



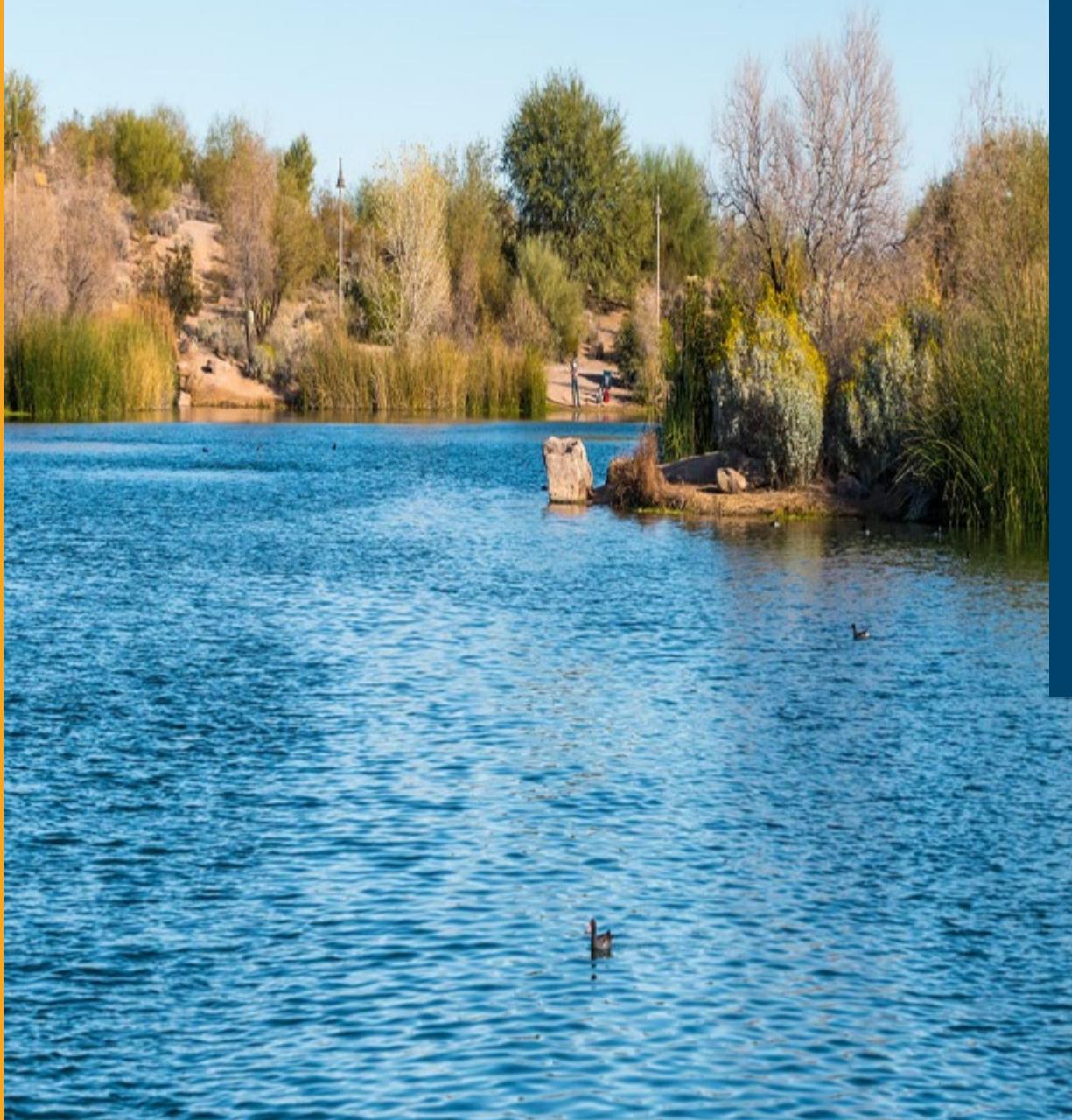
Utility Rates Public Hearing

Council Chambers
6:00 pm | January 8, 2026

Visit Chandleraz.gov/ProposedUtilityRates for
more information



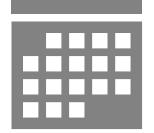
Agenda



- **Utilities Rate Change Outreach**
- **Rate Analysis & Revenue Requirements**
- **Rate Change Overviews**
 - **Water**
 - **Wastewater**
 - **Reclaimed**
 - **Solid Waste**
- **Overview of Proposed Ordinances**

Water, Wastewater, Reclaimed & Solid Waste Rate Change Outreach

Public Outreach: Website



Public meeting schedule, Council action schedule, process timeline



Rate changes in % and \$ by classification



Monthly bill calculator, FAQs, Feedback button



Last Cost of Service (COS) study presentations, COS report

Public Outreach: Meetings



City Council Work Sessions, Public Hearing, Notice of Intent, and ongoing updates



Residential and Non-Residential public meetings 10/9/25 and 10/14/2025



Met with Chamber, Multi-housing group, emailed 88 HOAs



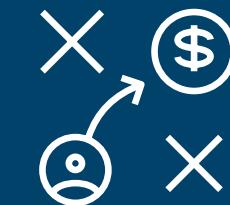
Met with individual stakeholders as needed and provided bill change effect estimates

Information was also communicated in CityScope, Social media posts, and media releases

Feedback provided included 2 emails, 1 letter, 5 website comments and 43 captured social media comments, with a mix of understanding the need, to not in favor of rate changes, to comments not related to utility rates

Rate Analysis and Revenue Requirement

City's Financial Plan Review
(completed annually)



What is the funding requirement?

	Water	Wastewater	Reclaimed	Solid Waste
FY 2025-26 Mar. 2026	15%	15%	18%	6%
FY 2026 – 27 (Estimate only subject to change)	7.5%	6.5%	9%	3%

Direction was to allocate revenue requirement equally on all classifications and to adjust the timing of future rate increases to annual adjustments to more quickly address economic trends and smooth the over all impact of revenue requirement needs.

Water Rates

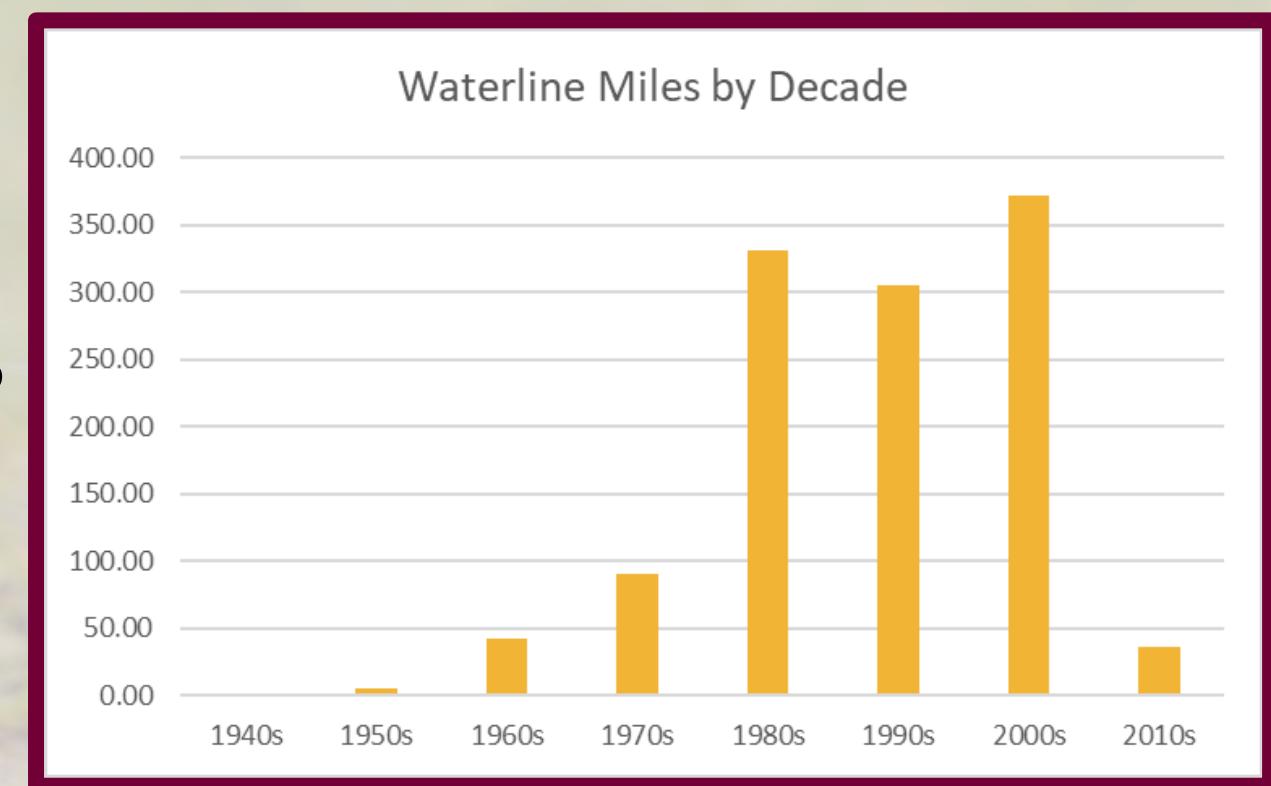


Major Water Revenue Requirement Drivers

Aging Infrastructure & Operating Cost Increases

Known Water Impacts

- Increasing the rate of replacement of highest and high risk watermains over next 30 years
- Added a redundant 48" transmission line to reduce risk of single point of failure
- Increased aging plant improvements and filter media in the 10-year CIP
- Increased water purchase costs for CAP and SRP
- Increased operating cost of treatment chemicals
- Increased power costs (solar savings will help some)
- Increased new and existing personnel costs for certified operators





