



2024 CAGRD Fees

Town Council Meeting
November 15, 2023



Purpose of Presentation

- Review AZ Water Resource Requirements
- Review Role of Central Arizona Groundwater Replenishment District (CAGRDR)
- Review and Discuss 2024 CAGRDR Fees
- Approval of Resolution No. 1545-23



AZ Water Resource Requirements

- Post 1996 Development Must Have a 100-Year Assured Water Supply
- Groundwater Use Requires Annual Replenishment
 - “Must Put Back the Same Amount of Water We Take Out”
- QC Uses CAGRDR to Assist in Meeting Groundwater Replenishment Requirements

CAGRD Rules

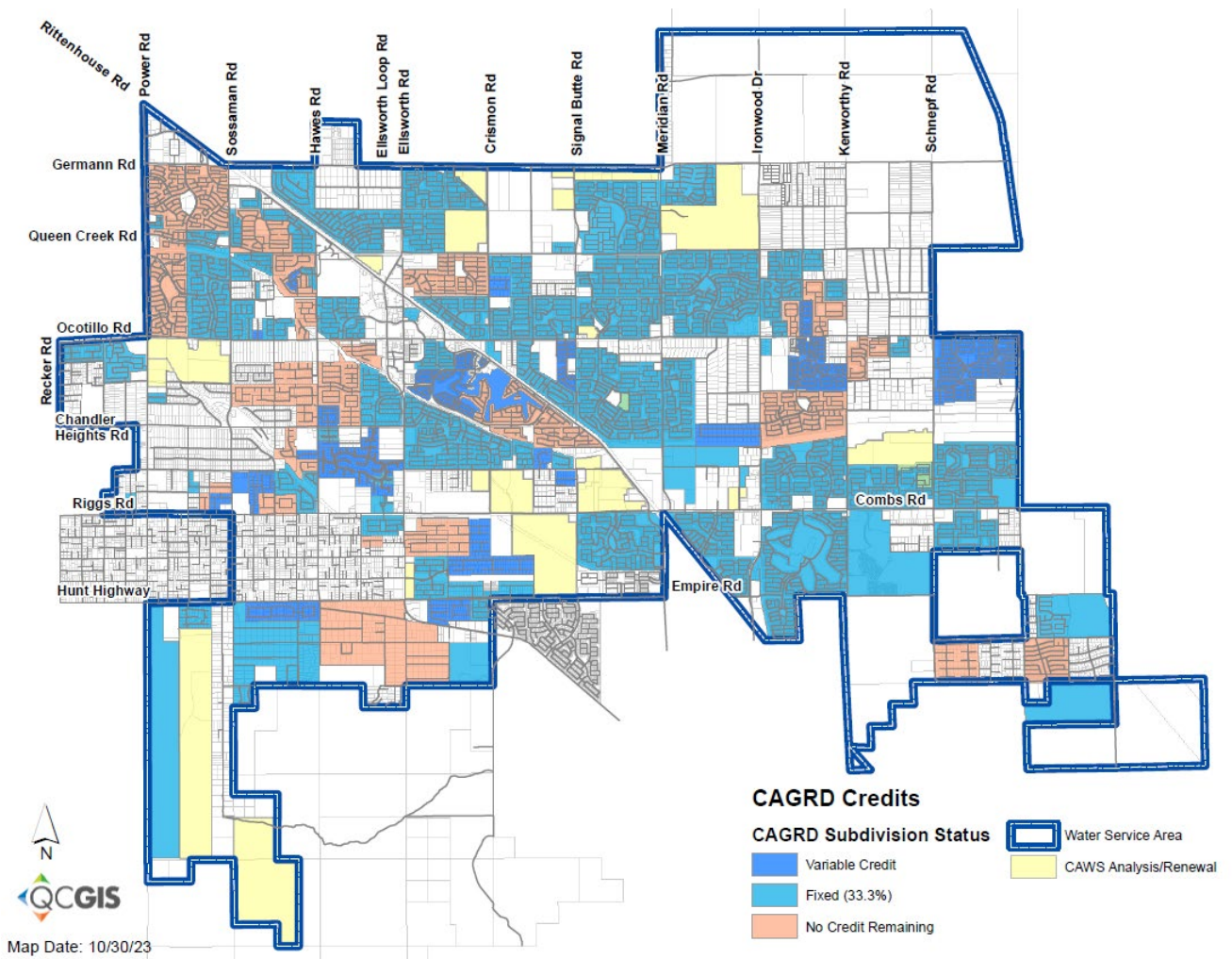
- Applies to All Residential Subdivisions that use GW
- Options to Meet Replenishment Requirements
 - Pre-2004 Development (1996-2004):
 - Most Options Available, Including: **GWECs**, Recovered Effluent, Recovered Surface Water, & Stored CAP Water
 - Post 2004 Development:
 - Less Options Available, Including: Recovered Effluent, Recovered Surface Water, & Stored CAP Water
- Applies Both to Potable and Irrigation Water



