



MEMORANDUM

Date: October 6, 2017

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to be "CH", is written over the printed name "C.H. Huckelberry".

Re: **Commercial Billing Class Rate Increase for Wastewater Service**

The treatment of high Strength¹ wastewater results in additional operational costs such as increased electricity and chemical usage. Therefore, a Strength factor is built into the sewer user fee calculation to account for wastewater with Chemical Oxygen Demand (COD), Total Suspended Solids (TSS), and Total Nitrogen (TN) values higher than normally expected from residential wastewater. This assures the fair and equitable distribution of wastewater treatment operational costs when all users pay their proportionate share.

Sampling data from 2013, 2015, and 2017, have confirmed high Strength wastewater values for Commercial Billing Class customers when compared to the Residential Billing Class. The Commercial Billing Class includes customers primarily engaged in wholesale or retail, communication, finance, insurance, and any other non-residential service not identified as an Industrial Billing Class as outlined in Pima County Code, 13.24, *Sanitary Sewer User Fees*.

Based on this higher Strength wastewater and the corresponding higher cost of service, it is appropriate the Strength factor for the Commercial Billing Class increase 16 percent. This will impact more than 15,000 commercial user accounts.

Adopting this rate increase, either through a one-time 16 percent increase or a phased implementation over two years at eight percent each, will more than likely negate any future sewer user fee increase for the next few years. This increased rate ensures equitable cost recovery from the Commercial Billing Class.

¹ "Strength" means a measure of the relative impact of sanitary sewage on county treatment processes. Strength factors include, but are not limited to, measurements of Chemical Oxygen Demand, Suspended Solids, and Total Nitrogen concentrations. Other wastewater constituent concentrations may be monitored and regulated by the Department as required to comply with state and federal permits and regulations, to protect the public sanitary sewerage system, and to use in recovery of associated wastewater conveyance and treatment costs. For purposes of calculating user fees, residential strength sanitary sewage is used as the baseline.

The Honorable Chair and Members, Pima County Board of Supervisors
Re: **Commercial Billing Class Rate Increase for Wastewater Service**
October 6, 2017
Page 2

On October 16, 2017, the Regional Wastewater Reclamation Advisor Committee (RWRAC), along with the Regional Wastewater Reclamation Department (RWRD), will host a public meeting on this proposed rate increase for the Commercial Billing Class. The meeting will begin at 6:00 p.m. at Natural Resources, Parks and Recreation and will include a presentation as well as time for public comment.

This issue will be recommended to the Board of Supervisors at the meeting of November 7, 2017.

CHH/anc

c: Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Jackson Jenkins, Director, Regional Wastewater Reclamation