct)**									
Tier 1	\$1.00	\$1.00	\$0.00						
Tier 2	\$0.27	\$0.27	\$0.00						
Reclaimed Std Usage Rate *				\$1.83	\$1.83	\$0.00			
<i>Per Acre-Foot</i>				\$797	\$797	\$0.00			
CAP Charge ***	\$0.36	\$0.48	\$0.12						
Conservation Charge	\$0.07	\$0.07	\$0.00						
* Uniform rate year-round; not subject to summer tier rates									
**Applicable for Commercial and Industrial classes only.									
*** Assessed to potable customers only.									

Option A
Tucson Water
Recommended Water Rate Schedule
Comparison of Existing Rates and Proposed Rates
FY2014

Usage Charge (Per Ccf)	Volume Rates w/CAP Charge Amount		
	Existing	Proposed	Increase
Residential (Single Family) Block Rates			
1-10 Ccf	\$1.62	\$1.84	\$0.22
11-15 Ccf	\$2.81	\$3.18	\$0.37
16-30 Ccf	\$6.81	\$7.31	\$0.50
Over 30 Ccf	\$10.81	\$11.33	\$0.52
Residential (Duplex-Triplex) Block Rates			
1-15 Ccf	\$1.62	\$1.84	\$0.22
16-20 Ccf	\$2.81	\$3.18	\$0.37
21-35 Ccf	\$6.81	\$7.31	\$0.50
Over 35 Ccf	\$10.81	\$11.33	\$0.52
Other Classes: Base Rates			
Multifamily *	\$2.65	\$2.79	\$0.14
Mobile Home Parks w/sub-meters *	\$2.11	\$2.23	\$0.12
Commercial	\$2.61	\$2.74	\$0.13
Industrial	\$2.41	\$2.53	\$0.12
Construction *	\$2.91	\$3.23	\$0.32

Option A

Sample Bills -- Single-Family

Consumption (Ccf)		Current Monthly Bill	Proposed Monthly Water Bill	Dollar Difference	Current CAP Charge	Proposed CAP Charge	Proposed Total Utility Monthly Bill	Total Bill Dollar Difference
0		\$8.27	\$9.25	\$0.98	\$0.00	\$0.00	\$9.25	\$0.98
1		\$9.60	\$10.68	\$1.08	\$0.36	\$0.48	\$11.16	\$1.20
2		\$10.93	\$12.11	\$1.18	\$0.72	\$0.96	\$13.07	\$1.42
3		\$12.26	\$13.54	\$1.28	\$1.08	\$1.44	\$14.98	\$1.64
4		\$13.59	\$14.97	\$1.38	\$1.44	\$1.92	\$16.89	\$1.86
5		\$14.92	\$16.40	\$1.48	\$1.80	\$2.40	\$18.80	\$2.08
6		\$16.25	\$17.83	\$1.58	\$2.16	\$2.88	\$20.71	\$2.30
7		\$17.58	\$19.26	\$1.68	\$2.52	\$3.36	\$22.62	\$2.52
8		\$18.91	\$20.69	\$1.78	\$2.88	\$3.84	\$24.53	\$2.74
9		\$20.24	\$22.12	\$1.88	\$3.24	\$4.32	\$26.44	\$2.96
10		\$21.57	\$23.55	\$1.98	\$3.60	\$4.80	\$28.35	\$3.18
11		\$24.09	\$26.32	\$2.23	\$3.96	\$5.28	\$31.60	\$3.55
12		\$26.61	\$29.09	\$2.48	\$4.32	\$5.76	\$34.85	\$3.92
13		\$29.13	\$31.86	\$2.73	\$4.68	\$6.24	\$38.10	\$4.29
14		\$31.65	\$34.63	\$2.98	\$5.04	\$6.72	\$41.35	\$4.66
15		\$34.17	\$37.40	\$3.23	\$5.40	\$7.20	\$44.60	\$5.03
16		\$40.69	\$44.30	\$3.61	\$5.76	\$7.68	\$51.98	\$5.53
17		\$47.21	\$51.20	\$3.99	\$6.12	\$8.16	\$59.36	\$6.03
18		\$53.73	\$58.10	\$4.37	\$6.48	\$8.64	\$66.74	\$6.53
19		\$60.25	\$65.00	\$4.75	\$6.84	\$9.12	\$74.12	\$7.03
20		\$66.77	\$71.90	\$5.13	\$7.20	\$9.60	\$81.50	\$7.53
21		\$73.29	\$78.80	\$5.51	\$7.56	\$10.08	\$88.88	\$8.03
22		\$79.81	\$85.70	\$5.89	\$7.92	\$10.56	\$96.26	\$8.53
23		\$86.33	\$92.60	\$6.27	\$8.28	\$11.04	\$103.64	\$9.03
24		\$92.85	\$99.50	\$6.65	\$8.64	\$11.52	\$111.02	\$9.53
25		\$99.37	\$106.40	\$7.03	\$9.00	\$12.00	\$118.40	\$10.03
26		\$105.89	\$113.30	\$7.41	\$9.36	\$12.48	\$125.78	\$10.53
27		\$112.41	\$120.20	\$7.79	\$9.72	\$12.96	\$133.16	\$11.03
28		\$118.93	\$127.10	\$8.17	\$10.08	\$13.44	\$140.54	\$11.53
29		\$125.45	\$134.00	\$8.55	\$10.44	\$13.92	\$147.92	\$12.03
30		\$131.97	\$140.90	\$8.93	\$10.80	\$14.40	\$155.30	\$12.53
31		\$142.49	\$151.82	\$9.33	\$11.16	\$14.88	\$166.70	\$13.05
32		\$153.01	\$162.74	\$9.73	\$11.52	\$15.36	\$178.10	\$13.57
33		\$163.53	\$173.66	\$10.13	\$11.88	\$15.84	\$189.50	\$14.09
34		\$174.05	\$184.58	\$10.53	\$12.24	\$16.32	\$200.90	\$14.61
35		\$184.57	\$195.50	\$10.93	\$12.60	\$16.80	\$212.30	\$15.13
36		\$195.09	\$206.42	\$11.33	\$12.96	\$17.28	\$223.70	\$15.65
37		\$205.61	\$217.34	\$11.73	\$13.32	\$17.76	\$235.10	\$16.17
38		\$216.13	\$228.26	\$12.13	\$13.68	\$18.24	\$246.50	\$16.69
39		\$226.65	\$239.18	\$12.53	\$14.04	\$18.72	\$257.90	\$17.21
40		\$237.17	\$250.10	\$12.93	\$14.40	\$19.20	\$269.30	\$17.73
41		\$247.69	\$261.02	\$13.33	\$14.76	\$19.68	\$280.70	\$18.25
42		\$258.21	\$271.94	\$13.73	\$15.12	\$20.16	\$292.10	\$18.77
43		\$268.73	\$282.86	\$14.13	\$15.48	\$20.64	\$303.50	\$19.29
44		\$279.25	\$293.78	\$14.53	\$15.84	\$21.12	\$314.90	\$19.81
45		\$289.77	\$304.70	\$14.93	\$16.20	\$21.60	\$326.30	\$20.33
46		\$300.29	\$315.62	\$15.33	\$16.56	\$22.08	\$337.70	\$20.85
47		\$310.81	\$326.54	\$15.73	\$16.92	\$22.56	\$349.10	\$21.37
48		\$321.33	\$337.46	\$16.13	\$17.28	\$23.04	\$360.50	\$21.89
49		\$331.85	\$348.38	\$16.53	\$17.64	\$23.52	\$371.90	\$22.41
50		\$342.37	\$359.30	\$16.93	\$18.00	\$24.00	\$383.30	\$22.93
51		\$352.89	\$370.22	\$17.33	\$18.36	\$24.48	\$394.70	\$23.45
52		\$363.41	\$381.14	\$17.73	\$18.72	\$24.96	\$406.10	\$23.97
53		\$373.93	\$392.06	\$18.13	\$19.08	\$25.44	\$417.50	\$24.49
54		\$384.45	\$402.98	\$18.53	\$19.44	\$25.92	\$428.90	\$25.01
55		\$394.97	\$413.90	\$18.93	\$19.80	\$26.40	\$440.30	\$25.53
56		\$405.49	\$424.82	\$19.33	\$20.16	\$26.88	\$451.70	\$26.05
57		\$416.01	\$435.74	\$19.73	\$20.52	\$27.36	\$463.10	\$26.57
58		\$426.53	\$446.66	\$20.13	\$20.88	\$27.84	\$474.50	\$27.09
59		\$437.05	\$457.58	\$20.53	\$21.24	\$28.32	\$485.90	\$27.61
60		\$447.57	\$468.50	\$20.93	\$21.60	\$28.80	\$497.30	\$28.13

