

Follow-up info #1

AUG 15 2013



**MEMORANDUM**

**Municipal Utilities Department— Memo MUA14-003**

**DATE:** AUGUST 15, 2013

**TO:** MAYOR AND COUNCIL

**THRU:** RICH DLUGAS, CITY MANAGER *RD*  
 MARSHA REED, ASSISTANT CITY MANAGER *MR*  
 DAVE SIEGEL, MUNICIPAL UTILITIES DIRECTOR *DS*

**FROM:** GREGG CAPPS, WATER RESOURCE MANAGER *DWC*

**SUBJECT:** Hydrant Meter Deposit Fees

This memo addresses Council's question regarding the option of securing the return of functioning City hydrant meters through issuance of a Certificate of Occupancy, in lieu of charging a Hydrant Meter deposit.

**BACKGROUND/DISCUSSION:** Chandler offers hydrant meters to customers who need temporary water service during construction. Hydrant meters are placed on fire hydrants by City staff and are read monthly to charge for water use. Chandler implemented a hydrant meter deposit through Ordinance No. 3164 on August 24, 2000. The deposit ensures the City is compensated if the hydrant meter is lost or damaged. It also ensures the final bill for water use is paid. Chandler averages five lost or damaged hydrant meters per year at a cost of \$1,450 each occurrence. Customers who request a hydrant meter must complete an application which sets up a Utility Billing account and payment of the deposit. There are approximately one hundred hydrant meter accounts.

The majority of customers who request hydrant meter accounts are sub-contractors working for developers. The majority of sub-contractors use hydrant meters to measure water use for dust control during the early stages of construction. Sub-contractors may request City staff to move the meter from project to project while maintaining the existing account and initial deposit. The hydrant meter is often removed well before project completion. A Certificate of Occupancy is provided to the property owner after the project is completed and approved by City staff.

The following concerns are associated with using a Certificate of Occupancy as a tool to recover losses from damaged or lost hydrant meters and delinquent payments:

- 1) The sub-contractor is usually the customer using the hydrant meter and is not affiliated with a Certificate of Occupancy.
- 2) The hydrant meter may be removed from the site long before the Certificate of Occupancy is granted, making it difficult to recover losses from the sub-contractor or property owner.

Staff recommends the hydrant meter deposit fees remain at \$1,450 per account as proposed in Management Services Memo No. 14-009. The deposit is refunded upon return of the hydrant meter.

# 1

AUG 15 2013

ORDINANCE NO. 4465

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AMENDING SECTIONS 50-2, 50-3, 50-5, 50-6, 50-8 50-9, 50-10, 50-11.1, 50-12, 50-13 AND 50-19 OF THE CODE OF THE CITY OF CHANDLER TO CHANGE CERTAIN WATER, RECLAIMED WATER AND WASTEWATER FEES.

WHEREAS, increased need for capacity and operating costs have occurred and debt service related to updating current facilities and adding capacity has increased since the existing water, wastewater and reclaimed water rates were implemented in 2011; and

WHEREAS, as a result of such cost increases, and based upon the supporting data placed on file with the City Clerk commencing July 12, 2013 staff has recommended that Council consider changing the rates or rate components, fees or service charges set out in this Ordinance; and

WHEREAS, on July 11, 2013, Council adopted by motion a notice of intention to increase certain water, reclaimed water and wastewater rates or rate components, fees or service charges, and set August 12, 2013 as the date for a public hearing on the matter; and

WHEREAS, a copy of the notice of intention showing the date, time and place of such public hearing has been properly published at least 20 days prior to the public hearing date, and the public hearing has been conducted as scheduled; and

WHEREAS, Council finds that it is in the best interest of the City to adopt new rates in order to maintain the financial integrity of the water and wastewater enterprises.

BE IT ORDAINED by the City Council of the City of Chandler, Arizona that the Code of the City of Chandler, Arizona be amended as follows:

**SECTION 1: Chapter 50 is hereby amended as follows:**

**A. Amend Section 50-2 to read as follows:**

**50-2. Application for utility service; requested discontinuance of service.**

All applications for utility service shall be made through the Office of the Management Services Director. The applicant shall furnish the following: name; spouse's name (if applicable); the official street number assigned to the premises or the legal description of the property; previous address; employer's name and telephone number (if employed); the property owner's name, if different from the applicant; a copy of lease or rental agreement if applicant is not the property owner and the address of which the monthly statement is to be mailed. The applicant may be required to show picture identification.