Water Revenue Requirement



Revenue
Requirement



Residential



Multifamily



Non-residential



Industrial



Landscape

*Outside city rates will continue at 1.4 times in city rates

Volumetric and Base Water Rate Changes

(15% Revenue Recovery)

Customer Class	Existing	FY 2025-26 (Mar. 2026)	Rate Change %
Single Family			
First 10 Kgal	\$1.66	\$1.91	15%
Next 10 Kgal	2.15	2.47	15%
Next 40 Kgal	2.73	3.14	15%
Over 60 Kgal	3.39	3.90	15%
Multi-Family			
First 10 Kgal	\$0.91	\$1.05	15%
Next 10 Kgal	1.13	1.30	15%
Next 20 Kgal	1.55	1.78	15%
Over 40 Kgal	2.31	2.66	15%

Customer Class	Existing	FY 2025-26 (Mar. 2026)	Rate Change %
		Per 1,000 Gallons	Current FY
Non-Residential		\$2.37	\$2.73
Landscape	3.08		3.54
Industrial	2.37		2.73
Base Charge \$ per Bill			
	Existing	FY 2025-26	
5/8"	\$9.72	\$11.18	15%
3/4"	11.10	12.77	15%
1"	14.17	16.30	15%
1.5" to 12"	Various		15%

Water Average Bill Example

Water- Avg. Bill Examples	Current Rate	As of Mar. 2 2026
Residential Avg. Bill (10,000 gal. 5/8" meter)	\$26.32	\$30.27
Multifamily Avg. Bill (500k ga. 6" meter)	\$1,291.32	\$1,485.02
Non-Residential Avg. Bill (200k gal. 2" meter)	\$505.40	\$581.21
Landscape Avg. Bill (200k gal. 1" meter)	\$630.17	\$724.70



Water Conservation

- **Tiered rates encourage conservation**
 - Low water users pay less per gallon for the water they use, high water users pay more
- **Chandler offers free water-wise workshops, site visits, and retrofit kits (homes built prior to 1992)**
- **Current conservation rebate programs**
 - Residential and commercial grass removal
 - Non-functional turf removal
 - Smart irrigation controller installation





Wastewater Rates



Major Wastewater Revenue Requirement Drivers

Aging infrastructure & Operating Cost Increases

Known Wastewater Impacts

- Increasing the rate of replacement of the highest risk lines and 7,000 manholes in the highest, high, and moderate risk over 30 years
- Added 66" redundant line underneath Loop 202 to allow for existing pipe rehab
- Added Ocotillo Water Reclamation Facility Influent Pump Station construction
- Increased aging plant improvements in the 10-year CIP
- Increased operating costs including treatment chemicals
- Increased power costs (solar savings will help some)
- Increased new and existing personnel costs for certified operators



Wastewater Revenue Requirement



Revenue
Requirement



Residential



Multifamily



Non-residential

*Outside city rates will continue at 1.6 times in city rates

Wastewater Rate Changes

(15% Revenue Recovery)

Customer Class	Existing	FY 2025-26 (Mar. 2026)	Rate Change %
Current FY			
Residential Base*	\$27.65	\$31.80	15%
Multifamily Base*	\$12.92	\$14.86	15%
Non-Residential			
Volumetric**	\$4.37	\$5.03	15%
Customer Charge	\$9.58	\$11.02	15%

* Monthly Charge per Dwelling Unit / Flat Rate

** Per 1,000 Gallons%

Wastewater Average Bill Example



Wastewater- Avg. Bill Example	Current Rate	As of Mar. 2 2026
Residential Base Avg. Bill (Flat Fee)	\$27.65	\$31.80
Multifamily Avg. Bill (150 units)	\$1,938.00	\$2,228.70
Non-Residential Avg. Bill (200k gal. 2" meter)	\$883.58	\$1,016.12





Reclaimed Water Rates



Reclaimed Water Volume Rate Change and Average Bill Example



Revenue
Requirement



All Reclaimed Customers	Existing	FY 2023-24 (Jan. 2024)
\$ per 1,000 gallons	\$0.80	\$0.94
Change - \$		\$0.14
Change - %		+18%