CAGRD Overview

- Number of CAGRD Accounts Billed: 34K
- Customer Costs Vary Based Upon Prior Year Use
- Components to Customer Cost
 1. Replenishment Costs – Prior Year Groundwater Usage
 2. Less Applied Groundwater Allowance
 3. Less Other Applied Credits / Non-Groundwater Sources
 4. Annual Membership Fee
- Customer Costs Are Assessed Annually on Property Tax Bills





Town's CAGRD Policy

- Created in 2018
- Last Updated in 2022
- Outlines CARGD Fee Reduction Strategies
 - Use of Groundwater Credits and GWECs
 - NOTE: Annual Account Membership Fee Cannot Be Eliminated and is Paid by Customer (\$29.11)



2024 CAGRD Fees



- **2024 Fees**

- \$7.5M Savings (69% Savings)
 - Bills Reduced from \$10.8M to \$3.3M
- Average Savings per Account: ~\$221 (~34K Accounts)

- **Cumulative to Date Results of Policy**

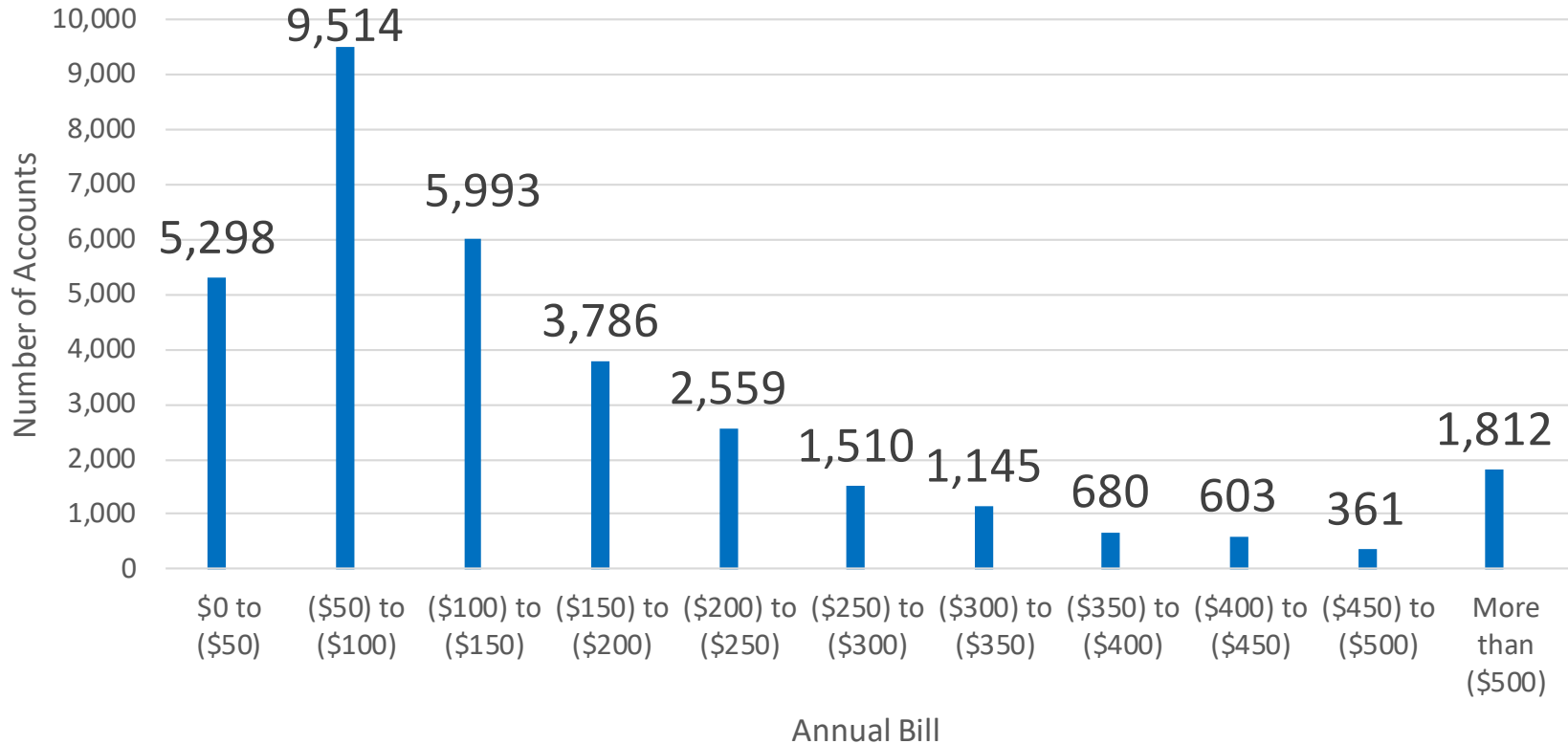
- ~\$36M Cumulative Savings Since Policy Adoption (5 Years Ago)