All applicants shall pay a fee of twenty-five dollars (25.00) to open an account and are required to give a twenty-four-hour notice to have water service turned on. Where the request requires

the service be performed outside normal working hours, weekends or holidays, an additional fee of twenty-seven dollars (\$27.00) shall be charged. Normal working hours are defined as weekdays between the hours of 8:00 a.m. and 5:00 p.m.

Customers desiring to discontinue the use of water must give a twenty-four-hour notice thereof through the Office of the Management Services Director, or the charges for utilities will be continued until such notice is given.

Customers desiring their water service turned off for the purpose of repairing their plumbing shall pay a fee of twenty-seven dollars (\$27.00) if the service call is on weekends, holidays or between the hours of 5:00 p.m. and 8:00 a.m. During normal working hours this service will be performed at no charge.

**B. Amend Section 50-3 to read as follows:**

**50-3. Security deposits.**

A. When satisfactory credit has not been established all utility customers shall place a deposit with the Management Services Director before being furnished utilities in accordance with the following minimums:

:

**Single-Family, Duplex and Triplex  
Residential Customers**

Account type	Inside City Minimum Deposit	Outside City Minimum Deposit
Single Family Residential	\$120.00	\$168.00
Duplex	240.00	336.00
Triplex	360.00	504.00

**All Other Type-User Customers**

Account Type	Inside City Minimum Deposit (Per Meter)	Outside City Minimum Deposit (Per Meter)
Multi-family	\$1,000.00	\$1,400.00
Commercial	400.00	560.00
Industrial	2,500.00	3,500.00
Landscape	300.00	420.00

The Management Services Director may require a security deposit equal to two (2) times the maximum monthly bill during the previous twelve (12) months in lieu of the minimum deposit listed above.

B. All residential account customers shall pay a deposit unless they have established a satisfactory payment history with the city or provide a recent (within the last 12 months) satisfactory letter of credit from another utility company. Upon default of payment for utility services by the account owner, the Management Services Director may require the placement of a security deposit, as defined above, before continuation or resumption of City Services. Upon default of payment for utility services by the account owner, the Management Services Director may require the placement of a security deposit as defined above, before continuation or resumption of City Services.

C. Deposits which guarantee payment of utility bills shall be noninterest-bearing and shall be refunded to the consumer at the end of a twelve-month period, providing the consumer has not allowed the account to become delinquent during said twelve-month period or upon voluntary

discontinuance of service. Any charges due at discontinuance of service shall be deducted from said security deposit before the refund is made.

D. Residential customers receiving refuse collection and/or wastewater service who are without an active water account shall be required to place a security deposit with the Management Services Director equal to two (2) times the current monthly refuse collection bill. This deposit shall be required in addition to the deposit requirements outlined in paragraph A. of this section.

**C. Amend Section 50-4 to read as follows:**

**50-4. Customer billing.**

A. Monthly statements shall be rendered by the Management Services Director to each utility customer, billing periods to normally consist of approximately thirty (30) days. Separate statements shall be rendered for each water meter based upon the service rendered thereby. Each statement shall also inform the customer of the consequences of nonpayment and the telephone numbers of appropriate personnel authorized to resolve billing disputes. Each statement shall contain the customer's account number; the reading date; the delinquent date; the present and previous meter reading; the consumption in thousand gallons; the amount of charges for water services; wastewater service; garbage and refuse removal service; new account fee or service call fee, if applicable; previous balance, if any; applicable taxes; and total amount due.

B. First and/or final statements rendered for periods of less or more than thirty (30) days shall have the minimum monthly utility charges prorated daily. In addition to the prorated utility charges, the statement shall include a charge for each thousand gallons of water metered during said period plus applicable taxes.

C. Statements rendered on properties during the course of construction or development shall be for water only plus applicable taxes; however, the builder or developer shall be responsible for the removal and disposal of all construction debris. Wastewater service charges and garbage and refuse collection charges shall be charged to the builder or developer following final inspection by the building inspection division.

Any property upon which utility services may have been furnished by the City, and which may not for any cause have been assessed for such use on the books of the City, shall be assessed for the use for which it is in arrears. Upon the failure of the payment of these charges, the supply of water shall be turned off, pending settlement.

