



CITY OF WILLCOX COCHISE COUNTY, ARIZONA

“City of Willcox 2018 Wastewater User Fee Cost of Service”

April 26, 2018



This document was declared a Public Record by the Mayor and City Council on May 3, 2018, and three copies of such record are available for public inspection after being filed in the office of the Willcox City Clerk, located at 101 S. Railroad Avenue, Suite B, Willcox, Arizona 85643.

Proposed Sewer Rate Increase

The City's sewer service is classified as an enterprise fund, meaning that the costs of its operations are completely covered by user fees.

The City of Willcox is considering a cumulative eight (8) percent increase in residential and commercial sewer rates to offset an increase in funds being borrowed to pay the wastewater treatment plant cost increases. The sewer rates are made up of two (2) components: a "fixed monthly rate" each month based upon the size of the meter and a "variable charge" based upon the water usage measured in a three month period (December, January, and February). The amount collected by the fixed charge is intended to provide a stable base of income and assure coverage of "fixed cost of operation". The variable charge is intended to distribute the cost of operation to the users based upon the amount of service they require. The variable charge also has two (2) components: the usage rate per thousand and the volume of usage. The three month period is used to minimize (not eliminate) the impact of irrigation. This is the adjustment for volume of use. The adjustment to the monthly bill for volume is normally made in April each year. The second component is a usage rate per thousand gallons of water used during the measurement period. The adjustments to the fixed monthly rate and the usage rate per thousand are normally made in July of each year.

The City of Willcox is anticipated annual cost increases from borrowing funds to equate to an additional \$65,000 annually. The City is considering an 8% rate increase per month for residential customers in FY18 to be effective September 1, 2018.

Size Meter	#of Cust	Fixed Monthly Rate	Fixed Monthly Revenue	Increase of 8%	Est monthly use	Usage Rate /thousand	Monthly Usage Revenue	Increase of 8%	Est Monthly Revenue	Combined 8% increase	Est Yearly Revenue	Revenue with increase
3/4"	1019	22.11	\$22,530.09		6.1	3.007	\$18,691.21		\$41,221.30		\$494,655.62	
1"	2	30.06	\$60.12		6.1	3.007	\$36.69		\$96.81		\$1,161.66	
Mult Units	0	22.11	\$0.00		6.1	3.007	\$0.00		\$0.00		\$0.00	
3/4" com	180	32.14	\$5,785.20		19.3	3.007	\$10,446.32		\$16,231.52		\$194,778.22	
1" com	18	40.12	\$722.16		19.3	3.007	\$1,044.63		\$1,766.79		\$21,201.50	
1 1/2"	5	60.17	\$300.85		19.3	3.007	\$290.18		\$591.03		\$7,092.31	
2"	47	84.15	\$3,955.05		19.3	3.007	\$2,727.65		\$6,682.70		\$80,192.40	
3"	2	160.35	\$320.70		19.3	3.007	\$116.07		\$436.77		\$5,241.24	
4"	5	260.78	\$1,303.90		19.3	3.007	\$290.18		\$1,594.08		\$19,128.91	
4" ind	0	260.78	\$0.00		19.3	3.007	\$0.00		\$0.00		\$0.00	
	1278		\$34,978.07	\$37,776.32	\$2,798.25		\$33,642.92	\$36,334.35	\$68,620.99	\$74,110.67	\$823,451.85	\$889,328

SEWER UTILITY FUND						
PROJECTED REVENUE & EXPENSES						
	Account	Title	FY 17	FY 18	FY 18	FY 19
			Actual	Budget	Estimated	Budget
Revenue						
	52-34-40000	SEWER	\$719,216	\$745,427	\$712,024	\$961,097
	52-34-70000	CONNECTION	\$0	\$1,000	\$0	\$0
	52-34-80000	SEPTAGE	\$0	\$0	\$0	\$35,000
	52-34-90200	PENALTY	\$1,922	\$1,854	\$2,835	\$2,895
		Total	\$721,138	\$748,281	\$714,859	\$998,992
	52-37-90100	INTEREST	\$4,912	\$6,212	\$4,493	\$4,500
	52-37-95000	MISCELLANEOUS	\$0	\$0	\$0	\$0
		Total	\$4,912	\$6,212	\$4,493	\$4,500
	52-39-99800	FUND BALANCE APPROPRIATION	\$0	\$0	\$0	\$0
		Total	\$0	\$0	\$0	\$0
	Revenue Total		\$726,050	\$754,493	\$719,352	\$1,003,492

