

Municipal Utilities

Single-family residential rate recommendations, impacts

The 2022 Water, Wastewater and Stormwater Rate Study (Study) analyzed existing and future projected costs and revenues to determine if changes to rates are needed. This document summarizes recommendations from the Study. For information, visit tempe.gov/UtilityRateStudy.

Water rates

The water cost of service analysis identified that the single-family residential customer classification needs to generate an additional \$1.3 million in revenue overall each year.

Water rates are made of two components, a fixed monthly service charge and a variable, volumetric charge.

Water volumetric rates

The Study recommends simplifying the rate structure to four tiers with increased volumes and updating the volume rate. Last year, 50% of single-family residential bills used less than 8,000 gallons of water, meaning that 50% of bills are within the new Tier 1 usage level.

Current		
Tier	Tier Size (in gallons)	Rate per 1,000 gallons
Tier 1	0-6,000	\$1.90
Tier 2	6,001-12,000	\$2.91
Tier 3	12,001-20,000	\$4.01
Tier 4	20,001-40,000	\$5.08
Tier 5	40,001+	\$5.58

Wastewater rates

Wastewater rates are made of two components, a variable, volumetric charge and a fixed monthly service charge.

Wastewater volumetric rates

Wastewater volume usage is calculated at 70% of the three-month winter average of water usage, with a cap of 12,000 gallons. The Study recommends updating the wastewater volume rate from \$1.84 to \$2.12 per 1,000 gallons.

Water fixed monthly service charge

The Study recommends lowering the water fixed monthly service charge. Most single-family residential customers have a 5/8-inch meter.

Meter Size	Current	Proposed
5/8"	\$13.55	\$10.25
3/4"	\$15.30	\$11.50
1"	\$22.80	\$16.80
1.5"	\$48.40	\$34.65
2"	\$94.35	\$65.45

Proposed		
Tier	Tier Size (in gallons)	Rate per 1,000 gallons
Tier 1	0-8,000	\$2.53
Tier 2	8,001-16,000	\$3.93
Tier 3	16,001-36,000	\$5.00
Tier 4	36,001+	\$5.79
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Wastewater fixed monthly service charge

The Study recommends lowering the wastewater fixed monthly service charge. Most single-family residential customers have a 5/8-inch meter.

Meter Size	Current	Proposed
5/8"	\$10.30	\$9.30
3/4"	\$14.00	\$10.70
1"	\$25.10	\$16.65
1.5"	\$46.70	\$36.70
2"	\$72.60	\$71.30

Stormwater/Environmental fee

This year, the Study identified stormwater and environmental related costs that are currently included in water and wastewater rates and recommends these costs be separated out into a separate fee of \$3 per account.

Customer utility bill impacts

With these recommendations, the typical single-family residential customer would see an increase of \$3.29 on its total monthly utility bill. An above average user would see an increase of \$7.66 per month and a larger volume user would see an increase of \$10.51 per month.

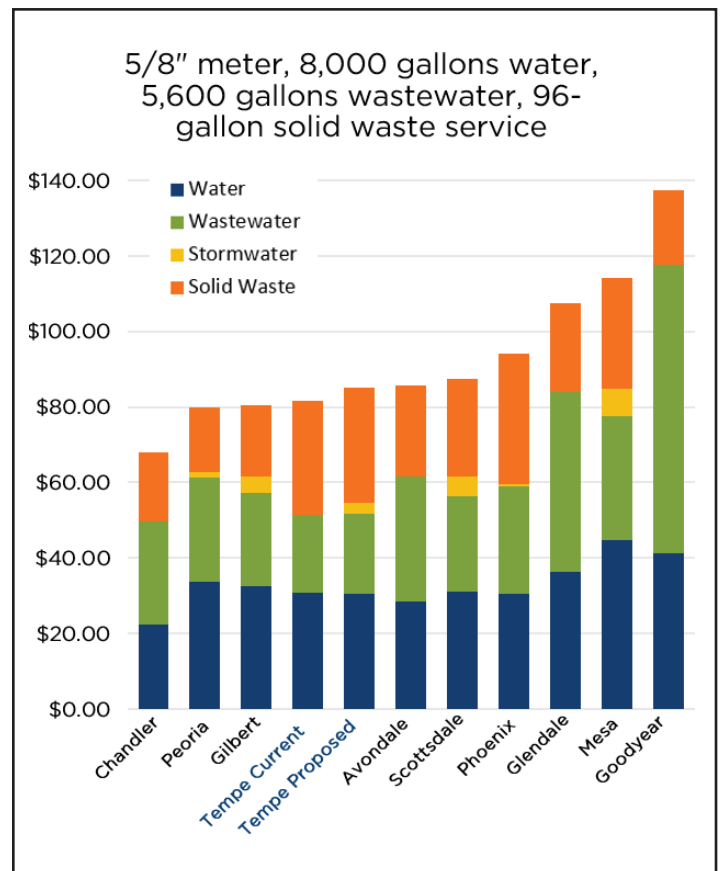
Typical User	Current	Proposed
Water (5/8" meter, 8,000 gallons)	\$30.77	\$30.49
Wastewater (5,600 gallons)	\$20.60	\$21.17
Stormwater	(Included in above)	\$3.00
Solid Waste (96-gallon)	\$30.32	\$30.32
Total	\$81.69	\$84.98
<i>Change compared with current rates</i>		<i>\$3.29, 4.0%</i>

Above Average User	Current	Proposed
Water (5/8" meter, 15,000 gallons)	\$54.44	\$58.00
Wastewater (7,500 gallons)	\$24.10	\$25.20
Stormwater	(Included in above)	\$3.00
Solid Waste (96-gallon)	\$30.32	\$30.32
Total	\$108.86	\$116.52
<i>Change compared with current rates</i>		<i>\$7.66, 7.0%</i>

Large User	Current	Proposed
Water (1" meter, 70,000 gallons)	\$352.74	\$365.34
Wastewater (capped at 12,000 gallons)	\$47.18	\$42.09
Stormwater	(Included in above)	\$3.00
Solid Waste (96-gallon)	\$30.32	\$30.32
Total	\$430.24	\$440.75
<i>Change compared with current rates</i>		<i>\$10.51, 2.4%</i>

Municipal comparison

Compared with neighboring municipalities, Tempe has among the lowest combined water, wastewater, stormwater and solid waste rates.



Tempe Water Utilities customers may view historical water usage online using the WaterSmart Customer Portal. The Portal provides leak alerts and allows monitoring of hourly and daily water usage.

Visit tempe.gov/WaterSmart to sign up.

Contact Tempe Water Conservation to learn how to save water and money: conservation@tempe.gov and 480-350-8351.



For information related to the rate study, visit tempe.gov/UtilityRateStudy or contact Stephen White at stephen_white@tempe.gov or 480-350-8847.