



BOARD OF SUPERVISORS AGENDA ITEM REPORT

Requested Board Meeting Date: April 14, 2015

Title: Proposed Ordinance Revision of 13.24.185 - Residential Rates and Service Fees

Introduction/Background:

The Sewer Outreach Subsidy Program (Program) assists low-income sewer users by paying a percentage of their sewer bill. The Program was initiated in 2007 and now provides assistance to approximately 3,700 sewer rate payers. In an effort to optimize the Program, the Pima County Regional Wastewater Reclamation Department (RWRD) proposes to allow for triennial certification for applicants on a fixed income.

Discussion:

The request to establish a low-income subsidy program was authorized in July 2007 by the Pima County Board of Supervisors in response to concerns about the ability of low-income residents to pay steadily increasing Sewer User Fees. Initially, the Program applied only to the volumetric portion of the Sewer User Fees and the recertification was done on an annual basis. On March 20, 2010 the Program was expanded to cover the service fee portion of the bill, in addition to the volumetric.

The Program has a tiered rate structure based on annual federal poverty level guidelines. Depending on income and household size, rate payers may qualify for a 75%, 50%, or 25% discount on their monthly Sewer User Fees. Pima County Community Action Agency (PCCAA) has certified 2,502 households from July 1, 2014 to March 11, 2015, an average of 300 applications per month, not including ineligible applications and administrative duties related with the Program. The Program currently provides assistance to an estimated 3,700 rate payers. This translates to approximately \$1,142,864 in unrealized revenue for Fiscal Year 2014/2015. Attachment 1 shows the amount of subsidy provided since the inception of the Program.

PCCAA estimates that 66% of the applicants are on a fixed income source, such as a pension, social security, or a governmental income assistance program. This Ordinance amendment will provide the ability to serve more applicants without requiring additional PCCAA staff by shifting the recertification period from annual to triennial, for those on fixed incomes and allows for flexibility to expand the Program.

Conclusion:

The triennial recertification of the low-income sewer user discount will allow for the potential expansion of the Program without hiring additional staff.

Recommendation:

Amend the PCC 13.24.185 E allowing eligibility for reduced Sewer User Fees to remain valid for three years for those with fixed income sources.

Fiscal Impact:

The Program should have the ability to handle more applicants without adding additional PCCAA staff. Expansion of the Program will cause additional reduction in revenue from Sewer User Fees for RWRD.

Board of Supervisor District:

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☒ All

Department: Regional Wastewater Reclamation Telephone: 724-6641

Department Director Signature/Date: *Jason Jenkins* 3/26/15

Deputy County Administrator Signature/Date: *Mike McNeil* 3/27/15

County Administrator Signature/Date: *C. R. Delaney* 3/27/15

ORDINANCE 2015-__

AN ORDINANCE OF THE
BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA;
RELATING TO WASTEWATER;
AMENDING PIMA COUNTY CODE, TITLE 13, CHAPTER 24,
SANITARY SEWER USER FEES

BE IT ORDAINED BY THE PIMA COUNTY BOARD OF SUPERVISORS:

SECTION 1. *Amendment.* The Pima County Code, Title 13, Chapter 24, Section 13.24.185 is hereby amended as follows:

13.24.185 - Residential rates and service fees.

- A. Each residential wastewater customer shall use the Class 1 user fee rate and service fee unless the director has approved an alternate residential user fee rate and service fee for that customer pursuant to this section.
- B. Any residential wastewater customer whose current household income is at one hundred percent or less of the federal poverty guidelines may apply to the director for approval to be billed at the Class 1A user fee rate and service fee.
- C. Any residential wastewater customer whose current household income is greater than one hundred percent but is less than or equal to one hundred and twenty-five percent of the federal poverty guidelines may apply to the Director for approval to be billed at the Class 1B user fee rate and service fee.
- D. Any residential wastewater customer whose current household income is greater than one hundred and twenty-five percent but less than or equal to one hundred and fifty percent of the federal poverty guidelines may apply to the Director for approval to be billed at the Class 1C user fee rate and service fee.
- E. Each residential user fee class change shall be valid for one year following approval by the director provided, however, residential user fee class changes for residential wastewater customers whose income is substantially derived from a fixed-income source such as a pension, social security, or a governmental income assistance program, will remain valid for three years following approval by the director.
- F. There is no limit on the number of years a residential user may apply for approval for a reduced residential user fee rate.

SECTION 2. Severability. If any provision of this Ordinance, or the application of any provision thereof is determined by a court of law to be invalid, the invalidity of that provision shall not affect other provisions or the application of this ordinance which can be given effect without the provision determined to be invalid, and to this end the provisions of this Ordinance are severable.

SECTION 3. County Officers and Employees. The various County officers and employees are authorized and directed to perform all acts necessary or desirable to give effect to this Ordinance.

SECTION 4. Effective Date. This Ordinance shall become effective 31 days after it is adopted by the Board of Supervisors.

PASSED AND ADOPTED by the Board of Supervisors of Pima County, Arizona, this _____ day of _____ 20__.

PIMA COUNTY BOARD OF SUPERVISORS:

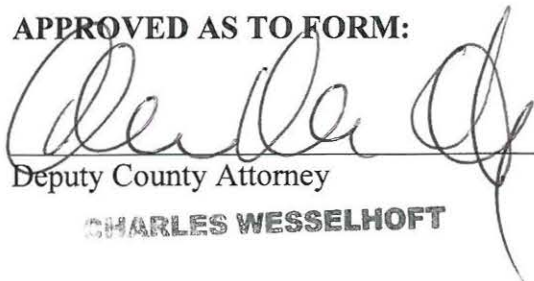
Chairperson

ATTEST:

Clerk of the Board

Dated: _____

APPROVED AS TO FORM:



Deputy County Attorney
CHARLES WESSELHOFT

APPROVED AS TO CONTENT:



Director, Regional Wastewater Reclamation
Department

Attachment 1 Sewer Outreach Subsidy Program

