

# 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	<u>46,482</u>	<u>41,385</u>	<u>40,820</u>	<u>38,980</u>	<u>38,045</u>	<u>36,612</u>
Annual Costs	\$83,004	\$75,455	\$74,451	\$71,790	\$70,915	\$68,667

Production	Estimated 2016 <sup>(2)</sup>	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

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

(2) Annual use extrapolated based on 8 months actuals (Jan-Aug).

# Rate Options Based on City Costs

Rate	Estimated 2016 <sup>(1)</sup>	Current Year	2-Year Average	3-Year Average	4-Year Average	5-Year Average
Cost per 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 – Televis Well	5,750
Irrigation Ditch Replacement	<u>275,000</u>
<b>Total</b>	<b>\$698,250</b>

(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?



Willdan Financial Consultants Inc.

[kburnett@wilddan.com](mailto:kburnett@wilddan.com)

Pat Walker Consulting

[pwalkerconsulting@aol.com](mailto:pwalkerconsulting@aol.com)