



CITY OF SURPRISE
Regular City Council Meeting Agenda
16000 N. Civic Center Plaza
Surprise, AZ 85374

Tuesday, April 15, 2014 @ 6:00 PM
Amended item 12 on April 10, 2014 at 3:15 p.m.

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- A. Call To Order
- B. Roll Call
- C. Pledge of Allegiance
- D. Invocation
- E. City Manager Report:
- F. City Attorney Report:
- G. Regular City Council Meeting Agenda:

Approval of items on the Consent Agenda – all items with an asterisk (*) are considered to be routine matters and will be enacted by one motion and one roll call vote to the City Council. There will be no separate discussion on these items unless a Councilmember requests, in which event the item will be removed from the consent agenda and considered in its normal sequence on the agenda.

Consent Agenda:

- | | | |
|-----------------------|--|--|
| *#1 District 3 | <u>Consideration and action approving a final plat amendment, entitled "A Replat of the Retreat at Sycamore Farms Condominium, Phase 1", dated October 25, 2013, a property generally located on the southeast corner of State Route 303 and Cactus Road within the Sycamore Farms Development; Resolution # 2014-30</u> | Approve
Chris Boyd,
Community
& Economic
Development |
| *#2 District 4 | <u>Consideration and action approving a revised final plat entitled "Re-plat of Lot 6 of Bell & Dysart Commerce Center," dated April 3, 2014, a property generally located at the northeast corner of Bell Road and Dysart Road; Resolution #2014-36.</u> | Approve
Chris Boyd,
Community
& Economic
Development |
| *#3 District Citywide | <u>Consideration and action on the minutes of April 1, 2014 Regular City Council Meeting.</u> | Approve
Sherry Ann
Aguilar,
City Clerk |

Regular Agenda Item - Non-Public Hearing:

- | | | |
|----------------------|---|---------------------------------------|
| #4 District Citywide | <u>Consideration and action to amend the City's Debt Management Financial Policy to read: "The City shall periodically report on measurable steps taken while striving towards achieving and then maintaining the highest bond ratings in order to minimize</u> | Approve
Council
Member
Tande |
|----------------------|---|---------------------------------------|

borrowing costs, preserve access to credit, and demonstrate excellent financial stewardship by the City for our taxpayers and residents".

- | | | | |
|---------------------------------------|-------------------|--|--|
| #5 | District Citywide | <u>Community Outreach Grants Program Subcommittee Presentation.</u> | Approve
Council
Member
Biundo |
| #6 | District 3 | <u>Consideration and action declaring its intention to create the "City of Surprise, Arizona, Sycamore Farms Parcel #12 Lighting Improvement District" pursuant to A.R.S. § 48-616; Resolution #2014-26.</u> | Approve
Dick
McKinley,
Public
Works
Department |
| #7 | District Citywide | <u>Presentation and update on the Surprise Transportation Plan.</u> | No Action
Chris
Hillman,
City
Manager |
| #8 | District 5 | <u>Consideration and action approving amendment to COS13-014 to add the second phase of the well project to include Guaranteed Maximum Price (GMP) 2 for the Construction Manager at Risk contract with Felix Construction for the Mountain Vista Ranch Well No. 2 in the amount of \$1,318,501 including a \$50,000 owners contingency.</u> | Approve
Dick
McKinley,
Public
Works
Department |
| Regular Agenda Item - Public Hearing: | | | |
| #9 | District Citywide | <u>Consideration and action on the Community Development Block Grant Annual Action Plan 2014-2015 funding priorities.</u> | Approve
Chris Boyd,
Community
& Economic
Development |
| #10 | District Citywide | <u>Consideration and action on Ordinance 2014-04, adopting by reference the 2012 International Codes and amendments and setting an effective date of September 1, 2014.</u> | Approve
Chris Boyd,
Community
& Economic
Development |
| #11 | District Citywide | <u>Presentation and opportunity for public input regarding the proposed development impact fees.</u> | No Action
Bob
Wingenroth,
Assistant
City
Manager /
Chief
Financial
Officer |
| #12 | District Citywide | <u>Consideration and action declaring the City's intent to increase water, wastewater, and sanitation rates and setting a date of May 20, 2014 for a public hearing on the proposed utility rate increases</u> | Approve
Dick
McKinley, |

H. Call To The Public:

INSTRUCTIONS: In order to address the City Council, you will need to fill out a Call to the Public Form available at the front counter, and then turn it in to the City Clerk before the meeting begins.

[Download the Call to the Public form](#) (PDF download requires [Adobe Acrobat Reader](#))

[Fill out the Call to the Public form online](#) If submitting form electronically, please submit to City Clerk at least one hour before the meeting start time.

The Call to the Public form is also available at the front counter.

Note: A.R.S. 38-431.01(H) - During this time members of the public may address City Council on any item not on the agenda. At the conclusion of the open call, City Council may respond to criticism, may ask staff to review the matter or may ask that the matter be put on a future agenda. No discussion or action shall take place on any item raised.

Approval of items on the Consent Agenda – all items with an asterisk (*) are considered to be routine matters and will be enacted by one motion and one roll call vote to the City Council. There will be no separate discussion on these items unless a Councilmember requests, in which event the item will be removed from the consent agenda and considered in its normal sequence on the agenda.

I. Other Business and Future Agenda Items:

J. Mayor/Council Reports:

K. Executive Session:

For information Purposes; Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, but for only the following purposes:

- discussion or consideration of personnel matters (A.R.S. §38-431.03 (A)(1));
- discussion or consideration of records exempt by law from public inspection (A.R.S. §38-401.03 (A)(2));
- discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03 (A)(3));
- discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. §38-431.03 (a)(4));
- discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03 (A)(5)); or
- discussion, consultation or consideration for international and interstate negotiations or for negotiations by a city or town, or its designated representatives, with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city or town. A.R.S. §38-401.03 (A)(6)).
- discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03 (A)(7)).

Confidentiality Requirements Pursuant to A.R.S. §38-431.03(C)(D): Any person receiving executive

session information pursuant to A.R.S. §38-431.02 shall not disclose that information except to the Attorney General or County Attorney by agreement of the City Council, or as otherwise ordered by a court of competent jurisdiction.

L. Adjournment:

SHERRY ANN AGUILAR, CITY CLERK, MMC

POSTED: April 10, 2014 at 3:15 p.m.

SPECIAL NOTE: PERSONS WITH SPECIAL ACCESSIBILITY NEEDS, INCLUDING LARGE PRINT MATERIALS OR INTERPRETER, SHOULD CONTACT THE CITY CLERK'S OFFICE @ 623.222.1200 OR TTY 623.222.1002, BY NO LATER THAN 24 HOURS IN ADVANCE OF THE REGULAR SCHEDULED MEETING TIME.



CITY OF SURPRISE
Regular City Council Meeting

April 15, 2014 @ 6:00:00 PM

Back Print

Council Meeting Date:	April 15, 2014	Contact Person:	Chris Boyd, Community & Economic Development
Submitting Department:	CD	District:	3
Staff Recommendations:	Approve		

Consent	x	Regular	Public Hearing	Report/Discussion
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Agenda Wording:

Consideration and action approving a final plat amendment, entitled "A Replat of the Retreat at Sycamore Farms Condominium, Phase 1", dated October 25, 2013, a property generally located on the southeast corner of State Route 303 and Cactus Road within the Sycamore Farms Development; Resolution # 2014-30

Motion:

I move to approve Resolution #2014-30.

Background:

The applicant is requesting a final plat approval that will establish the property boundaries, necessary easements, and right-of-way dedications to accommodate 148 medium density single-family residential units.

Financial Impact Statement:

All activity related to ongoing development of the City of Surprise has an economic and fiscal impact on the city and the region.

ATTACHMENTS:

Click to download

- ☐ [Staff Report](#)
- ☐ [Resolution and Plat](#)
- ☐ [Vicinity Map](#)

External Attachment Links:

Meeting Requirements:

Powerpoint	x	Video	White Board	Other	x
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Presentation Speaker Names (spelling and titles for TV captions):

Hobart Wingard, Planner



COMMUNITY AND ECONOMIC DEVELOPMENT

Date: April 15, 2014

To: Mayor and City Council

From: Chris Boyd, Acting Community and Economic Development Director
Nichole McCarty, Acting Planning Manager
Hobart Wingard, Planner
hobart.wingard@surpriseaz.gov 623-222-3156

Re: FS13-486, Sycamore Farms Parcel 12 North - Final Plat

Application Summary

The applicant is requesting an approval for a final plat entitled A Replat of "Sycamore Farms Condominium, Phase 1." The final plat consists of 148 medium density, single-family residential lots on approximately 21 acres.

Location

Sycamore Farms Parcel 12 is a 21-acre vacant parcel located between SR303 and North 165th Drive, approximately 1,200 feet south of Cactus Road. The proposed residential development is located within the Sycamore Farms Planned Area Development (PAD).

History

- The subject project area was annexed into the city on July 22, 2004.
- On July 22, 2004, the Mayor and City Council approved the Sycamore Farms PAD.
- On November 1, 2005, the Planning and Zoning Commission approved a site plan for a medium density project for the same location, which has since expired.
- On July 31, 2013, an amendment to the PAD was administratively approved to adjust setbacks for medium density parcels.
- On September 24, 2013 the Mayor and City Council approved the preliminary plat for the subject project.

Project Summary

Sycamore Farms Parcel 12 is approximately 21 acres of residential land, zoned medium density, within the Sycamore Farms PAD. The medium density residential designation within the PAD has a target density of 8 dwelling units per acre. A previous site plan for this parcel contained 171 units with a density of 9.09 dwelling units per acre. This final plat includes 148 units with a density of 7.86 dwelling units per acre.

The type of housing product being proposed is an auto court layout. This type of housing allows for a higher density by providing common driveways for clusters of 4, 6, or 8 dwelling units. The individual units will have back and side yards that utilize use and benefit easements to maximize the usable space in the yard areas. Use and benefit easements are used to grant an adjacent lot access for the purpose of repair, maintenance, drainage, and improvement of any of the lots that are contiguous to the easement area. No structure and/or other permanent improvement shall be placed, maintained, or permitted to remain within the easement area.

School children living in this development will be within the Dysart School District. Discussions with the district and the developer have resulted in an agreement to locate a bus stop in a central location within the development. This solution provides an efficient way of collecting students for transportation to school.

