

# **TOWN OF PARADISE VALLEY**

**Resident Concern  
Regarding  
Phoenix Sewer Rates**



# Phoenix Sewer

- Purpose
  - Receive Mayor & Council direction regarding what action, if any, Town staff should take concerning City of Phoenix sewer rates.



# Phoenix Sewer

- Agenda
  - History
  - Scope
  - Rate Calculations
  - Options
  - Direction



# Phoenix Sewer

“Paradise Valley residents call into question Phoenix sewer fee assessments”



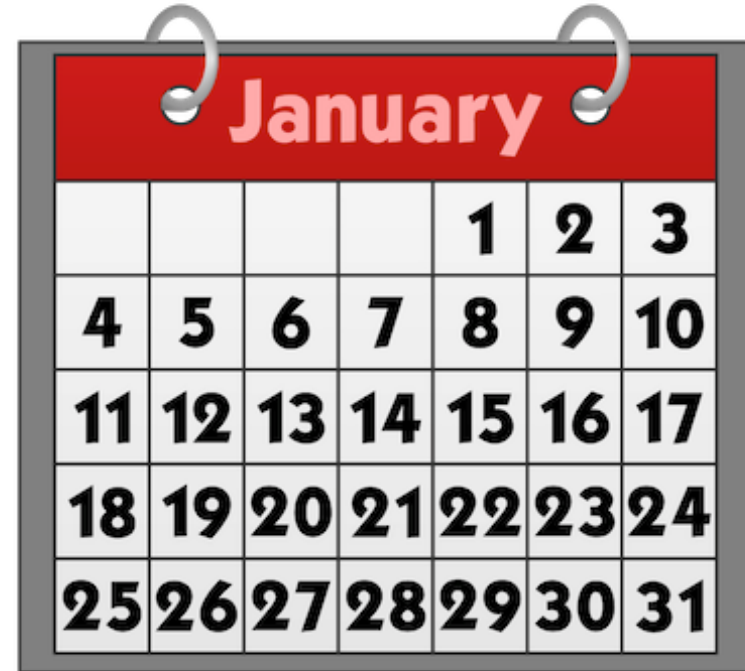
January 21, 2016





# Phoenix Sewer

- Rate Calculation
  - Sewer Flow is Estimated
    - Winter Average
    - 77% Flow
    - Problem of Irrigation
  - Surcharge
    - 50% out of Town Surcharge



# Phoenix Sewer

- Rate Calculation (cont.)
  - Consumption/Flow \* rates
    - Base charge = \$1.00
    - Rate per ccf = \$3.64215
    - Environmental fee per ccf = \$0.8025
    - A 15,000 G/M winter avg would =~ \$90.13
    - A 158,000 G/M (equivalent of town max is)=\$939.84
  - Includes surcharge





# Phoenix Sewer

- Paradise Valley Rate Calculations
  - Consumption/Flow \* rates
    - Base charge = \$69.58
    - Rate per 1,000 gallons = \$0.95
    - Environmental fee per ccf = No equivalent charge
    - A 15,000 G/M winter avg would =~ \$69.58
    - A 158,000+ G/M (town max)=\$220.00





# Phoenix Sewer

- Summary
  - Phoenix sewer rates could vary from much lower than PV to much higher than PV.
  - Ability to back out landscaping from charge is a challenging administrative process in Phoenix.
- So what are some options?



# Phoenix Sewer

- Options
  - Landscape Meter – Meter plus plumbing costs
    - EPCOR = \$600.00
    - Phoenix = \$4,744.00
    - Pro: Most accurate account of sewer flow
    - Con: Plumbing Costs



# Phoenix Sewer

- Options
  - Per Occupant or Per fixture
    - Pro: More consistent across household size and population. More predictable rate.
    - Con: Paradigm Shift for Industry. Equity arguments based upon water use.
    - Phoenix Not Interested



# Phoenix Sewer

- Options
  - Change surcharge through Phoenix or Legislature
    - Scottsdale surcharge to PV = 10%
    - Tempe surcharge to out of town = 0%
    - Flagstaff surcharge to out of town = 10%
    - Chandler surcharge to out of town = 60%
    - Mesa surcharge to out of town = 47%



# Phoenix Sewer

- Options
  - Change surcharge through Phoenix or Legislature
    - Pro: Reduction from 50% to 10% is a significant rate decrease. Precedent. History of success. PV a small portion of Phoenix.
    - Con: No guarantee of success. 6 months – 1 year to determine. Phoenix believes it reopens the entire rate structure.



# Phoenix Sewer

- Options
  - Purchase Phoenix Collection System
    - ~30 miles of pipe
    - ~650 manholes
    - 86% clay pipe; 11% PVC; ~31% < 30 years
  - Contract with Phoenix to treat flow
  - Maintenance



# Phoenix Sewer

- Options
  - Purchase Collection System
    - Would need to spend \$ to analyze system & finances
    - Would count against the expenditure limit
      - Not included in latest ELR request to voters
    - Need to determine if blend with existing enterprise or create new separate enterprise.





# Phoenix Sewer

- Directions
  - Status Quo
  - Recommend Landscape Meters
  - Negotiate Surcharge
  - Purchase Collection System









