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Chandler

Chandler water rates may be rising

by **Edythe Jensen** - Dec. 18, 2008 09:27 AM
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Chandler water rates could go up for the second time in two years because lagging impact fee collections may not be enough to pay treatment plant bond debts and operating expenses, said Dennis Strachota, management services director.

It's too early to know if an increase is inevitable, and it wouldn't take effect until October, he said.

But Strachota and some city council members are mulling changes in a year-old tiered rate system that promotes conservation and levies much higher per-gallon charges on heavy water users. Complaints from homeowners' associations and residents who are required by their HOAs to plant winter lawns are prompting a new look at the rate system, said Councilman Matt Orlando.

The reconsideration comes a little more than a year after the city council voted a 9 percent water rate increase and a 12 percent sewer rate hike - the first since 1994. City spokesman Jim Phipps said smaller and more frequent rate increases are expected from now on.

Before the economic downturn and construction slowdown, Chandler expanded its Pecos Road water treatment plant and started construction with Gilbert on a joint plant in the neighboring town. Both are financed with municipal bond debt and repayment was to have come from construction impact fees.

Orlando, who voted against the rate increase last year, said he likes the idea of promoting conservation but is hearing an outpouring of complaints from residents about the different charges.

Last November, a month after the new rates went into effect, the city got 70 requests from residents for free household water conservation audits - up from 15 requested in November 2006.

One of them came from Jennifer Jarrett, 22, who said her water bills were approaching \$200 under the new rates before the audit and went down to less than \$50 afterwards. "This is our first home and we didn't know it but we were wasting a ton of water," she said.

Water rate consultants Red Oak Consulting met recently with city committees recently to report usage and revenues during the first year under new rates. According to the consultant's report, single family water use throughout the city declined by 3.1 percent last year, meeting the conservation goals of the new rate structure. Conservation rates were higher among the heaviest users. For the 30 highest water users audited in May, June and July, household usage decreased by an average 27,000 gallons a month after the audits.

But Orlando said he's hearing from residents that there should be a higher usage threshold before bigger charges kick in, and he is calling for public water rate hearings in coming months.

"We recognized that some of the upper tiers would clearly pay much higher bills, but the customers may not have expected it even though we got the word out," Strachota said. "If we do have a rate increase next year, we will try to offset the huge impact on the largest residential users without changing the conservation element."