Reclaimed- Avg. Bill Example	Current Rate	As of Mar. 2 2026
Monthly Average (850k gal)	\$ 680.00	\$802.40

*Outside city rates will continue at 1.4 times in city rates

Solid Waste Rates



Solid Waste Rate Change and Average Bill Example

FY 2025-26

Proposed for
Mar. 2026

All Covered Residences

+6%

Solid Waste- Avg. Bill Example	Current Rate	As of Mar. 2 2026
Monthly Fee (Flat Fee)	\$19.86	\$21.05
Alley Collection Fee	\$1.61	\$1.71

Major rate driver is collection contract increases
These will be part of February Fee Schedule Adjustments

Solid Waste Fee Updates in February Fee Resolution

In addition to general rate changes discussed:

- Initial Cost of containers for newly constructed residences from \$148 to \$150
- Adjusts the Special Collection fee for curbside collection from \$18.50 to \$23.50
- Adjusts the Special Collection fee for alley from \$35 to \$41.50
- Adjusts the fee for additional bulk collections above free allocation from \$35 to \$43
- Adjusts RSWCC per ton fees above the initial 400 lbs. covered as free from \$50 to \$70
- RSWCC visit costs for first 400 lbs (after all free visits used) from \$10 to \$14

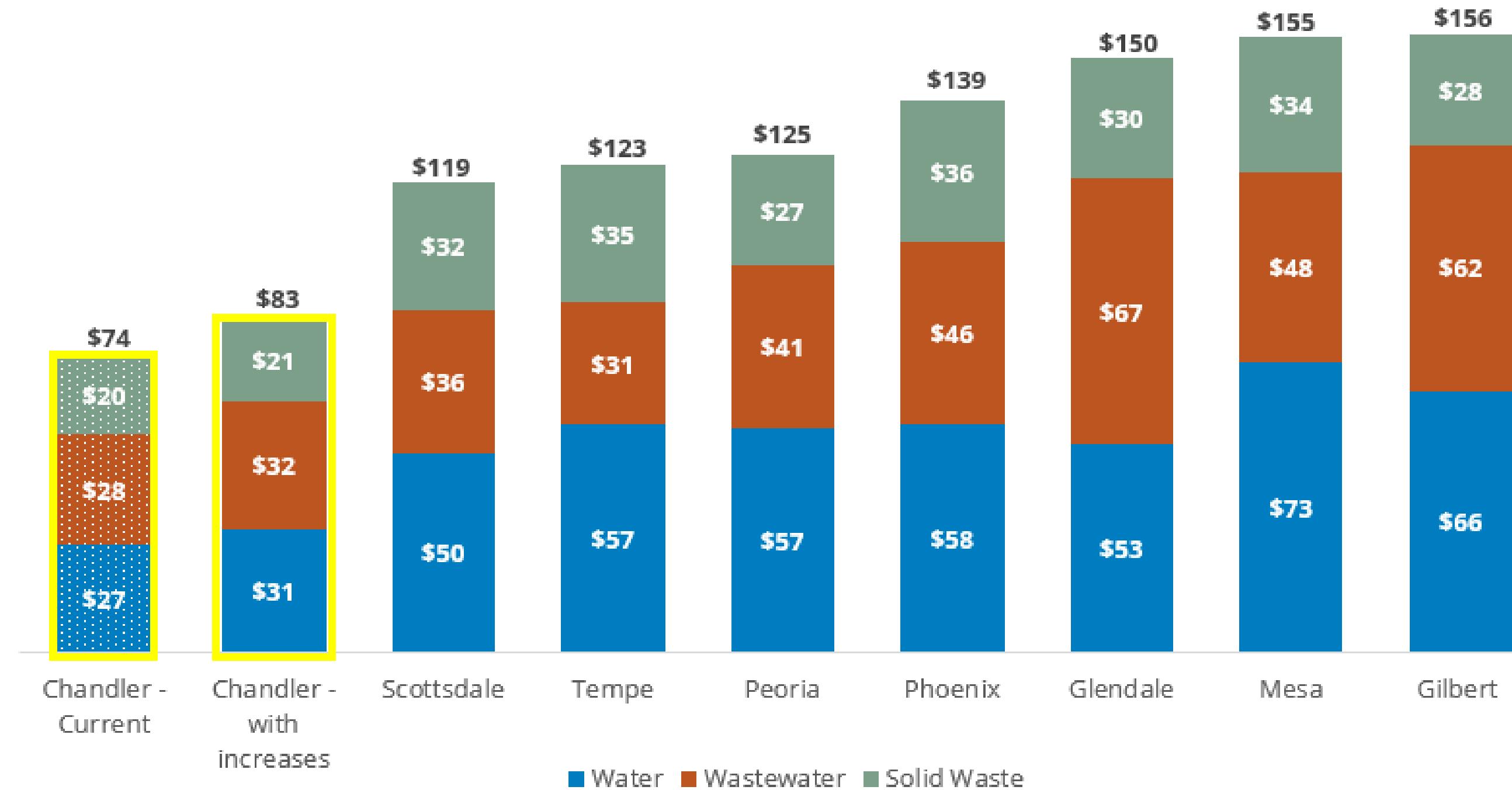
*All of these are to adjust costs to the current city cost for full cost recovery



