

**CITY OF BUCKEYE, ARIZONA
PUBLIC NOTICE**

**NOTICE OF INTENT
PURSUANT TO A.R.S. § 9-499.15**

Pursuant to A.R.S § 9-499.15, the City of Buckeye, Arizona hereby gives notice that it may establish new fees related to the disconnection and reconnection of certain delinquent sewer accounts of City of Buckeye customers, and provides this written notice of the proposed new fees.

Pursuant to A.R.S. § 9-499.15, a report in support of the new fees and a proposed fee schedule is available on the City of Buckeye website.

The City of Buckeye Mayor and Council will consider approving these proposed new fees at its regular Council meeting on October 17, 2023, at 6:00 p.m. in the City Council Chambers, located at 530 East Monroe Avenue, Buckeye Arizona 85326.

IF APPROVED BY MAYOR AND COUNCIL, THE NEW FEES WILL BECOME EFFECTIVE NOVEMBER 17, 2023.

Dated this 18th day of August, 2023.

CITY OF BUCKEYE, ARIZONA

Lucinda J. Aja, City Clerk

Attachments: Report in support of new fees related to the disconnection and reconnection of delinquent sewer accounts of City of Buckeye customers that are water customers of Arizona Water Company, and proposed schedule of new fees.

Report and Schedule of New Water Resources Fees in
Connection with Shared Accounts with Arizona Water Company
Pursuant to
A.R.S. 9-499.15

Staff recommends adoption of new cost recovery fees to become effective November 17, 2023.

History

On February 7, 2023, the City of Buckeye (the City) and the Arizona Water Company (AZ Water) entered into an agreement for sharing of information regarding water consumption and water service disconnection (the "Agreement") and that allows AZ Water to disconnect water services for delinquent City sewer accounts in AZ Water service area for a cost. On May 9, 2023, the Arizona Corporation Commission (ACC) approved the Agreement. The ACC also approved, through its Decision No. 78939, the Water Service Disconnection for Non-Payment of Sewer Service Charges Tariff with an effective date of July 1, 2023 (the "Tariff"). The approved Agreement allows AZ Water to disconnect water services for delinquent sewer accounts owed to the City and to re-establish delinquent accounts subject to customer payment of the delinquent amount and payment of fees pursuant to the Tariff. The City wishes to recover the fees in connection with disconnection and reconnection of the account by passing required fees directly to the customer.

Discussion

The City shares customers with AZ Water in the Blue Horizons area, where AZ Water provides water services to the customers and the City provides wastewater services to the same customers. As of August 17, 2023, there were 3,433 shared accounts.

Pursuant to the terms of the Agreement, AZ Water will disconnect water service to a customer who is liable to the City for overdue sewer service charges at the premises where the customer receives water service for AZ Water and sewer service from Buckeye. Prior to the City sending a disconnection request to AZ Water, the Agreement requires the following:

1. The customer must be at least 90 days delinquent in payment of sewer service charges;
2. The City has offered a payment plan to the customer and the customer has rejected or defaulted on the payment plan; and
3. The City has notified the customer, in writing and by posting notice at the premises, that water service will be disconnected no less than 10 days after the date of the notice.

As of August 1, 2023 there are 161 accounts that are more than 90 days past due

Pursuant to the Agreement, upon the City's receipt of payment in full by a disconnected customer, or upon a disconnected customer's entry into a payment plan with the City, AZ Water will reconnect water

service to the premises in accordance with AZ Water's normal procedures and timelines, including the Tariff.

The Agreement sets forth a mechanism through which AZ Water receives reimbursement of the following costs and lost revenue that it incurs when water service is terminated pursuant to the terms of the Agreement:

1. Cost to disconnect and reconnect water service to a shared customer of the City and AZ Water (\$100.00);
2. After hours service charge if after 2:00 p.m. or the weekend of \$35,
3. A monthly lost revenue fee, as determined by AZ Water, equal to the average bill for the meter size and class of services as follows: 5/8-inch meter = \$51 3/4-inch meter = \$62 1-inch meter = \$88.

All fees and costs are subject to change from time to time as approved by the ACC.

Fiscal Impact

Shut-off of water services has proven to be a very effective way to recover unpaid balances. The amount of all outstanding wastewater balances over 90 days is \$92,653.78 as of August 1, 2023, of which the department anticipates collecting most of these revenues.

Recommendation

Staff recommends Council approve the new fees as set forth in this Report and attached schedule at the October 17, 2023 Regular Council Meeting.

PROPOSED AZ WATER SHARED SERVICES FEES

Disconnection/Reconnection Fees*

Disconnection Fee	\$100
Reconnection Fee after 2:00 p.m. (same day)	\$35
Reconnection Fee for Saturday/Sunday	\$35

Lost Revenue Fees*

Meter size – 5/8"	Average monthly = \$51
Meter size – 3/4"	Average monthly = \$62
Meter size – 1"	Average monthly = \$88

*All fees are exclusive of taxes and subject to change upon Arizona Corporation Commission approval.