



#### ORDINANCE NUMBER 14-004

**AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAFFORD, GRAHAM COUNTY, ARIZONA, ESTABLISHING PROCEDURES FOR THE PAYMENT OF NEW CAPACITY FEES FOR WATER AND WASTEWATER UTILITY SERVICES INSIDE AND OUTSIDE THE CITY BY ADOPTION OF CHAPTER 13.25 OF THE CITY OF SAFFORD MUNICIPAL CODE.**

**WHEREAS**, the City of Safford currently owns, operates and provides utility service within and outside its municipal boundaries, and plans to implement the collection of capacity fees for residential and non-residential water and wastewater utility service, pursuant to Arizona Revised Statutes 9-511.01; and,

**WHEREAS**, in accordance with Arizona Revised Statutes §9-511.01, the City has prepared written reports supplying data supporting the proposed new capacity fees for water and wastewater utility services entitled the **“Land Use Assumptions: Water and Wastewater Capacity Fee Study”** dated **December 3, 2013** and **Infrastructure Improvements Plan and Capacity Fees: Water and Wastewater Facilities”** dated **December 3, 2013**, prepared by TischlerBise, Fiscal, Economic & Planning Consultants; and

**WHEREAS**, pursuant to Arizona Revised Statutes §9.511.01 and §9.499.15, the City posted written reports on the City website, provided written notice of intention to the public that the City intends to adopt new capacity fees for water and wastewater utility services, and held a public hearing on February 10, 2014; and

**WHEREAS**, pursuant to Resolution No. 14-017 the Mayor and City Council of the City of Safford have established capacity fees for water utility services and wastewater utility services within and without the City of Safford; and

**WHEREAS**, the Mayor and City Council of the City of Safford desire to implement procedures for the payment of capacity fees for water utility services and wastewater utility services.

**NOW THEREFORE BE IT ORDAINED, BY THE MAYOR AND CITY COUNCIL OF THE CITY OF SAFFORD, GRAHAM COUNTY, ARIZONA:**

- A. The City of Safford code is amended to add the following chapter.

#### **Chapter 13.25 Capacity Fee Payment Procedures**

**Section 13.25.010 Purpose.** This chapter is adopted for the purpose of implementing a method of cost recovery to provide a source of funding for the City's continued capital investment in the water and wastewater systems and to promote the health, safety and general welfare of the residents and non-residents of the City of Safford.

**Section 13.25.020 Payment Required.** All residential and nonresidential customers seeking connection to the City water or wastewater system shall pay to the City the current effective capacity fee based on the meter classification. Such payment shall be made as a condition to the activation of service connection.

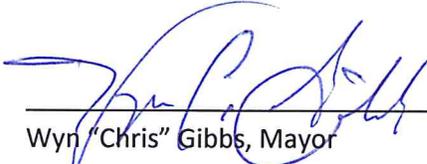
#### **Section 13.25.030 Calculation Methodologies used to Calculate Capacity Fees.**

- A. Cost recovery (past) is used in instances when a community has oversized a facility or asset in anticipation of future development. This methodology is based on the rationale that new development is repaying the community for its share of the remaining unused capacity fee.
- B. Incremental expansion method (present) documents the current level of service for each type of public facility. The intent is to use revenue collected to expand or provide additional facilities, as needed to accommodate new development, based on the current cost to provide capital improvements.
- C. Plan-based method (future) utilizes a community's capital improvement plan and/or other adopted plans or engineering studies to guide capital improvements needed to serve customers.

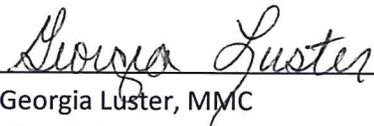
**13.25.070 Deposit of Capacity Fees for Water and Wastewater Utility Services.** All moneys received from the Water or Wastewater Capacity Fees shall be deposited into separate utility revenue funds to be used only for capital expansion and enlargement of the city's water and wastewater system and/or for the retirement of debt service, both principal and interest, related to water and wastewater system capital outlay to serve customers.**13.25.090 Review of Fees.** Water and wastewater capacity shall be reviewed and updated by the City at least every five years.

Ordinance Number 14-004  
Municipal Code Implementation, Chapter 13.25  
Adopted: April 14, 2014  
Effective: July 1, 2014  
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**PASSED AND ADOPTED BY THE MAYOR AND CITY COUNCIL** of the City of Safford this 14<sup>h</sup> day of April 2014 with an effective date of July 1, 2014.

  
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Wyn "Chris" Gibbs, Mayor  
City of Safford

ATTEST:

  
\_\_\_\_\_  
Georgia Luster, MMC  
City Clerk

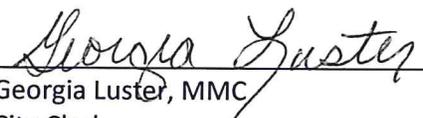
APPROVED AS TO FORM:

  
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William J. Sims, III  
Interim City Attorney

CERTIFICATION

STATE OF ARIZONA            )  
  )    ss  
County of Graham            )

I HEREBY CERTIFY, that the foregoing Ordinance Number 14-004 was duly passed and adopted by the Mayor and City Council of the City of Safford, Graham County, Arizona, at a regular council meeting held April 14, 2014 with an effective date of July 1, 2014. A quorum of the Council was present at the meeting.

  
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Georgia Luster, MMC  
City Clerk

April 14, 2014  
\_\_\_\_\_  
Date: