



COUNCIL DECISION REQUEST

SUBJECT: Water Rate Increase

MEETING DATE: October 2, 2014

SUBMITTED BY: Legal Department *W*

SUBMITTAL TO AGENDA
APPROVED BY TOWN MANAGER

AMOUNT BUDGETED:

EXPENDITURE REQUIRED:

[Signature]

EXHIBITS (If Applicable, To Be Attached): Notice of Intent 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) publish the Notice of Intention in the October 10, 2014 edition of the Payson Roundup; (2) schedule a Public Hearing on the Notice of Intention on November 6, 2014; and (3) file a copy of the report supporting the Notice of Intention in her office and make such 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 prepared by economists.com, has forecasted necessary water rate increases through 2018. 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 Water Rates. Next, the Clerk must publish the Notice of Intention (if adopted by Council) in the local newspaper (October 10, 2014). The Council must then wait (20 days following publication and 30 days following adoption of the Notice of Intention) and conduct a Public Hearing on the proposed rate increases (November 6, 2014). Finally, following the November 6, 2014 Public Hearing, the Council may consider a Resolution to adopt the increased rates. If the Resolution is adopted, any initial new rates would become effective as of December 17, 2014 (at least 30 days following adoption) with additional future increases as may be set forth in the Resolution. Customers would not see the initial new rates reflected until their February 2015 water bill.

PROS:
This CDR is merely procedural in nature.

CONS:

FUNDING:

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

FM: _____ Date: _____

NOTICE OF INTENTION TO INCREASE WATER RATES

The Payson Town Council will hold a Public Hearing and consider a Resolution to increase water rates in the amounts shown below at the its regular meeting on November 6, 2014, scheduled to start at 5:30 p.m., in the Town Council Chambers at Town Hall, 303 North Beeline Highway, Payson, Arizona. 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	Effective - December 17, 2014	Effective - September 15, 2015	Effective - September 15, 2016	Effective - September 15, 2017	Effective - September 15, 2018
Minimum monthly charge	\$26.96	\$28.31	\$30.43	\$35.00	\$40.25	\$43.26
Volume rate per 1,000 gallons						
2,001-5,000	\$3.64	\$3.82	\$4.11	\$4.72	\$5.43	\$5.84
5,001-10,000	\$4.80	\$5.04	\$5.42	\$6.23	\$7.17	\$7.70
10,001-20,000	\$5.49	\$5.76	\$6.20	\$7.13	\$8.20	\$8.81
20,001 and above	\$6.86	\$7.20	\$7.74	\$8.90	\$10.24	\$11.01

*For publication in the Payson Roundup on Friday, October 10, 2014
and for posting at Payson Town Hall*