Option A

Sample Bills -- Single-Family								
Consumption (Ccf)		Current Monthly Bill	Proposed Monthly Water Bill	Dollar Difference	Current CAP Charge	Proposed CAP Charge	Proposed Total Utility Monthly Bill	Total Bill Dollar Difference
61		\$458.09	\$479.42	\$21.33	\$21.96	\$29.28	\$508.70	\$28.65
62		\$468.61	\$490.34	\$21.73	\$22.32	\$29.76	\$520.10	\$29.17
63		\$479.13	\$501.26	\$22.13	\$22.68	\$30.24	\$531.50	\$29.69
64		\$489.65	\$512.18	\$22.53	\$23.04	\$30.72	\$542.90	\$30.21
65		\$500.17	\$523.10	\$22.93	\$23.40	\$31.20	\$554.30	\$30.73
66		\$510.69	\$534.02	\$23.33	\$23.76	\$31.68	\$565.70	\$31.25
67		\$521.21	\$544.94	\$23.73	\$24.12	\$32.16	\$577.10	\$31.77
68		\$531.73	\$555.86	\$24.13	\$24.48	\$32.64	\$588.50	\$32.29
69		\$542.25	\$566.78	\$24.53	\$24.84	\$33.12	\$599.90	\$32.81
70		\$552.77	\$577.70	\$24.93	\$25.20	\$33.60	\$611.30	\$33.33

Average Single Family Monthly Water Bill Comparison¹

OPTION A

(Average annual bill high to low)

	WATER UTILITIES	MONTHLY SERVICE CHARGE	AVERAGE ANNUAL BILL
1	Green Valley	\$26.00	\$46.40
2	Flagstaff	\$12.18	\$40.03
3	Metro	\$20.00	\$39.60
4	Mesa	\$20.73	\$39.32
5	Oro Valley	\$14.19	\$37.79
6	Marana	\$15.12	\$35.72
7	Yuma	\$15.68	\$29.33
8	Casa Grande	\$16.00	\$28.33
9	<i>Tucson*</i>	\$9.25	\$28.11
10	Sierra Vista	\$15.00	\$27.79
11	Scottsdale	\$10.75	\$26.06
12	Flowing Wells	\$10.35	\$25.38
13	Glendale	\$9.70	\$25.33
14	Tempe	\$10.80	\$24.54
15	Chandler	\$8.87	\$20.37
16	Nogales	\$6.62	\$19.60
17	Phoenix	\$4.36	\$18.29

¹ Bills based on average monthly usage for FY12 at Tucson Water for Single Family customers (10.0 Ccf) applied to the current rates of the respective utilities.

Monthly usage shown below. Residential Monthly Service charge based on 5/8" meter cost.

*Tucson based on Proposed 2013 Rates

BILLING MONTH	CONSUMPTION
January	8
February	8
March	9
April	9
May	10
June	12
July	12
August	11
September	11
October	11
November	9
December	10

**CITY OF TUCSON - TUCSON WATER
SINGLE FAMILY WATER BILL COMPARISONS: FY 2004 to FY 2014 WATER RATES**

CWAC Option A

	2004	2014	
MONTHLY MINIMUM CHARGE			
Meter Size			Change \$
5/8"	\$5.35	\$9.25	\$3.90
MONTHLY WATER USE CHARGES			
	Block Rates		Change \$
1-3 Ccf	\$1.03	\$1.36	\$0.33
4-10 Ccf	\$1.03	\$1.36	\$0.33
11 - 15 Ccf	\$1.03	\$2.70	\$1.67
16 - 30 Ccf	\$3.60	\$6.83	\$3.23
31 - 45 Ccf	\$5.05	\$10.85	\$5.80
Over 45 Ccf	\$7.13	\$10.85	\$3.72
CAP SURCHARGE PER Ccf			Change \$
	\$0.04	\$0.48	\$0.44
CONSERVATION CHARGE PER Ccf*			Change \$
	\$0.00	\$0.07	\$0.07

BILL IMPACTS OF ABOVE				
	Usage	2004	2014	Change \$
Average User	10 Ccf	\$16.05	\$28.35	\$12.30
High User	46 Ccf	\$159.52	\$337.70	\$178.18
Very High User	65 Ccf	\$295.75	\$554.30	\$258.55

Average Yearly Increase	
3.79%	
5.00%	
4.19%	

* Water bills shown above include the conservation charge first implemented in July 2008.

**FY 2014 Sample Monthly Bills: Other Customer Classes
(Usage in Ccf based on actual FY 2012 average use per service)**

Option A

Class	Typical Meter Size	Summer Usage	Winter Usage	MONTHLY AVERAGE BILLS						
				Existing Rates			Proposed - Existing Blocks			Difference
				Water Bill	CAP Charge	Total Utility Bill	Water Bill	Conservation Charge	Total Utility Bill	
Potable										
Multifamily	2"	125	107	\$ 319.65	\$ 41.83	\$ 361.48	\$ 327.20	\$ 55.78	\$ 382.98	\$ 21.50
Mobile Home Parks w/sub-meters	2"	272	228	\$ 500.01	\$ 89.92	\$ 589.93	\$ 505.24	\$ 119.90	\$ 625.14	\$ 35.21
Commercial	2"	62	45	\$ 185.78	\$ 19.13	\$ 204.91	\$ 191.54	\$ 25.51	\$ 217.05	\$ 12.14
Industrial	2"	242	116	\$ 497.14	\$ 64.40	\$ 561.54	\$ 502.37	\$ 85.87	\$ 588.24	\$ 26.70
Construction Water	2.5"	60	45	\$ 204.25	\$ 18.91	\$ 223.16	\$ 222.40	\$ 25.21	\$ 247.61	\$ 24.45
Fire Sprinkler Service (unmetered - 4" conr	na	na	na	\$ 20.76	na	\$ 20.76	\$ 23.24	na	\$ 23.24	\$ 2.48

FY 2014
Rate Schedule
CWAC
Finance Sub-Committee
Option B



Option B
Tucson Water
Recommended Water Rate Schedule
Comparison of Existing Rates and Proposed Rates
FY2014

Customer Class	Amount			Amount			Amount		
	Existing	Proposed	Increase	Existing	Proposed	Increase	Existing	Proposed	Increase
Service Charge	<i>Potable</i>			<i>Reclaimed</i>			<i>Fire Sprinkler</i>		
Meter Size									
5/8"	\$8.27	\$9.25	\$0.98	\$6.66	\$7.30	\$0.64	na	na	na
3/4"	\$10.92	\$12.21	\$1.29	na	na	na	na	na	na
1"	\$16.23	\$18.12	\$1.89	\$12.21	\$13.25	\$1.04	na	na	na
1.5"	\$29.49	\$32.89	\$3.40	\$21.46	\$23.16	\$1.70	na	na	na
2"	\$45.41	\$50.62	\$5.21	\$32.55	\$35.05	\$2.50	\$8.20	\$9.19	\$0.99
2.5"	\$66.64	\$74.26	\$7.62	\$47.35	\$50.90	\$3.55	na	na	na
3"	\$87.86	\$97.90	\$10.04	\$62.15	\$66.76	\$4.61	\$13.43	\$15.05	\$1.62
4"	\$148.89	\$165.87	\$16.98	\$104.69	\$112.34	\$7.65	\$20.76	\$23.24	\$2.48
6"	\$301.71	\$336.07	\$34.36	\$211.22	\$226.49	\$15.27	\$39.61	\$44.32	\$4.71
8"	\$454.00	\$506.69	\$51.69	\$317.38	\$340.25	\$22.86	\$58.45	\$65.39	\$6.94
10"	\$692.79	\$771.64	\$78.85	\$483.84	\$518.61	\$34.76	\$88.29	\$98.75	\$10.46
12"	\$1,143.82	\$1,273.99	\$130.17	\$798.27	\$855.51	\$57.25	\$143.78	\$160.80	\$17.02
Usage Charge (Per Ccf)									
Residential (Single Family) Block Rates									
1-10 Ccf	\$1.26	\$1.41	\$0.15						
11-15 Ccf	\$2.45	\$2.80	\$0.35						
16-30 Ccf	\$6.45	\$6.50	\$0.05						
Over 30 Ccf	\$10.45	\$10.50	\$0.05						
Residential (Duplex-Triplex) Block Rates									
1-15 Ccf	\$1.26	\$1.41	\$0.15						
16-20 Ccf	\$2.45	\$2.80	\$0.35						
21-35 Ccf	\$6.45	\$6.50	\$0.05						
Over 35 Ccf	\$10.45	\$10.50	\$0.05						
Other Classes: Base Rates									
Multifamily *	\$2.29	\$2.31	\$0.02						
Mobile Home Parks w/sub-meters *	\$1.75	\$1.75	\$0.00						
Commercial	\$2.25	\$2.26	\$0.01						
Industrial	\$2.05	\$2.05	\$0.00						
Construction *	\$2.55	\$2.75	\$0.20						
Tier Rates (Summer Only: May - Oct)**									
Tier 1	\$1.00	\$1.00	\$0.00						
Tier 2	\$0.27	\$0.27	\$0.00						
Reclaimed Std Usage Rate * Per Acre-Foot				\$1.83	\$1.83	\$0.00			
CAP Charge ***	\$0.36	\$0.48	\$0.12	\$797	\$797	\$0.00			
Conservation Charge	\$0.07	\$0.07	\$0.00						
* Uniform rate year-round; not subject to summer tier rates									
**Applicable for Commercial and Industrial classes only.									
*** Assessed to potable customers only.									

