

ORDINANCE 503-11

AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF QUEEN CREEK, ARIZONA, AMENDING CHAPTER 16 UTILITIES, ARTICLE 16-3 SANITARY SEWER REGULATIONS, AMENDING THE SCHEDULE OF FEES AND CHARGES AUTHORIZED BY TOWN CODE CHAPTER 16 BY ESTABLISHING THE WASTEWATER SERVICE FEES AND RATE STRUCTURE, PROVIDING FOR ANNUAL AUTOMATIC INCREASES IN FEES, AND ESTABLISHING EFFECTIVE DATES FOR ADJUSTMENTS AND ANNUAL INCREASES.

WHEREAS, Chapter 16 UTILITIES, ARTICLE 16-3 SANITARY SEWER REGULATIONS of the Queen Creek Town Code provides that charges for sanitary sewer system use and service shall be established by Council and the Town possess the authority to adopt regulations for wastewater rates, rate components, fees or service charges pursuant to A.R.S. §9-511.01; and

WHEREAS, all users of municipal sewage collection and treatment facilities are to be charged user fees in proportion to the quantity and strength of discharge; and

WHEREAS, the Water Infrastructure Financing Authority ("WIFA") provided a loan to the Town of approximately \$34 million on March 31, 2005 to pay for its share of the Greenfield Water Reclamation Plant ("GWRP") and other related costs; and

WHEREAS, the debt service payments on such loans were refinanced pursuant to an agreement between WIFA and the Town wherein Town agreed, in part, to implement certain rate and fee increases for the sewer system starting in 2011 and continuing through September 2016 (the "Refinancing Agreement"); and

WHEREAS, the recommended adjustments to wastewater rates and other charges are necessary to ensure full recovery of operating costs, adequate financing for improvements, implementation of the Refinancing Agreement and to cover the cost of this debt service; and

WHEREAS, given the increased costs in operation and maintenance, increased costs to improve the wastewater treatment systems, and the minimal economic growth in the community, it has become necessary to amend the fees for the use of sewer and sanitation systems; and

WHEREAS, the Town completed a study to determine the increased rate, fee and service charges to support the increases provided herein, and has made that data available to the public; and

WHEREAS, pursuant to A.R.S. §9-511.01, a copy of the rate change report was filed with the Town Clerk and on June 15, 2011, the Town Council approved a Notice of Intention to Increase Wastewater Rates and Fees as required by state statute;

WHEREAS, the Notice of Intention was published in the newspaper as required by law setting the time (August 17, 2011) and place (Town Hall) for the public hearing on such wastewater rate and fee changes;

WHEREAS, the Town has conducted a public hearing and complied with all other notice requirements of A.R.S. §9-511.01; and

WHEREAS, the Town provided appropriate notice in satisfaction of A.R.S. §9-499.15.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Common Council of the Town of Queen Creek, Arizona as follows:

Section 1: The Queen Creek Town Code, Arizona Chapter 16 UTILITIES, Article 16-3 Sanitary Sewer Regulations, Section 16-3-8 Sewer Service Fees is hereby amended to read as follows (deletions shown in ~~strike through~~, additions shown in ***bold italics***):

- A. The Council ***may, by ordinance or resolution, set and amend any rate, rate component, fee or service charge*** ~~shall at least biennially by separate ordinance set the fees to be made for sewer service.~~

Section 2: That the following monthly charges shall apply to customers for sanitary sewer system use and service provided by the Town of Queen Creek, as prescribed in Section 16-3-8 "Sewer Service Fees" of the Town Code:

Wastewater Service Fees and Rate Schedule

Base Fee							
Rate Class	Current Rate	Sep-11	Sep-12	Sep-13	Sep-14	Sep-15	Sep-16
R1	\$ 7.13	\$ 7.81	\$ 8.55	\$ 9.36	\$ 10.25	\$ 11.22	\$ 12.29
R2	\$ 7.13	\$ 7.81	\$ 8.55	\$ 9.36	\$ 10.25	\$ 11.22	\$ 12.29
R3	\$ 7.13	\$ 7.81	\$ 8.55	\$ 9.36	\$ 10.25	\$ 11.22	\$ 12.29
C1	\$ 8.32	\$ 9.11	\$ 9.98	\$ 10.92	\$ 11.96	\$ 13.10	\$ 14.34
C2	\$ 8.32	\$ 9.11	\$ 9.98	\$ 10.92	\$ 11.96	\$ 13.10	\$ 14.34
C3 ³	\$ 8.32	\$ 9.11	\$ 9.98	\$ 10.92	\$ 11.96	\$ 13.10	\$ 14.34
B1	\$ 10.10	\$ 11.06	\$ 12.11	\$ 13.26	\$ 14.52	\$ 15.90	\$ 17.41

