## City of El Mirage

Dysart Ranchettes Briefing May 16, 2017

Willdan Financial Consultants, Inc. and Pat Walker Consulting



## Agenda

- Introductions
- Dysart Ranchettes Overview
- Costs to Serve
  - Fixed
  - Variable
- Rate Options/Range
- What Are Others Charging?
- Questions





## Dysart Ranchettes Overview

- Select subset of irrigation customers
- Service provided through a dedicated well
- Current rate of \$20.97 per hour (approximately \$0.41 per 1,000 gallons)



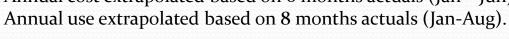


#### Summary of Operational Costs & Production

Cost	Estimated 2016 <sup>(1)</sup>	Current Year	2-Year Average	3-Year Average	4-Year Average	5-Year Average
Electricity	\$24,917	\$22,465	\$22,115	\$21,205	\$21,264	\$20,450
Staff	11,606	11,606	11,606	11,606	11,606	11,606
Recharge	46,482	41,385	40,820	<u>38,980</u>	38,045	<u>36,612</u>
Annual Costs	\$83,004	\$75,455	\$74,451	\$71,790	\$70,915	\$68,667

Production	Estimated <b>2016</b> (2)	Current Year	2-Year Average	3-Year Average	4-Year Average	5-Year Average
Run Time (hours)	1,619	1,448	1,412	1,341	1,324	1,275
Flows (kgals)	81,871	72,893	71,905	68,664	67,017	64,490

- Annual cost extrapolated based on 6 months actuals (Jan Jun).





### Rate Options Based on City Costs

Rate	Estimated <b>2016</b> (1)	Current Year	2-Year Average	3-Year Average	4-Year Average	5-Year Average
Cost per	ф=1 <b>2</b> =	Ф=0 11	#F2 F0	<b>#</b> 52.52	#=2 =6	ф <b>т</b> а <b>9</b> л
Hour	\$51.27	\$52.11	\$52.79	\$53.52	\$53.56	\$53.84
\$/kgals	\$1.01	\$1.04	\$1.04	\$1.05	\$1.06	\$1.06

- Current rate of \$20.97 per hour (approximately \$0.41 per 1,000 gallons)
- Calculated rates are approximately 2.43 times greater than current rate
- (1) Annual cost extrapolated based on 6 months actuals (Jan Jun), and 8 months of use data (Jan.-Aug.).



# Capital Cost Summary (1)

Project	Cost
Well Site Replace	\$350,000
Reservoir & Hydro Tank Removal	25,000
Fence Replacement	17,500
Well Pump Replacement	25,000
Pull Pump – Televise Well	5,750
Irrigation Ditch Replacement	<u>275,000</u>
Total	\$698,250

(1) Costs not currently included in rate analysis.





## What Are Others Charging?

- No other entities provide irrigation service the same way as El Mirage
- Mesa (closest match)
  - \$52.95 per hour
- Tempe
  - \$152.62 semi-annual fee per parcel
- Buckeye
  - \$55.00 base fee
- Chandler
  - \$8.57 base + \$2.42 per 1,000 gallons
- Note: Glendale reportedly provides flood irrigation to residents in the older part of the City. Like the above listed cities they too do not use ground water.







#### Questions?



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