Option B
Tucson Water
Recommended Water Rate Schedule
Comparison of Existing Rates and Proposed Rates
FY2014

<i>Usage Charge (Per Ccf)</i>	Volume Rates w/CAP Charge		
	Existing	Proposed	Amount Increase
Residential (Single Family) Block Rates			
1-10 Ccf	\$1.62	\$1.89	\$0.27
11-15 Ccf	\$2.81	\$3.28	\$0.47
16-30 Ccf	\$6.81	\$6.98	\$0.17
Over 30 Ccf	\$10.81	\$10.98	\$0.17
Residential (Duplex-Triplex) Block Rates			
1-15 Ccf	\$1.62	\$1.89	\$0.27
16-20 Ccf	\$2.81	\$3.28	\$0.47
21-35 Ccf	\$6.81	\$6.98	\$0.17
Over 35 Ccf	\$10.81	\$10.98	\$0.17
Other Classes: Base Rates			
Multifamily *	\$2.65	\$2.79	\$0.14
Mobile Home Parks w/sub-meters *	\$2.11	\$2.23	\$0.12
Commercial	\$2.61	\$2.74	\$0.13
Industrial	\$2.41	\$2.53	\$0.12
Construction *	\$2.91	\$3.23	\$0.32

Option B

Sample Bills -- Single-Family

Consumption (Ccf)	Current Monthly Bill	Proposed Monthly Water Bill	Dollar Difference	Current CAP Charge	Proposed CAP Charge	Proposed Total Utility Monthly Bill	Total Bill Dollar Difference
0	\$8.27	\$9.25	\$0.98	\$0.00	\$0.00	\$9.25	\$0.98
1	\$9.60	\$10.73	\$1.13	\$0.36	\$0.48	\$11.21	\$1.25
2	\$10.93	\$12.21	\$1.28	\$0.72	\$0.96	\$13.17	\$1.52
3	\$12.26	\$13.69	\$1.43	\$1.08	\$1.44	\$15.13	\$1.79
4	\$13.59	\$15.17	\$1.58	\$1.44	\$1.92	\$17.09	\$2.06
5	\$14.92	\$16.65	\$1.73	\$1.80	\$2.40	\$19.05	\$2.33
6	\$16.25	\$18.13	\$1.88	\$2.16	\$2.88	\$21.01	\$2.60
7	\$17.58	\$19.61	\$2.03	\$2.52	\$3.36	\$22.97	\$2.87
8	\$18.91	\$21.09	\$2.18	\$2.88	\$3.84	\$24.93	\$3.14
9	\$20.24	\$22.57	\$2.33	\$3.24	\$4.32	\$26.89	\$3.41
10	\$21.57	\$24.05	\$2.48	\$3.60	\$4.80	\$28.85	\$3.68
11	\$24.09	\$26.92	\$2.83	\$3.96	\$5.28	\$32.20	\$4.15
12	\$26.61	\$29.79	\$3.18	\$4.32	\$5.76	\$35.55	\$4.62
13	\$29.13	\$32.66	\$3.53	\$4.68	\$6.24	\$38.90	\$5.09
14	\$31.65	\$35.53	\$3.88	\$5.04	\$6.72	\$42.25	\$5.56
15	\$34.17	\$38.40	\$4.23	\$5.40	\$7.20	\$45.60	\$6.03
16	\$40.69	\$44.97	\$4.28	\$5.76	\$7.68	\$52.65	\$6.20
17	\$47.21	\$51.54	\$4.33	\$6.12	\$8.16	\$59.70	\$6.37
18	\$53.73	\$58.11	\$4.38	\$6.48	\$8.64	\$66.75	\$6.54
19	\$60.25	\$64.68	\$4.43	\$6.84	\$9.12	\$73.80	\$6.71
20	\$66.77	\$71.25	\$4.48	\$7.20	\$9.60	\$80.85	\$6.88
21	\$73.29	\$77.82	\$4.53	\$7.56	\$10.08	\$87.90	\$7.05
22	\$79.81	\$84.39	\$4.58	\$7.92	\$10.56	\$94.95	\$7.22
23	\$86.33	\$90.96	\$4.63	\$8.28	\$11.04	\$102.00	\$7.39
24	\$92.85	\$97.53	\$4.68	\$8.64	\$11.52	\$109.05	\$7.56
25	\$99.37	\$104.10	\$4.73	\$9.00	\$12.00	\$116.10	\$7.73
26	\$105.89	\$110.67	\$4.78	\$9.36	\$12.48	\$123.15	\$7.90
27	\$112.41	\$117.24	\$4.83	\$9.72	\$12.96	\$130.20	\$8.07
28	\$118.93	\$123.81	\$4.88	\$10.08	\$13.44	\$137.25	\$8.24
29	\$125.45	\$130.38	\$4.93	\$10.44	\$13.92	\$144.30	\$8.41
30	\$131.97	\$136.95	\$4.98	\$10.80	\$14.40	\$151.35	\$8.58
31	\$142.49	\$147.52	\$5.03	\$11.16	\$14.88	\$162.40	\$8.75
32	\$153.01	\$158.09	\$5.08	\$11.52	\$15.36	\$173.45	\$8.92
33	\$163.53	\$168.66	\$5.13	\$11.88	\$15.84	\$184.50	\$9.09
34	\$174.05	\$179.23	\$5.18	\$12.24	\$16.32	\$195.55	\$9.26
35	\$184.57	\$189.80	\$5.23	\$12.60	\$16.80	\$206.60	\$9.43
36	\$195.09	\$200.37	\$5.28	\$12.96	\$17.28	\$217.65	\$9.60
37	\$205.61	\$210.94	\$5.33	\$13.32	\$17.76	\$228.70	\$9.77
38	\$216.13	\$221.51	\$5.38	\$13.68	\$18.24	\$239.75	\$9.94
39	\$226.65	\$232.08	\$5.43	\$14.04	\$18.72	\$250.80	\$10.11
40	\$237.17	\$242.65	\$5.48	\$14.40	\$19.20	\$261.85	\$10.28
41	\$247.69	\$253.22	\$5.53	\$14.76	\$19.68	\$272.90	\$10.45
42	\$258.21	\$263.79	\$5.58	\$15.12	\$20.16	\$283.95	\$10.62
43	\$268.73	\$274.36	\$5.63	\$15.48	\$20.64	\$295.00	\$10.79
44	\$279.25	\$284.93	\$5.68	\$15.84	\$21.12	\$306.05	\$10.96
45	\$289.77	\$295.50	\$5.73	\$16.20	\$21.60	\$317.10	\$11.13
46	\$300.29	\$306.07	\$5.78	\$16.56	\$22.08	\$328.15	\$11.30
47	\$310.81	\$316.64	\$5.83	\$16.92	\$22.56	\$339.20	\$11.47
48	\$321.33	\$327.21	\$5.88	\$17.28	\$23.04	\$350.25	\$11.64
49	\$331.85	\$337.78	\$5.93	\$17.64	\$23.52	\$361.30	\$11.81
50	\$342.37	\$348.35	\$5.98	\$18.00	\$24.00	\$372.35	\$11.98
51	\$352.89	\$358.92	\$6.03	\$18.36	\$24.48	\$383.40	\$12.15
52	\$363.41	\$369.49	\$6.08	\$18.72	\$24.96	\$394.45	\$12.32
53	\$373.93	\$380.06	\$6.13	\$19.08	\$25.44	\$405.50	\$12.49
54	\$384.45	\$390.63	\$6.18	\$19.44	\$25.92	\$416.55	\$12.66
55	\$394.97	\$401.20	\$6.23	\$19.80	\$26.40	\$427.60	\$12.83
56	\$405.49	\$411.77	\$6.28	\$20.16	\$26.88	\$438.65	\$13.00
57	\$416.01	\$422.34	\$6.33	\$20.52	\$27.36	\$449.70	\$13.17
58	\$426.53	\$432.91	\$6.38	\$20.88	\$27.84	\$460.75	\$13.34
59	\$437.05	\$443.48	\$6.43	\$21.24	\$28.32	\$471.80	\$13.51
60	\$447.57	\$454.05	\$6.48	\$21.60	\$28.80	\$482.85	\$13.68

Option B

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62		\$468.61	\$475.19	\$6.58	\$22.32	\$29.76	\$504.95	\$14.02
63		\$479.13	\$485.76	\$6.63	\$22.68	\$30.24	\$516.00	\$14.19
64		\$489.65	\$496.33	\$6.68	\$23.04	\$30.72	\$527.05	\$14.36
65		\$500.17	\$506.90	\$6.73	\$23.40	\$31.20	\$538.10	\$14.53
66		\$510.69	\$517.47	\$6.78	\$23.76	\$31.68	\$549.15	\$14.70
67		\$521.21	\$528.04	\$6.83	\$24.12	\$32.16	\$560.20	\$14.87
68		\$531.73	\$538.61	\$6.88	\$24.48	\$32.64	\$571.25	\$15.04
69		\$542.25	\$549.18	\$6.93	\$24.84	\$33.12	\$582.30	\$15.21
70		\$552.77	\$559.75	\$6.98	\$25.20	\$33.60	\$593.35	\$15.38