Combined Average Customer Bill Example

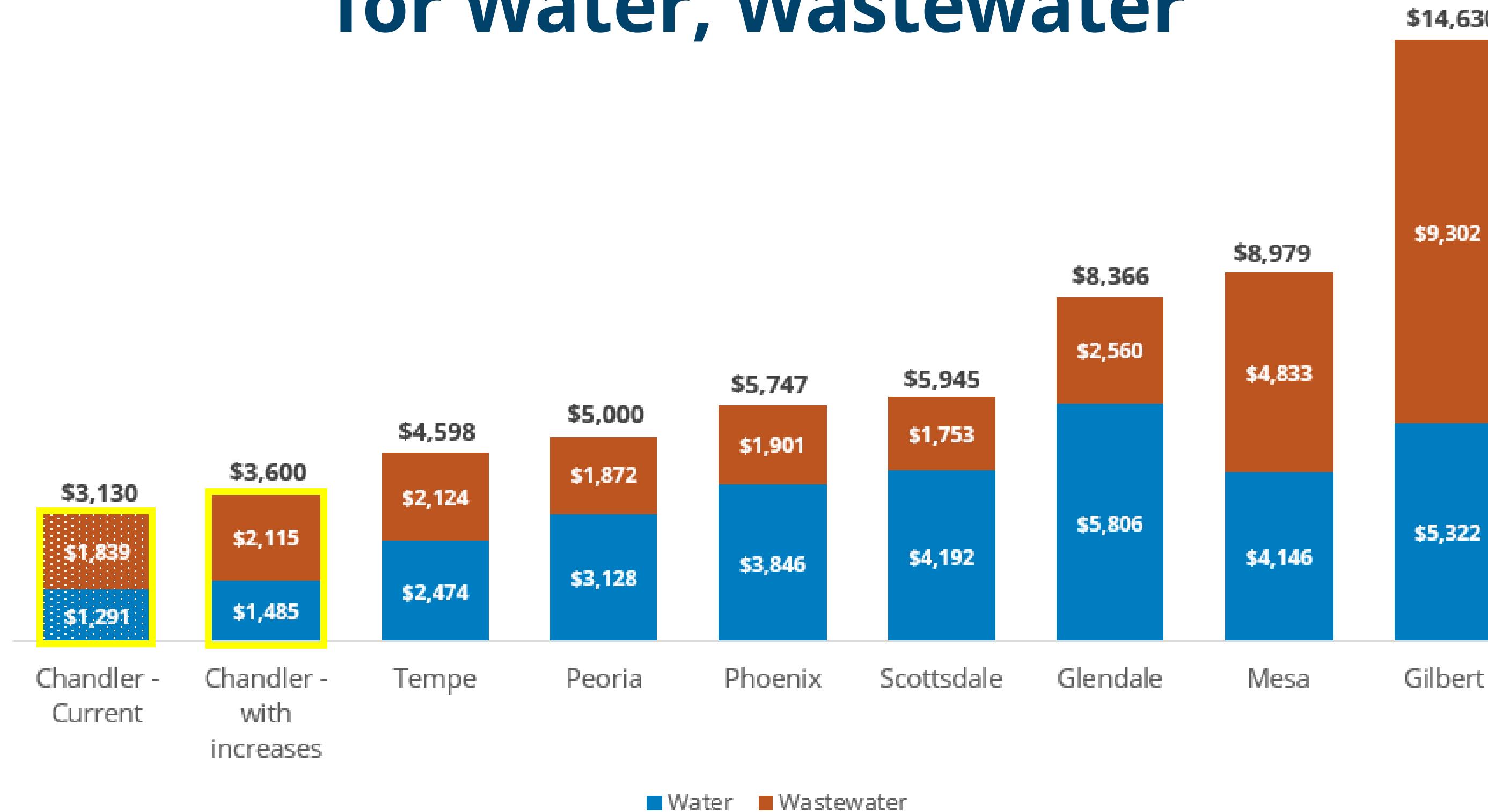
Combined Average Bill Examples	Current Rate	As of Mar. 2 2026
Residential Combined Avg. Bill	\$73.83	\$83.12
Multifamily Combined Avg. Bill	\$3,229.32	\$3,713.72
Non-Residential Combined Avg. Bill	\$1,388.98	\$1,597.33

