

RESOLUTION NUMBER 13-027

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAFFORD, GRAHAM COUNTY, ARIZONA, APPROVING AND ADOPTING A NEW WATER UTILITY RATE DESIGN FOR THE PROVISION OF WATER SERVICES, DECLARING AN EMERGENCY, AND DECLARING SUCH AMENDMENT TO BE A PUBLIC RECORD.

WHEREAS, prolonged drought has occurred curtailing the City of Safford water supply. For the first time in history, the City of Safford has proclaimed a water emergency in 2012 and 2013 and has placed water restrictions on its water service area; and,

WHEREAS, the City of Safford owns and operates its water utility system and desires customer revenues support all current and projected operational and capital costs of the system and encourages water conservation; and,

WHEREAS, the City has authorized a report known as the "Water Cost of Service Study & Rate Design" prepared by "Black & Veatch" concerning the costs associated with the system, funding water supply reliability, encouraging water conservation, and recommending rate modifications; and,

WHEREAS, the City finds the report to be well founded and applicable to the City's circumstances, and has directed that a copy of the Study be on file with the City Clerk as required by *Arizona Revised Statutes* §9-511.01; and,

WHEREAS, the City Council conducted a public hearing concerning the proposals of the water utility rates on July 24, 2013 following the required notices and publication pursuant to *Arizona Revised Statutes* §9-511.01; and,

WHEREAS, *Arizona Revised Statutes* §9-511.01 and the *City of Safford Municipal Code* §13.04.140 authorize the City Council to set rates for utility services by resolution; and,

WHEREAS, it is necessary for the preservation of the peace, health, and safety of the City of Safford, Graham County, Arizona, an emergency is declared to exist, and this resolution shall become immediately operative and in force from and after the date of posting hereof as attached and incorporated herein; and,

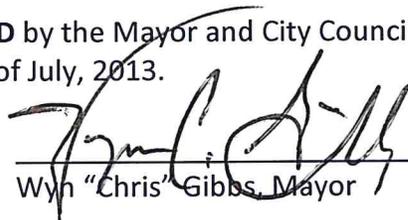
NOW THEREFORE BE IT RESOLVED, by the Mayor and City Council of the City of Safford, Graham County, Arizona as follows:

1. The water utility rates of the City of Safford are hereby modified, adopted and

adjusted as set forth on the attached Table 4-4; Table 4-6.1, Table 4-6.2, and Table 4-6.3; and,

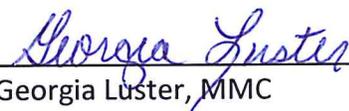
2. All previous resolutions, rules and regulations previously adopted concerning procedures, fees, surcharges and multipliers as presently constituted and which can be applied consistently with the new water utility rates are hereby rescinded.
3. This resolution is adopted as an emergency as a result of on-going drought conditions in order to preserve the peace, health, and safety of the City of Safford and its residents.

PASSED, ADOPTED, AND APPROVED by the Mayor and City Council of the City of Safford, Graham County, Arizona, on the 24th day of July, 2013.



Wyn "Chris" Gibbs, Mayor

ATTEST:



Georgia Luster, MMC
City Clerk

APPROVED AS TO FORM:

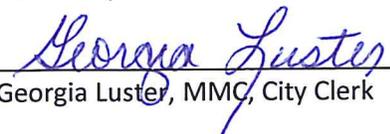


William J. Sims, III
Interim City Attorney

CERTIFICATION

STATE OF ARIZONA)
) ss
County of Graham)

I HEREBY CERTIFY, that the foregoing Resolution Number 13-027 was duly passed and adopted by the Mayor and City Council of the City of Safford, Graham County, Arizona, at a Special Council Meeting held July 24, 2013. A quorum of the Council was present at the meeting.



Georgia Luster, MMC, City Clerk

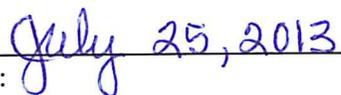
Date: 

Table 4-4. Proposed Monthly Meter Charge

Description	Current (\$)	FY 13/14 (\$)	FY 14/15 (\$)	FY 15/16 (\$)	FY 16/17 (\$)	FY 17/18 (\$)
Safford Full Monthly Meter Charge						
5/8" & 3/4"	20.14	21.56	25.26	26.50	27.81	27.86
1" & 1.25"	23.18	24.13	28.27	29.67	31.14	31.19
1.5"	28.80	30.57	35.81	37.58	39.44	39.52
2"	40.87	38.28	44.86	47.08	49.41	49.51
3"	71.00	58.87	68.99	72.40	75.99	76.14
4"	87.59	82.02	96.13	100.89	105.90	106.11
6"	129.68	146.34	171.53	180.03	188.97	189.34
8"	179.94	223.52	262.01	274.99	288.65	289.23
Metered Construction (Fire Hydrant)	36.62	47.61	54.75	57.48	60.36	60.51
Master Meter Unit Charge	3.13	4.07	4.68	4.91	5.16	5.17
Thatcher Full Monthly Meter Charge						
5/8" & 3/4"	22.15	23.72	27.79	29.15	30.58	30.63
1" & 1.25"	25.50	26.55	31.11	32.63	34.24	34.30
1.5"	31.68	33.63	39.41	41.34	43.38	43.47
2"	44.95	42.12	49.36	51.80	54.36	54.47
3"	78.10	64.77	75.92	79.67	83.62	83.80
4"	96.35	90.25	105.80	111.03	116.54	116.79
6"	142.64	161.04	188.79	198.14	207.99	208.45
8"	197.93	245.97	288.38	302.68	317.72	318.44
Metered Construction (Fire Hydrant)	40.29	52.38	60.23	63.25	66.41	66.57
Master Meter Unit Charge	3.44	4.47	5.14	5.40	5.67	5.68
County Full Monthly Meter Charge						
5/8" & 3/4"	25.18	26.96	31.55	33.09	34.71	34.76
1" & 1.25"	28.98	30.17	35.32	37.05	38.86	38.92
1.5"	36.00	38.22	44.75	46.93	49.24	49.32
2"	51.08	47.87	56.05	58.80	61.69	61.79
3"	88.75	73.61	86.20	90.43	94.89	95.06
4"	109.49	102.57	120.12	126.03	132.24	132.49
6"	162.09	183.01	214.34	224.89	235.99	236.45
8"	224.92	279.55	327.41	343.53	360.49	361.20
Metered Construction (Fire Hydrant)	45.78	59.51	68.44	71.86	75.46	75.64
Master Meter Unit Charge	3.91	5.08	5.85	6.14	6.44	6.46