Average Single Family Monthly Water Bill Comparison¹

OPTION B

(Average annual bill high to low)

	WATER UTILITIES	MONTHLY SERVICE CHARGE	AVERAGE ANNUAL BILL
1	Green Valley	\$26.00	\$46.40
2	Flagstaff	\$12.18	\$40.03
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5	Oro Valley	\$14.19	\$37.79
6	Marana	\$15.12	\$35.72
7	Yuma	\$15.68	\$29.33
8	Tucson*	\$9.25	\$28.61
9	Casa Grande	\$16.00	\$28.33
10	Sierra Vista	\$15.00	\$27.79
11	Scottsdale	\$10.75	\$26.06
12	Flowing Wells	\$10.35	\$25.38
13	Glendale	\$9.70	\$25.33
14	Tempe	\$10.80	\$24.54
15	Chandler	\$8.87	\$20.37
16	Nogales	\$6.62	\$19.60
17	Phoenix	\$4.36	\$18.29

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Monthly usage shown below. Residential Monthly Service charge based on 5/8" meter cost.

*Tucson based on Proposed 2013 Rates

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January	8
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March	9
April	9
May	10
June	12
July	12
August	11
September	11
October	11
November	9
December	10

CITY OF TUCSON - TUCSON WATER
SINGLE FAMILY WATER BILL COMPARISONS: FY 2004 to FY 2014 WATER RATES
CWAC Option B

	2004	2014	
MONTHLY MINIMUM CHARGE			
Meter Size			Change \$
5/8"	\$5.35	\$9.25	\$3.90
MONTHLY WATER USE CHARGES			
	Block Rates		Change \$
1-3 Ccf	\$1.03	\$1.41	\$0.38
4-10 Ccf	\$1.03	\$1.41	\$0.38
11 - 15 Ccf	\$1.03	\$2.80	\$1.77
16 - 30 Ccf	\$3.60	\$6.50	\$2.90
31 - 45 Ccf	\$5.05	\$10.50	\$5.45
Over 45 Ccf	\$7.13	\$10.50	\$3.37
CAP SURCHARGE PER Ccf			Change \$
	\$0.04	\$0.48	\$0.44
CONSERVATION CHARGE PER Ccf*			Change \$
	\$0.00	\$0.07	\$0.07

BILL IMPACTS OF ABOVE				
	Usage	2004	2014	Change \$
Average User	10 Ccf	\$16.05	\$28.85	\$12.80
High User	46 Ccf	\$159.52	\$328.15	\$168.63
Very High User	65 Ccf	\$295.75	\$538.10	\$242.35

Average Yearly Increase	
3.91%	
4.81%	
3.99%	

* Water bills shown above include the conservation charge first implemented in July 2008.

**FY 2014 Sample Monthly Bills: Other Customer Classes
(Usage in Ccf based on actual FY 2012 average use per service)**

Option B

Class	Typical Meter Size	Summer Usage	Winter Usage	MONTHLY AVERAGE BILLS						
				Existing Rates			Proposed - Existing Blocks			Difference
				Water Bill	CAP Charge	Total Utility Bill	Water Bill	Conservation Charge	Total Utility Bill	
Potable										
Multifamily	2"	125	107	\$ 319.65	\$ 41.83	\$ 361.48	\$ 327.20	\$ 55.78	\$ 382.98	\$ 21.50
Mobile Home Parks w/sub-meters	2"	272	228	\$ 500.01	\$ 89.92	\$ 589.93	\$ 505.24	\$ 119.90	\$ 625.14	\$ 35.21
Commercial	2"	62	45	\$ 185.78	\$ 19.13	\$ 204.91	\$ 191.54	\$ 25.51	\$ 217.05	\$ 12.14
Industrial	2"	242	116	\$ 497.14	\$ 64.40	\$ 561.54	\$ 502.37	\$ 85.87	\$ 588.24	\$ 26.70
Construction Water	2.5"	60	45	\$ 204.25	\$ 18.91	\$ 223.16	\$ 222.40	\$ 25.21	\$ 247.61	\$ 24.45
Fire Sprinkler Service (unmetered - 4" conr	na	na	na	\$ 20.76	na	\$ 20.76	\$ 23.24	na	\$ 23.24	\$ 2.48

FY 2014
Rate Schedule
CWAC
Finance Sub-Committee
Option C



Summary Cost of Service

Option C

FY 2014

Scenario C : RECLAIMED WATER TO RECOVER APPROX:
 POTABLE USERS RECOVER % OF RECLAIMED
No Class Over 12% Increase; No Increase in Reclaimed Std. Rate

81%
 19%

Reclaimed Contract Customer Cost	\$2,053,865
(Difference between Avg. Reclaimed Rate & Contract rates)	
From Standard Rates (Based on current rates)	-\$274,425
From Potable Rates	\$2,328,290
Total	\$2,053,865

Reclaimed COS to be recovered from reclaimed rate payers **\$9,909,910**
 Reclaimed Benefit to be Allocated **\$2,328,290**
 Potable COS **\$145,304,063**
\$157,542,263

Customer Class	(1) FY 2014 % Potable COS, Less Pvt Hyd & Public FP	(2) Allocated COS (\$1,000)	(3) Allocate Reclaimed Benefit (\$1,000)	(4) Class Adjustments	(5) Adjusted COS (\$1,000)	(6) Revenue Under Existing Rates (\$1,000)	(7) Change in Revenue Target (\$1,000)	(8) % Revenue Increase Required
Residential	60.25%	87,540	1,304	111	88,955	80,042	(8,913)	11.1%
Multifamily	15.45%	22,444	452	28	22,924	21,823	(1,101)	5.1%
Commercial	20.56%	29,871	512	38	30,420	28,883	(1,537)	5.3%
Industrial	1.50%	2,181	40	3	2,224	2,139	(85)	4.0%
Construction Water	0.95%	1,374	20	0	1,394	1,253	(141)	11.2%
Private Fire Protection:								
Fire Sprinkler Service	1.30%	1,894		(180)	1,714	1,532	(182)	11.9%
Sub-Total Potable	100.00%	145,304	2,328	0	147,632	135,672	(11,961)	8.8%
Total Potable		145,304			147,632	135,672	(11,961)	8.8%
Reclaimed		12,238	(2,327)		9,911	9,797	(114)	1.2%
Utility Total		157,542			157,543	145,468	(12,075)	8.3%

Option C
Tucson Water
Recommended Water Rate Schedule
Comparison of Existing Rates and Proposed Rates
FY2014

Customer Class	Amount			Amount			Amount		
	Existing	Proposed	Increase	Existing	Proposed	Increase	Existing	Proposed	Increase
Service Charge	<i>Potable</i>			<i>Reclaimed</i>			<i>Fire Sprinkler</i>		
Meter Size									
5/8"	\$8.27	\$9.68	\$1.41	\$6.66	\$7.74	\$1.08	na	na	na
3/4"	\$10.92	\$12.84	\$1.92	na	na	na	na	na	na
1"	\$16.23	\$19.18	\$2.95	\$12.21	\$14.33	\$2.13	na	na	na
1.5"	\$29.49	\$35.02	\$5.53	\$21.46	\$25.33	\$3.87	na	na	na
2"	\$45.41	\$54.03	\$8.62	\$32.55	\$38.52	\$5.97	\$8.20	\$9.20	\$1.00
2.5"	\$66.64	\$79.37	\$12.74	\$47.35	\$56.11	\$8.76	na	na	na
3"	\$87.86	\$104.72	\$16.86	\$62.15	\$73.70	\$11.56	\$13.43	\$15.05	\$1.62
4"	\$148.89	\$177.59	\$28.70	\$104.69	\$124.28	\$19.59	\$20.76	\$23.25	\$2.49
6"	\$301.71	\$360.07	\$58.36	\$211.22	\$250.93	\$39.71	\$39.61	\$44.34	\$4.73
8"	\$454.00	\$541.92	\$87.92	\$317.38	\$377.14	\$59.76	\$58.45	\$65.43	\$6.98
10"	\$692.79	\$827.05	\$134.26	\$483.84	\$575.04	\$91.19	\$88.29	\$98.81	\$10.52
12"	\$1,143.82	\$1,365.63	\$221.80	\$798.27	\$948.84	\$150.57	\$143.78	\$160.90	\$17.12
Usage Charge (Per Ccf)									
Residential (Single Family) Block Rates									
1-10 Ccf	\$1.26	\$1.29	2.4%						
11-15 Ccf	\$2.45	\$2.68	9.4%						
16-30 Ccf	\$6.45	\$6.87	6.5%						
Over 30 Ccf	\$10.45	\$11.04	5.6%						
Residential (Duplex-Triplex) Block Rates									
1-15 Ccf	\$1.26	\$1.29	2.4%						
16-20 Ccf	\$2.45	\$2.68	9.4%						
21-35 Ccf	\$6.45	\$6.87	6.5%						
Over 35 Ccf	\$10.45	\$11.04	5.6%						
Other Classes: Base Rates									
Multifamily *	\$2.29	\$2.27	-0.9%						
Mobile Home Parks w/sub-meters *	\$1.75	\$1.72	-1.7%						
Commercial	\$2.25	\$2.22	-1.3%						
Industrial	\$2.05	\$2.01	-2.0%						
Construction *	\$2.55	\$2.70	5.9%						
Tier Rates (Summer Only: May - Oct)**									
Tier 1	\$1.00	\$1.00	0.0%						
Tier 2	\$0.27	\$0.27	0.0%						
Reclaimed Std Usage Rate * Per Acre-Foot				\$1.83	\$1.83	0.0%			
CAP Charge ***	\$0.36	\$0.48	33.3%	\$797	\$797	0.0%			
Conservation Charge	\$0.07	\$0.07	0.0%						
* Uniform rate year-round; not subject to summer tier rates									
**Applicable for Commercial and Industrial classes only.									
*** Assessed to potable customers only.									