With the reduction of dwelling units in this parcel, open space has increased to 20 percent of the land area. Multiple recreational amenities will be provided including play structures, ramadas, tables, and barbeque facilities.

Findings of Fact

1. Staff finds that the proposed final plat complies with the Surprise General Plan.
2. Staff finds that the proposed final plat complies with the Surprise Municipal Code.
3. Staff finds that the proposed final plat complies with the approved Sycamore Farms PAD.

Recommendation

Staff recommends approval of the project, subject to the findings of fact.

Attachment

Vicinity map and final plat.

RESOLUTION #2014-30

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, APPROVING A FINAL PLAT ENTITLED "A REPLAT OF THE RETREAT AT SYCAMORE FARMS CONDOMINIUM, PHASE 1," GENERALLY LOCATED ON THE SOUTH EAST CORNER OF STATE ROUTE 303 AND CACTUS ROAD WITHIN THE SYCAMORE FARMS PLANNED AREA DEVELOPMENT.

WHEREAS, on July 22, 2004, the Mayor and City Council approved the Sycamore Farms Planned Area Development;

WHEREAS, on September 15, 2006, Maricopa County recorded a condominium plat for the Retreat at Sycamore Farms, Phase 1 (treated as a final plat);

WHEREAS, on September 24, 2013, the Mayor and City Council approved the Sycamore Farms Parcel 12 Preliminary Plat;

WHEREAS, the proposed Re-plat conforms to the Council approved 2013 Preliminary Plat;

WHEREAS, the proposed Re-plat does not create any substandard or non-conforming lots; and

WHEREAS, the proposed Re-plat is in compliance with the Surprise Municipal Code and Surprise General Plan.

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

Section 1. The Final Plat entitled "A Replat of the Retreat at Sycamore Farms Condominium, Phase 1," dated October 25, 2013 is approved.

APPROVED AND ADOPTED this _____ day of _____ 2014.

SIGNATURES ON THE FOLLOWING PAGE

Sharon R. Wolcott, Mayor

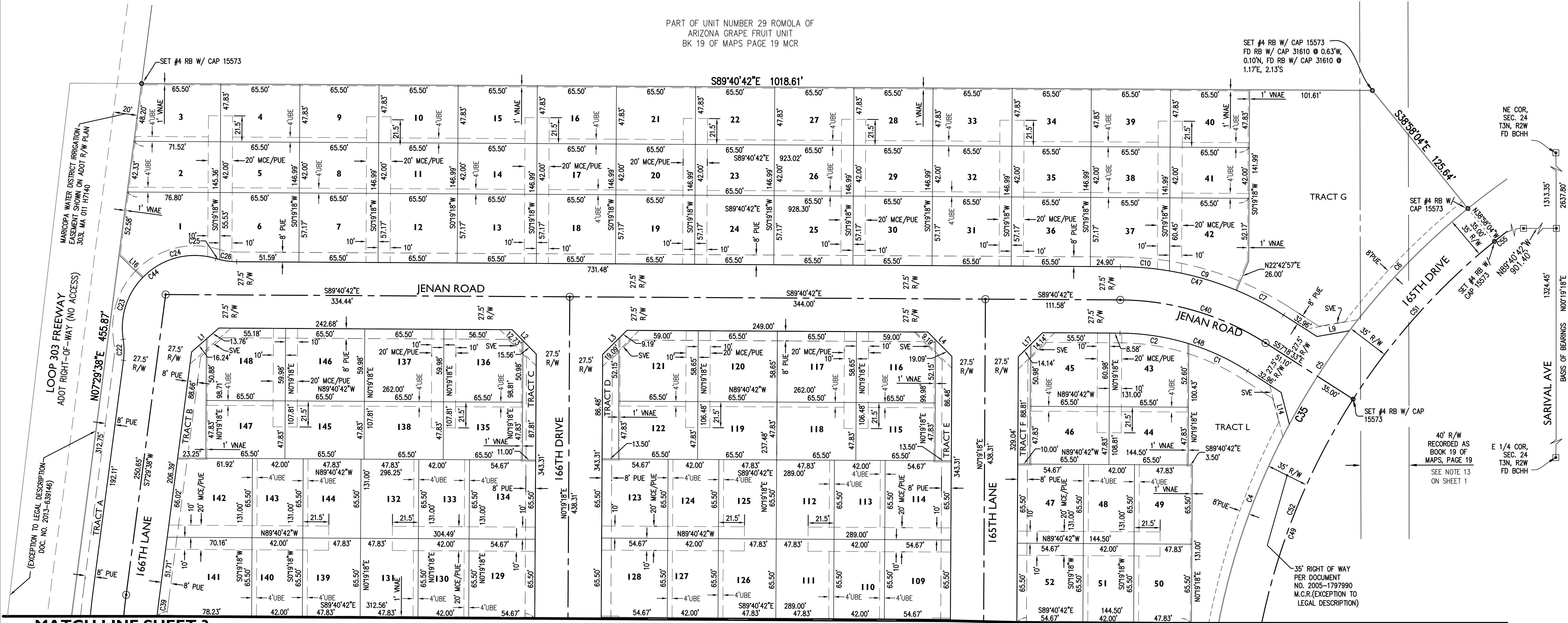
Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Misty Leslie, City Attorney

PART OF UNIT NUMBER 29 ROMOLA OF
ARIZONA GRAPE FRUIT UNIT
BK 19 OF MAPS PAGE 19 MCR



MATCH LINE SHEET 3

MATCH LINE SHEET 3

NOTICE OF INTERGOVERNMENTAL AGREEMENT

THE CITY OF SURPRISE ("CITY") AND MARICOPA COUNTY MUNICIPAL WATER CONSERVATION DISTRICT NUMBER ONE ("MWD") ENTERED INTO AN INTERGOVERNMENTAL AGREEMENT DATED APRIL 8, 1997, AND RECORDED IN THE MARICOPA COUNTY RECORDER'S OFFICE ON APRIL 9, 1997, UNDER DOCKET NO. 97-0231759 ("IGA"). CITY AND MWD HAVE FACILITIES AND PROPERTY INTERESTS DESCRIBED AND DELINEATED WITHIN CERTAIN SUBDIVISION PLATS OR, FOR LANDS NOT INCLUDED IN A SUBDIVISION PLAT, DECLARATIONS OF TURF LANDS OR DECLARATIONS OF URBANIZED AREA, THAT HAVE PRIOR AND SUPERIOR RIGHTS TO THE UTILITY SERVICE PROVIDERS, AS DEFINED IN THE IGA. THE IGA PROVIDES FOR THE CITY TO HAVE A PUBLIC UTILITY EASEMENT WITHIN CERTAIN MWD PROPERTY INTERESTS AND FOR MWD TO HAVE AN EASEMENT WITHIN CITY'S PUBLIC RIGHTS-OF-WAY. CITY AND MWD RIGHTS WITHIN THESE EASEMENTS ARE SUBJECT TO AND CONTROLLED BY THE TERMS AND CONDITIONS OF THE IGA.

IN LOCATIONS WHERE APPLICABLE, INCLUDING ANY AND ALL DEDICATIONS WITHIN A SUBDIVISION PLAT, MWD'S PRIOR AND SUPERIOR RIGHTS OF ACCESS TO AND USE OF EXISTING AND FUTURE MWD FACILITIES AND PROPERTY INTERESTS, SHALL BE SUBJECT TO THE TERMS AND CONDITIONS OF THE IGA.

CITY SHALL HAVE THE RIGHT TO AUTHORIZE AND CONTROL THE UTILITY SERVICE PROVIDER'S USE AND OCCUPANCY OF THESE EASEMENTS. CITY REQUIRES THAT UTILITY SERVICE PROVIDERS CONSENT TO BE BOUND BY THE IGA PRIOR TO THE USE OR OCCUPANCY OF THE EASEMENTS GRANTED UNDER THE IGA. SUCH USE OR OCCUPANCY OF THE EASEMENTS CONSTITUTES CONSENT OF THE UTILITY SERVICE PROVIDERS TO BE BOUND BY THE IGA.

NOTICE OF SYCAMORE FARMS DEVELOPMENT AND WATER DELIVERY AGREEMENT

LANDOWNER HAS ENTERED INTO A SYCAMORE FARMS DEVELOPMENT AND WATER DELIVERY AGREEMENT DATED AUGUST 4, 2005 ("AGREEMENT") WITH MARICOPA COUNTY MUNICIPAL WATER CONSERVATION DISTRICT NUMBER ONE ("MWD") FOR WHICH A MEMORANDUM OF AGREEMENT WAS RECORDED ON AUGUST 9, 2005, AT THE MARICOPA COUNTY RECORDER'S OFFICE AT DOCKET NO. 2005-1128112. THE PROPERTIES INVOLVED IN THIS PLAT ARE SUBJECT TO THIS AGREEMENT. THE AGREEMENT AND THIS PLAT, INCLUDING ANY AND ALL DEDICATIONS THEREIN, HEREBY PRESERVE MWD'S PRIOR AND SUPERIOR RIGHTS OF ACCESS TO AND USE OF EXISTING AND FUTURE MWD FACILITIES AND MWD PROPERTY INTERESTS, AS SUCH TERMS ARE DEFINED IN THE AGREEMENT, TO ENABLE MWD TO ACCOMPLISH ALL OF MWD'S PURPOSES, INCLUDING, BUT NOT LIMITED TO, THE TRANSMISSION AND DISTRIBUTION OF WATER, WASTEWATER, POWER AND COMMUNICATIONS, AND TO CONSTRUCT, RECONSTRUCT, OPERATE, MAINTAIN AND REPLACE THOSE MWD FACILITIES AND MWD PROPERTY INTERESTS. THE AGREEMENT IS ON FILE AT THE OFFICES OF LANDOWNER FOR TAYLOR TRUST FARMS, L.L.C. AT P.O. BOX 128, WADDELL, AZ 85355; AND FOR TAYLOR WOODROW/ARIZONA, INC. AT 6710 N. SCOTTSDALE ROAD, SUITE 100, SCOTTSDALE, AZ 85253, AND MAY BE REVIEWED AS TO ALL DETAILS, WITH PARTICULAR REFERENCE TO SECTION 7 AND SECTION 9, UPON REASONABLE REQUEST.