Average Residential Cost Comparison for Water, Wastewater and Solid Waste



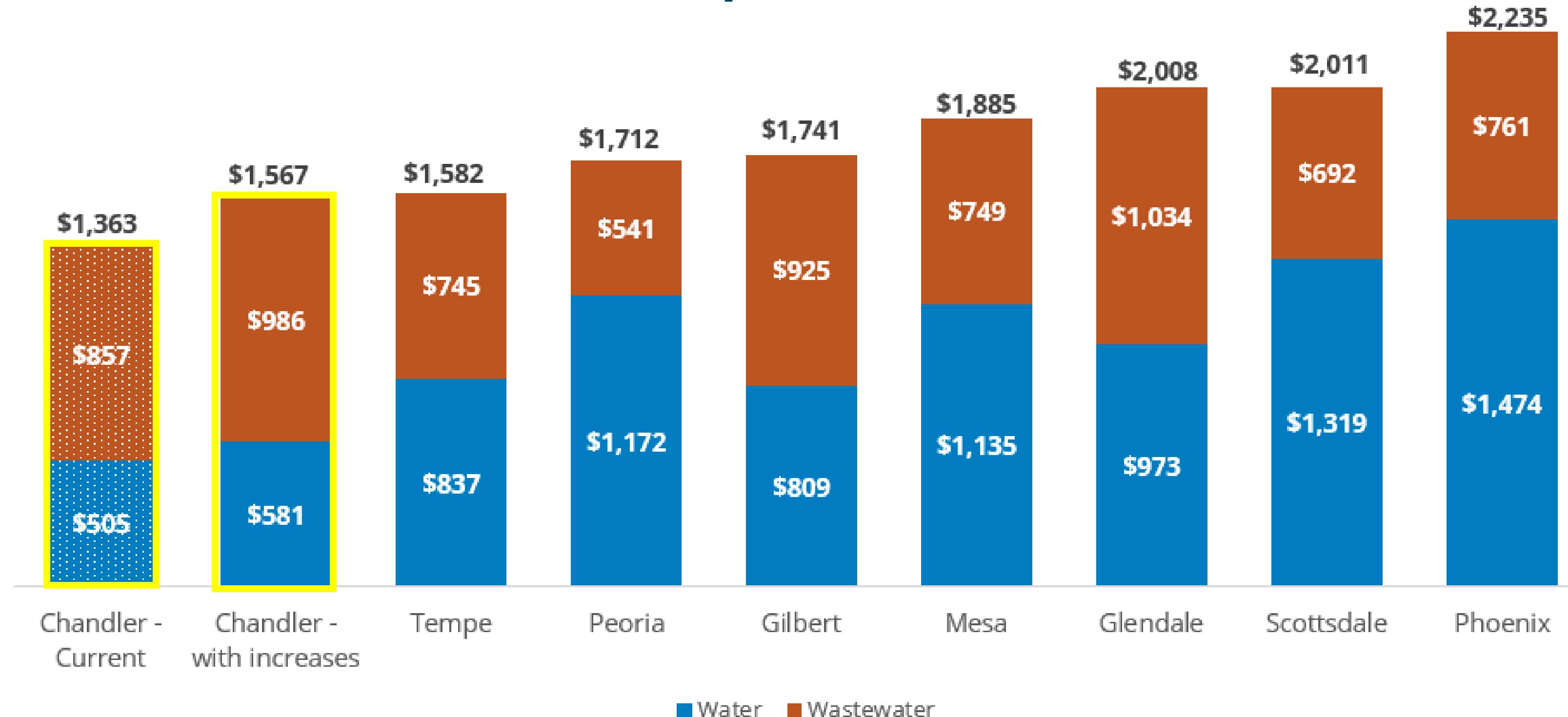
Estimated based on current adopted rates by city (some cities may be increasing rates which are not included). Includes 10Kgal of monthly usage, on a 5/8" meter.