Option C
Tucson Water
Recommended Water Rate Schedule
Comparison of Existing Rates and Proposed Rates
FY2014

<i>Usage Charge (Per Ccf)</i>	Volume Rates w/CAP Charge		
	Current	Proposed	Amount Increase
Residential (Single Family) Block Rates			
1-10 Ccf	\$1.62	\$1.77	\$0.15
11-15 Ccf	\$2.81	\$3.16	\$0.35
16-30 Ccf	\$6.81	\$7.35	\$0.54
Over 30 Ccf	\$10.81	\$11.52	\$0.71
Residential (Duplex-Triplex) Block Rates			
1-15 Ccf	\$1.62	\$1.77	\$0.15
16-20 Ccf	\$2.81	\$3.16	\$0.35
21-35 Ccf	\$6.81	\$7.35	\$0.54
Over 35 Ccf	\$10.81	\$11.52	\$0.71
Other Classes: Base Rates			
Multifamily *	\$2.65	\$2.75	\$0.10
Mobile Home Parks w/sub-meters *	\$2.11	\$2.20	\$0.09
Commercial	\$2.61	\$2.70	\$0.09
Industrial	\$2.41	\$2.49	\$0.08
Construction *	\$2.91	\$3.18	\$0.27

Option C

Sample Bills -- Single-Family								
Consumption (Ccf)		Current Monthly Bill	Proposed Monthly Water Bill	Dollar Difference	Current CAP Charge	Proposed CAP Charge	Proposed Total Utility Monthly Bill	Total Bill Dollar Difference
0		\$8.27	\$9.68	\$1.41	\$0.00	\$0.00	\$9.68	\$1.41
1		\$9.60	\$11.04	\$1.44	\$0.36	\$0.48	\$11.52	\$1.56
2		\$10.93	\$12.40	\$1.47	\$0.72	\$0.96	\$13.36	\$1.71
3		\$12.26	\$13.76	\$1.50	\$1.08	\$1.44	\$15.20	\$1.86
4		\$13.59	\$15.12	\$1.53	\$1.44	\$1.92	\$17.04	\$2.01
5		\$14.92	\$16.48	\$1.56	\$1.80	\$2.40	\$18.88	\$2.16
6		\$16.25	\$17.84	\$1.59	\$2.16	\$2.88	\$20.72	\$2.31
7		\$17.58	\$19.20	\$1.62	\$2.52	\$3.36	\$22.56	\$2.46
8		\$18.91	\$20.56	\$1.65	\$2.88	\$3.84	\$24.40	\$2.61
9		\$20.24	\$21.92	\$1.68	\$3.24	\$4.32	\$26.24	\$2.76
10		\$21.57	\$23.28	\$1.71	\$3.60	\$4.80	\$28.08	\$2.91
11		\$24.09	\$26.03	\$1.94	\$3.96	\$5.28	\$31.31	\$3.26
12		\$26.61	\$28.78	\$2.17	\$4.32	\$5.76	\$34.54	\$3.61
13		\$29.13	\$31.53	\$2.40	\$4.68	\$6.24	\$37.77	\$3.96
14		\$31.65	\$34.28	\$2.63	\$5.04	\$6.72	\$41.00	\$4.31
15		\$34.17	\$37.03	\$2.86	\$5.40	\$7.20	\$44.23	\$4.66
16		\$40.69	\$43.97	\$3.28	\$5.76	\$7.68	\$51.65	\$5.20
17		\$47.21	\$50.91	\$3.70	\$6.12	\$8.16	\$59.07	\$5.74
18		\$53.73	\$57.85	\$4.12	\$6.48	\$8.64	\$66.49	\$6.28
19		\$60.25	\$64.79	\$4.54	\$6.84	\$9.12	\$73.91	\$6.82
20		\$66.77	\$71.73	\$4.96	\$7.20	\$9.60	\$81.33	\$7.36
21		\$73.29	\$78.67	\$5.38	\$7.56	\$10.08	\$88.75	\$7.90
22		\$79.81	\$85.61	\$5.80	\$7.92	\$10.56	\$96.17	\$8.44
23		\$86.33	\$92.55	\$6.22	\$8.28	\$11.04	\$103.59	\$8.98
24		\$92.85	\$99.49	\$6.64	\$8.64	\$11.52	\$111.01	\$9.52
25		\$99.37	\$106.43	\$7.06	\$9.00	\$12.00	\$118.43	\$10.06
26		\$105.89	\$113.37	\$7.48	\$9.36	\$12.48	\$125.85	\$10.60
27		\$112.41	\$120.31	\$7.90	\$9.72	\$12.96	\$133.27	\$11.14
28		\$118.93	\$127.25	\$8.32	\$10.08	\$13.44	\$140.69	\$11.68
29		\$125.45	\$134.19	\$8.74	\$10.44	\$13.92	\$148.11	\$12.22
30		\$131.97	\$141.13	\$9.16	\$10.80	\$14.40	\$155.53	\$12.76
31		\$142.49	\$152.24	\$9.75	\$11.16	\$14.88	\$167.12	\$13.47
32		\$153.01	\$163.35	\$10.34	\$11.52	\$15.36	\$178.71	\$14.18
33		\$163.53	\$174.46	\$10.93	\$11.88	\$15.84	\$190.30	\$14.89
34		\$174.05	\$185.57	\$11.52	\$12.24	\$16.32	\$201.89	\$15.60
35		\$184.57	\$196.68	\$12.11	\$12.60	\$16.80	\$213.48	\$16.31
36		\$195.09	\$207.79	\$12.70	\$12.96	\$17.28	\$225.07	\$17.02
37		\$205.61	\$218.90	\$13.29	\$13.32	\$17.76	\$236.66	\$17.73
38		\$216.13	\$230.01	\$13.88	\$13.68	\$18.24	\$248.25	\$18.44
39		\$226.65	\$241.12	\$14.47	\$14.04	\$18.72	\$259.84	\$19.15
40		\$237.17	\$252.23	\$15.06	\$14.40	\$19.20	\$271.43	\$19.86
41		\$247.69	\$263.34	\$15.65	\$14.76	\$19.68	\$283.02	\$20.57
42		\$258.21	\$274.45	\$16.24	\$15.12	\$20.16	\$294.61	\$21.28
43		\$268.73	\$285.56	\$16.83	\$15.48	\$20.64	\$306.20	\$21.99
44		\$279.25	\$296.67	\$17.42	\$15.84	\$21.12	\$317.79	\$22.70
45		\$289.77	\$307.78	\$18.01	\$16.20	\$21.60	\$329.38	\$23.41
46		\$300.29	\$318.89	\$18.60	\$16.56	\$22.08	\$340.97	\$24.12
47		\$310.81	\$330.00	\$19.19	\$16.92	\$22.56	\$352.56	\$24.83
48		\$321.33	\$341.11	\$19.78	\$17.28	\$23.04	\$364.15	\$25.54
49		\$331.85	\$352.22	\$20.37	\$17.64	\$23.52	\$375.74	\$26.25
50		\$342.37	\$363.33	\$20.96	\$18.00	\$24.00	\$387.33	\$26.96
51		\$352.89	\$374.44	\$21.55	\$18.36	\$24.48	\$398.92	\$27.67
52		\$363.41	\$385.55	\$22.14	\$18.72	\$24.96	\$410.51	\$28.38
53		\$373.93	\$396.66	\$22.73	\$19.08	\$25.44	\$422.10	\$29.09
54		\$384.45	\$407.77	\$23.32	\$19.44	\$25.92	\$433.69	\$29.80
55		\$394.97	\$418.88	\$23.91	\$19.80	\$26.40	\$445.28	\$30.51
56		\$405.49	\$429.99	\$24.50	\$20.16	\$26.88	\$456.87	\$31.22
57		\$416.01	\$441.10	\$25.09	\$20.52	\$27.36	\$468.46	\$31.93
58		\$426.53	\$452.21	\$25.68	\$20.88	\$27.84	\$480.05	\$32.64
59		\$437.05	\$463.32	\$26.27	\$21.24	\$28.32	\$491.64	\$33.21
60		\$447.57	\$474.43	\$26.86	\$21.60	\$28.80	\$503.23	\$34.06