2024 CAGR D Account Summary*

	Pre-2004 Accounts	Post-2004 Accounts	Total
Number of Accounts	~12K	~22K	~34K
Usage Charge	\$4.7M	\$6.1M	\$10.8M
Town Groundwater Allowance	(\$1.6M)	(\$2.0M)	(\$3.6M)
GWECs	(\$3.1M)	N/A	(\$3.1M)
NIA Allocation	<u>N/A</u>	<u>(\$0.8M)</u>	<u>(\$0.8M)</u>
Total Reductions	(\$4.7M)	(\$2.8M)	(\$7.5M)
ANNUAL BILL	\$0M	\$3.3M	\$3.3M

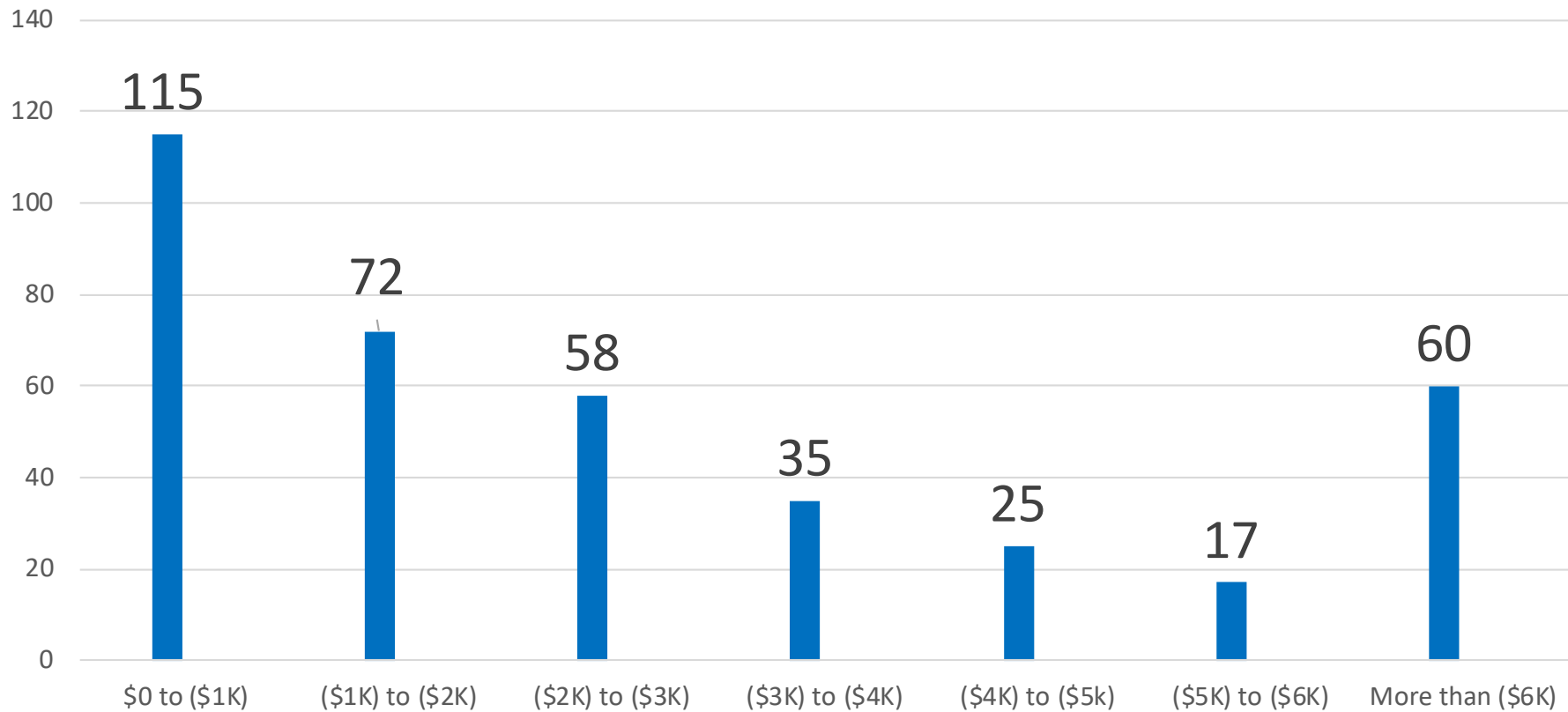
*Does not include \$29.11 per parcel CAGR D Membership Fee