**D. Amend Section 50-5 to read as follows:**

**50-5. Payment of bills.**

*50-5.1.* All bills rendered for each billing period are due and payable by the due date printed on the statement. The due date shall be no less than twenty-four (24) calendar days after each billing period. A late fee of two (2) percent will be charged for any outstanding balance showing on the

statement (excluding taxes) not paid by the due date. If the total of such bill is not paid by the due date, water service is subject to discontinuance pursuant to Code Section 50-6.

50-5.2. When water is turned off because of a delinquent bill, or if the consumer necessitates a personal call by a utility services representative, an automated outbound call, or a scheduled disconnect order is generated because of the delinquent status of the account, whether or not service is turned off, a service fee of twenty dollars (\$20.00) shall be charged. Water services shall not be continued or resumed until such delinquent bill and service fee has been collected in full. In addition, the delinquent customer shall be required to place a new or additional security deposit as defined in section 50-3 above. Acceptable method of payment shall be limited to cash, personal check with a valid guarantee card, money order, certified check, cashier's check or traveler's check.

50-5.3. A customer's water service may be disconnected for nonpayment of a bill for utility service rendered to the customer at a previous location, provided such bill is not paid within twenty-one (21) days after the unpaid bill has been rendered to the customer at the new location.

**E. Amend Section 50-6 to read as follows:**

**50-6. Discontinuance of service.**

A. Before any discontinuance of water service shall be made, other than specified in subsection B. below, the resident shall receive written notice of the reason for the discontinuance and be advised, also in writing, of the opportunity to contact customer service personnel to present any objections. If service is disconnected and subsequently reconnected, a thirty dollar (\$30.00) reconnect fee may be applied to the account for all future occurrences of the account being disconnected for non-payment.

B. In the case of unnecessary waste, fraudulent representation on the part of any water customer, or in an emergency, the City reserves the right to turn off water without notice until all charges have been paid in full and/or waste or emergency corrected.

**F. Amend Section 50-8 to read as follows:**

**50-8. Unauthorized use.**

A service charge of one hundred dollars (\$100.00) plus charges for estimated consumption, according to the applicable consumption rate schedule, will be assessed to any customer for unauthorized use of water services for each occurrence. Unauthorized use shall mean the taking of service by (a) turning the service on without authority, or (b) by connecting directly into service or hydrant without a meter, or (c) willfully modifying the meter or service apparatus so as to cause loss or reduction in consumption registration. Such sum shall be charged against the premises, and the supply of water to such premises shall be withheld until such sum is paid. In addition, charges for damages and/or special services performed will be assessed to the customer. Charges will be based upon materials and/or labor. Such sum shall be charged against

the premises, and the supply of water to such premises shall be withheld until such sum is paid. The provisions of this section shall not preclude the assessment of any criminal penalties authorized by this Code.

50-8.1. *Accessibility of water meter.* Water meter boxes shall be installed and maintained such that the access cover is exposed and not lower than the finished grade. It shall be the responsibility of the consumer to ensure that access by employees of the City to the water meter is not obstructed by landscape materials, vehicles or any other obstruction. In the event the consumer does not allow adequate access to the water meter box, ten (10) business days after proper written notification the City will remove the obstruction and charge a fee on the basis of time and materials.

**G. Amend Section 50-9 to read as follows:**

**50-9. Water meter installation fee.**

50-9.1. Properties inside City limits to be connected to the municipal water or reclaimed water distribution system shall pay a fee for which the City will install a service line and meter box in accordance with the following schedule plus all applicable costs incurred by the City for concrete and asphalt repair and replacement in the public right of way required for installation:

Meter Size (In Inches)	Inside City	Outside City
¾	\$1,819.00	\$2,547.00
1	1,847.00	2,586.00
1½	1,942.00	2,719.00
2	2,044.00	2,862.00

Installation of the above size meters outside the City limits shall be one and four-tenths (1.4) times the fee for installation inside the City limits.

