

MINUTES OF THE REGULAR MEETING OF THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, held in the Council Chambers, 88 E. Chicago Street, on Monday, August 10, 2015.

THE MEETING WAS CALLED TO ORDER BY MAYOR JAY TIBSHRAENY at 7:00 p.m.

The following members answered roll call:

Jay Tibshraeny	Mayor
Kevin Hartke	Vice-Mayor
Nora Ellen	Councilmember
Rick Heumann	Councilmember
René Lopez	Councilmember
Terry Roe	Councilmember
Jack Sellers	Councilmember

Also in attendance:

Marsha Reed	Acting City Manager
Nachie Marquez	Assistant City Manager
Kay Bigelow	City Attorney
Marla Paddock	City Clerk

INVOCATION: Bishop Tyrone Stowe with Gospel "4" Life Church provided the Invocation.

PLEDGE OF ALLEGIANCE: Councilmember Lopez led the Pledge of Allegiance.

CONSENT:

MOVED BY COUNCILMEMBER SELLERS, SECONDED BY VICE MAYOR HARTKE, TO APPROVE THE CONSENT AGENDA AS PRESENTED.

MOTION CARRIED UNANIMOUSLY (7-0).

1. MINUTES:

APPROVED the following Chandler City Council Meeting Minutes:

- 1a. Special Meeting of July 9, 2015.
- 1b. Regular Meeting of July 6, 2015.
- 1c. Regular Meeting of July 9, 2015.
- 1d. Study Session of July 6, 2015.

2. ZONING AMENDMENT: Maderas Ord. #4647

ADOPTED Ordinance No. 4647, DVR15-0016 Maderas, amendment to the Planned Area Development (PAD) zoning.

3. CITY CODE AMENDMENT: Water/Sewer/Solid Waste Fees Ord. #4646

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4646 amending Sections 44-7.2, 50-2, 50-10A through 50-15, and 50-19 of the Code of the City of Chandler to change certain water, reclaimed water, sewer and solid waste fees effective October 1, 2015.

BACKGROUND

As required by the City's Financial Policies, a review of current Water, Wastewater, Reclaimed Water and Solid Waste Enterprises was conducted as part of the FY 2015-16 Budget process. The review of the current financial situation for Wastewater, Reclaimed Water and Solid Waste determined that rate increases were required for FY 2015-16. In addition to rate increases, there are other changes and clarifications through this ordinance:

- (1) The Ordinance will eliminate the season differential (winter/summer) rate structure for water rates and reclaimed water rates and replace them with a more simple year-round rate structure. Water tiered rates will be retained to encourage water conservation.
- (2) The Ordinance adds clarifying language in the Solid Waste section of the City Code that allows fees to be charged for drop off of specified materials exceeding a certain weight (greater than 200 lbs. based on Department policy) at the Recycling Collection Center. The specified materials and the related fees were previously set by City Council resolution.
- (3) The Ordinance clarifies language in the Wastewater section of the City Code to eliminate reference to "Special Request Recovery Water" and more clearly defines the circumstances when the "Industrial User Permit" for wastewater pretreatment program cost recovery is required.
- (4) The Ordinance clarifies the fee for discontinuance of water services performed after hours (i.e. overnight, 5 p.m. to 8 a.m., weekend and holiday service calls) as \$35.00 based on current practice and to align with other sections of the City Code.
- (5) The Ordinance corrects the description of the formula for calculating the fee for installation of backflow prevention devices outside the City to read 1.4 times the inside City rate rather than 2.0 times the inside City rate. The actual fee is reflected correctly at \$315.00.
- (6) The Ordinance clarifies the cost for repair or replacement for construction hydrant meters to include the cost of labor as well as the cost of repair parts.
- (7) The Ordinance clarifies that the existing \$46.00 fee for hydrant meter installations and relocations is also charged for hydrant meter repairs.

Water Rates: The multi-year financial plan prepared by Staff indicates that no FY 2015-16 rate increases are necessary for the Water system at this time. However, the proposed change to the ordinance would eliminate seasonal (winter/summer) pricing for reclaimed water and use a simpler year-round rate. The new year-round rate would not change the rate for the base amount of water usage for single-family households (10,000 gallons or less) and would be an amount between the existing rates calculated to provide the same amount of total revenue to the water system.