Average Multi-Family Cost Comparison for Water, Wastewater



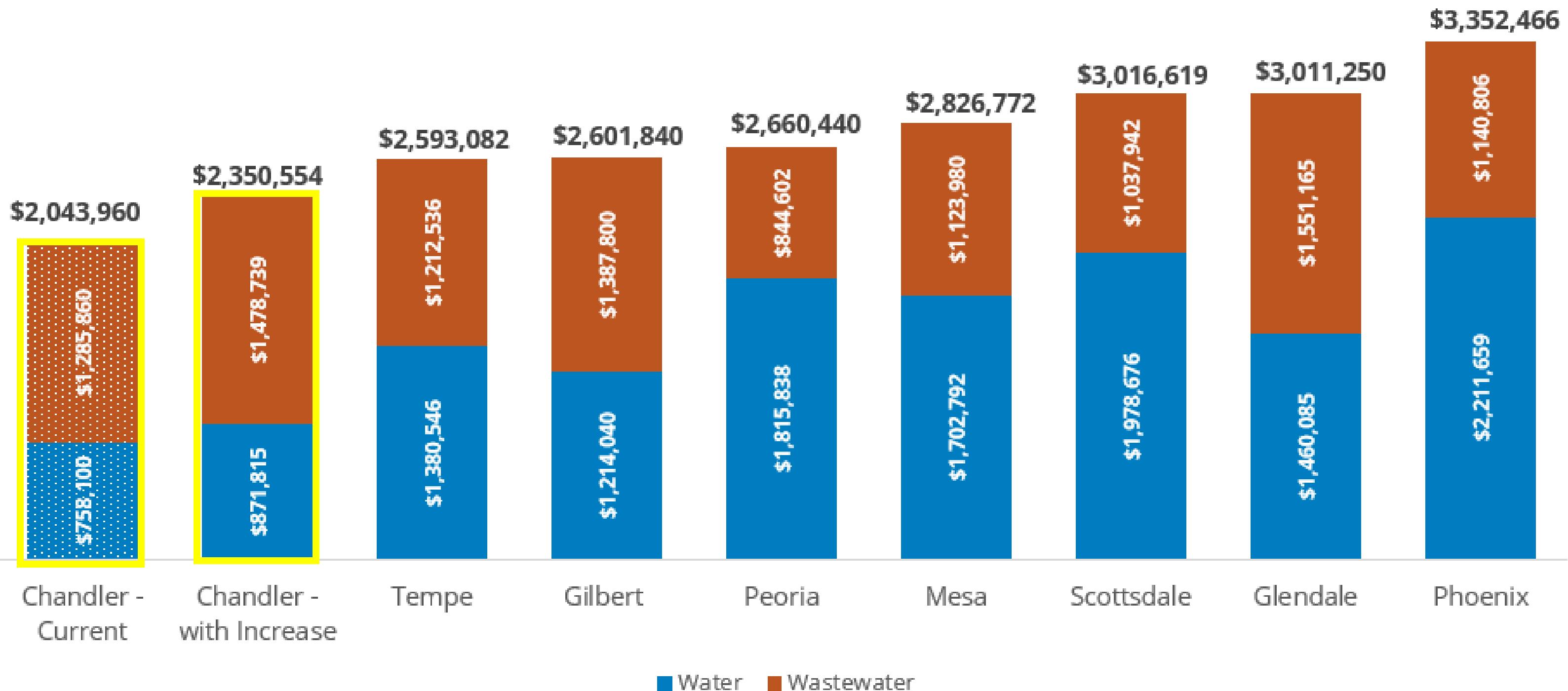
Estimated based on current adopted rates by city (some cities may be increasing rates which are not included). Includes 500Kgal of monthly usage, a 6" meter, and 150 units.