50-9.2. Properties to be connected to the municipal water or reclaimed water distribution system where the service line (from the water main to the property line) and meter box is installed by the subdivider or developer shall be charged a fee for the meter installation in accordance with the following schedule:

Meter Size (In Inches)	Inside City	Outside City
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¾	\$419.00	\$587.00
1	447.00	626.00
1½	542.00	759.00
2	644.00	902.00
3 - Turbine	2,186.00	3,060.00
3 - Compound	3,405.00	4,767.00
3 - Turbine Fire Protection Meter	3,462.00	4,847.00
4 - Turbine	2,786.00	3,900.00
4 - Compound	4,196.00	5,874.00
4 - Turbine Fire Protection Meter	3,983.00	5,576.00
4 - Compound Fire Protection Meter	7,347.00	10,286.00
6 - Turbine	4,387.00	6,142.00
6 - Compound	6,433.00	9,006.00
6 - Turbine Fire Protection Meter	5,180.00	7,252.00
6 - Compound Fire Protection Meter	9,278.00	12,989.00
8 - Turbine	6,380.00	8,932.00
8 - Compound	9,113.00	12,758.00
8 - Turbine Fire Protection Meter	6,046.00	8,464.00
8 - Compound Fire Protection Meter	11,641.00	16,297.00
10 - Turbine	9,953.00	13,934.00

10 - Turbine Fire Protection Meter	7,846.00	10,984.00
10 - Compound Fire Protection Meter	16,713.00	23,398.00
12 - Turbine	15,717.00	22,004.00

Installation of the above size meters outside the City limits shall be one and four-tenths (1.4) times the fee for installation inside the City limits.

An additional charge of ninety-seven dollars (\$97.00) per meter inside the City limits and one hundred thirty-five dollars and eighty cents (\$135.80) per meter outside the City limits shall be made for installations requiring more than two (2) service calls. The charge shall be levied for each return trip necessary to complete the meter installation and shall be shown on the utility billing statement.

50-9.3. All water meters larger than two (2) inches shall have the service line and meter box installed by the subdivider or developer using specifications approved by the City. The subdivider or developer will be responsible to pay the charges associated with the water meter and installation.

50-9.4. All water meters shall remain the property of the City, and the City shall be responsible for maintenance of meters.

**H. Amend Section 50-10 to read as follows:**

**50-10. Backflow prevention device installation fee.**

A. Residential properties to be connected to the municipal water system which incorporate the use of reclaimed wastewater as a water conservation measure shall be charged a fee for installation of backflow prevention devices in accordance with the following schedule:

	Inside City	Outside City
Water service lines up to 1 inch	\$225.00	\$315.00

Devices to be installed inside the City on service lines larger than one (1) inch will be installed on the basis of time and materials plus twenty-five (25) percent. The deposit fee will be estimated by the Water Quality Program Manager and shall be required by the Management Services Director prior to installation, with the balance due upon completion of the installation. Installation of devices outside the City on service lines larger than one (1) inch shall be twice the fee for installation inside the City limits.

B. An additional charge of fifty dollars (\$50.00) per device inside the City limits and seventy dollars (\$70.00) per device outside the City limits shall be made for installations requiring more than two (2) service calls. The charge shall be levied for each return trip necessary to complete the installation of the device.

C. All backflow prevention devices installed under this program shall remain the property of the City, and the City shall be responsible for testing and maintenance of the devices.

**I. Amend Section 50-11.1 to read as follows:**

**50-11.1. Reclaimed water service rates.**

The following rates per one thousand (1,000) gallons shall apply to all individually metered reclaimed water services:

	Winter Rate (1)		Summer Rate (2)	
	Inside City	Outside City	Inside City	Outside City
Reclaimed water	\$0.481	\$0.674	\$0.522	\$0.731
Special request recovered water	1.678	2.350	1.826	2.557

(1) Winter rates will be effective with all billings on and after October 1.

(2) Summer rates will be effective with all billings on and after May 1.

**J. Amend Section 50-12 to read as follows:**

**50-12. Wastewater service rates.**

A. The following wastewater service rates shall apply to all dwelling and commercial units where sewer main adjoins the property and the water account is active. In the event the active water account is for the sole purpose of providing fire flow, lawn, landscaping or other irrigation and sprinkling or other use approved by the City Engineer not requiring a sewer connection, the following service rates shall not apply.

Type of Service	Water Metered	Inside City	Outside City
Single-Family Dwelling Unit	Not Applicable	\$24.17	\$38.68

Multi-Family Dwelling Unit	Not Applicable	7.40	11.84
Commercial	Monthly Base Charge	6.37	10.20
	Per 1,000 gallons	2.90	4.64
Commercial Processing & Manufacturing	Monthly Base Charge	6.37	10.20
	Per 1,000 gallons	2.90	4.64
Medical Institutions	Monthly Base Charge	6.37	10.20
	Per 1,000 gallons	2.90	4.64
Educational Institutions	Monthly Base Charge	6.37	10.20
	Per 1,000 gallons	2.90	4.64
Large Volume Industrial	Monthly Base Charge	6.37	10.20
	Per 1,000 gallons	2.90	4.64

B. In the event of the installation of a separate sewer meter for approved commercial and industrial users, the following wastewater service rates shall apply.