2024 Residential Bill Reductions: \$6.0M (~33+K Accounts)



2024 HOA Bill Reductions: \$1.5M*

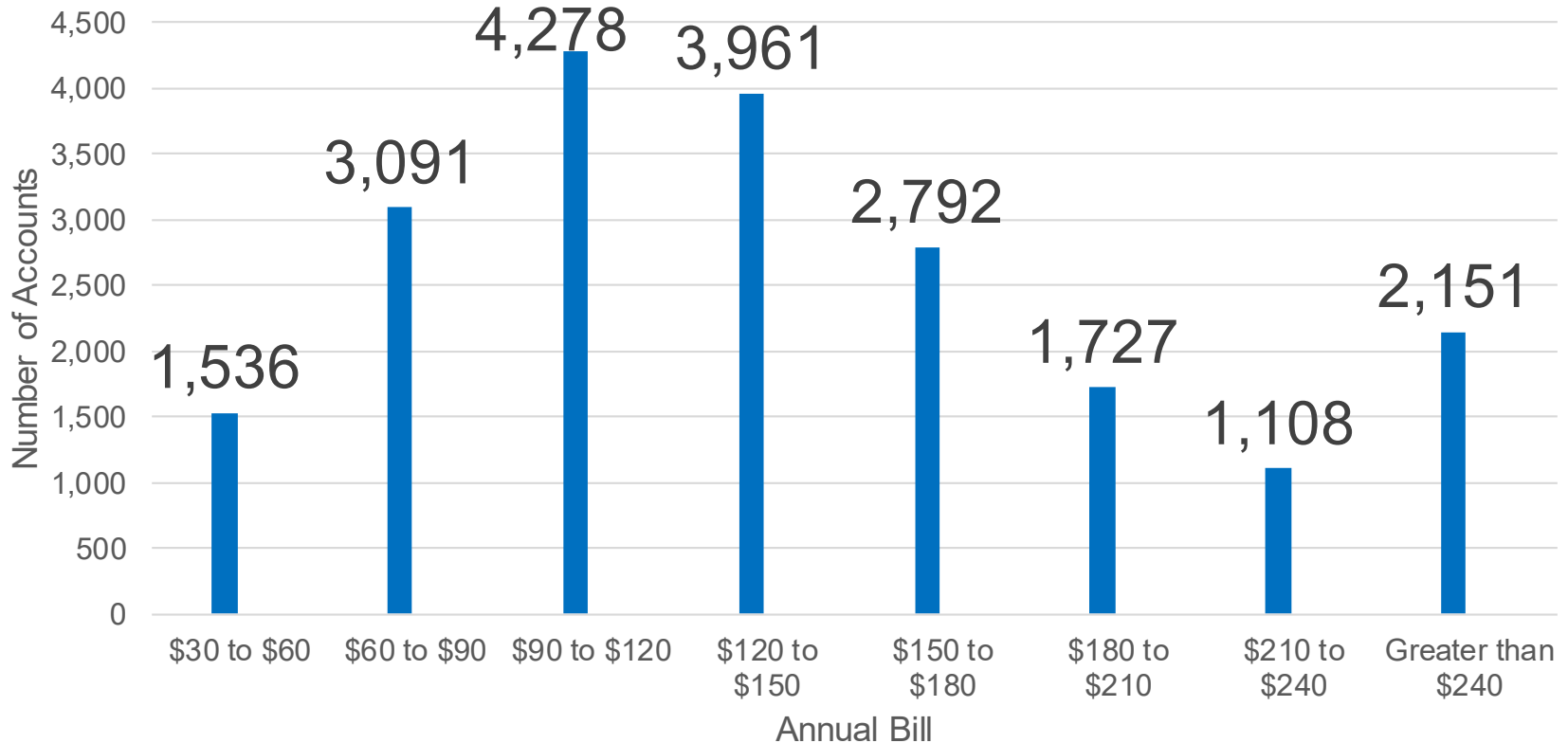
(382 Accounts)



* Most of this activity is HOAs but does include all other miscellaneous accounts.