DATED THIS ____ DAY OF _____

MARICOPA COUNTY MUNICIPAL
WATER CONSERVATION DISTRICT
NUMBER ONE, A POLITICAL SUBDIVISION OF
THE STATE OF ARIZONA

ATTEST:

BY: _____
CHRISTINE CAIN
ITS: PROPERTY & CONTRACTS SUPERVISOR

BY: _____
GLEN VORTHERMS
ITS: ASSISTANT SECRETARY

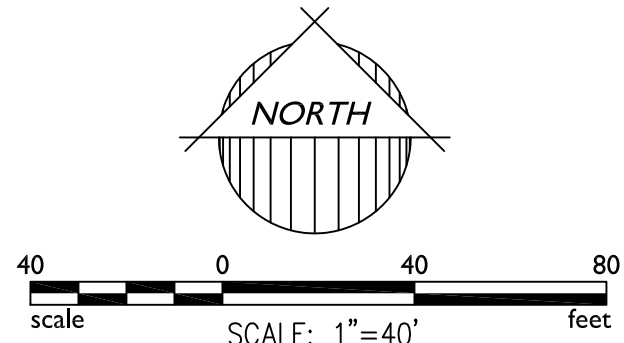
LANDOWNER:

TAYLOR TRUST FARMS, L.L.C., AN ARIZONA
LIMITED LIABILITY COMPANY

TAYLOR WOODROW/ARIZONA, INC., AN
ARIZONA CORPORATION

BY: _____
ITS: _____

BY: _____
ITS: _____



2045 S. Vineyard Ave, Suite 101
Mesa, AZ 85210
T:480.503.2250 | F:480.503.2258
www.epsgroupinc.com

SYCAMORE FARMS
SURPRISE, ARIZONA

Final Plat

Project:

Revisions:

Call at least two full working days
before you begin occupation.

800-841-8000 (800-841-8000)
In Maricopa County: (602)283-1100

Designer:
Drawn by: _____
DAB

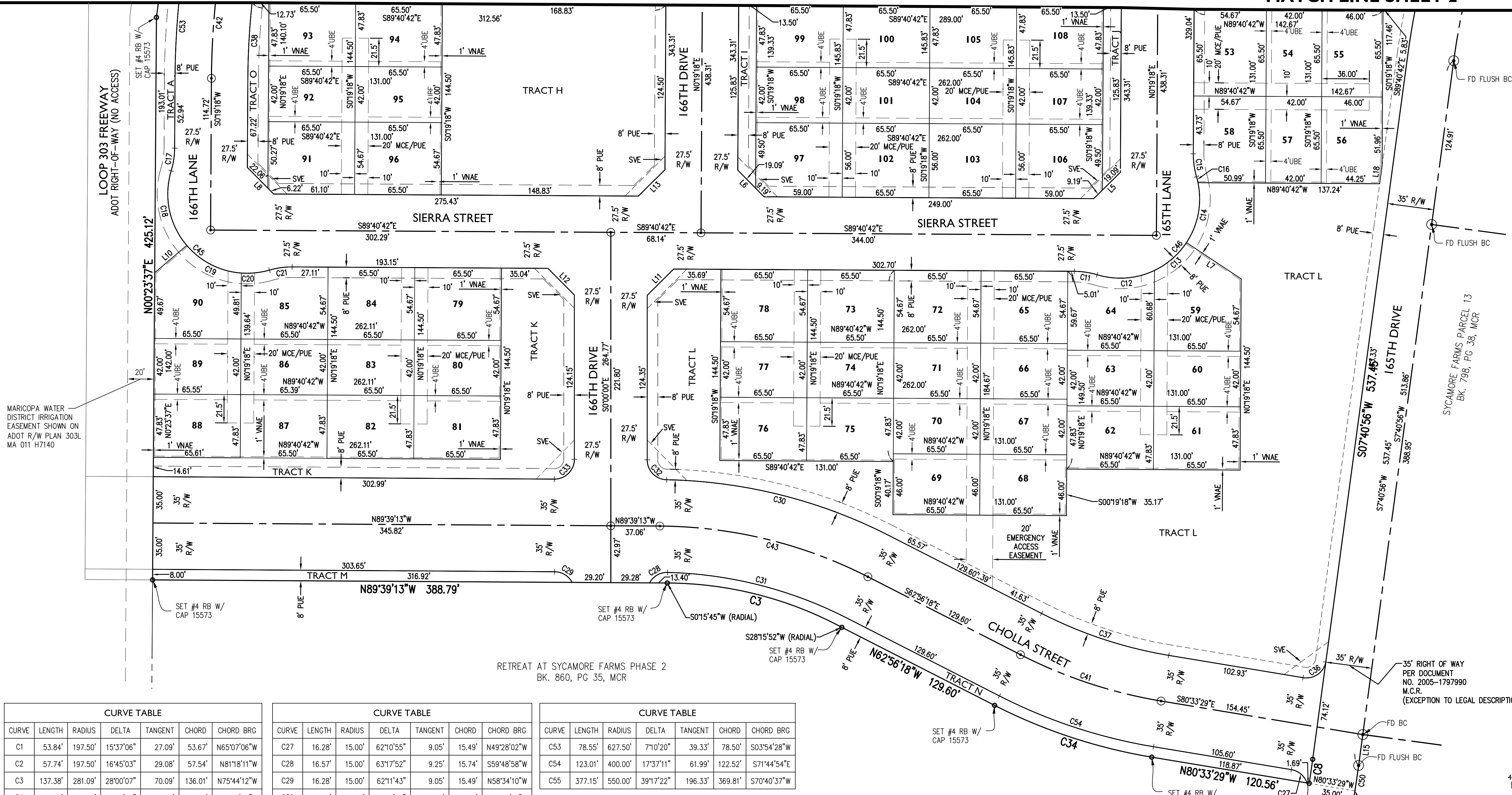
Job No.
12-128

Sheet No.
2
of **3**

SEE SHEET 3 FOR LINE AND CURVE TABLES

MATCH LINE SHEET 2

MATCH LINE SHEET 2



CURVE TABLE						
CURVE	LENGTH	RADIUS	DELTA	TANGENT	CHORD	CHORD BRG
C1	53.84'	197.50'	15°37'06"	27.09'	53.67'	N65°07'06"W
C2	57.74'	197.50'	16°45'03"	29.08'	57.54'	N81°18'11"W
C3	137.38'	281.09'	28°00'07"	70.09'	136.01'	N75°44'12"W
C4	209.37'	585.00'	20°30'20"	105.81'	208.25'	S17°56'06"W
C5	91.95'	585.00'	9°00'22"	46.07'	91.86'	S32°41'27"W
C6	141.29'	585.00'	13°50'18"	70.99'	140.95'	S44°06'48"W
C7	43.96'	252.50'	9°58'30"	22.04'	43.90'	N62°17'48"W
C8	18.35'	870.00'	1°12'31"	9.18'	18.35'	S08°17'11"W
C9	57.91'	252.50'	13°08'26"	29.08'	57.78'	N73°51'16"W
C10	40.78'	252.50'	9°15'13"	20.43'	40.74'	N85°03'06"W
C11	17.39'	60.00'	16°36'26"	8.76'	17.33'	N81°22'29"W
C12	44.49'	60.00'	42°29'15"	23.33'	43.48'	N85°41'07"E
C13	32.37'	60.00'	30°54'48"	16.59'	31.98'	N48°59'05"E
C14	47.37'	60.00'	45°14'12"	25.00'	46.15'	N10°54'35"E
C15	17.38'	60.00'	16°35'52"	8.75'	17.32'	S07°58'38"E
C16	4.78'	60.00'	4°34'03"	2.39'	4.78'	N13°59'33"W
C17	17.38'	60.00'	16°35'52"	8.75'	17.32'	N08°37'14"E
C18	60.10'	60.00'	57°23'34"	32.84'	57.62'	S11°46'37"E
C19	47.42'	60.00'	45°16'42"	25.02'	46.19'	S63°06'45"E
C20	21.43'	60.00'	20°27'54"	10.83'	21.32'	N83°57'23"E
C21	17.38'	60.00'	16°35'52"	8.75'	17.32'	S82°01'22"W
C22	17.38'	60.00'	16°35'52"	8.75'	17.32'	N00°48'18"W
C23	55.53'	60.00'	53°01'39"	29.93'	53.57'	S17°24'35"W
C24	65.97'	60.00'	62°59'45"	36.77'	62.70'	S75°25'18"W
C25	3.34'	60.00'	3°11'27"	1.67'	3.34'	S74°40'33"E
C26	14.04'	60.00'	13°24'25"	7.05'	14.01'	S82°58'29"E

CURVE TABLE						
CURVE	LENGTH	RADIUS	DELTA	TANGENT	CHORD	CHORD BRG
C27	16.28'	15.00'	62°10'55"	9.05'	15.49'	N49°28'02"W
C28	16.57'	15.00'	63°17'52"	9.25'	15.74'	S59°48'58"W
C29	16.28'	15.00'	62°11'43"	9.05'	15.49'	N58°34'10"W
C30	174.46'	385.00'	25°57'46"	88.75'	172.97'	N75°55'12"W
C31	140.72'	315.00'	25°35'48"	71.56'	139.56'	N75°44'12"W
C32	23.27'	15.00'	88°54'05"	14.72'	21.01'	S44°27'02"E
C33	23.65'	15.00'	90°20'47"	15.09'	21.28'	N45°10'23"E
C34	125.47'	408.00'	17°37'11"	63.23'	124.98'	N71°44'54"W
C35	442.61'	585.00'	43°21'01"	232.51'	432.13'	S29°21'26"W
C36	23.00'	15.00'	87°50'41"	14.45'	20.81'	N55°31'10"E
C37	101.48'	330.00'	17°37'11"	51.14'	101.08'	S71°44'54"E
C38	57.38'	572.50'	5°44'34"	28.71'	57.36'	S03°11'35"W
C39	14.28'	572.50'	12°5'46"	7.14'	14.28'	S06°46'45"W
C40	127.11'	225.00'	32°22'09"	65.30'	125.43'	N73°29'37"W
C41	112.24'	365.00'	17°37'11"	56.57'	111.80'	S71°44'54"E
C42	75.11'	600.00'	7°10'20"	37.60'	75.06'	S03°54'28"W
C43	163.19'	350.00'	26°42'55"	83.11'	161.72'	N76°17'46"W
C44	121.50'	60.00'	116°01'24"	96.06'	101.78'	S48°54'28"W
C45	129.01'	60.00'	123°11'44"	110.96'	105.56'	S44°40'42"E
C46	129.02'	60.00'	123°12'18"	110.98'	105.56'	N45°19'35"E
C47	142.65'	252.50'	32°22'09"	73.28'	140.76'	N73°29'37"W
C48	111.58'	197.50'	32°22'09"	57.32'	110.10'	N73°29'37"W
C49	416.13'	550.00'	43°21'00"	218.59'	406.28'	S29°21'26"W
C50	19.43'	905.00'	1°13'48"	9.71'	19.43'	N08°17'50"E
C51	176.06'	550.00'	18°20'29"	88.79'	175.31'	S41°51'42"W
C52	240.07'	550.00'	25°00'31"	121.98'	238.17'	S20°11'12"W