Option C

Sample Bills -- Single-Family								
Consumption (Ccf)		Current Monthly Bill	Proposed Monthly Water Bill	Dollar Difference	Current CAP Charge	Proposed CAP Charge	Proposed Total Utility Monthly Bill	Total Bill Dollar Difference
61		\$458.09	\$485.54	\$27.45	\$21.96	\$29.28	\$514.82	\$34.77
62		\$468.61	\$496.65	\$28.04	\$22.32	\$29.76	\$526.41	\$35.48
63		\$479.13	\$507.76	\$28.63	\$22.68	\$30.24	\$538.00	\$36.19
64		\$489.65	\$518.87	\$29.22	\$23.04	\$30.72	\$549.59	\$36.90
65		\$500.17	\$529.98	\$29.81	\$23.40	\$31.20	\$561.18	\$37.61
66		\$510.69	\$541.09	\$30.40	\$23.76	\$31.68	\$572.77	\$38.32
67		\$521.21	\$552.20	\$30.99	\$24.12	\$32.16	\$584.36	\$39.03
68		\$531.73	\$563.31	\$31.58	\$24.48	\$32.64	\$595.95	\$39.74
69		\$542.25	\$574.42	\$32.17	\$24.84	\$33.12	\$607.54	\$40.45
70		\$552.77	\$585.53	\$32.76	\$25.20	\$33.60	\$619.13	\$41.16

Average Single Family Monthly Water Bill Comparison¹

OPTION C

(Average annual bill high to low)

	WATER UTILITIES	MONTHLY SERVICE CHARGE	AVERAGE ANNUAL BILL
1	Green Valley	\$26.00	\$46.40
2	Flagstaff	\$12.18	\$40.03
3	Metro	\$20.00	\$39.60
4	Mesa	\$20.73	\$39.32
5	Oro Valley	\$14.19	\$37.79
6	Marana	\$15.12	\$35.72
7	Yuma	\$15.68	\$29.33
8	Casa Grande	\$16.00	\$28.33
9	<i>Tucson*</i>	<i>\$9.68</i>	<i>\$27.89</i>
10	Sierra Vista	\$15.00	\$27.79
11	Scottsdale	\$10.75	\$26.06
12	Flowing Wells	\$10.35	\$25.38
13	Glendale	\$9.70	\$25.33
14	Tempe	\$10.80	\$24.54
15	Chandler	\$8.87	\$20.37
16	Nogales	\$6.62	\$19.60
17	Phoenix	\$4.36	\$18.29

¹ Bills based on average monthly usage for FY12 at Tucson Water for Single Family customers (10.0 Ccf) applied to the current rates of the respective utilities.

Monthly usage shown below. Residential Monthly Service charge based on 5/8" meter cost.

*Tucson based on Proposed 2013 Rates

BILLING MONTH	CONSUMPTION
January	8
February	8
March	9
April	9
May	10
June	12
July	12
August	11
September	11
October	11
November	9
December	10

CITY OF TUCSON - TUCSON WATER
SINGLE FAMILY WATER BILL COMPARISONS: FY 2004 to FY 2014 WATER RATES
CWAC Option C

	2004	2014	
MONTHLY MINIMUM CHARGE			
Meter Size			Change \$
5/8"	\$5.35	\$9.68	\$4.33
MONTHLY WATER USE CHARGES			
	Block Rates		Change \$
1-3 Ccf	\$1.03	\$1.29	\$0.26
4-10 Ccf	\$1.03	\$1.29	\$0.26
11 - 15 Ccf	\$1.03	\$2.68	\$1.65
16 - 30 Ccf	\$3.60	\$6.87	\$3.27
31 - 45 Ccf	\$5.05	\$11.04	\$5.99
Over 45 Ccf	\$7.13	\$11.04	\$3.91
CAP SURCHARGE PER Ccf			Change \$
	\$0.04	\$0.48	\$0.44
CONSERVATION CHARGE PER Ccf*			Change \$
	\$0.00	\$0.07	\$0.07

BILL IMPACTS OF ABOVE				
	Usage	2004	2014	Change \$
Average User	10Ccf	\$16.05	\$28.08	\$12.03
High User	46 Ccf	\$159.52	\$340.97	\$181.45
Very High User	65 Ccf	\$295.75	\$561.18	\$265.43

Average Yearly Increase
3.73%
5.06%
4.27%

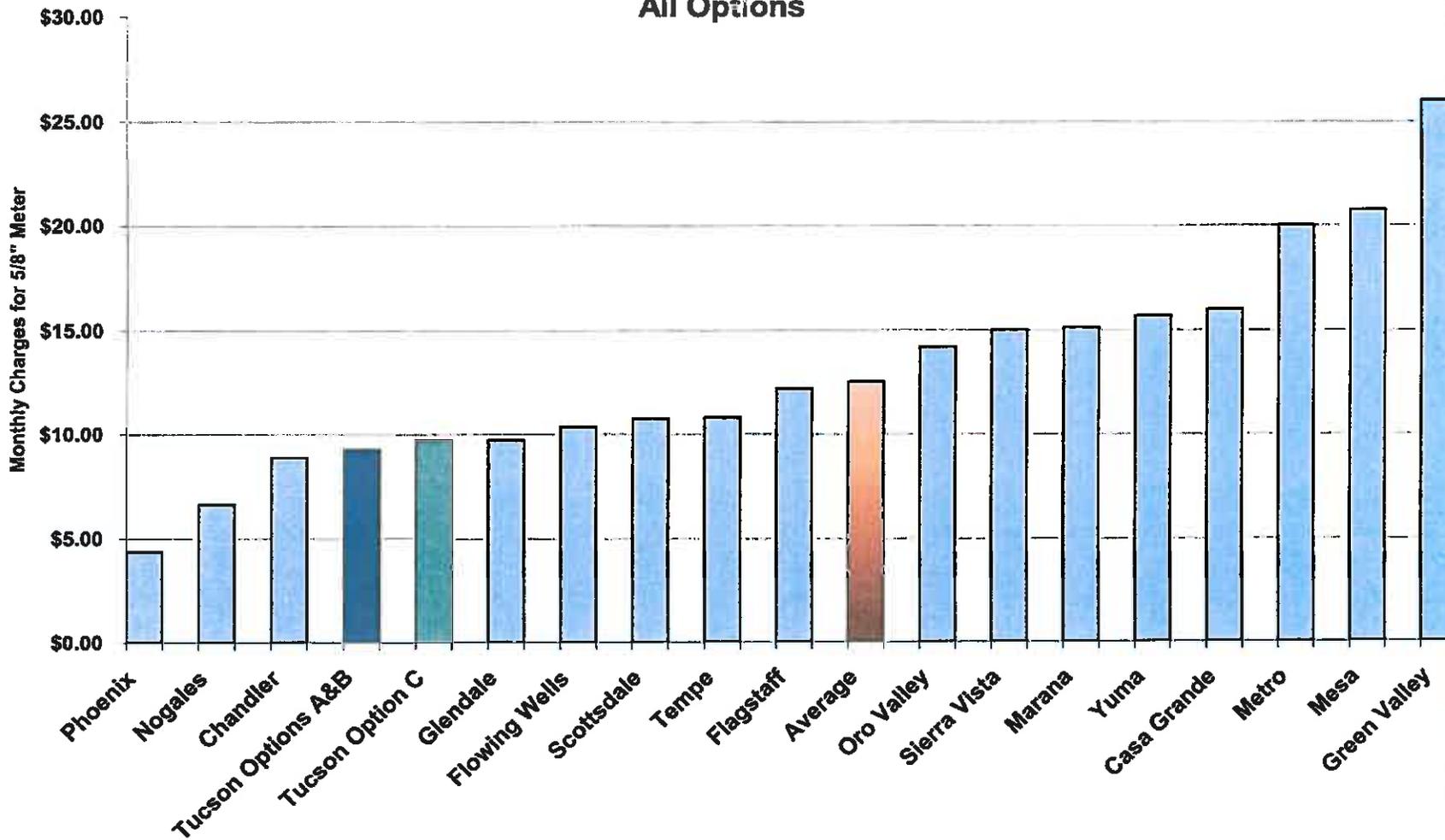
* Water bills shown above include the conservation charge first implemented in July 2008.

