



Wastewater fees



How are wastewater rates set?

The city council authorized a 3.6% wastewater rate increase on August 13, 2024 to go into effect on October 1, 2024. A rate study has been authorized to be done in FY25 to determine if additional rate changes are needed.

What is the long-term outlook for wastewater rates?

The city conducts rate studies every 5 to 7 years. Future increases are expected as the city approaches the retirement of its wastewater debt in 2026. The goal is to keep rates as low as possible while providing an expected level of service and meeting regulatory requirements.

Why isn't my bill tied to water usage?

Wastewater bills are currently set at a flat rate for residential customers. A rate study is underway evaluating the option of changing to rates based on water usage or to determine if there is another way to calculate billing.

Does the city wastewater system operate at a profit?

No, the system is owned by rate payers, and rates are set to cover costs. The system does not generate a profit, nor does it provide financial support for non-wastewater activities.

Why are rate increases necessary?

Rates are increased to cover costs. Wastewater rates in Sedona remained at the same level since 2017. Fee increases get adopted to meet the financial obligations to operate, maintain, upgrade, and expand the wastewater system.

Another reason for rate increases is self-sufficiency. The city is moving toward a self-sufficient wastewater system that operates as an enterprise so that users cover all costs. This model is used by most public utilities across the nation and is required by Arizona state law. The city has been reducing the wastewater system's dependence on subsidy from sales taxes over time so that as wastewater rates increase, the sales tax subsidy decreases. This complies with state law and allows the city to redirect sales tax revenues to fund other services such as road maintenance and repair, and for completing capital projects. Subsidizing the wastewater system with sales tax must end in 2026.

What are current monthly rates?

As of October 1, 2024, the current residential monthly rates are:

- Per residential unit (ERU) - \$63.31
- Low-flow rate - \$49.23
- Low-income residential rate - \$33.33

Qualified low-income residents can receive a discount of almost 50 percent.

Why is there a monthly "standby fee" if I am not connected to the wastewater system?

The city constructs wastewater system facilities capable of handling all current and likely future customers. The standby fee is a charge to areas not yet connected but that will be connected in the future. The fee is for maintenance of that portion of wastewater system capacity that was constructed to serve these future connections. Without the standby fee, customers currently connected would be paying not only for their own service, but the capacity needed for future customers as well.

Why are my rates different from other communities?

Charges among different communities vary greatly depending on a number of factors. These include:

- Age of the wastewater system. Sedona's system was constructed because of state mandates in the 1980s. Part of the wastewater bill pays for construction bonds and will be paid off in 2026.
- Geography. The wastewater collection system contains 17 pump stations because of our hilly terrain. Pump stations are expensive, requiring power and regular maintenance.
- Size of system. Sedona's system services a low-density population many miles away from the treatment facility. This results in fewer customers and higher fixed costs.
- Regulatory requirements as specified by the Arizona Department of Environmental Quality. Requirements differ between communities because of where the water is discharged or how it is used after treatment.
- Environmental sustainability. Sedona treats wastewater to an A+ quality level and places the treated water back into the water table. Sedona residents have told us that environmental sustainability is important to them, and these water treatment activities help ensure adequate water supply in Arizona for the future.

Questions about wastewater billing?

The Sedona Financial Services Department can be reached by calling (928) 204-7185, Monday through Thursday from 7 a.m. to 6 p.m. Or send an email to wastewaterbilling@sedonaaz.gov.

This document updated September 1, 2024