CURVE TABLE						
CURVE	LENGTH	RADIUS	DELTA	TANGENT	CHORD	CHORD BRG
C53	78.55'	627.50'	7°10'20"	39.33'	78.50'	S03°54'28"W
C54	123.01'	400.00'	17°37'11"	61.99'	122.52'	S71°44'54"E
C55	377.15'	550.00'	39°17'22"	196.33'	369.81'	S70°40'37"W

LOT AREA TABLE		
LOT #	AREA (SF)	AREA (AC)
1	4,634	0.1064
2	3,115	0.0715
3	3,277	0.0752
4	3,133	0.0719
5	2,751	0.0632
6	3,737	0.0858
7	3,744	0.0860
8	2,751	0.0632
9	3,133	0.0719
10	3,133	0.0719
11	2,751	0.0632
12	3,744	0.0860
13	3,744	0.0860
14	2,751	0.0632
15	3,133	0.0719
16	3,133	0.0719
17	2,751	0.0632
18	3,744	0.0860

LOT AREA TABLE		
LOT #	AREA (SF)	AREA (AC)
19	3,744	0.0860
20	2,751	0.0632
21	3,133	0.0719
22	3,133	0.0719
23	2,751	0.0632
24	3,744	0.0860
25	3,744	0.0860
26	2,751	0.0632
27	3,133	0.0719
28	3,133	0.0719
29	2,751	0.0632
30	3,744	0.0860
31	3,744	0.0860
32	2,751	0.0632
33	3,133	0.0719
34	3,133	0.0719
35	2,751	0.0632
36	3,744	0.0860

LOT AREA TABLE		
LOT #	AREA (SF)	AREA (AC)
37	3,789	0.0870
38	2,751	0.0632
39	3,133	0.0719
40	3,133	0.0719
41	2,751	0.0632
42	4,371	0.1003
43	3,837	0.0881
44	3,133	0.0719
45	3,944	0.0906
46	3,133	0.0719
47	3,581	0.0822
48	2,751	0.0632
49	3,133	0.0719
50	3,133	0.0719
51	2,751	0.0632
52	3,581	0.0822
53	3,581	0.0822
54	2,751	0.0632

LOT AREA TABLE		
LOT #	AREA (SF)	AREA (AC)
57	2,751	0.0632
58	3,552	0.0815
59	4,495	0.1032
60	2,751	0.0632
61	3,133	0.0719
62	3,133	0.0719
63	2,751	0.0632
64	3,743	0.0859
65	3,581	0.0822
66	2,751	0.0632
67	2,751	0.0632
68	3,137	0.0720
69	2,751	0.0632
70	2,751	0.0632
71	2,751	0.0632
72	3,581	0.0822
73	3,581	0.0822
74	2,751	0.0632
75	3,133	0.0719
76	3,133	0.0719

LOT AREA TABLE		
LOT #	AREA (SF)	AREA (AC)
77	2,751	0.0632
78	3,581	0.0822
79	3,581	0.0822
80	2,751	0.0632
81	3,133	0.0719
82	3,133	0.0719
83	2,751	0.0632
84	3,581	0.0822
85	3,475	0.0798
86	2,751	0.0632
87	3,133	0.0719
88	3,137	0.0720
89	2,752	0.0632
90	3,792	0.0870
91	3,571	0.0820
92	2,751	0.0632
93	3,133	0.0719
94	3,133	0.0719

LOT AREA TABLE		
LOT #	AREA (SF)	AREA (AC)
95	2,751	0.0632
96	3,581	0.0822
97	3,647	0.0837
98	2,751	0.0632
99	3,133	0.0719
100	3,133	0.0719
101	2,751	0.0632
102	3,668	0.0842
103	3,668	0.0842
104	2,751	0.0632
105	3,133	0.0719
106	3,647	0.0837
107	2,751	0.0632
108	3,133	0.0719
109	3,581	0.0822
110	2,751	0.0632
111	3,133	0.0719
112	3,133	0.0719

LOT AREA TABLE		
LOT #	AREA (SF)	AREA (AC)
113	2,751	0.0632
114	3,581	0.0822
115	3,133	0.0719
116	3,821	0.0877
117	3,842	0.0882
118	3,133	0.0719
119	3,133	0.0719
120	3,842	0.0882
121	3,821	0.0877
122	3,133	0.0719
123	3,581	0.0822
124	2,751	0.0632
125	3,133	0.0719
126	3,133	0.0719
127	2,751	0.0632
128	3,581	0.0822
129	3,581	0.0822
130	2,751	0.0632

LOT AREA TABLE		
LOT #	AREA (SF)	AREA (AC)
131	3,133	0.0719
132	3,133	0.0719
133	2,751	0.0632
134	3,581	0.0822
135	3,133	0.0719
136	3,888	0.0893
137	3,929	0.0902
138	3,133	0.0719
139	3,133	0.0719
140	2,751	0.0632
141	4,865	0.1117
142	4,326	0.0993
143	2,751	0.0632
144	3,133	0.0719
145	3,133	0.0719
146	3,929	0.0902
147	3,133	0.0719
148	3,882	0.0891

LOT AREA TABLE		
LOT #	AREA (SF)	AREA (AC)
57	2,751	0.0632
58	3,552	0.0815
59	4,495	0.1032
60	2,751	0.0632
61	3,133	0.0719
62	3,133	0.0719
63	2,751	0.0632
64	3,743	0.0859
65	3,581	0.0822
66	2,751	0.0632
67	2,751	0.0632
68	3,137	0.0720
69	2,751	0.0632
70	2,751	0.0632
71	2,751	0.0632
72	3,581	0.0822
73	3,581	0.0822
74	2,751	0.0632
75	3,133	0.0719
76	3,133	0.0719

LOT AREA TABLE		
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80	2,751	0.0632
81	3,133	0.0719
82	3,133	0.0719
83	2,751	0.0632
84	3,581	0.0822
85	3,475	0.0798
86	2,751	0.0632
87	3,133	0.0719
88	3,137	0.0720
89	2,752	0.0632
90	3,792	0.0870
91	3,571	0.0820
92	2,751	0.0632
93	3,133	0.0719
94	3,133	0.0719

LOT AREA TABLE		
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115	3,133	0.0719
116	3,821	0.0877
117	3,842	0.0882
118	3,133	0.0719
119	3,133	0.0719
120	3,842	0.0882
121	3,821	0.0877
122	3,133	0.0719
123	3,581	0.0822
124	2,751	0.0632
125	3,133	0.0719
126	3,133	0.0719
127	2,751	0.0632
128	3,581	0.0822
129	3,581	0.0822
130	2,751	0.0632

LOT AREA TABLE		
LOT #	AREA (SF)	AREA (AC)
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133	2,751	0.0632
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135	3,133	0.0719
136	3,888	0.0893
137	3,929	0.0902
138	3,133	0.0719
139	3,133	0.0719
140	2,751	0.0632
141	4,865	0.1117
142	4,326	0.0993
143	2,751	0.0632
144	3,133	0.0719
145	3,133	0.0719
146	3,929	0.0902
147	3,133	0.0719
148	3,882	0.0891

VICINITY MAP – FS13-486





CITY OF SURPRISE
Regular City Council Meeting

April 15, 2014 @ 6:00:00 PM

[Back](#) [Print](#)

Council Meeting Date:	April 15, 2014	Contact Person:	Chris Boyd, Community & Economic Development
Submitting Department:	CD	District:	4
Staff Recommendations:	Approve		

Consent	x	Regular	Public Hearing	Report/Discussion
---------	---	---------	----------------	-------------------

Agenda Wording:

Consideration and action approving a revised final plat entitled "Re-plat of Lot 6 of Bell & Dysart Commerce Center," dated April 3, 2014, a property generally located at the northeast corner of Bell Road and Dysart Road; Resolution #2014-36.

Motion:

I move to approve Resolution 2014-36.

Background:

The applicant is requesting a re-plat approval for an advanced medical rehabilitation center. The project is being proposed on a lot that is currently 9.9 acres, but through the re-plat process, the site will be divided into two (2) lots. The proposed rehabilitation hospital will be developed on a 3.3 acre lot.

Financial Impact Statement:

All activity related to ongoing development of the City of Surprise has an economic and fiscal impact on the city and the region.

ATTACHMENTS:

Click to download

- ☐ [Staff Report](#)
 - ☐ [Resolution and Plat](#)
 - ☐ [Site Plan](#)
 - ☐ [Vicinity Map](#)
-

External Attachment Links:

Meeting Requirements:

Powerpoint x Video White Board Other x

Presentation Speaker Names (spelling and titles for TV captions):

Sergio Angulo, Assistant Planner

Nichole McCarty, Acting Planning Manager



COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT

Date: April 15, 2014

To: Mayor and City Council

From: Chris Boyd, Interim Director
Nichole McCarty, Acting Planning Manager
Sergio Angulo, Assistant Planner
623.222.3155, sergio.angulo@surpriseaz.gov

Re: FS13-552, Re-plat for Cobalt Rehabilitation Hospital of West Valley

Application Summary

The applicant is requesting approval of a re-plat for an advanced rehabilitation center known as Cobalt Rehabilitation Hospital of West Valley.

Location

The project is located on the northeast corner of Bell and Dysart Roads.