**FY 2014 Sample Monthly Bills: Other Customer Classes
(Usage in Ccf based on actual FY 2012 average use per service)**

Option C

Class	Typical Meter Size	Summer Usage	Winter Usage	MONTHLY AVERAGE BILLS						
				Existing Rates			Proposed - Existing Blocks			Difference
				Water Bill	CAP Charge	Total Utility Bill	Water Bill	Conservation Charge	Total Utility Bill	
Potable										
Multifamily	2"	125	107	\$ 319.65	\$ 41.83	\$ 361.48	\$ 325.94	\$ 55.78	\$ 381.72	\$ 20.24
Mobile Home Parks w/sub-meters	2"	272	228	\$ 500.01	\$ 89.92	\$ 589.93	\$ 501.14	\$ 119.90	\$ 621.04	\$ 31.11
Commercial	2"	62	45	\$ 185.78	\$ 19.13	\$ 204.91	\$ 192.81	\$ 25.51	\$ 218.32	\$ 13.41
Industrial	2"	242	116	\$ 497.14	\$ 64.40	\$ 561.54	\$ 498.60	\$ 85.87	\$ 584.47	\$ 22.93
Construction Water	2.5"	60	45	\$ 204.25	\$ 18.91	\$ 223.16	\$ 224.86	\$ 25.21	\$ 250.07	\$ 26.91
Fire Sprinkler Service (unmetered - 4" conr	na	na	na	\$ 20.76	na	\$ 20.76	\$ 23.25	na	\$ 23.25	\$ 2.49

Comparison of Monthly Fixed Charges All Options



Water Rate Recommendations FY 2014

MAYOR AND COUNCIL MEETING

APRIL 16, 2013



Utility Overview

- Tucson Water is an enterprise fund of the City of Tucson
- We serve 709,000 people, with 225,000 metered accounts
- Potable and reclaimed water customers
- Customers reside inside (66%) and outside (33%) the city limits
- The primary water provider for Southern Arizona
- \$1B in infrastructure and capital assets



Rate Resiliency is a Key Component of



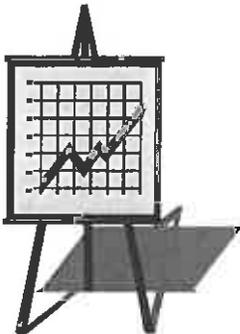
Water Reliability

The Utility's Water Reliability Program includes projects and programs that ensure we have a reliable water supply and water system – today & in the future.



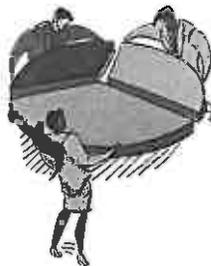
Three-Step Rate Review Process

Financial Plan



8.3% overall revenue increase

Cost of Service Analysis



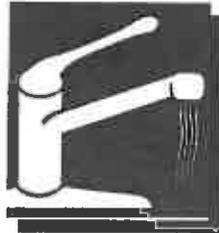
Determines how revenue increase is distributed across classes and bills

Rate Design



Value of Tucson Tap Water v. Bottled

1 Gallon



Less than
\$0.004

1 Gallon



\$1.49



FY 2013 Rate Structure Recap

- Modified residential block structure to reflect current usage patterns
 - **Block 1 rates low to minimize impact on average user**
- Modified CAP surcharge to reflect water purchase costs for Clearwater facilities
- Increased commercial tier rates
- Strong conservation message

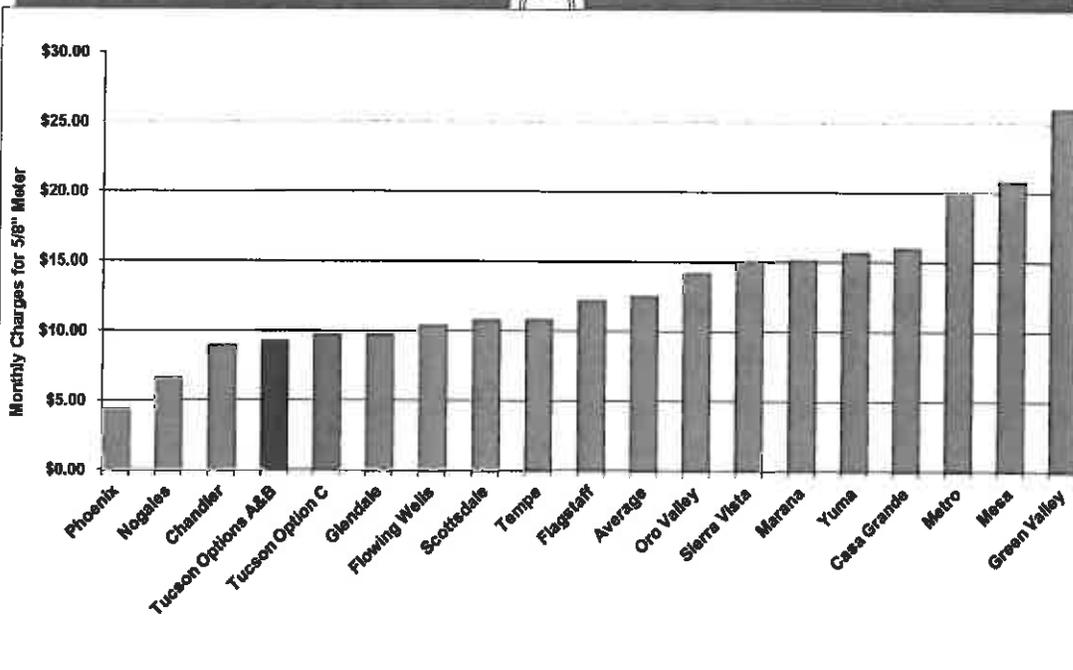


FY2014 Goals/Objectives

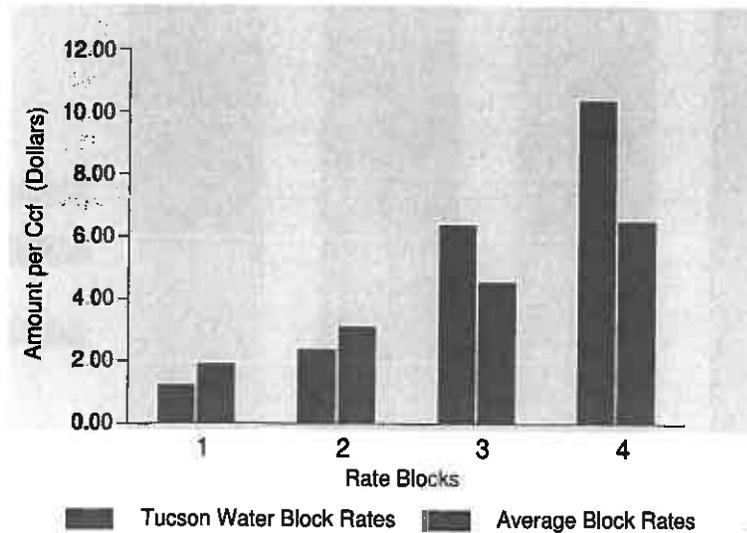
- Ensure financial sufficiency
- Continue conservation message
- Improve rate resiliency
 1. increasing revenue from fixed charges (21%-22%)
 2. reducing reliance on upper blocks
 3. increasing CAP charge to cover all water purchase costs (transparency/stability)



Residential Monthly Service Charge Comparison Standard residential meter



Comparison Residential Block Rates to Average of Other Cities



TUCSON WATER

Single Family Revenue Profile

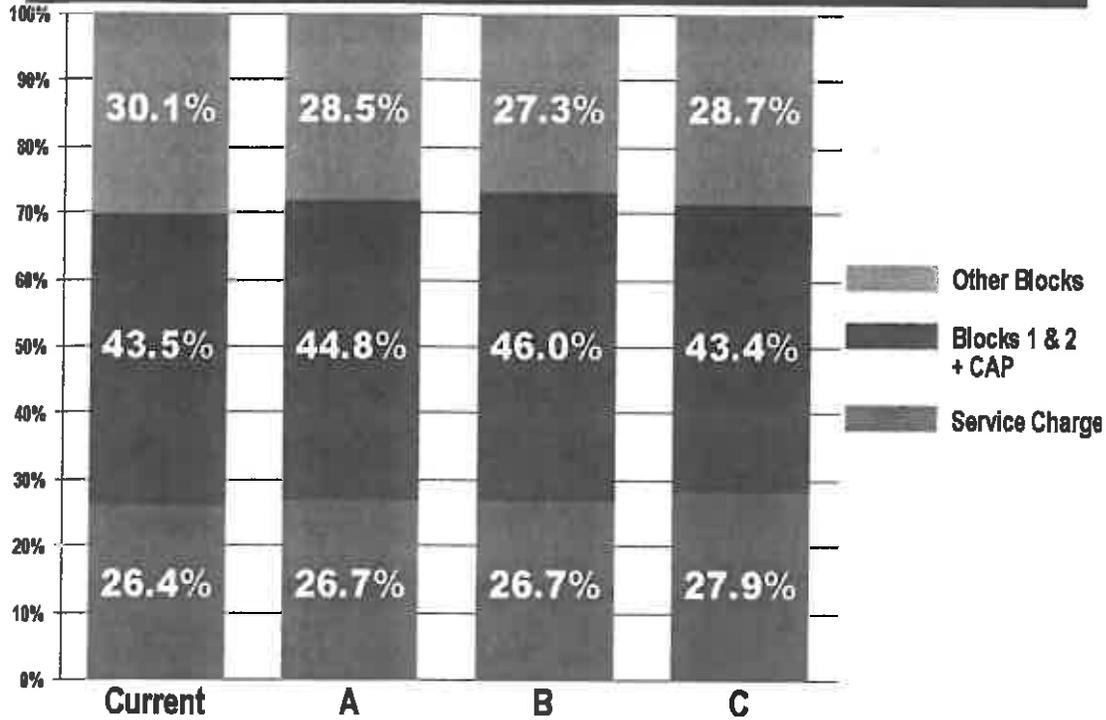
FY2013 Revenue by Residential Rate Component