Average Non-Residential Cost Comparison for Water, Wastewater



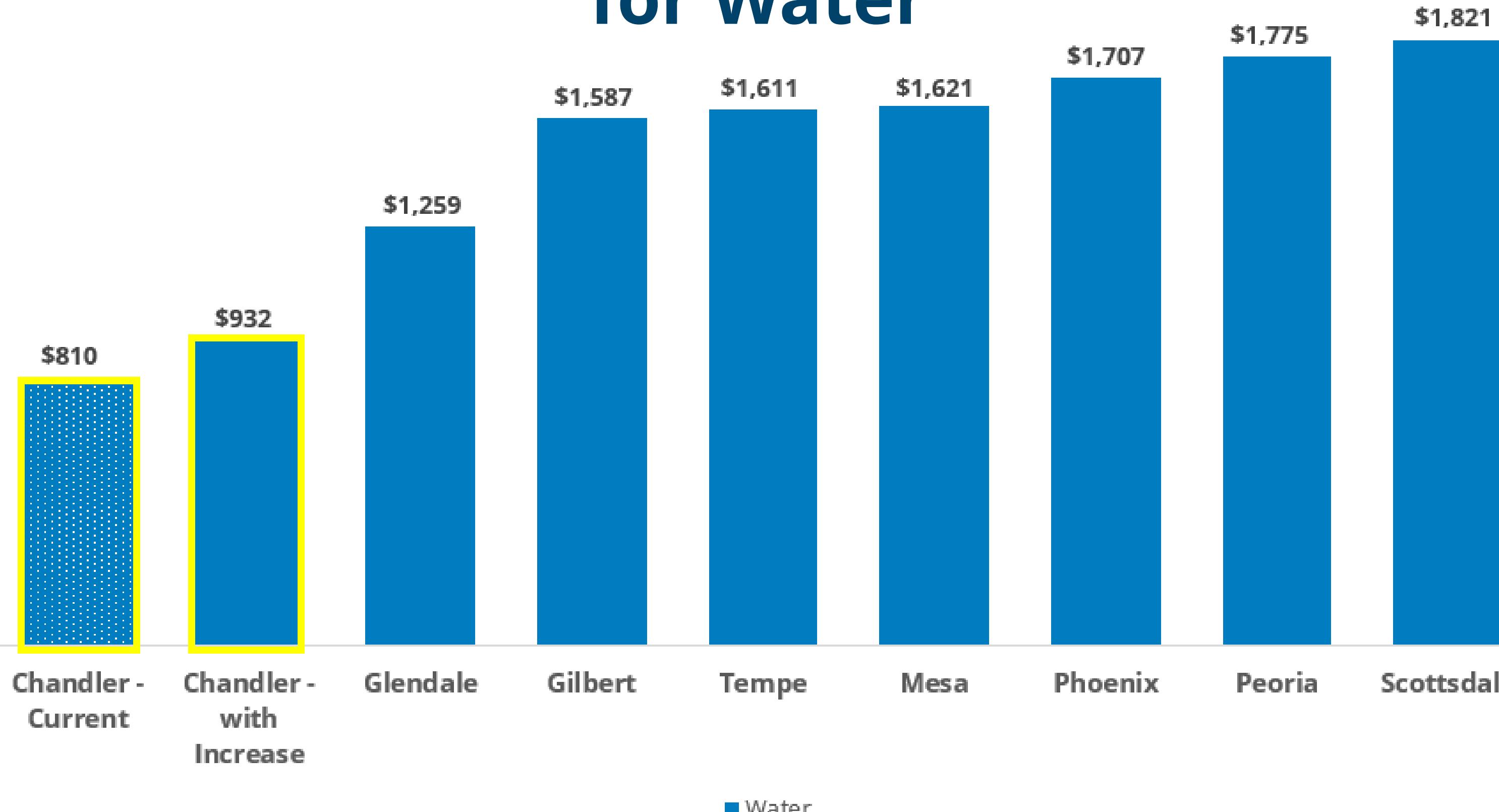
Estimated based on current adopted rates by city (some cities may be increasing rates which are not included). Includes 200Kgal of monthly usage, and a 2" meter.

Average Industrial Cost Comparison for Water, Wastewater



Estimated based on current adopted rates by city (some cities may be increasing rates which are not included). Includes 300Mgal of monthly usage, and an 8" meter.

Average Landscape Cost Comparison for Water



Estimated based on current adopted rates by city (some cities may be increasing rates which are not included). Includes 300Kgal of monthly usage, and an 2" meter.



Proposed Ordinance #5148

- Includes **Water, Wastewater, Reclaimed** rate changes
- Updates the fee for services outside normal working hours from \$27 to \$35
- Adjusts language to reflect administrative practice (shall to may)
- Adds clarifying language on using reasonably estimated reads and entering premises for meter and pipe inspection
- Memo allows for the transfer of \$25,000 to support additional Acts-of-kindness funding



Proposed Ordinance #5149

- Does not include **Solid Waste** rate or fee changes as those will come forward with the Fee Schedule Change Resolution in February
- Adds clarifying language to definition of covered residence (3 or fewer units)
- Adds clarifying language to container spacing (from 2 to 3 feet), Christmas tree collection dates (two full weeks), and documentation requirements for RSWCC usage
- Allows for Home-based business waste to be rejected based on type or quantity
- Removes the requirement for annual tonnage reports from private haulers allowing for those to be provided at the city's request

Rate Adjustment Timeline

Task or Event	Date
Notice of Intent Adopted (60 days prior to Public Hearing)	Completed October 16, 2025
Public Outreach	Completed Aug-Oct 2025
Notice of Intent Published in Newspaper (20 days prior to Public Hearing)	Completed December 19, 2025
Feedback to Council on Public Outreach	Completed November 13, 2025
Public Hearing / Ordinance First Read	January 8, 2026
Ordinance Final Adoption (Can go into effect 30 days after adoption)	January 22, 2026
Resolution to Update Citywide Fee Schedule (Solid Waste and other rates & fees)	February 26, 2026
Rates and Fees Effective for March Billing Cycle	March 2, 2026

Questions?



CHANDLER
arizona