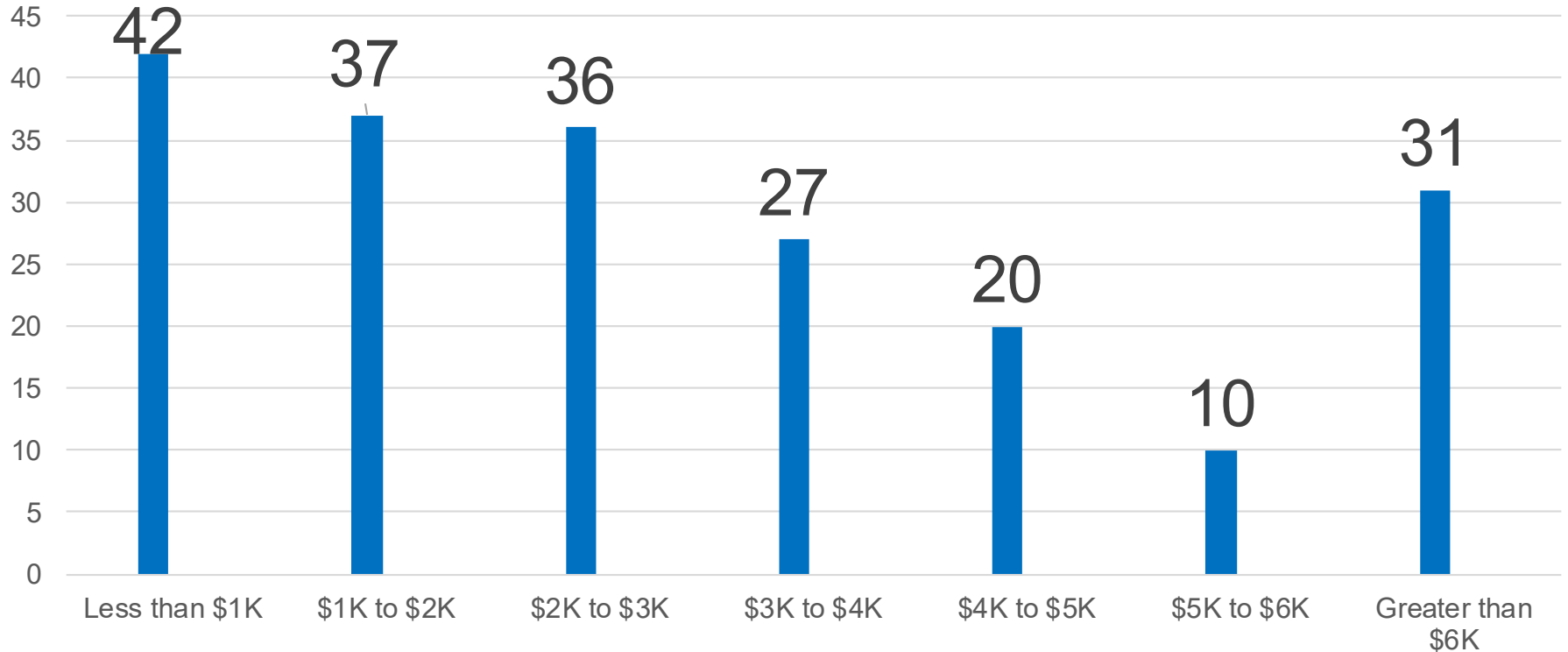
2024 CAGRD Residential Bills: \$2.5M

(~21K+ Post-2004 Accounts)



2024 CAGRD HOA Bills: \$0.8M*

(~250 Post-2004 Accounts)



* Most of this activity is HOAs but does include all other miscellaneous accounts.

Fee Reduction Assets

The Schedule Below Summarizes the Assets Used to Reduce the CAGR D Bills

	Groundwater Allowance	GWECs	GWECs Town Cost
2023	\$68.8M (89K AF)	\$158.6M (205K AF)	\$74.8M
Used in 2024	<u>\$3.2M (4K AF)</u>	<u>\$3.1M (4K AF)</u>	<u>\$1.5M</u>
Current Balance	\$65.6M (85K AF)	\$155.5M (201K AF)	\$73.3M



Motion

Approve Resolution No. 1545-23 as Presented



CAGRD Bills: 3 Examples



	Pre-2004 Account	Post-2004 Account	Post-2004 Account
2023 Water Usage (Acre Feet)	0.14	0.24	0.87
Reduce For:			
Groundwater Allowance	N/A	-0.08	-0.29
GWECs	-0.14	N/A	N/A
NIA Reduction	<u>N/A</u>	<u>-0.03</u>	<u>-0.11</u>
Total Reductions	-0.14	-0.11	-0.40
2023 Water Usage for CARGD Calculation	0.0	0.13	0.47
CAGRD Charge per Acre Foot	\$774	\$774	\$774
2024 CAGRD Bill	\$0	\$100.62	\$363.78

Example: Cortina Subdivision, Total Water Bill

\$462K Savings (55%)

	Cortina Residential Bills (~1,300 Accounts)	Cortina HOA	Total
1. QC Monthly Bills	\$647,000	\$192,000	\$839,000
2. CAGR D Bill			
Consumption Charges	\$342,000	\$120,000	\$462,000
Application of GWECs	(\$342,000)	(\$120,000)	(\$462,000)
Administration Fees	<u>\$35,000</u>	<u>\$2,445</u>	<u>\$37,445</u>
CAGR D Total	\$35,000	\$2,445	\$37,445
TOTAL Water Bill	\$682,000	\$194,445	\$876,445