	Previous Projection	Current Estimate	% Change
Service Charge	\$20,750,369	\$21,160,239	2.0%
CAP Charge	\$8,328,183	\$8,075,624	-3.0%
Block 1	\$20,349,168	\$20,343,151	0.0%
Block 2	\$7,437,876	\$6,899,972	-7.2%
Block 3	\$18,656,655	\$16,614,828	-10.9%
Block 4	\$11,028,269	\$9,349,328	-15.2%
Total	\$86,550,520	\$82,443,142	-4.7%



TUCSON WATER

Residential Revenue Recovery



Rate Option Evaluation

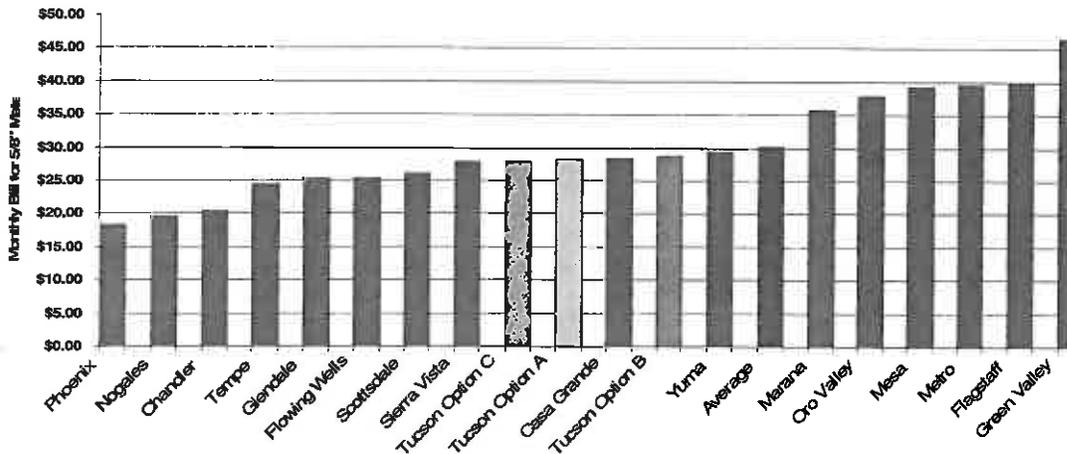
	Option A	Option B	Option C
Revenue stability			
• Increased fixed revenue %	medium	medium	high
• reliance on upper blocks	medium	low	high
Promote conservation message	high	medium	high
Consistent with Cost of Service	medium	high	medium

Residential Monthly Bill Impacts: All Options

Ccf Usage	Option A	Option B	Option C
0	\$ 0.98	\$ 0.98	\$ 1.41
3	\$ 1.64	\$ 1.79	\$ 1.86
10	\$ 3.18	\$ 3.68	\$ 2.91
30	\$ 12.53	\$ 8.58	\$ 12.76
50	\$ 22.93	\$ 11.98	\$ 29.96
70	\$ 33.33	\$ 15.38	\$ 41.46



Residential Monthly Bill Comparison



UTILITY SERVICES STATEMENT				Option A
	CURRENT RATE	PROPOSED RATES	DOLLAR DIFFERENCE	
TUCSON WATER SERVICE				
MONTHLY SERVICE CHARGE	\$8.27	\$9.25	\$0.98	
RESIDENTIAL VOL	\$12.60	\$13.60	\$1.00	
CAP	\$3.60	\$4.80	\$1.20	
CONSERVATION FEE	\$0.70	\$0.70	\$0.00	
TOTAL WATER	\$25.17	\$28.35	\$3.18	
PIMA COUNTY SEWER SERVICE				
PIMA COUNTY CHARGES				
MONTHLY SERVICE CHARGE	\$11.86	\$12.63	\$0.77	
RESIDENTIAL VOL	\$25.62	\$28.18	\$2.56	
TOTAL SEWER	\$37.48	\$40.81	\$3.33	
TUCSON ENVIRONMENTAL SERVICE				
GROUNDWATER PROT FEE	\$1.06	\$1.06	\$0.00	
95 GAL CURB	\$16.75	\$16.75	\$0.00	
TOTAL ENVIRONMENTAL	\$17.81	\$17.81	\$0.00	
TOTAL	\$80.46	\$86.97	\$6.51	7.48%

* Water Service based on average 10.00 Ccfs
 **Sewer Service based on average 8.00 Ccfs

UTILITY SERVICES STATEMENT				Option B
	CURRENT RATE	PROPOSED RATES	DOLLAR DIFFERENCE	
TUCSON WATER SERVICE				
MONTHLY SERVICE CHARGE	\$8.27	\$9.25	\$0.98	
RESIDENTIAL VOL	\$12.60	\$14.10	\$1.50	
CAP	\$3.60	\$4.80	\$1.20	
CONSERVATION FEE	\$0.70	\$0.70	\$0.00	
TOTAL WATER	\$25.17	\$28.85	\$3.68	
PIMA COUNTY SEWER SERVICE				
PIMA COUNTY CHARGES				
MONTHLY SERVICE CHARGE	\$11.86	\$12.63	\$0.77	
RESIDENTIAL VOL	\$25.62	\$28.18	\$2.56	
TOTAL SEWER	\$37.48	\$40.81	\$3.33	
TUCSON ENVIRONMENTAL SERVICE				
GROUNDWATER PROT FEE	\$1.06	\$1.06	\$0.00	
95 GAL CURB	\$16.75	\$16.75	\$0.00	
TOTAL ENVIRONMENTAL	\$17.81	\$17.81	\$0.00	
TOTAL	\$80.46	\$87.47	\$7.01	8.01%

* Water Service based on average 10.00 Ccfs
 **Sewer Service based on average 8.00 Ccfs

UTILITY SERVICES STATEMENT

Option C

	CURRENT RATE	PROPOSED RATES	DOLLAR DIFFERENCE	
TUCSON WATER SERVICE				
MONTHLY SERVICE CHARGE	\$8.27	\$9.68	\$1.41	
RESIDENTIAL VOL	\$12.60	\$12.90	\$0.30	
CAP	\$3.60	\$4.80	\$1.20	
CONSERVATION FEE	\$0.70	\$0.70	\$0.00	
TOTAL WATER	\$25.17	\$28.08	\$2.91	
PIMA COUNTY SEWER SERVICE				
PIMA COUNTY CHARGES				
MONTHLY SERVICE CHARGE	\$11.86	\$12.63	\$0.77	
RESIDENTIAL VOL	\$25.62	\$28.18	\$2.56	
TOTAL SEWER	\$37.48	\$40.81	\$3.33	
TUCSON ENVIRONMENTAL SERVICE				
GROUNDWATER PROT FEE	\$1.06	\$1.06	\$0.00	
95 GAL CURB	\$16.75	\$16.75	\$0.00	
TOTAL ENVIRONMENTAL	\$17.81	\$17.81	\$0.00	
TOTAL	\$80.46	\$86.70	\$6.24	7.20%

* Water Service based on average 10.00 Ccfs
 **Sewer Service based on average 8.00 Ccfs

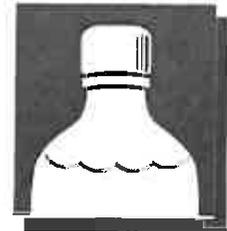
Value of Tucson Tap Water v. Bottled

1 Gallon



**Less than
\$0.004**

1 Gallon



\$1.49



Low Income Program Changes

- Increases from 30% to 40% credit on monthly water bill
- .03 per month maximum increase for customers
- Effective July 1, 2013
- Tucson Water will work in tandem with Pima County Community Action Agency and TW's public information to ensure awareness & participation
- Low income program funds are allocated within the Utility's budget



Next Steps

- **Tuesday, May 7 – El Rio Neighborhood Center, 5:30-7:30 p.m.**
- **Thursday, May 9 – Quincie Douglas Library, 5:30-7:30 p.m.**
- **Tuesday, May 14 – Randolph Regional Center, Mesquite Room, 5:30-7:30 p.m.**
- **Wednesday, May 15 – William Clements Recreation Center – 5:30-7:30 p.m.**
- **Tuesday, May 21 – Mayor & Council meeting on proposed water rates and miscellaneous fees. Public hearing.**



Questions

