

Sun City, Sun City West could see increased wastewater rates

Brittney Mejia, The Republic | azcentral.com 10:36 a.m. MST August 12, 2014

Two West Valley retirement communities could face increased wastewater rates, EPCOR



(Photo: The Republic)

Two West Valley retirement communities could face an increase in wastewater rates — up to 89 percent in one case—if the Arizona Corporation Commission consolidates a private utility company's wastewater districts.

However, the move also could significantly lower rates for other West Valley customers.

EPCOR Water on Friday filed a preliminary report that provided three ways to lower wastewater rates. The company came under fire recently after [customers complained about its water and wastewater rates](http://www.azcentral.com/story/news/local/surprise/2014/07/17/west-valley-water-rates-arizona-corporation-commission/12801975/) (story/news/local/surprise/2014/07/17/west-valley-water-rates-arizona-corporation-commission/12801975). Earlier this year, the commission received complaint letters as well as petitions with thousands of signatures from homeowners requesting a review of rates.

EPCOR officials believe the best option to address customer concerns is to combine its five wastewater districts, which would create a preliminary flat rate of \$34.30.

The move would mean an 89 percent rate increase for Sun City and an 11 percent rate increase for Sun City West. However, it would lower the rate for EPCOR's Agua Fria, Anthem and Mohave wastewater districts.



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[Commission hears West Valley water-rates complaints](http://www.azcentral.com/story/news/local/surprise/2014/07/17/west-valley-water-rates-arizona-corporation-commission/12801975/)
(<http://www.azcentral.com/story/news/local/surprise/2014/07/17/west-valley-water-rates-arizona-corporation-commission/12801975/>)

The current rate design for Anthem and Agua Fria is different from the flat-rate structure in Sun City, Sun City West and Mohave in that it includes a basic surcharge, plus a charge per thousand gallons of water used up to a cap of 7,000 gallons.

The commission last month asked EPCOR to consider three ways to deal with spiking bills: consolidation of its wastewater districts, reconsolidation of its Anthem and Agua Fria districts, and further deconsolidation of Agua Fria.

"We really think when you look at this over the long term, consolidation is the best option for all of our customers," EPCOR spokeswoman Rebecca Stenholm said. "From our perspective, we see efficiencies."

Today, an average Agua Fria customer pays about \$106, an average Anthem customer pays \$64, and Mohave customers pay \$57, according to Stenholm. For Sun City, the flat rate is \$18 and for Sun City West it is \$31.

The Sun City and Sun City West costs are lower because of the older water systems they use, but EPCOR anticipates the two will require \$14.2 million in infrastructure in the next few years. Consolidation would allow Sun City and Sun City West to benefit by spreading the future cost of infrastructure over the five districts, according to Stenholm.

However, the Sun City Home Owners Association opposes consolidation, according to Greg Eisert, director of the association. Eisert said although EPCOR forecasted capital-improvement costs of \$9.3 million over the next five years, the association determined if Sun City accepted an immediate \$5.56-a-month rate increase, it would contribute \$10 million for the projected five years and an additional \$10 million over the next five years.

"Over the 10-year period noted, we would have paid \$38.6 million less than being consolidated," Eisert said in an e-mailed response. "EPCOR's suggestion that districts such as ours would be better off in the long run is patently misleading."

Bill Hansen, president of the Property Owners and Residents Association of Sun City West, said he believes consolidation would place the burden exclusively on the two retirement communities.

Hansen said he wants the current rates to stay the same, but wants EPCOR to conduct a relief analysis for the Agua Fria District, where customers pay high rates.



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[Water rates vary in Phoenix metro area](#)

[\(http://www.azcentral.com/story/news/local/surprise/2014/04/16/water-rates-vary-phoenix-metro-area/7751735/\)](http://www.azcentral.com/story/news/local/surprise/2014/04/16/water-rates-vary-phoenix-metro-area/7751735/)

"We're willing to bear costs of infrastructure, it's our cost," Hansen said. "We don't expect others to pay for our expense any more than we expect to pay the expense of others."

In the report, EPCOR found further deconsolidation of the Agua Fria District, which covers parts of several West Valley cities and towns, along with unincorporated areas of Maricopa County, would not have a significant impact on wastewater rates. If deconsolidated on a flat rate, there would be no change to Verrado rates, a very small decrease for the northern portion of the Agua Fria District, and a slightly larger decrease for Russell Ranch.

Reconsolidation of Anthem and Agua Fria would increase the rate for Anthem but lower it for Agua Fria. The commission voted to separate the Anthem and Agua Fria wastewater districts in 2012, leaving fewer customers in the latter.

Jenna Kollings, community executive officer for the Anthem Community Council, said Anthem favors consolidation over combining the district with Agua Fria once again.

"We were very pleased to see the evidence in EPCOR's filing that supported consolidation," Kollings said. "Our hope is that the commission gives that their full attention."

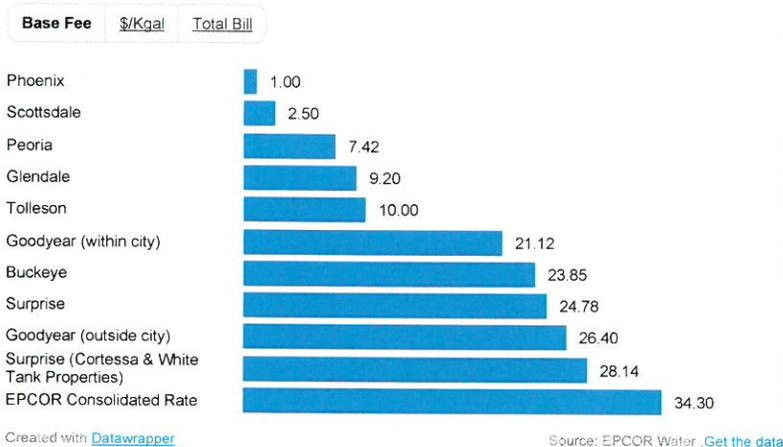
Now that EPCOR has filed the report, the commission will conduct a procedural conference on Wednesday, Aug. 13, where an administrative law judge will set a schedule for the case.

Diane Smith, an Agua Fria customer, said she supports any option that will ensure lower wastewater rates.

"I realize other people are going to be affected, but there's lots of people who have not been paying anything compared to what we've paid," said Smith, a resident of Corte Bella. "We all need water, and we have the same company, so why would we have all these disparate rates?"

Residential wastewater bill comparison at 7,000 gallons

*Some customers only pay a flat rate. The flat rate is represented by a zero in the \$/Kgal tab of this graph.



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