History

- On December 23, 1986, the Mayor and City Council approved the annexation of this property into the City of Surprise.
- On June 27, 1996, the Mayor and City Council approved the rezoning from I-2 to C-3.
- On January 12, 2006, City Council approved the Final Plat of Bell & Dysart Commerce Center.
- On September 13, 2007, City Council approved the Re-Plat of Lot 2 & Lot 6 of Bell & Dysart Commerce Center.
- On December 11, 2013, City Council approved a development agreement between the City of Surprise and Cobalt Medical Partners, LLC.
- On April 3, 2014, the Planning and Zoning Commission recommended approval of the site plan.

Project Summary

The proposed Cobalt Rehabilitation Hospital of West Valley is a project meant to enhance the traditional rehabilitation hospital. The company's goal is to provide unique treatments to war veterans, athletes, and citizens who have suffered traumatic brain injuries, strokes, and neurodegenerative disorders such as Parkinson's disease. More traditional rehabilitation treatments will also be provided.

The property is located within the Bell & Dysart Commerce Center and is pre-designated for regional commercial uses. It is zoned Regional Commercial (CR), and medical hospitals are principally permitted uses. The project is being proposed on a lot that is currently 9.9 acres, but through the re-plat process, the site will be divided into two (2) lots. The proposed rehabilitation hospital will be developed on a 3.3 acre lot.

Project key points include:

- The facility will be developed in one phase which will include a 54,713 square-foot building with approximately 40 beds.
- The site will be accessible from two (2) points; from Bell Road and from Dysart Road.
- Onsite improvements will include access, water, sewer, utilities, landscaping, retention, parking, and site lighting.
- Offsite improvements will include half street improvements on a portion of Bell Road with curb and gutter, deceleration lanes, landscaping, retention, and street lights.

Landscaping for the entire site will include a variety of desert tolerant plant materials that will enhance the site. Screening walls will be provided along parking areas that front public streets. A landscaped retention basin along Bell Road will be an aesthetic uplift to the site and to the Bell Road and Dysart Road intersection, adjacent to the Original Town Site.

As a part of this project, the construction of public infrastructure, the generation of additional sales tax revenues, and the increase on the City's assessed property valuation, will increase the quality of life for Surprise residents. To facilitate the success of this project, a development agreement between the City of Surprise and Cobalt Rehabilitation Hospital of West Valley was formed. Some of the points in the development agreement include:

- Cobalt will use reasonable efforts to hire employees that reside in Surprise.
- The City has agreed to pay for the Plan Review/Building Permit Fees, coordinate a job fair to assist in Cobalt's recruitment of employees, and provide temporary office space at the AZ TechCelerator.

Economic Impact

Cobalt Rehabilitation Hospital of West Valley will be a 15 million dollar capital investment and will create approximately 125 healthcare jobs.

Findings of Fact

1. Staff finds that the proposed Final Plat complies with the Surprise Municipal Code.
2. Staff finds that the proposed Final Plat complies with the Surprise General Plan.

Attachments:

Vicinity map and final plat.

RESOLUTION #2014-36

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, APPROVING A REVISED FINAL PLAT ENTITLED "RE-PLAT OF LOT 6 OF BELL & DYSART COMMERCE CENTER," GENERALLY LOCATED AT THE NORTHEAST CORNER OF BELL ROAD AND DYSART ROAD.

WHEREAS, on December 23, 1986, the Mayor and City Council approved the annexation of this property into the City of Surprise;

WHEREAS, on June 27, 1996, the Mayor and City Council approved the designation of Regional Commercial (CR) zoning for the property;

WHEREAS, on January 12, 2006, the Mayor and City Council approved a Final Plat for the property;

WHEREAS, on September 13, 2007, the Mayor and City Council approved a Re-Plat for the property;

WHEREAS, Cobalt Medical is an important new employer in Surprise and the City is fast-tracking the site review to facilitate the construction of the facility;

WHEREAS, the Council is contemporaneously reviewing both the revised site plan and re-plat for Cobalt Medical;

WHEREAS the proposed final plat does not create any substandard or nonconforming lots; and

WHEREAS, this proposed Re-Plat is in compliance with the Surprise Municipal Code and Surprise General Plan.

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

Section 1. The Final Plat entitled "Re-Plat of Lot 6 of Bell & Dysart Commerce Center," dated April 3, 2014 is approved as presented to Council.

APPROVED AND ADOPTED this _____ day of _____ 2014.

SIGNATURES ON THE FOLLOWING PAGE

Sharon R. Wolcott, Mayor

Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Misty Leslie, City Attorney

DEDICATION

STATE OF ARIZONA }
COUNTY OF MARICOPA } SS
KNOW ALL MEN BY THESE PRESENTS:

THAT NEC BELL & DYSART, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY AS OWNER, HAVE SUBDIVIDED UNDER THE NAME "RE-PLAT OF LOT 6 OF THE "RE-PLAT OF LOT 2 & 6 OF BELL & DYSART COMMERCE CENTER" AS RECORDED IN BOOK 950, PAGE 32, RECORDS OF MARICOPA COUNTY, LOCATED IN THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 4 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA AS SHOWN AND PLATTED HEREON AND DO HEREBY PUBLISH THIS PLAT WHICH SETS FORTH THE LOCATION AND GIVES DIMENSIONS OF EACH LOT AND EASEMENT CONSTITUTING SAME, AND THAT EACH LOT AND EASEMENT SHALL BE KNOWN BY THE NUMBER AND NAME GIVEN TO EACH RESPECTIVELY AS SHOWN ON THIS PLAT.

OWNER HEREBY GRANTS TO THE CITY OF SURPRISE A NON-EXCLUSIVE EASEMENT OVER, UPON AND ACROSS THE AREAS DESIGNATED AS SIGHT VISIBILITY TRIANGLES FOR THE PURPOSE OF ENSURING THAT THESE AREAS REMAIN FREE OF SIGHT VISIBILITY OBSTRUCTIONS. GRANTOR SHALL NOT ERECT, CONSTRUCT, OR PERMIT TO BE ERECTED OR CONSTRUCTED ANY BUILDING, STRUCTURE, OR SIMILAR IMPROVEMENTS WITHIN THE LIMITS OF THE EASEMENT GRANTED HEREIN.

OWNER HEREBY GRANTS TO THE CITY OF SURPRISE A NON-EXCLUSIVE PEDESTRIAN ACCESS AND SIDEWALK CONSTRUCTION AND MAINTENANCE EASEMENT OVER, UPON AND ACROSS THE AREAS DESIGNATED AS SIDEWALK EASEMENT AS SHOWN ON THE PLAT.

THE MAINTENANCE OF LANDSCAPING WITHIN THE ADJACENT PUBLIC RIGHTS-OF-WAY, INCLUDING LANDSCAPED MEDIANS WITHIN COLLECTORS AND LOCAL STREETS AND LANDSCAPED AREAS BETWEEN THE CURB AND THE DETACHED SIDEWALK, SHALL BE THE RESPONSIBILITY OF THE ADJACENT PROPERTY OWNER OR THE PROPERTY ASSOCIATION FORMED BY THE ADJACENT PROPERTY.

LANDSCAPING MAINTENANCE WITHIN THE MEDIANS WITHIN THE PUBLIC RIGHT-OF-WAY WITHIN ANY ARTERIAL OR PARKWAY STREET CLASSIFICATION SHALL BE RESPONSIBILITY OF THE CITY OF SURPRISE AFTER ACCEPTANCE.

OWNER HEREBY GRANTS TO THE UNITED STATES OF AMERICA DEPARTMENT OF THE AIR FORCE (USAF) AN AVIGATION EASEMENT OVER AND ACROSS THIS PLAT AND EVERY LOT AND PARCEL THEREOF, WHICH EASEMENT SHALL INCLUDE BUT NOT BE LIMITED TO, THE RIGHT OF FLIGHT OF AIRCRAFT OVER THIS PLAT, TOGETHER WITH ITS ATTENDANT NOISE, VIBRATIONS, FUMES, DUST, FUEL AND LUBRICANT PARTICLES AND ALL OTHER EFFECTS, THAT MAY BE CAUSED BY THE OPERATION OF AIRCRAFT LANDING AT OR TAKING OFF FROM OR OPERATING AT OR ON LUKE AIR FORCE BASE AND AUXILIARY FIELD.

OWNER HEREBY GRANTS TO THE CITY OF SURPRISE A PERPETUAL NON-EXCLUSIVE PEDESTRIAN ACCESS AND SIDEWALK CONSTRUCTION AND MAINTENANCE EASEMENT OVER, UPON AND ACROSS THE AREAS DESIGNATED AS SIDEWALK EASEMENT AS SHOWN ON THE PLAT.

ALL IMPROVEMENTS, STREETS AND PUBLIC UTILITIES OWNED AND OPERATED BY THE CITY OF SURPRISE, INSTALLED OR CONSTRUCTED BY SAID OWNERS WITHIN THE PUBLIC RIGHTS-OF-WAY, THE EASEMENTS, OR ANY TRACTS OR PARCELS HEREBY DEDICATED TO THE CITY OF SURPRISE SHALL BE DEEMED TO HAVE BEEN DEDICATED BY SAID OWNERS TO THE CITY UPON THEIR COMPLETION; HOWEVER, SUCH TRANSFER SHALL NOT OCCUR UNTIL THE CITY COUNCIL FOR THE CITY OF SURPRISE MANIFESTS ITS ACCEPTANCE BY FORMAL COUNCIL ACTION.

THE EASEMENTS GRANTED WITHIN THIS DEDICATION ARE PERMANENT AND PERPETUAL AND SHALL RUN WITH THE LAND AND BE BINDING UPON THE OWNERS AND THEIR HEIRS, ASSIGNS, AND SUCCESSORS IN INTEREST TO THIS PLAT OR ANY PARCEL OR LOT THEREOF.

THIS EASEMENT IS GRANTED SUBJECT TO THE CONDITION THAT GRANTEES SHALL HOLD GRANTOR AND GRANTOR'S SUCCESSORS AND ASSIGNS HARMLESS FROM ANY AND ALL DAMAGES, CLAIMS, LIABILITIES OR EXPENSES WHICH MAY RESULT FROM GRANTEE'S USE OF THE EASEMENT. BY ACCEPTING THE EASEMENT, THE GRANTEE AGREES TO EXERCISE REASONABLE CARE TO AVOID DAMAGE TO THE PREMISES AND ALL PROPERTY THAT MAY AT ANY TIME BE THEREON.

