

Tucson Water

Reclaimed Water Rates

Every year Tucson Water initiates a rate setting process that culminates in the Mayor and Council adopting drinking and reclaimed water rates. This process includes a series of steps, including a cost of service analysis for drinking and reclaimed water.

The “cost of service” includes all of Tucson Water’s costs to provide water service to residential, commercial, and industrial customers. It is used to determine the revenues that need to be recovered from Tucson Water’s various customers. The cost of service result is sometimes adjusted to meet other water objectives, such as conservation or a subsidy to the reclaimed water system.

Since Tucson Water began delivering reclaimed water in 1984, the Mayor and Council have kept the reclaimed water rate lower than most of the drinking water rates. This is done as an incentive to encourage potential customers to use to reclaimed water For example, under the fiscal year 2012 rates an average 18-hole golf course could save about \$260,000 per year by converting to reclaimed water. A high school could save \$22,000 annually by converting. Unless residential water use is more than about 40 Ccf/month, significant savings from reclaimed water use are unlikely.

In order maintain the lower rate while ensuring that all of the costs of the reclaimed water system are recovered, the drinking water rates include a small amount that goes towards offsetting the reclaimed water system’s expenses. For the past several years, reclaimed water rates have recovered most of the costs of the reclaimed water system, with the average residential drinking water customer paying less than \$1.00 a year in support of the reclaimed water system.

The community benefits from having a reclaimed water system: a local, reliable water supply is being used, groundwater pumping is reduced, and less Colorado River water needs to be purchased. If there were no reclaimed water system, the drinking water system would incur additional expenditures to acquire, treat, and deliver water for irrigation.

The current reclaimed water rates are available at <http://cms3.tucsonaz.gov/water/new-rates#reclaim>