



Chandler • Arizona
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Add #52

SEP - 6 2007

MEMORANDUM

Management Services Memo No. 08-016

DATE: SEPTEMBER 6, 2007

TO: MAYOR & COUNCIL

THRU: W. MARK PENTZ, CITY MANAGER
RICH DLUGAS, ASSISTANT CITY MANAGER RD

FROM: O.D. BURR, ACTING MANAGEMENT SERVICES DIRECTOR O.D.B.

SUBJECT: WATER/WASTEWATER INFORMATION REQUEST

Per request of Councilmember Sepulveda, the attached statistical information was gathered together for the years immediately preceding the 1994 rate increase since there were rate increases implemented in those years as well. Please feel free to contact me with any questions.

c: Pat McDermott, Assistant City Manager
Dave Siegel, Municipal Utilities Director

Attachment: Water/Wastewater Statistics

Water/Wastewater Statistics

	Source	FYE 6/30/91	Percentage Change	FYE 6/30/92	Percentage Change	FYE 6/30/93	Percentage Change	FYE 6/30/94	1994 Inflated Amounts	Percentage Change	FYE 6/30/06
Population	1	93,500	7%	100,416	6%	106,580	9%	115,926		109%	241,910
Water Accounts	1	27,026	9%	29,404	6%	31,275	12%	34,906		111%	73,822
Capital (budgeted)	2	\$ 12,832,117	-0.01%	\$ 12,831,000	-13%	\$ 11,208,926	4%	\$ 11,689,061	\$ 15,905,523	876%	\$ 155,187,458
Admin/O&M (budgeted)	2	\$ 5,526,971	12%	\$ 6,216,883	-6%	\$ 5,861,902	12%	\$ 6,579,374	\$ 8,952,677	295%	\$ 35,324,713
Revenue (budgeted)	3	\$ 18,517,040	4%	\$ 19,451,446	2%	\$ 19,906,074	5%	\$ 20,828,500	\$ 28,341,728	103%	\$ 57,441,000

Water Percentage Increase (per first 10,000 gallons for Single Family and base charge for 5/8" meter)

4.28%

8.05%

7.75%

11.55%

-9.04%

Sewer Percentage Increase (Single Family)

3.96%

3.97%

3.97%

6.98%

23.91%

Effective Date of Increase

1/1/91

4/1/92

2/15/93

10/1/94

10/1/07

Source

- 1 From applicable fiscal year's comprehensive annual financial report
- 2 From applicable fiscal year's budget (departmental budget section)
- 3 From applicable fiscal year's budget (resource section). Does not include SDFs.

Note: All fiscal year ended amounts are in nominal dollars. To compare the 1994 and 2006 amounts, the 1994 amounts must be inflated for 12 years using the average CPI increase of 2.6% over that time period.

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MEMORANDUM

DATE: September 4, 2007

TO: Mayor & Council

FROM: Marla Paddock, City Clerk

SUBJECT: Ordinance No. 3959 amending Chapter 50 of the Chandler City Code regarding the review of the water, wastewater and reclaimed water rates.

Councilmember Sepulveda asked that this item be placed on the agenda for the September 6, 2007 meeting.

ORDINANCE NO. 3959

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AMENDING CHAPTER 50 OF THE CODE OF THE CITY OF CHANDLER BY AMENDING SECTION 50-1 TO ADD NEW DEFINITIONS OF "INSIDE CITY RATES" AND "OUTSIDE CITY RATES;" AND BY ADDING A NEW SECTION 50-20, RELATING TO REVIEW OF WATER, WASTEWATER AND RECLAIMED WATER RATES

WHEREAS, in recent years, the City of Chandler has experienced significant increases in costs incurred in providing some of its water, wastewater and reclaimed water services; and

WHEREAS, regular and timely review of the City's rates, revenues and expenses associated with providing water, wastewater and reclaimed water service is in the best interests of the City and its residents.

BE IT ORDAINED by the City Council of the City of Chandler, Arizona as follows:

Section 1. Section 50-1 of the Code of the City of Chandler is hereby amended by adding new subsections G and H, to read as follows:

G. *Inside City Rates* shall mean those rates assessed by the City for service to locations within the City's borders.

H. *Outside City Rates* shall mean those rates assessed by the City for service to locations outside the City's borders, including unincorporated areas of Maricopa County.

Section 2. Chapter 50 of the Code of the City of Chandler is hereby amended by adding a new Section 50-20, to read as follows:

50-20 Review of Water, Wastewater and Reclaimed Water Rates Every Three Years.

A. The Offices of the Management Services Director and the Municipal Utilities Director shall prepare and submit to the Chandler City Council a written report every thirty-six months which shall include the following:

1. a review of the revenues and expenses associated with the City's providing water, wastewater and reclaimed water service for the past thirty-six months;
2. a rate study providing estimated future revenues and expenses based on existing rates;

3. any proposed water, wastewater or reclaimed water rate changes or alternative rate change scenarios; and

4. if any such rate changes are proposed, a rate study providing estimated future revenues and expenses under such rate changes or alternative rate change scenarios.

B. In preparing the written report, City staff shall seek input from customers, industry representatives, homeowners associations and other interested parties.

C. The first report to be submitted pursuant to this section shall be submitted by the Offices of the Management Services Director and the Municipal Utilities Director to the Chandler City Council on or before May 1, 2010.

D. This section does not preclude the Offices of the Management Services Director and the Municipal Utilities Director from: (1) submitting written reports regarding the City's water, wastewater and reclaimed water rates, revenues or expenses or (2) recommending changes to water, wastewater or reclaimed water rates at such other times as they may deem necessary.

INTRODUCED AND TENTATIVELY APPROVED by the City Council of the City of Chandler, Arizona, this ____ day of _____, 2007.

ATTEST:

CITY CLERK

MAYOR

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona this ____ day of _____, 2007.

ATTEST:

CITY CLERK

MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Ordinance No. 3959 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the ____ day of _____, 2007, and that a quorum was present thereat.

CITY CLERK

APPROVED AS TO FORM:

MDH
CITY ATTORNEY

PUBLISHED: