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## CHANDLER

## Chandler

### State plan could force higher Chandler water rates

by **Edythe Jensen** - Jun. 9, 2009 08:58 AM  
The Arizona Republic

Chandler is set to raise water and sewer rates for the second time in two years on Thursday, but residents could see their bills go up even higher if a three-year moratorium on development impact fees stays in the state budget.

Management Services Director Dennis Strachota said the proposed moratorium - inserted by the Legislature at homebuilders' request - will take a \$30 million bite out of Chandler revenues that will likely force more rate increases and halt construction of parks and roads, he said.

The state budget has been approved by the Legislature but has not yet been signed by Governor Jan Brewer.

Even without the fee moratorium, the average Chandler household can expect to pay about \$5 a month more on water and sewer bills beginning in October and to see annual increases until 2014.

The city council is scheduled to vote on the increase Thursday night and also will decide whether to implement a 2 percent late fee on past-due utility bills.

Strachota said the hikes are necessary because a construction slowdown has caused impact fee revenues to decline, leaving the city without enough money to pay millions of dollars in bond debt it took on to build new treatment plants and extend pipelines. Costs to operate the plants also have increased, he said.

The Legislature's proposed freeze on impact fee revenues for three years would force Chandler to take more drastic measures, Strachota said.

"We probably wouldn't be issuing any more bonds and it (the moratorium) would preclude us from doing additional projects," he said.

State and federal laws regulate Chandler's utilities, so water and sewer infrastructure construction could not be placed on hold. The cost, Strachota said, "would be offset with further rate increases."

Home builders pushed for the moratorium to stimulate their industry and reduce housing costs.

Impact fees vary by city and are \$20,553 for a single family house in Chandler. They are set to finance infrastructure and based on the principal that "growth pays for itself," said Ken Strobeck, executive director for the League of Arizona Cities and Towns. The organization opposes the moratorium.

"The elimination of impact fees means that local taxpayers will be required to subsidize the building of new subdivisions while the developers get a free ride," Strobeck said.

Chandler Councilman Jeff Weninger said state lawmakers are "behaving like playground bullies, stealing milk money from cities so they can say they're not the ones raising taxes."

Whatever happens with the state budget and fee moratorium won't stop a Chandler water rate increase this fall.

Left for the city council to decide is how to vary the charges to promote water conservation.

In 2007, Chandler became the only city in the Valley to advocate water conservation with a sliding scale system that charged less per 1,000 gallons to low users and considerably more to those who used more than 20,000 gallons a month and much more to those who used more than 40,000 gallons.

Since then, residents who live on large landscaped lots and homeowners associations have complained that they are paying a disproportionately high cost for their water. When the council sets the new rates, they are expected to increase the threshold at which users are charged the higher rates.