Usage Fee ¹ (per 1,000 gallons)								Usage Charge = Usage Fee *
Rate Class	Current Rate	Sep-11	Sep-12	Sep-13	Sep-14	Sep-15	Sep-16	
R1	\$ 3.35	\$ 3.67	\$ 4.02	\$ 4.40	\$ 4.82	\$ 5.27	\$ 5.77	90% AWWU ² AWWU
R2	\$ 3.35	\$ 3.67	\$ 4.02	\$ 4.40	\$ 4.82	\$ 5.27	\$ 5.77	
R3	\$ 23.10	\$ 25.29	\$ 27.70	\$ 30.33	\$ 33.21	\$ 36.36	\$ 39.82	
C1	\$ 3.90	\$ 4.27	\$ 4.68	\$ 5.12	\$ 5.61	\$ 6.14	\$ 6.72	Actual Monthly Use AWWU
C2	\$ 3.90	\$ 4.27	\$ 4.68	\$ 5.12	\$ 5.61	\$ 6.14	\$ 6.72	
C3 ³	\$ 3.90	\$ 4.27	\$ 4.68	\$ 5.12	\$ 5.61	\$ 6.14	\$ 6.72	
B1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Actual Monthly Use

Notes

¹ Includes Capital Reserve

² AWWU is the "average winter water use" during the months of December, January, February.

³ Plus the Town's cost of monitoring the pretreatment system.

R1 - Residential I (With an individual water meter, such as a single family detached home)

R2 - Residential II (Other residential with landscaping on a separate meter such as condominiums)

R3 - Residential III (New customer prior to establishing a AWWA)

C1- Commercial I (Landscaping on a separate meter and no pretreatment. Includes office buildings, apartments, retail, restaurants, schools)

C2 - Commercial II (Landscaping on the same meter and no pretreatment. Includes Q.C. Middle School, Canyon State Academy)

C3- Commercial III (C1 with pretreatment)

B1 - Builder I (Between issuance of building permit and certificate of occupancy)

Section 3: Fees and Charges Automatic Annual Increases

For all these fees and charges listed herein and for fees and charges that may not be listed above, the current fees and charges will be increased by 9.5% effective September 16, 2011; and all subsequent fees and rates will be automatically adjusted and increased annually by 9.5% each of the following years on September 1, 2012, September 1, 2013, September 1, 2014, September 1, 2015 and September 1, 2016 with the increases applying to all residential and commercial rates.

Section 4: Effective Dates for Automatic Annual Adjustments and Increases

This ordinance and the underlying sewer system fee changes will be effective with the first fee and rate increase of 9.5% on September 16, 2011 with all subsequent fees and rates adjusted and increased automatically by 9.5% each of the following years on September 1, 2012, September 1, 2013, September 1, 2014, September 1, 2015 and September 1, 2016 as outlined above in the various fee schedules with the increases applying to all residential and commercial rates.

Section 5: If any section, subsection, sentence, clause, phrase or portion of this Ordinance or any part of this addition or modification adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

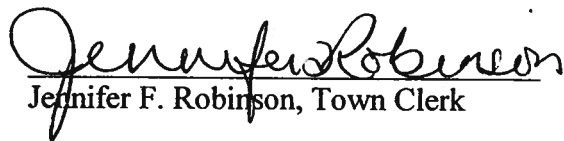
Section 6: The Town Clerk is hereby directed to publish this adopting ordinance in full.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Queen Creek, Arizona, this 17th day of August 2011.

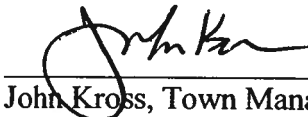
FOR THE TOWN OF QUEEN CREEK:


Gail Barney, Mayor

ATTESTED TO:


Jennifer F. Robinson, Town Clerk

REVIEWED BY:


John Kross, Town Manager

APPROVED AS TO FORM:


Freda J. Bisman, Town Attorney
Mariscal, Weeks, McIntyre & Friedlander