IN WITNESS WHEREOF, NEC BELL & DYSART, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY HAS HEREUNTO CAUSED ITS NAME TO BE SIGNED AND THE SAME TO BE ATTESTED TO BY THE UNDERSIGNED, DULY AUTHORIZED

ON THIS ____ DAY OF _____, 2014

NEC BELL & DYSART, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY

BY: SURPRISE-B&D, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY

BY: CAR-DEL LIMITED PARTNERSHIP, AN ARIZONA LIMITED PARTNERSHIP

BY: GERMANN-GFB II, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY, ITS GENERAL PARTNER

BY: _____
GARY D. DAVIDSON, A MARRIED MAN
DEALING WITH HIS SOLE AND SEPARATE PROPERTY,
MEMBER

BY: NICK DONNELLY, INC. 401(K) PLAN

BY: _____
TOM BOYLE, TRUSTEE

BY: G&D DYSART AND BELL, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY

BY: CAR-DEL LIMITED PARTNERSHIP, AN ARIZONA LIMITED PARTNERSHIP

BY: GERMANN-GFB II, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY, ITS GENERAL PARTNER

BY: _____
GARY D. DAVIDSON, A MARRIED MAN
DEALING WITH HIS SOLE AND SEPARATE PROPERTY,
MEMBER

ACKNOWLEDGMENT

STATE OF ARIZONA }
COUNTY OF MARICOPA } SS

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS ____ DAY OF _____, 2014, GARY D. DAVIDSON AND TOM BOYLE, IN THEIR AFOREMENTIONED CAPACITIES ON BEHALF OF NEC BELL & DYSART, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY.

NOTARY PUBLIC _____ DATE _____ MY COMMISSION EXPIRES: _____, 20 ____

RE-PLAT
of LOT 6 of BELL & DYSART COMMERCE CENTER
A RE-PLAT OF LOT 6 OF BELL & DYSART COMMERCE CENTER AS RECORDED IN BOOK 950,
PAGE 32, M.C.R., A SUBDIVISION LOCATED WITHIN THE SOUTHWEST QUARTER OF
SECTION 35, TOWNSHIP 4 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE
AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PUBLIC NOTICE

THE LOTS DEPICTED ON THIS PLAT ARE LOCATED WITHIN THE VICINITY OF LUKE AIR FORCE BASE AND MAY BE SUBJECT TO OVERFLIGHTS BY JET AIRCRAFT. ALL STRUCTURES WITHIN THIS PLAT SHALL BE CONSTRUCTED IN COMPLIANCE WITH THE SOUND ATTENUATION STANDARDS ADOPTED BY THE CITY OF SURPRISE. ADDITIONAL INFORMATION MAY BE OBTAINED BY CONTACTING THE CITY OF SURPRISE COMMUNITY DEVELOPMENT DEPARTMENT.

RELEASE OF LIABILITY

THAT NEC BELL & DYSART, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY, AS OWNER DOES HEREBY (1) RELEASE AND DISCHARGE THE USAF AND THE CITY OF SURPRISE; AND (2) AGREE TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE CITY OF SURPRISE OF AND FROM ANY LIABILITY FOR ANY AND ALL CLAIMS FOR DAMAGES OF ANY KIND TO PERSONS OR PROPERTY WITHIN THIS PLAT THAT MAY ARISE AT ANY TIME IN THE FUTURE OVER OR IN CONNECTION WITH AIRCRAFT OVERFLIGHTS FROM AIRCRAFT UTILIZING LUKE AIR FORCE BASE, WHETHER SUCH DAMAGE SHALL ORIGINATE FROM NOISE, VIBRATION, FUMES, DUST, FUEL AND LUBRICANT PARTICLES AND ALL OTHER EFFECTS THAT MAY BE CAUSED BY THE OPERATION OF AIRCRAFT LANDING AT, TAKING OFF FROM OR OPERATING AT OR ON LUKE AIR FORCE BASE. THIS INSTRUMENT SHALL RUN WITH THE LAND AND BE BINDING UPON SAID OWNERS AND THEIR HEIRS, ASSIGNS, AND SUCCESSORS IN INTEREST TO THIS PLAT OR ANY PARCEL OR LOT THEREOF. THIS INSTRUMENT DOES NOT RELEASE THE USAF FROM LIABILITY FOR DAMAGE OR INJURY TO PERSON OR PROPERTY CAUSED BY FALLING AIRCRAFT OR FALLING PHYSICAL OBJECTS FROM THE AIRCRAFT, EXCEPT AS STATED HEREIN WITH RESPECT TO NOISE, FUMES, DUST, FUEL AND LUBRICANT PARTICLES.

OWNER HEREBY FURTHER AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY OF SURPRISE FROM ANY AND ALL CLAIMS FOR DAMAGES OF ANY KIND TO PERSONS OR PROPERTY THAT MAY ARISE IN CONNECTION WITH THE USE OF THE SIDEWALKS LOCATED WITHIN THE RIGHT-OF-WAY, UNTIL SUCH TIME THE CITY OF SURPRISE HAS ACCEPTED THE SIDEWALKS, AND SUCH ACCEPTANCE SHALL NOT BE UNREASONABLY WITHHELD.

NOTES

1. THE PROPERTY OWNERS, OR ANY SUBSEQUENT OWNERS SHALL NOT PROCEED WITH ANY ON SITE GRADING OR EXCAVATION WITHOUT FIRST OBTAINING A PERMIT FROM THE CITY OF SURPRISE.

2. THE PROPERTY IS LOCATED WITHIN AN AREA HAVING FLOOD ZONE "X" BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY, ON FLOOD INSURANCE RATE MAP NO. 04013C1240L, WITH A DATE OF IDENTIFICATION OF OCTOBER 16, 2013, FOR COMMUNITY NO. 040053, IN MARICOPA COUNTY, STATE OF ARIZONA, WHICH IS THE CURRENT FLOOD INSURANCE RATE MAP FOR THE COMMUNITY IN WHICH SAID PROPERTY IS SITUATED.

3. IN ACCORDANCE WITH ARS § 9-461.07, THE CITY OF SURPRISE HAS DETERMINED THAT ALL DEDICATIONS OCCURRING WITH THIS PLAT ARE IN CONFORMANCE WITH THE SURPRISE GENERAL PLAN.

REFERENCES

SUBDIVISION OF "BELL & DYSART COMMERCE CENTER" RECORDED IN BOOK 881, PAGE 8, M.C.R.

SUBDIVISION OF "RE-PLAT OF LOT 2 & LOT 6 OF BELL AND DYSART COMMERCE CENTER" RECORDED IN BOOK 950, PAGE 32, M.C.R.

LIEN HOLDER RATIFICATION

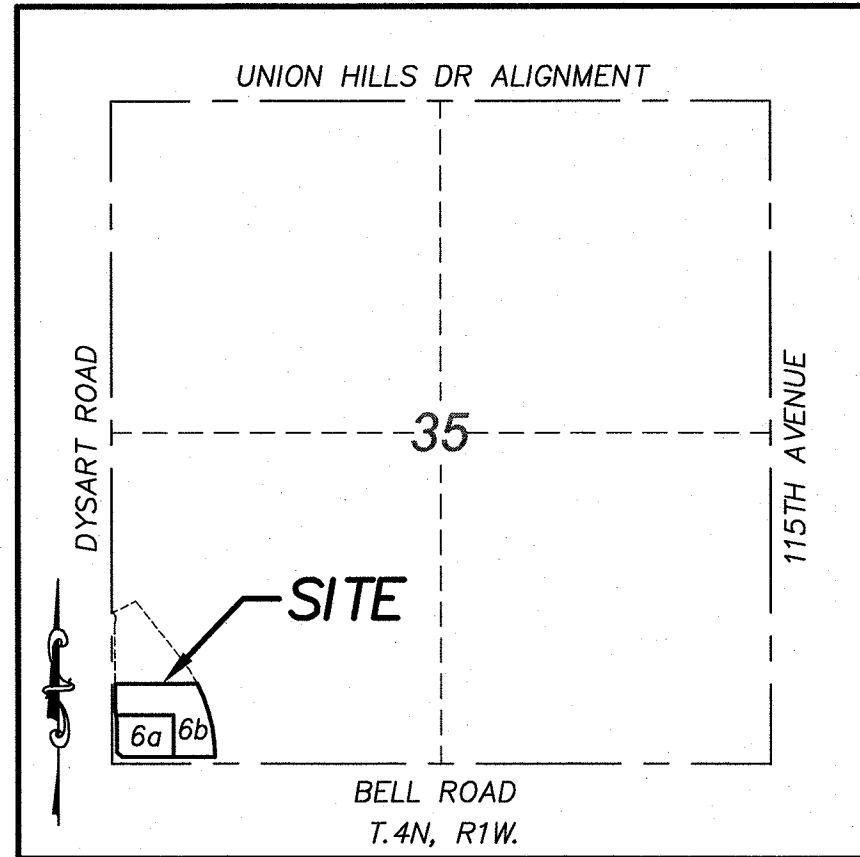
KNOW ALL MEN BY THESE PRESENTS:

THAT THE UNDERSIGNED, _____ FOR PACIFIC COACH, INC., AN ARIZONA CORPORATION, AND ITS SUCCESSORS AND ASSIGNS, AS TRUSTEE UNDER THAT CERTAIN DEED OF TRUST RECORDED IN THE RECORDS OF MARICOPA COUNTY ON DECEMBER 1, 2005 IN DOCUMENT NUMBER 2005-1821827, HEREBY RATIFIES, AFFIRMS AND APPROVES THIS RE-PLAT, AND EACH AND EVERY DEDICATION CONTAINED HEREIN.

IN WITNESS WHEREOF, THE UNDERSIGNED HAS SIGNED HIS NAME

THIS ____ DAY OF _____, 2014.

BY: _____
PACIFIC COACH, INC., AN ARIZONA CORPORATION, AND ITS SUCCESSORS AND ASSIGNS



VICINITY MAP
N.T.S.

PARENT DESCRIPTION

LOT 6 OF THE "RE-PLAT OF LOT 2 & LOT 6 OF BELL & DYSART COMMERCE CENTER" AS SHOWN IN BOOK 950 OF MAPS, PAGE 32, RECORDS OF MARICOPA COUNTY, ARIZONA.

BASIS OF BEARING

THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 35, T4N, R1W OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA. SAID LINE BEARS SOUTH 89 DEGREES 24 MINUTES 46 SECONDS WEST.

