

COUNCIL DECISION REQUEST

SUBJECT: Water Rate Increase for 2011, 2012, and 2013

MEETING DATE: 6/3/10

PAYSON GOAL: NEW: EXISTING:

ITEM NO.:

TENTATIVE SCHEDULE:

SUBMITTED BY: Legal Department

AMOUNT BUDGETED:

SUBMITTAL TO AGENDA

EXPENDITURE REQUIRED:

APPROVED BY TOWN MANAGER

CONT. FUNDING REQUIRED:



EXHIBITS (If Applicable, To Be Attached):

Notice of Intention to Increase Water Rates

POSSIBLE MOTION

I move to adopt the attached Notice of Intention to increase water rates and direct the Town Clerk to (1) cause such Notice of Intention to be published in the *Payson Roundup* on June 11, 2010, (2) schedule a public hearing on such Notice of Intention on July 15, 2010, and (3) file a copy of the report supporting such Notice of Intention and make the report available to the public.

SUMMARY OF THE BASIS FOR POSSIBLE MOTION:

The Water Department, as part of the Water Rate Analysis and Long-Term Financial Plan (May 2006, supplemented May 2010) prepared by economists.com, desires to increase water rates to the amounts recommended under the May 2010 supplement, Scenario 3 for October 2011, 2012, and 2013. In order to implement a rate increase, the Town must comply with the requirements of A.R.S. §9-511.01. The first step in this process is for the Council to adopt a Notice of Intention to increase rates. This Notice of Intention becomes the upper limit for any rate increase. Next, the Clerk must cause such Notice of Intention to be published in the local newspaper (June 11, 2010). The Council must then wait 20 days following publication and 30 days following the Notice of Intention and then conduct a public hearing (July 15, 2010). Finally, at the July 15, 2010 Council Meeting, after having a public hearing, the Council will consider a Resolution to adopt the increased rates. If adopted, such new rates would become effective in October 2011, 2012, and 2013 respectively, dates which are at least 30 days after the passage of the Resolution.

Attached is a draft Notice of Intention that uses the rates from the May 2010 report from economists.com. If the Council wishes to consider increasing the top tier rates additionally as mentioned on page 15 of the report, the rates on the Notice of Intention must be amended at this time.

PROS:

This CDR is only procedural in nature.

CONS:

PUBLIC INPUT (if any): This CDR schedules a Public Hearing to be held July 15, 2010.

BOARD/COMMITTEE/COMMISSION ACTIONS/RECOMMENDATIONS (if any) (give dates and attach minutes):

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COUNCIL DECISION REQUEST

FUNDING:

Acct:	Budget:	Available:	Expense:	Remaining:
Acct:	Budget:	Available:	Expense:	Remaining:
Acct:	Budget:	Available:	Expense:	Remaining:

BA: _____ Date: _____

NOTICE OF INTENTION TO INCREASE WATER RATES

PLEASE TAKE NOTICE that the Payson Town Council will consider a Resolution to increase water rates in the amounts shown below.

A public hearing will be held on the proposed water rate increase at the regular meeting of the Town Council on July 15, 2010, at 5:30 p.m., or as soon thereafter as the matter may be heard, in the Town Council Chambers at Payson Town Hall, 303 North Beeline Highway, Payson, Arizona. The rates, if adopted will be effective as set forth below.

A written report or data supporting this proposed rate increase has been filed and is available for public inspection in the Office of the Clerk of the Town of Payson.

	Current	October 1, 2011	October 1, 2012	October 1, 2013
Minimum monthly charge	\$21.71	\$23.78	\$25.68	\$26.96
<i>Volume rate per 1,000 gallons</i>				
2,001-5,000	\$2.93	\$3.21	\$3.46	\$3.64
5,001-10,000	\$3.87	\$4.23	\$4.57	\$4.80
10,001-20,000	\$4.42	\$4.84	\$5.23	\$5.49
20,001 and above	\$6.00	\$6.05	\$6.53	\$6.86

*For publication in the Payson Roundup
on Friday, June 11, 2010*

For posting at Payson Town Hall