

Q&A from September Public Meetings

Q1. How do I find out when my street is scheduled for the new meters?

Response: The city has made available a map that reflects the progress to date of the automated meter project. That map as well as general information regarding the project can be found at <http://www.tempe.gov/city-hall/internal-services/finance/customer-services/automated-meter-project>.

The project will be completed in phases (currently in phase I) and the map is color coded to reflect that the: 1) Meter Has Been Upgraded, 2) Meter Scheduled for Upgrade/Upgrade in Progress, 3) Phase II Meter Not Upgraded, or 4) Phase III Meter Not Upgraded. The map is frequently updated to reflect the progress made on the project. The map has a search box that allows a customer to input their address to find out if their meter has already been upgraded or if not, the city's current, general estimated timing of installation. Unfortunately, the map does not provide specific time frames down to the individual street level as a host of factors impact the actual timing of installation. If you have any additional questions, please contact Customer Services at 480 350-8361.

Q2. Do my taxes pay for Water service and future replacement of Water infrastructure? Is water a profit-center?

Response: Water is not a profit center and no General Fund or tax subsidies are used to pay for water service or water infrastructure. Water (and wastewater) is considered an "enterprise fund", meaning the fees that users pay cover 100% of the costs for service.

Q3. What should I do if I don't think my meter is reading and functioning correctly?

Response: Customer Services can investigate consumption that appears to be unusual. One of the tools that they use is a high/low consumption report that is generated daily and reviewed by staff. Staff can then request a re-read of a meter that either confirms that the initial read was correct or that an error was made requiring an adjustment.

If you feel your meter read is wrong, contact Customer Services at 480-350-8361. It's rare that the meter itself is not functioning correctly. Meters are mechanical devices that spin when water pushes them and are highly confident devices. They may slow down over time but that would result in a lower, not higher, read. Customer Services can also pull a meter and have it sent to an independent lab for testing.

Q4. Why does the Multifamily class have a different rate structure than Single Family Residential?

Response: The single family and multifamily customer classes have different water usage profiles and the rate structures reflect the difference in demand that is placed on the system by each class. The single family customer class uses more than twice the amount of water in the summer as it does in the winter, resulting in a much higher demand being placed on the system in the summer. The system has to be built

to meet this high demand and the rate structure is an inclining block rate, meaning that the unit cost goes up the more water that is used. The multifamily class has a uniform rate to reflect the relatively uniform use of water throughout the year.

Q5. Does this mean that Multifamily customers are subsidizing Single Family customers?

No. In fact, there are 6 customer classes and each class has a rate based on how much it costs to provide them service. Each class pays their proportionate fair share and is not subsidized by other classes.

Q6. How is the proposed 2018 rate structure different from the current rate structure?

Response – The proposed 2018 rate structure adds an additional tier with volumes from 20,000-40,000 gallons per month. This tier was created to recognize outdoor water use on larger lots and is priced at a rate that is lower than the highest tier.

Another change in the 2018 rates is in the calculation of the sewer flow. Sewer charges are based on the three-month winter average water use and applying 70% to that number. The rate study showed that indoor use for the SFR class typically does not exceed 12,000 gallons per month. As a result, in 2018, the calculation for sewer flow will be capped at 12,000 gallons.

Q7. If I use water in the higher tiers, will all my water be charged at that amount?

Response – The proposed tiers and rates for 2018 are as follows:

Gallons per Month	Rate per 1000 Gallons
0-6,000	\$1.80
6,001-12,000	\$2.49
12,001-20,000	\$3.65
20,001-40,000	\$4.61
Over 40,000	\$5.10

No, bills are calculated so that water used in the lower tiers is charged at that tier rate. The excess or overage will be charged at the next tier, and so on. For example, if you used 17,000 gallons per month, the first 6,000 gallons is billed at a rate of \$1.80; the next 6,000 is billed at \$2.49; and the remaining 5,000 gallons is billed at \$3.65.

Q8. Can I obtain a second meter for my outdoor water and be part of the Landscape Class?