AREA

LOT 6a: AREA 146,533 SQUARE FEET OR 3.364 ACRES, MORE OR LESS.
LOT 6b: AREA 287,895 SQUARE FEET OR 6.609 ACRES, MORE OR LESS.

CITY OF SURPRISE COUNCIL APPROVAL

APPROVED BY THE CITY COUNCIL OF THE CITY OF SURPRISE, ARIZONA.

THIS ____ DAY OF _____, 2014.

MAYOR _____ DATE _____

ATTEST: _____

CITY CLERK _____ DATE _____

CITY OF SURPRISE ENGINEER APPROVAL

DATA ON THIS PLAT REVIEWED AND APPROVED THIS ____ DAY OF _____, 2014 BY THE CITY ENGINEER OF THE CITY OF SURPRISE, ARIZONA.

APPROVED: _____ CITY ENGINEER _____ DATE _____

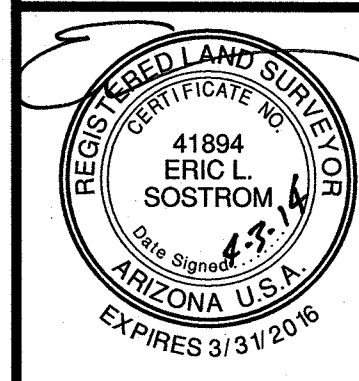
CERTIFICATION

THIS IS TO CERTIFY THAT THE SURVEY AND PLAT SHOWN HEREON WAS COMPLETED UNDER MY DIRECT SUPERVISION DURING THE MONTH OF NOVEMBER, 2013, AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THE MONUMENTS SHOWN ACTUALLY EXIST.

BY: _____ DATE 4/3/2014
ERIC SOSTROM, R.L.S. 41894
SURVEY INNOVATION GROUP, INC.
7301 EAST EVANS DRIVE
SCOTTSDALE, ARIZONA 85260

7301 EAST EVANS ROAD
SCOTTSDALE, AZ 85260
PHONE (480) 922-0780
FAX (480) 922-0781
WWW.SIGSURVEYAZ.COM
SIG
SURVEY INNOVATION
GROUP, INC.
Land Surveying Services

RE-PLAT of LOT 6
BELL & DYSART COMMERCE CENTER
SURPRISE, ARIZONA

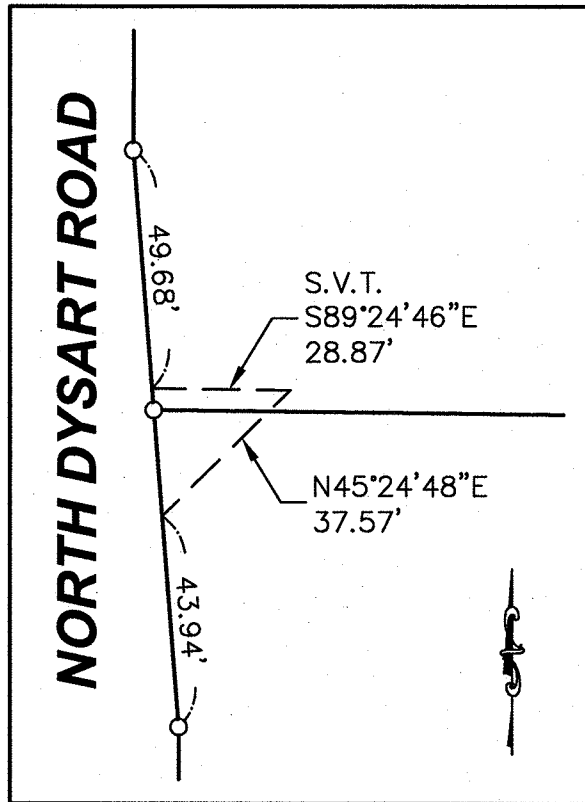
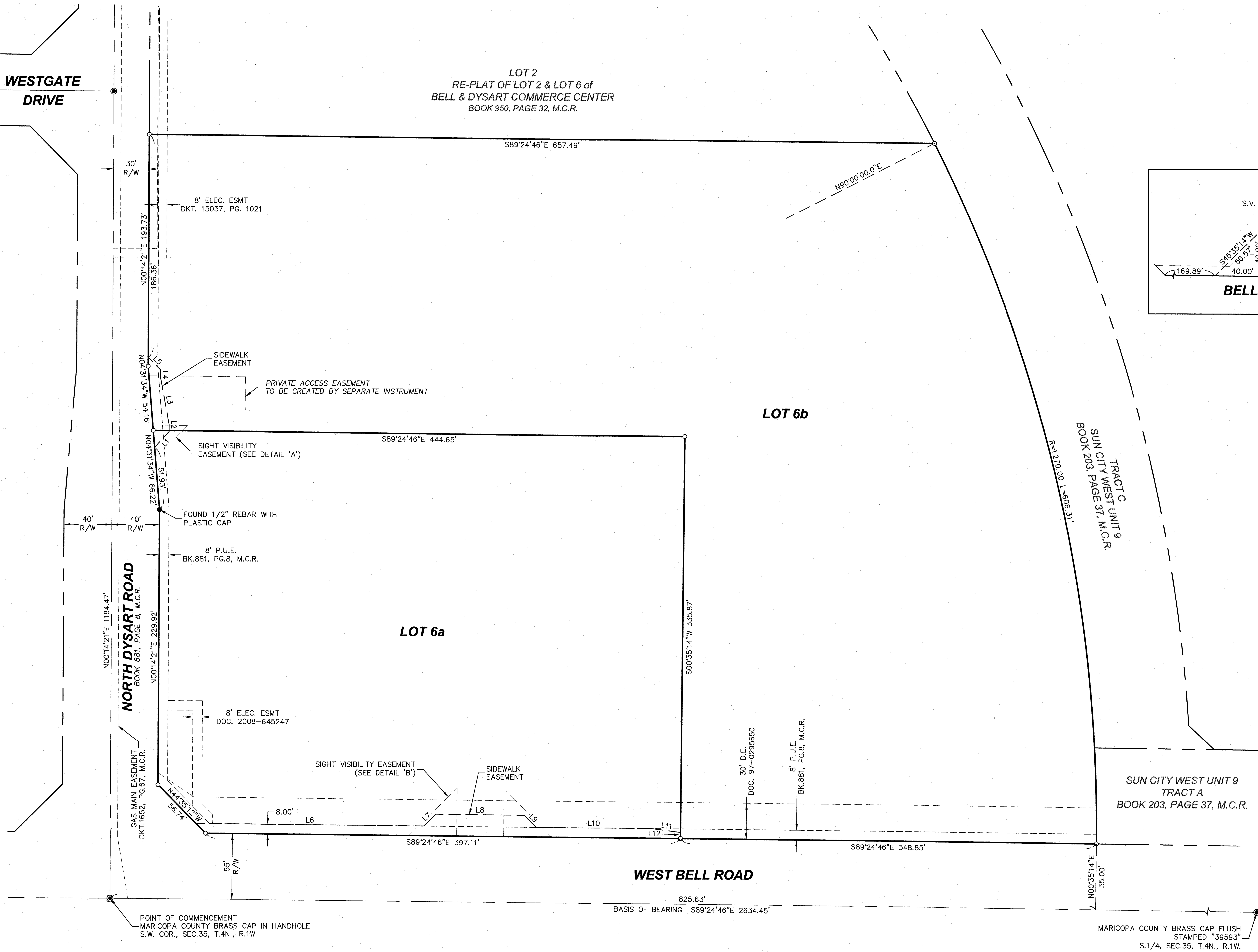


REVISIONS:

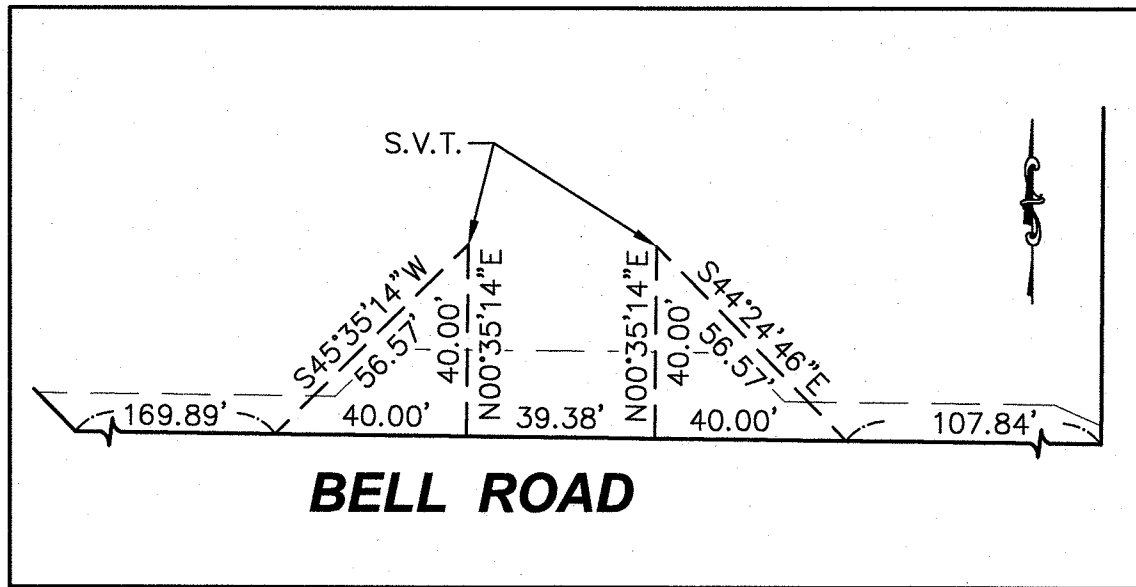
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DRAWING NAME:
13-155 PLAT.dwg
JOB NO. 2013-155
DRAWN: ELS
CHECKED: JAS
DATE: 4/3/2014
SCALE: N.T.S.
SHEET: 1 OF 2

RE-PLAT of LOT 6
BELL & DYSART COMMERCE CENTER



DETAIL 'A'

