

Attachment B

March 5, 2021

Mayor Kate Gallego
City of Phoenix

Dear Mayor Gallego and Members of the City Council:

As Chair, and on behalf of the members of the Water / Wastewater Rate Advisory Committee (WWRAC), I write to express the full committee's support for the proposed water rate increase for the Water Services Department. Specifically, we endorse "Option 2," which recommends a 3.0% rate increase to be implemented October 2021, followed by a 3.5% rate increase to be implemented March 2022. The WWRAC endorses this approach because it fully funds the capital improvement fund, maintains the water equity initiatives, and ensures that all planned capital programs move forward as planned, following the implementation of the new rates. We encourage Mayor and Council to adopt the proposed rate increase to ensure that the Water Services Department has the resources necessary to invest in rehabilitation and replacement of critical infrastructure, including water pipes, treatment plants, pumps, reservoirs and wells that provide residents with clean, affordable, reliable, and sustainable water.

While the committee is sensitive to the impact of the proposed rate increase on residents, we note that the average residential customer utility bill would increase by approximately \$2.40 per month over the next two years or approximately \$0.08 a day. It is worth noting that the City of Phoenix is among the most affordable combined water and sewer rates in the Southwest. By investing now in the Water Services Department, the citizens of Phoenix will manage and reduce the risks of future, more costly and more disruptive repairs.

I would also like to commend the Water Services Department for providing comprehensive and transparent presentations on water resources, infrastructure and financial plans to the WWRAC. The Interim Director and city staff have fully briefed the WWRAC on financial forecasts, answered all questions, and addressed all requests for information. This allowed WWRAC to make to an informed decision to recommend Option 2.

Finally, the Water Services Department should be recognized for conducting a far-reaching public engagement and education strategy despite the challenges presented by the ongoing Covid-19 pandemic response. Outreach efforts included a dedicated website with email address, online survey, FAQs, bill estimator, videos, information on how to understand and lower your water and sewer bill, financial reports, and more; most of this information is available in English and Spanish. Furthermore, the Water Services Department held virtual meetings (and offered recordings of those meetings). This is an impressive effort in participatory and transparent government.

In closing the members of the WWRAC encourage you to adopt "Option 2" of the proposed water rate increase. We thank you for the opportunity to serve our community on this committee. If I can offer any additional comments, please contact me at dave.white@asu.edu or (480) 221-0960.

Sincerely,



Dave D. White, Ph.D.
Chair, Water/Wastewater Rate Advisory Committee

Cc: Ed Zuercher, City Manager
Karen Peters, Deputy City Manager
Eric Froberg, Interim Director, Water Services Department