Table 4-6.1. Proposed Safford Commodity Rates

Description	FY 13/14 (\$)	FY 14/15 (\$)	FY 15/16 (\$)	FY 16/17 (\$)	FY 17/18 (\$)
Safford					
Projected Water Consumption per Tier (elasticity is factored into the rates below)					
Tier 1: 0 - 7,200 gal	75,267,431	75,694,583	76,302,896	76,916,770	77,536,256
Tier 2: 7,201 - 20,000 gal	177,557,591	178,672,010	180,240,726	181,824,044	183,422,103
Tier 3: 20,001 - 40,000 gal	77,715,650	78,203,423	78,890,038	79,583,045	80,282,503
Tier 4: 40,001 & above gal	126,063,247	126,854,469	127,968,234	129,092,366	130,226,964
Residential & Commercial Consumption Charge (per 1,000 gal)					
Tier 1: 0 - 7,200 gal	1.44	1.69	1.77	1.86	1.86
Tier 2: 7,201 - 20,000 gal	1.80	2.11	2.21	2.32	2.33
Tier 3: 20,001 - 40,000 gal	2.52	2.95	3.10	3.25	3.26
Tier 4: 40,001 & above gal	4.32	5.06	5.31	5.57	5.59
Industrial Consumption Charge (per 1,000 gal)					
All Usage	1.44	1.69	1.77	1.86	1.86
Metered Construction (Fire Hydrant) Consumption Charge (per 1,000 gal)					
All Usage	4.32	5.06	5.31	5.57	5.59

Table 4-6.2. Proposed Thatcher Commodity Rates

Description	FY 13/14 (\$)	FY 14/15 (\$)	FY 15/16 (\$)	FY 16/17 (\$)	FY 17/18 (\$)
Thatcher					
Projected Water Consumption per Tier (elasticity is factored into the rates below)					
Tier 1: 0 - 7,200 gal	40,245,207	40,481,611	40,820,774	41,163,001	41,508,322
Tier 2: 7,201 - 20,000 gal	107,939,208	108,573,449	109,483,376	110,401,524	111,327,972
Tier 3: 20,001 - 40,000 gal	47,244,196	47,521,799	47,920,067	48,321,934	48,727,433
Tier 4: 40,001 & above gal	76,635,232	77,085,534	77,731,568	78,383,440	79,041,204
Residential & Commercial Consumption Charge (per 1,000 gal)					
Tier 1: 0 - 7,200 gal	1.58	1.85	1.95	2.04	2.05
Tier 2: 7,201 - 20,000 gal	1.98	2.32	2.43	2.56	2.56
Tier 3: 20,001 - 40,000 gal	2.77	3.25	3.41	3.58	3.59
Tier 4: 40,001 & above gal	4.75	5.56	5.84	6.13	6.15
Metered Construction (Fire Hydrant) Consumption Charge (per 1,000 gal)					
All Usage	4.75	5.56	5.84	6.13	6.15

Table 4-6.3. Proposed County Commodity Rates

Description	FY 13/14 (\$)	FY 14/15 (\$)	FY 15/16 (\$)	FY 16/17 (\$)	FY 17/18 (\$)
County					
Projected Water Consumption per Tier (elasticity is factored into the rates below)					
Tier 1: 0 - 7,200 gal	89,495,112	89,828,387	90,303,082	90,782,115	91,265,528
Tier 2: 7,201 - 20,000 gal	148,415,793	149,309,922	150,583,464	151,868,644	153,165,573
Tier 3: 20,001 - 40,000 gal	64,960,499	65,351,853	65,909,273	66,471,787	67,039,443
Tier 4: 40,001 & above gal	105,373,005	106,007,823	106,912,019	107,824,478	108,745,278
Residential & Commercial Consumption Charge (per 1,000 gal)					
Tier 1: 0 - 7,200 gal	1.81	2.12	2.23	2.34	2.34
Tier 2: 7,201 - 20,000 gal	2.26	2.65	2.78	2.92	2.93
Tier 3: 20,001 - 40,000 gal	3.17	3.71	3.90	4.09	4.10
Tier 4: 40,001 & above gal	5.43	6.36	6.68	7.02	7.03
Metered Construction (Fire Hydrant) Consumption Charge (per 1,000 gal)					
All Usage	5.43	6.36	6.68	7.02	7.03