

# AVOIDING COSTS WITH CONSERVATION

## CONSERVATION KEEPS RATES LOW IN GILBERT, ARIZONA

The Town of Gilbert analyzed the impact of 20 years of water conservation efforts on its water and wastewater rates to provide a clear answer to the common customer question: **“Why do you ask me to conserve water and then raise my rates?”** The analysis found that **fees and rates are significantly lower today than they would have been without conservation.**

### How did conservation change Gilbert’s water use?

For 20 years, Gilbert has helped customers conserve water with indoor and outdoor conservation programs, continuous outreach, and efficiency-oriented rates.

Thanks to conservation, the volume of water used per person per day declined by 29% (71 gpcd), even as the population grew by 172,398 people (229%).

### What if water use patterns from 1997 had persisted and were unchanged today?

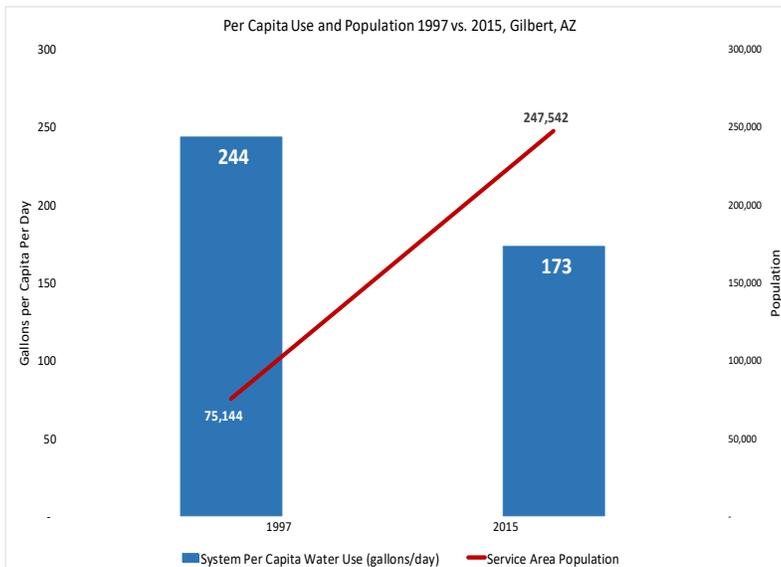
To meet the higher demand that would exist were it not for conservation, Gilbert would have needed to invest:

- \$ 2,067,909 in annual water treatment and operational costs.
- \$1,603,437 in annual wastewater treatment and operational costs.
- \$ 340,807,075 water resources and wastewater treatment capital costs.

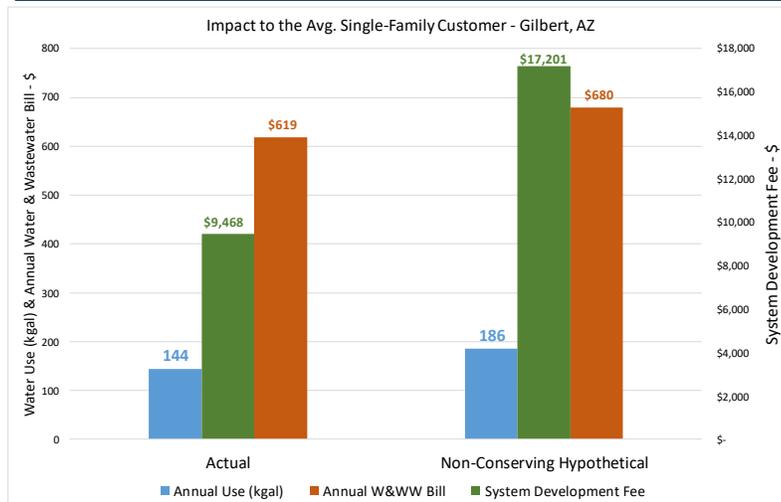
### How did these avoided costs impact customer rates?

The reduction from conservation has been critical in helping Gilbert level off total production and avoid the need to invest in up-sizing the system, building new facilities, and purchasing new and additional water supplies.

System development fees are paid by property owners to obtain a metered connection to the system. In Gilbert, these fees are used to recover costs associated with providing service to new customers. Under the non-conserving scenario an extra \$340 million would need to be covered through these fees; that’s an extra \$7,733 per single-family equivalent customer.



Today, residents and businesses pay **water and wastewater rates that are 5.8% lower and system development fees that are 45% lower** than they would be if it weren’t for conservation.



The above reflects a \$680 annual bill per SFE assuming rates increased but use did not change.