



NOTICE OF INTENT

PROPOSED NEW MUNICIPAL FEES

In accordance with Arizona Revised Statutes (A.R.S.) 9-499.15, this report provides that the City of Willcox may propose new fees associated with Utility Related Services and explains the basis for those fees.

Fee Summary:

Approximately 20 to 30 customers each month have their utilities (gas and water) shut-off due to nonpayment. Most of these customers are repeat turn-offs each month. The current fee for turn-offs is \$40 for both gas and water. Currently, there is not a fee for turn-ons. Gas takes staff 1-2 hours to turn-on and 1 hour to turn-off. Water takes staff 1 hour for turn-on and 1 hour to turn-off. Staff recommends a fee of \$40 per hour for gas calls/visits and \$40 per hour for water calls/visits. Staff also recommends a fee of \$60 per hour for all after-hour calls/visits. If staff is called out for both gas and water at the same time for a property, a fee of \$40 per hour will only then apply for both gas and water combined except for after-hours, which will then be \$60 per hour. The initial fee will be waived for new customers or customers relocating within the system. Staff will not charge for services deemed an emergency. Though water is less time intensive, both involve office staff scheduling, travel time in a City vehicle and Utility staff time at the site. Turn-ons for gas are slightly more expensive because inspection is required by the Community Development Director and not Utility staff.

Both gas and water services are part of the enterprise fund which is meant to be self-sustaining where costs do not exceed the expense of service. When customers do not pay for the actual cost of service, other customers subsidize the costs.

Staff recommends that a fee schedule be implemented to recover the cost of providing utility related services and/or enforcing the regulations for which they are charged. This will not only recover costs for service but deter the number of shut-offs every month, reduce overtime and allow Utility staff to work on other important projects.

Recovery Costs Analysis and Justification:

	Gas	Water
Turn-On	\$40 per hour (new fee)	\$40 per hour (new fee)
Turn-Off	\$40 per hour (existing fee)	\$40 per hour (existing fee)
After-Hours Fee	\$60 per hour (new fee)	\$60 per hour (new fee)

Staff Burden Rate: (Building Official: \$31/hr) (Public Works Staff: \$27/hr)

Vehicle: (\$14/hr)

Administrative Staff: (\$23/hr) – Waived

After-Hours: (\$60/hr) - \$46/hr burden rate plus \$14/hr City Vehicle

The Willcox City Council is scheduled to consider this matter at its meeting on June 6th, 2019. The Department of Public Works and Services will be recommending to the City Council accost recovery fee for Elevation Certificates be implemented.