Response - Staff is exploring this option further for the Single Family Residential customer class. A working group will draft a policy proposal for City Council to consider for residents who may want to acquire a landscape meter.

Q9. How does the City ensure that it can meet its future water needs?

Response - First, the City has a 100 year assured water designation given by the Arizona Department of Water Resources which was assessed and given in 2010. This designation was evaluated on current and

projected population and water demand along with water resources that we have a legal right to. Our next designation will occur in 2025. Second, internally the City evaluates population coupled with economic growth and how that equates to water demand. This is done every 5 to 10 years. Projected growth and water usage is viewed in terms of the water resources we have and what if, any, we may need to acquire in the future to continue to meet our future needs. The City is constantly evaluating how water demand changes and how that is projected into the future to make sure we can meet the needs into tomorrow.

Q10. How are water infrastructure costs funded?

Response - Water and wastewater infrastructure is primarily funded through the issuance of 20-year bonds. This allows for the spreading of the costs of infrastructure projects over a 20-year period thus smoothing out the impact to water and wastewater rates that are charged to our customers.

Q11. When new development come in and requires additional infrastructure, is that cost paid by rate payers (specifically SFR)?

Response – New development pays development impact fees (also called System Development Fees) to ensure that development is paying its fair and proportional cost of the demand being placed on the system. Those costs are not passed along to rate payers.

Q12. How do you know that the Single Family Residential class places the biggest demand on the system in the summer?

Response - The City categorizes customer types into six distinct classes: single family, multi-family, commercial, industrial, landscape and construction. Based on these customer types the City can quantify the monthly and annual water usage characteristics for each class. The single family customer class not only has the most meters (over 32,000 of the approximate 43,000 total meters) in the city, but also consumes the most water when compared to the other classes. As part of the biennial rate study our consultant analyzes the monthly usage characteristics for each customer type to calculate the peaking factor (the differential between the lowest usage month and the highest usage month) of each class. Based on monthly usage data the single family customer class is by far the highest consumer of water in the summer and has the second highest peaking factor when compared to the other classes. Although, the landscape class (outdoor usage only) has the highest peaking factor, this class has only 1,800 meters and the total volume is much lower than the single family class. Based on the usage analysis for all of our customer types it is clear that the single family customer class places the biggest demand on the system in the summer.

Q13. How much water is a typical flood irrigation customer using compared to a potable water customer?

Response - Tempe staff compared the typical usage of potable water (also known as treated water) between single family residential customers with similar outdoor landscaping, with and without access to flood irrigation services. In general, customers without access to flood irrigation services used about 25,000 gallons of water each month, while customers with access used about 5,000 gallons per month. The volume of raw water (or untreated water) delivered for flood irrigation use is difficult to determine as it is not metered. If we make some very rough estimates, however, based on size of property and depth of inundation during a flood irrigation service, the volume of raw water delivered for flood irrigation use each month likely ranges from as little as 10,000 gallons for smaller properties to 35,000 gallons or more for larger properties.

Solid Waste

Q15. Can alley customers go on the SMART program?

Response - Staff is working on an implementation plan to roll out SMART, including communication to residents, purchase of new containers, and modifications to the billing system. The anticipated start date for SMART is July 1, 2018.

The initial rollout will be to curbside customers. Alley customers who are interested in learning more about SMART and how they can participate in this curbside program are encouraged to contact Solid Waste services to discuss their options.

Q16. Can alley customers (or any customer) opt out of having solid waste collection completely?

Response – No, state health laws require that residents receive regular trash collection.

Q17. Does a second trash can cost anything?

Response – Yes. The cost for each additional can is \$16.74 per month beginning in 2018.

Q18. When can I pick up free compost?

Response – Tempe residents call 480-350-4311 to schedule an appointment Monday-Friday between 7 a.m. and 1 p.m. to pick up free compost. There is also a pile located on North Rio Salado Road, at the intersection of Rio Salado and Hardy Drive, available 24/7 for residents who only need a small amount. For more information go to: <http://www.tempe.gov/city-hall/public-works/recycling-and-solid-waste/green-and-mixed-waste/green-organics>