Type of Service	Inside City	Outside City
Approved commercial-industrial:		
Monthly base charge	\$6.37	\$10.20
Per 1,000 gallons	2.90	4.64

C. In the event a sewer main adjoins property which is not served by municipal water and the owner/occupant desires to be served by wastewater service, the wastewater rates set forth in paragraph A. shall apply to all single-family and multifamily users. Wastewater rates set forth in paragraph A. shall apply to all other customers with water provider supplying water billing

information to the City. In the event the water provider is the owner/occupant or the water provider information is not available to the City for billing purposes under paragraph A., then wastewater rates set forth in paragraph B. shall apply and installation costs of the sewer meter shall be borne by the customer.

**K. Amend Section 50-13 to read as follows:**

**50-13. Wastewater pretreatment program cost recovery.**

A. In order to provide for recovery of City costs associated with the City of Chandler wastewater pretreatment program, the following fee schedule is established:

- Permit application .....\$480.00
- Monthly metered water charge, per 1,000 gallons .....0.183
- Excess pollutant processing charge:
  - Per excess lb. BOD\* ..... 0.415
  - Per excess lb. TSS\*\* ..... 0.083
  - Per excess lb. Ammonia.....0.487

\*BOD: Biochemical oxygen demand

\*\*TSS: Total Suspended solids

The above fees shall be separate from all other fees chargeable by the City and apply to nonresidential users of the City Wastewater Collection and Treatment System. These fees relate solely to the pretreatment program requirements and are structured to reimburse the following:

1. Costs of setting up and operating the City's wastewater pretreatment program;
2. Costs of monitoring, inspection and surveillance procedures;
3. Costs of reviewing accidental discharge procedures and construction;
4. Costs associated with processing permit applications and issuing permits;
5. Costs associated with filing appeals;
6. Costs incurred by City for consistent removal of pollutants otherwise subject to Federal pretreatment standards;
7. Other costs deemed necessary to carry out the requirements of the pretreatment program.

Fees shall be reviewed annually each January by the Director of the Municipal Utilities Department to assure they are equitable and sufficient to recover City costs associated with the program as defined above.

B. If any provision, paragraph, word or section of this ordinance is invalidated by any court of competent jurisdiction, the remaining provisions, paragraphs, words or sections shall not be affected and shall continue in full force and effect.

C. All other ordinances and parts of other ordinances inconsistent or conflicting with any part of this ordinance are hereby repealed to the extent of such inconsistency of conflict.

**L. Amend Section 50-19 to read as follows:**

**50-19. Construction water fees.**

*50-19.1.* When requesting a hydrant meter for construction water, customers shall deposit the sum of one thousand four hundred fifty dollars (\$1,450) with the City for the hydrant meter, fittings and required backflow device. The deposit, less charges for any repair, replacement or balance due, shall be refunded upon termination of the customer's use of the hydrant meter.

*50-19.2.* The customer shall pay a monthly water base charge in the amount of eighty-one dollars and thirty-four cents (\$81.34) for all hydrant meters.

*50-19.3.* In addition to the monthly water base charge, the customer shall pay for all water metered at the rates set forth in section 50-11 of this chapter.

*50-19.4.* The customer shall pay a fee of forty-six dollars (\$46.00) for each requested hydrant meter installation and relocation.

**SECTION 2:** The new rates and fees established by this Ordinance shall become effective with all bills issued on or after October 1, 2013.

INTRODUCED AND TENTATIVELY approved by City Council of the City of Chandler, Arizona, this \_\_\_ day of \_\_\_\_\_, 2013.

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MAYOR

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona, this \_\_\_\_ day of \_\_\_\_\_, 2013.

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MAYOR

**CERTIFICATION**

I HEREBY CERTIFY that the above and foregoing Ordinance No. 4465 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on \_\_\_\_\_ day of \_\_\_\_\_, 2013 and that a quorum was present thereat.

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY

*CH for*