

METRO WATER DISTRICT

PROPOSED THREE-YEAR RATE & FEE PLAN

METRO SOUTHWEST - DIABLO VILLAGE

To ensure the revenue you entrust to Metro Water District (District) on a monthly basis is used in the most efficient manner, the District has continued to explore opportunities to enhance the District's financial stability. One such method is a multi-year rate plan, as opposed to the year-to-year consideration of rate and fee adjustments by the District Board of Directors. This multi-year rate plan is crucial to ensuring stable revenue to navigate the significant challenges associated with the ongoing drought in the Colorado River System, where the District receives the majority of our water resources via the Central Arizona Project (CAP).

It is anticipated that reductions in Arizona's CAP supply will significantly increase the cost the District pays for CAP water to ensure we have water to meet your needs 100 years into the future. Additionally, water is very heavy and the average District customer receives approximately 30 tons of water each month. The power required to deliver this weight of water is significant and the District anticipates a substantial increase in energy costs to deliver water to you. The CAP and power cost increases collectively result in an increase in the District's operational costs of 5%. The District also needs to navigate inflationary costs (currently at approximately 3%) on the remaining budgetary items, such as chlorine and other treatment activities to ensure safe water, along with other essential materials and equipment. In addition to the above cost increases that are beyond the District's control, the District needs to continue the proactive replacement of aging water infrastructure to ensure reliable water delivery to you. Together, these items would justify over a 12% annual increase, but we are recommending a much lower rate increase due to numerous initiatives we have successfully pursued including external funding from grants, infrastructure partnerships, and conservation agreements. In the last three years, these initiatives have resulted in nearly \$12 million of non-ratepayer revenue. Thanks in large part to these efforts, instead of an 12% annual increase, we are able to recommend our Board approve an **average annual increase of 4.3%*** while ensuring adequate revenue to deliver safe, reliable water to you.

The Board will be asked to consider a three-year rate plan on May 11, 2026, thus continuing our goal of providing stability and transparency on your water bill. The average Metro Southwest – Diablo Village customer would see an **average annual increase of 4.3%*** in their water bill. To put this into perspective, this means that you will be paying approximately \$2.30 for a ton (2,000 pounds) of safe, reliable water delivered to you at all hours.

To ensure any questions you have about your water District and the proposed rate adjustments are addressed, the District is hosting two meetings where you can gain additional information.

* The average annual increase is from Fiscal Year 2026 to Fiscal Year 2029 with a 0% increase already approved for Fiscal Year 2026.

Both Meetings are at Metro Water District: 6265 N. La Cañada Drive

**Tuesday, May 5, 2026
at 6:00 p.m.**

INFORMATION MEETING

An opportunity for you to learn more about Metro Water District and to ask questions about your water provider.

**Monday, May 11, 2026
at 5:30 p.m.**

PUBLIC HEARING

The District's Board will hold a public hearing to receive public comments regarding the proposed rate and fee adjustments.

If you would like more information or you are unable to attend either meeting, please direct your questions or comments to us via: phone (520-575-8100), email (info@metrowater.com), or letter (Metro Water District, P.O. Box 36870, Tucson, AZ 85740).

Current & Proposed Rate & Fee Adjustments for Metro Southwest – Diablo Village

Effective July 1, 2026

Water Availability Rate

base rate that includes 2,000 gallons
(5/8 inch meter)

Current Rate
\$35.00

Proposed Rate
\$37.30

Infrastructure Rehabilitation Fee

(5/8 inch meter)

Current Fee
\$1.50

Proposed Fee
\$2.00

Effective July 1, 2027

Water Consumption Charges

(per 1,000 gallons)

Tier	Current Rate
1st Tier	\$3.25
2nd Tier	\$5.10
3rd Tier	\$6.60
4th Tier	\$7.65

Tier	Proposed Rate
1st Tier	\$3.55
2nd Tier	\$5.40
3rd Tier	\$6.90
4th Tier	\$7.95

Water Availability Rate

base rate that includes 2,000 gallons
(5/8 inch meter)

Proposed Rate
\$39.00

Infrastructure Rehabilitation Fee

(5/8 inch meter)

Proposed Fee
\$2.50

Effective July 1, 2028

Water Availability Rate

base rate that includes 2,000 gallons
(5/8 inch meter)

Proposed Rate
\$42.05

Infrastructure Rehabilitation Fee

(5/8 inch meter)

Proposed Fee
\$3.00