Expense						
	52-451-1101	SALARIES	\$121,337	\$116,160	\$117,813	\$125,242
	52-451-1105	OVERTIME	\$8,771	\$6,000	\$13,000	\$7,000
	52-451-1201	WORKERS COMPENSATION INSURANCE	\$10,648	\$6,013	\$6,519	\$4,592
	52-451-1202	MEDICAL INSURANCE	\$26,423	\$22,990	\$22,990	\$25,144
	52-451-1203	FICA	\$9,801	\$9,345	\$10,007	\$10,117
	52-451-1204	ASRS	\$14,932	\$14,048	\$15,043	\$15,393
	52-451-1205	UNEMPLOYMENT	\$185	\$170	\$170	\$76
	52-451-1207	LIFE INSURANCE	\$348	\$364	\$364	\$364
	52-451-1208	HEALTH REIMBURSEMENT ALLOWANCE	\$1,551	\$3,361	\$3,571	\$3,571
	52-451-1209	BENEFITS FEES	\$1,334	\$1,270	\$1,308	\$1,308
		Total	\$195,329	\$179,721	\$190,785	\$192,807
	52-452-2102	UNIFORMS	\$948	\$1,200	\$1,000	\$1,200
	52-452-2104	CLEANING & CHEMICALS	\$11,207	\$21,500	\$25,000	\$21,500
	52-452-2113	PIPE AND FITTINGS	\$1,126	\$3,000	\$1,300	\$3,000
	52-452-2115	EQUIPMENT REPAIR/MAINTENANCE	\$17,921	\$12,000	\$7,085	\$12,000
	52-452-2116	SMALL EQUIPMENT PURCHASES	\$12,689	\$10,000	\$16,990	\$13,000
	52-452-2402	TELEPHONE	\$4,491	\$4,500	\$4,500	\$4,500
	52-452-2403	POSTAGE	\$562	\$500	\$400	\$500
	52-452-2404	UTILITIES	\$53,830	\$53,000	\$47,910	\$110,000
	52-452-2590	CONTRACT SERVICES	\$6,409	\$5,000	\$17,000	\$7,634
	52-452-2601	FUEL AND OIL	\$4,445	\$5,000	\$5,332	\$5,000
	52-452-2602	TIRES AND TUBES	\$2,853	\$1,000	\$1,600	\$1,000
	52-452-2603	VEHICLE REPAIR/MAINTENANCE	\$1,484	\$1,800	\$1,500	\$1,800
	52-452-2700	TRAVEL AND TRAINING	\$405	\$500	\$1,000	\$500
	52-452-2702	MANDATORY CERTIFICATION	\$416	\$500	\$500	\$500
	52-452-2802	FORT GRANT CONTRACT	\$2,627	\$2,400	\$2,600	\$2,600
	52-452-2804	SUBSCRIPTIONS/MEMBERSHIPS	\$375	\$375	\$375	\$375
	52-452-2810	BLUE STAKE	\$1,011	\$800	\$700	\$800
	52-452-2812	SEWER SAMPLES	\$15,700	\$17,095	\$21,734	\$17,095
	52-452-9201	GENERAL INSURANCE	\$43,209	\$42,234	\$42,234	\$49,284
	52-452-9603	CONTINGENCY	\$0	\$15,000	\$0	\$15,000
	52-452-9604	LABORATORY SUPPLIES	\$18,199	\$11,250	\$14,000	\$14,000
	52-452-9606	LABORATORY CERTIFICATION	\$2,111	\$2,200	\$2,200	\$2,200
	52-452-9619	ADEQ PERMITS	\$3,000	\$3,000	\$3,600	\$3,000
	52-452-9690	MISC. EXPENSE	\$3,394	\$4,000	\$2,808	\$4,000
	52-452-9696	SLUDGE PROCESSING	\$0	\$0	\$0	\$31,000
		Total	\$208,409	\$217,854	\$221,368	\$321,488
	52-453-4000	ADMINISTRATIVE SERVICES	\$148,118	\$145,000	\$145,000	\$145,000
	52-453-9897	PRINCIPLE , INTEREST, AND FEES	\$535,315	\$86,275	\$26,000	\$224,372
	52-453-9898	INTEREST AND FEES*	\$19,664	\$70,000	\$10,000	\$0
		Total	\$703,097	\$301,275	\$181,000	\$369,372
	52-454-4000	LICENSE FEES - 5%	\$35,961	\$37,271	\$35,601	\$48,055
		Total	\$35,961	\$37,271	\$35,601	\$48,055
	52-459-9901	CAPITAL PURCHASES	\$28,152	\$18,372	\$19,952	\$0
	52-459-9902	CAPITAL IMPROVEMENT	\$0	\$0	\$0	\$0
		Total	\$28,152	\$18,372	\$19,952	\$0
	Expense Total		\$1,170,948	\$754,493	\$648,706	\$931,722
			(\$444,898)	\$0	\$70,646	\$71,770

*Principle, Interest, and Fees are combined until year end when we receive breakdown from USDA.