



Board of Supervisors Memorandum

May 5, 2015

Sewer User Fee Increase

Introduction

At the continued Public Hearing regarding a proposed sewer user fee increase, the Board of Supervisors directed that staff review a connection fee increase to accompany the proposed user fee increase.

Attached is an April 28, 2015 memorandum from the Regional Wastewater Reclamation Department Director advising of the actions necessary to implement a three percent sewer connection fee increase. As indicated, such an increase would generate approximately \$400,000 in revenue in Fiscal Year 2015/16. This increase in revenues from connection fees would not alleviate the need for an increase in user fees as previously recommended.

The proposed connection fee increase schedule would involve consideration and action by the Regional Wastewater Reclamation Advisory Committee and a subsequent public hearing by the Board of Supervisors later this year.

Recommendation

I recommend the Board of Supervisors:

1. Approve a three percent sanitary user fee rate increase for two years effective July 1, 2015 and July 1, 2016. The need for an additional increase would be re-evaluated in advance of Fiscal Year 2017/18.
2. Direct staff to proceed with the actions required to implement a three percent connection fee increase at earliest possible date.

Respectfully submitted,

A handwritten signature in cursive script, reading "C. Huckelberry".

C.H. Huckelberry
County Administrator

CHH/mjk – April 30, 2015
Attachment

c: John Bernal, Deputy County Administrator for Public Works
Tom Burke, Deputy County Administrator for Administration
Jackson Jenkins, Director, Regional Wastewater Reclamation Department



REGIONAL WASTEWATER RECLAMATION DEPARTMENT

201 NORTH STONE AVENUE
TUCSON, ARIZONA 85701-1207

JACKSON JENKINS
DIRECTOR

PH: (520) 724-6500
FAX: (520) 724-9635

April 28, 2015

TO: C.H. Huckelberry, County Administrator
THRU: John M. Bernal, Deputy County Administrator – Public Works
FROM: Jackson Jenkins, Director – RWRD
SUBJECT: Sewer Connection Fees Rate Increase Schedule

Please find attached a draft of the fee ordinance revision document showing a 3% increase. We will place the Connection fee increase on the next Regional Wastewater Reclamation Advisory Committee (RWRAC) meeting agenda so that we can begin the process necessary for such a change. A 3% increase in the connection fee is estimated to increase FY2015/16 revenue by approximately \$400K.

A tentative draft Connection Fee Increase Schedule could be as follows:

May 21, 2015 RWRAC Agenda and Action for Public Hearing (notice of hearing 15 days)
June 18, 2015 RWRAC Public Hearing and Vote
August 17, 2015 BOS Public Hearing (60-day notice of BOS Public Hearing and vote is slightly overlapped with the RWRAC public hearing)
No BOS schedule is posted for September and beyond.

As a comparison, the accelerated schedule used for the User Fee Rate Increase overlapped notifications for the public hearings and did result in some issues with flexibility:

January 15, 2015 RWRAC Vote for Public Hearing
January 29, 2015 RWRAC Public Hearing
February 19, 2015 RWRAC Public Hearing and Vote
March 10, 2015 BOS Public Hearing

Attached

c: Eric Wieduwilt, P.E., Deputy Director – P&E
Charles Wesselhoft, Deputy County Attorney

DRAFT

AN ORDINANCE OF THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA, RELATING TO SEWER CONNECTION FEES; AMENDING THE PIMA COUNTY CODE, CHAPTER 13.20

The Board of Supervisors of Pima County Arizona finds that:

1. On May 15, 2012, the Pima County Board of Supervisors adopted Ordinance No. 2012-27 amending, among other things, capacity fees for connecting to County sewers.
2. During the ensuing period, inflation has increased the County's cost of providing wastewater treatment and conveyance capacity.
3. It is in the best interest of the County to increase the connection fee rates to adjust for inflation.

BE IT ORDAINED BY THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA:

SECTION 1. Subsection 13.20.045(A) of the Pima County Sanitary Sewer Construction, Connections and Fees code is hereby amended as follows:

A. Connection Fee Rates. Except as otherwise provided in this section, persons connecting to the public sanitary sewer system shall pay the following connection fee:

1. Residential:

Water Meter Size	Amount
5/8", 3/4", or 1"	\$4,066.00 <u>4,188.00</u>

2. Commercial/Industrial/Multi-family:

Water Meter Size	Amount
5/8" or 3/4"	\$4,066.00 <u>4,188.00</u>
1"	\$8,480.00 <u>8,735.00</u>
1 1/2"	\$27,030.00 <u>27,841.00</u>
2"	\$69,790.00 <u>71,884.00</u>
3"	\$162,510.00 <u>167,386.00</u>
4"	\$363,690.00 <u>374,292.00</u>

Connection fees for commercial/industrial dischargers with water meters greater than four inches in size will be calculated on a case-by-case basis using the following formula where "C" represents the cost of capacity factor of sixteen dollars and two fifty cents per gallon to convey and treat wastewater, "G" represents the estimated number of gallons of wastewater produced during a peak flow day, and "I" represents a system inflow and infiltration rate factor of 1.175.

Connection fee in dollars = C x G x I

DRAFT

SECTION 2. The various County officers and employees are authorized and directed to perform all tasks necessary or desirable to give effect to this Ordinance.

SECTION 3. This Ordinance is effective 31 days after the date of its adoption.

PASSED AND ADOPTED by the Board of Supervisors, Pima County, Arizona, this _____ day of _____, 2015.

PIMA COUNTY BOARD OF SUPERVISORS

Chair

ATTEST:

Clerk of the Board

Dated: _____

APPROVED AS TO FORM:

Deputy County Attorney



MEMORANDUM

Date: April 22, 2015

To: Jackson Jenkins, Director
Regional Wastewater Reclamation

From: C.H. Huckelberry
County Administrator

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

Re: Your April 16, 2015 Memorandum Regarding Sewer Connection Fees

As discussed generally by the Board on April 21, 2015, please prepare the documents to increase sewer connection fees by three percent.

While I understand your concern, it is my belief that since 2012, there has been at least three percent consumer price inflation. This is a modest increase that warrants a three percent adjustment in connection fees without any sophisticated analysis or review.

We will need to hold public hearings and receive comments prior to any action.

CHH/anc

Attachment

c: John Bernal, Deputy County Administrator for Public Works
Tom Burke, Deputy County Administrator for Administration