Town of Mammoth Water and Wastewater Rate Increase

The Town of Mammoth has begun the process to increase water and wastewater rates starting January 1, 2020, in accordance with Arizona Statute 9-511.01. In Fiscal Year 2018 – 2019, ending June 30, 2019, Water Enterprise Fund expenses exceeded Water Enterprise Fund revenues by approximately $155,552. Total water revenues in FY2019 were $131,058. The Sewer Enterprise Fund also had a deficit in FY2019, though it was considerably smaller. Sewer expenses exceeded sewer revenues by $42,310. FY2019 sewer revenues were $89,578.

At the July 2019 monthly meeting, the Town Council was told that the Water Enterprise Fund had a $653,891 deficit at the end of FY2019, as a result of many years of water expenses exceeding water revenues. In order to adopt a balanced budget in Fiscal Year 2019-2020, the Town was told that the water revenue had to be 235% higher in FY2020 than it was in FY2019. In the short term, without an immediate increase in water rates, the Town will be unable to pay for the operations and maintenance of the water system. In the long term, the Town must be able to generate enough revenue every year to continue to provide services to its residents.

Using the Water Infrastructure Finance Authority (WIFA) Arizona Water and Wastewater Rates Dashboard, the average Town of Mammoth water bill (assuming a monthly use of 7,500 gallons) is approximately $35.59/month. For comparison, the residents in Oracle pay around $59.39 for 7,500 gallons of water, and in San Manuel, they pay about $53.54. Hayden residents pay approximately $46.73 and Kearny residents pay about $35.95 for 7,500 gallons of water a month.

The Town Council issued a first and second notice of intent to increase rates at the regular August and September Monthly Town Council Meetings, and an official copy of the notice was posted on the Town of Mammoth website on August 13, 2019.

Once the Town Council decides on the actual amount of the water and wastewater rate increases, a report supporting the increased rates will be available to the Public on or before October 21, 2019. Per the statute, the report will include cash flow projections that indicate all anticipated revenues from residential and nonresidential customers and the overall expenses for providing water and wastewater services. This report will be available at least 30 days before the scheduled Public Hearing on the rate increases. The Public Hearing is scheduled for Thursday, November 21, 2019 at 7:00 pm at Town Hall and an official notice of the hearing will be posted in the Miner in October. Everyone is invited to attend the meeting and/or submit comments in writing.

In addition to raising water rates, the Town of Mammoth is also working on other ways to increase water revenue and decrease water expenses. New radio water meters were installed this summer using a Community Development Block Grant (CDBG). The new meters will replace old, inaccurate, manual-read meters and will more correctly measure the amount of water delivered to customers. In addition, all 560 new meters can be read in approximately 15 minutes, saving approximately 40 Public Works man-hours every month.

Improving the operations and maintenance of the water system is another way the Town is working to decrease expenses. Another part of the same CDBG project is the installation of new water pipeline isolation valves throughout the Town. Many of the existing valves do not work properly, making it impossible to repair water line breaks without shutting water off to the entire Town. The new valves will make repairs more efficient and timely, will reduce the amount of water that needs to be drained prior to the repair, and will allow much of the Town to remain on when a portion of a water line is down to fix a broken pipe. Valve installation is in progress and is anticipated to be completed in November 2019.

Yet another water system improvement project currently in progress is a grant from the United States Department of Agriculture (USDA) – Rural Development. An engineering company is studying the entire water system in Mammoth, identifying needed improvements, and estimating the respective costs. Once the study is complete, the Town can use the information to apply for additional grants and loans. One of the priority items in this study is replacing the old transite water pipe, which is continually breaking and leaking. Fixing all the aging water infrastructure is a very large, long term project, but one that is absolutely necessary for the future of the Town of Mammoth.

The Town of Mammoth website (townofmammoth.us) contains all Town Council Meeting Agendas and Minutes, along with budget reports and financial reports. Additional information not posted on the website can be obtained by contacting Town Hall.