	Current Winter Rate	Current Summer Rate	Proposed Year-Round Rate
First 10,000 gal	\$1.60	\$1.60	\$1.60
Next 10,000 gal	\$1.98	\$2.15	\$2.08
Next 40,000 gal	\$2.48	\$2.69	\$2.62
Over 60,000 gal	\$3.09	\$3.36	\$3.27

Multi-family, Industrial, Landscape and Non-Residential categories would all use the same approach. Outside City rates will continue to be calculated using the current differentials of 1.4 times the inside City rates.

Wastewater Rates: The multi-year financial plan prepared by Staff indicates that a FY 2015-16 rate increase of 9% is necessary to meet current and future financial commitments, specifically to cover additional debt service costs tied to new construction and expansion of facilities. The proposed 9% increase will result in the typical household wastewater bill increasing \$2.18 from \$24.17 per month to \$26.35 per month. Outside City rates will continue to be calculated using the current differentials of 1.6 times the inside City rates.

An additional change proposed for the Wastewater section of the City Code (Section 50-13 - Wastewater pretreatment program) clarifies the name of the permit required by this section as “Industrial User Permit” and clarifies that the fee is \$480 for application and for renewals. In addition, clarifying language has been incorporated to explain that Industrial Users that certify no discharging of any process and/or process related wastewater regulated under Federal Pretreatment Categorical Standards, are exempt from the monthly metered water charge.

Reclaimed Water Rates: The multi-year financial plan prepared by Staff indicates that a FY 2015-16 rate increase of 18% is necessary to meet current and future financial commitments and to meet costs that are currently shown in the Water and Wastewater system costs. In addition, the proposed change to the ordinance would eliminate seasonal (winter/summer) pricing for reclaimed water and use a simpler year-round rate. The proposed 18% increase and conversion to a year-round rate will result in a new rate of \$0.596 per 1,000 gallons for all metered users. Outside City rates will continue to be calculated using the current differentials of 1.4 times the inside City rates.

Solid Waste Rates: The multi-year financial plan prepared by Staff indicates that a FY 2015-16 rate increase of 6% is necessary to meet current and future financial commitments, specifically continuing increase to the Solid Waste contract for consumer price index adjustments and fuel adjustments as part of the contract. The proposed 6% increases will result in the Solid Waste portion of the utility bill increasing \$0.90 from \$15.07 per month to \$15.97 per month.

An additional change proposed for the Solid Waste section of the City Code (Section 44-7 – Use of recycling-solid waste collection center), adds clarifying language stating that the use of the center is free for residents “up to a maximum weight of specified material as set forth by City Council resolution”. The specified materials and the related fees were previously set by City Council resolution and the Department’s policy has set the maximum weight at 200 pounds.

PUBLIC NOTIFICATION

The notice of the proposed increases in rates and fees was published on the City’s website on May 31, 2015.

In accordance with State Statutes, the Official Notice of Intension to Increase Certain Water, Wastewater and Reclaimed Water Rates was approved by Council on May 28, 2015, and posted on the City's website and published in the Arizona Republic newspaper showing the date, time and place of the public hearing. As is also required by State Statute, a copy of the documents supporting the revised Water, Wastewater ad Reclaimed Water fees was filed with the City Clerk for public review 30 days prior to the hearing. Lastly, notice of the public hearing was published on the utility bills starting June 1, 2015, and social media was used to inform citizens of the public hearing and possible increases in fees.

FINANCIAL IMPLICATIONS

The financial plan reflects rate increases needed of 9% for Wastewater, 18% for Reclaimed Water and 6% for Solid Waste revenues. These increases will cover additional debt service costs needed to finance infrastructure needs and anticipated contract cost increases to ensure the Enterprise activities continue to meet reserve amounts established by City financial policies and by debt covenants, in addition to increased operating costs from expanded facilities.

UNSCHEDULED PUBLIC APPEARANCES:

None.

CURRENT EVENTS:

Mayor Tibshraeny stated they would handle current events at the Thursday's Council meeting.

Adjournment: The meeting was adjourned at approximately 7:03 p.m.

ATTEST: _____
City Clerk

Mayor

Approved: September 21, 2015

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the City Council of Chandler, Arizona, held on the 10th day of August 2015. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of September, 2015.

City Clerk