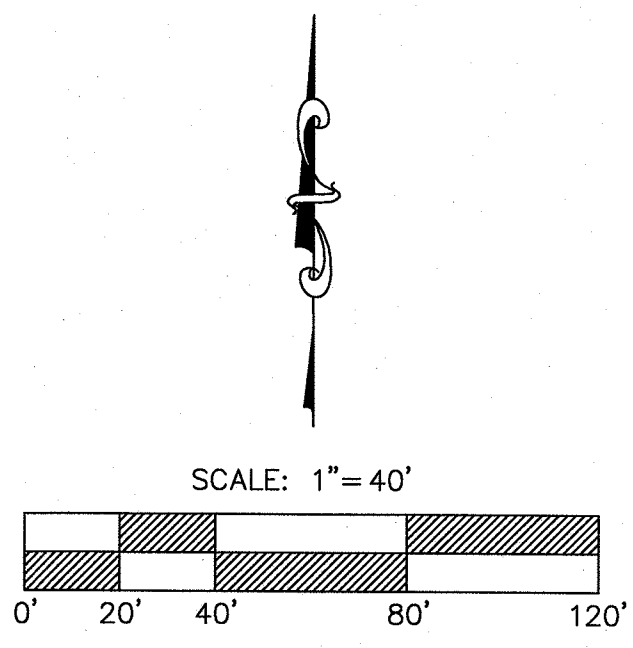


DETAIL 'B'

LINE TABLE		
LINE	BEARING	LENGTH
L1	N42°31'46\"E	17.95
L2	N00°35'14\"E	5.98
L3	N10°17'04\"W	40.73
L4	N00°35'14\"E	5.82
L5	N44°35'12\"W	14.74
L6	S89°24'46\"E	190.35
L7	N45°35'14\"E	14.14
L8	S89°24'46\"E	74.01
L9	S44°24'46\"E	14.14
L10	S89°24'46\"E	96.36
L11	S82°22'21\"E	24.62
L12	S00°35'14\"W	4.98

LEGEND

- BRASS CAP IN HANDHOLE
- BRASS CAP FLUSH
- FOUND 1/2\" REBAR AS NOTED
- SET 1/2\" REBAR RLS# 41894
- BK., PG. BOOK, PAGE
- DKT., PG. DOCKET, PAGE
- DOC. DOCUMENT
- P.U.E. PUBLIC UTILITY EASEMENT
- D.E. DRAINAGE EASEMENT
- S.V.T. SIGHT VISIBILITY TRIANGLE
- M.C.R. MARICOPA COUNTY RECORDER
- R/W RIGHT OF WAY

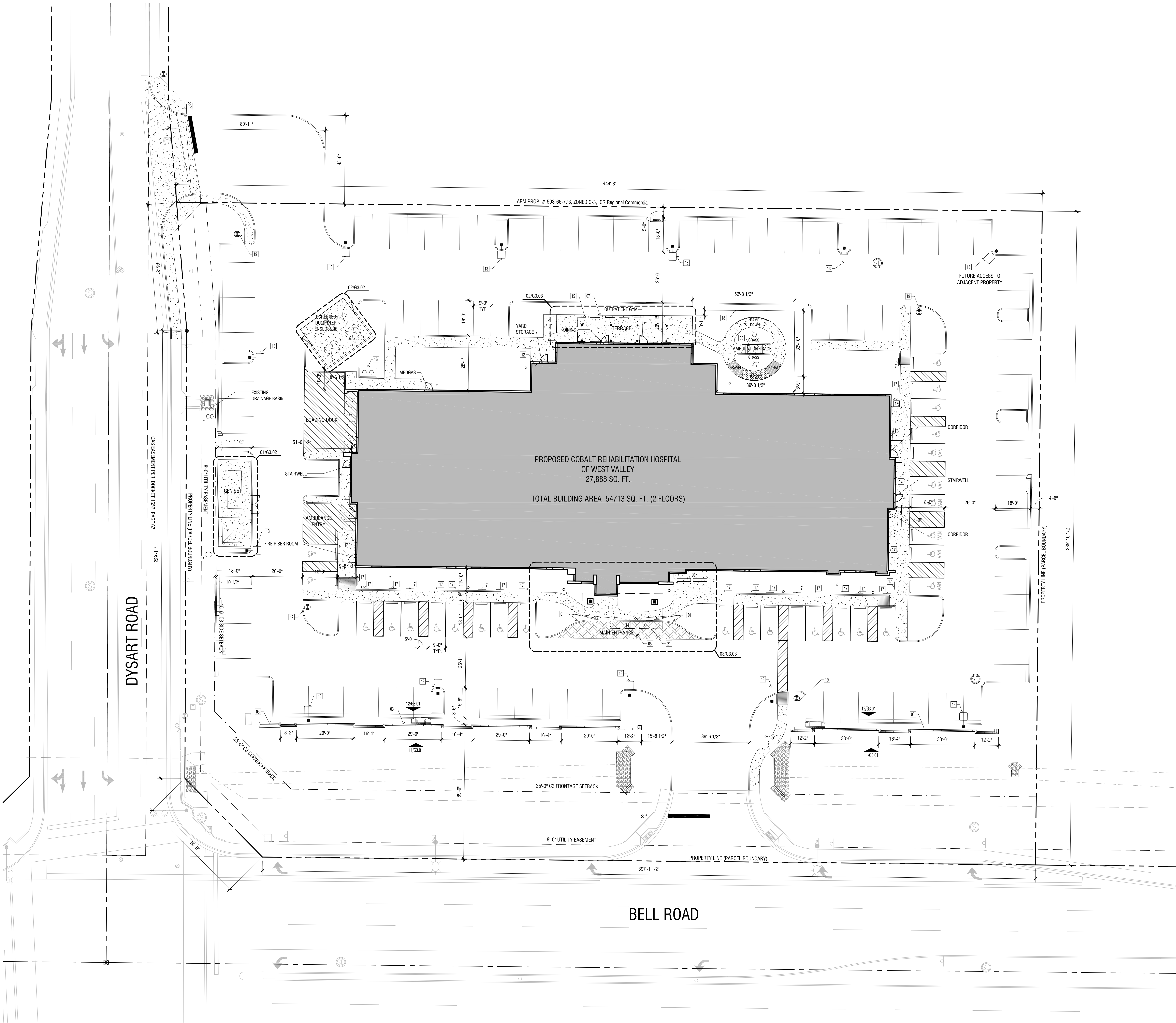


SIG
SURVEY INNOVATION
GROUP, INC.
Land Surveying Services
7301 EAST EVANS ROAD
SCOTTSDALE, AZ 85260
PHONE (480) 922-0780
FAX (480) 922-0781
WWW.SIGSURVEYAZ.COM

RE-PLAT of LOT 6
BELL & DYSART COMMERCE CENTER
SURPRISE, ARIZONA



REVISIONS:
13-155 PLAT.dwg
JOB NO. 2013-155
DRAWN: ELS
CHECKED: JAS
DATE: 4/3/2014
SCALE: 1\" = 40\"
SHEET: 2 OF 2



PARKING COUNTS	
REQUIRED PARKING (PER CITY - MOST RESTRICTIVE)	
1 SPACE PER 400 SQ. FT GROSS FLOOR AREA	
= 54,713/ 400= 137 MIN	
PARKING PROVIDED	
STANDARD PARKING	117
HC PARKING	29
TOTAL PARKING PROVIDED	146

- GENERAL NOTES
1.

REFER TO CIVIL DRAWINGS FOR SITE GEOMETRY, EASEMENTS, DIMENSIONAL CONTROL, SITE UTILITIES, GRADING & DRAINAGE, PAVING DETAILS, PAVING MARKERS, CONCRETE SIDEWALK & CURB DETAILS, PAVING STRIPING & CURB MARKINGS, TYPICAL HANDICAP SIGNAGE & SPACES.
2.

REFER TO MEP SITE DRAWINGS FOR SITE LIGHTING LOCATIONS & SIZES, REFER TO CIVIL FOR ELECTRICAL SLEEVING & SIZES, PULL BOX LOCATIONS FOR TELEPHONE, CABLE T.V. & VARIOUS SITE LIGHTING ELEMENTS AND UTILITY COORDINATION.
3.

REFER TO SIGNAGE VENDOR & SPECIFICATIONS PACKAGE INFORMATION TO COORDINATE ALL CAMPUS SITE SIGNAGE.
4.

REFER TO LANDSCAPE DRAWINGS FOR LANDSCAPE PLANTING & DETAILS, SOODING AND SEEDING, AND LANDSCAPE BED DRAINAGE.
5.

REFER TO IRRIGATION DRAWINGS FOR, HEAD AND VALVE LOCATIONS AND SIZES, IRRIGATION SLEEVING LOCATIONS AND SIZES, IRRIGATION SYSTEM CONTROLLER LOCATION, DETAILS, AND SPECIFICATIONS

CONCRETE PATTERN AND COLOR LEGEND	
	HERRINGBONE PATTERN; COLOR 'A'

- NOTES BY NUMBER
- 01

DECORATIVE BOLLARD REF. 04/G3.01
- 02

STEEL PIPE BOLLARD REF. 05/G3.01
- 03

MONUMENT SIGN
- 04

KNOX BOX, EXACT LOCATION TO BE DETERMINED BY FIRE MARSHALL
- 05

STAMPED AND COLORED CONCRETE PAVING
- 06

VEHICLE SCREEN WALL
- 07

DECORATIVE ALUMINUM GUARDRAIL/HANDRAIL; RE: G3.03
- 08

STAIRS; RE: CIVIL
- 09

SECURITY CAMERA; PROVIDE CONDUIT THROUGH SLAB AND TRELLIS; COORDINATE WITH SECURITY VENDOR ON FINAL LOCATION
- 10

FIRE DEPARTMENT CONNECTION RE: CIVIL AND PLUMBING DWGS.
- 11

LOCATION OF TRANSFORMER RE: CIVIL AND ELECTRICAL DRAWINGS.
- 12

IRRIGATION CONTROLLER; RE: LANDSCAPE DRAWINGS
- 13

LIGHT POLE (TYP.); RE: G3.01; RE: ELECTRICAL DRAWINGS
- 14

MAX 2% CROSS SLOPE AT ALL PASSENGER LOADING ZONES AND ACCESSIBLE PARKING
- 15

ALUMINUM TRELLIS BY OTHERS; REF. 01/G3.03
- 16

GREASE TRAP
- 17

HANDICAPPED PARKING SIGN RE: G3/G3.01
- 18

6'-0" BOARD ON BOARD PRIVACY FENCE
- 19

FIRE HYDRANT
- 20

BIKE RACK
- 21

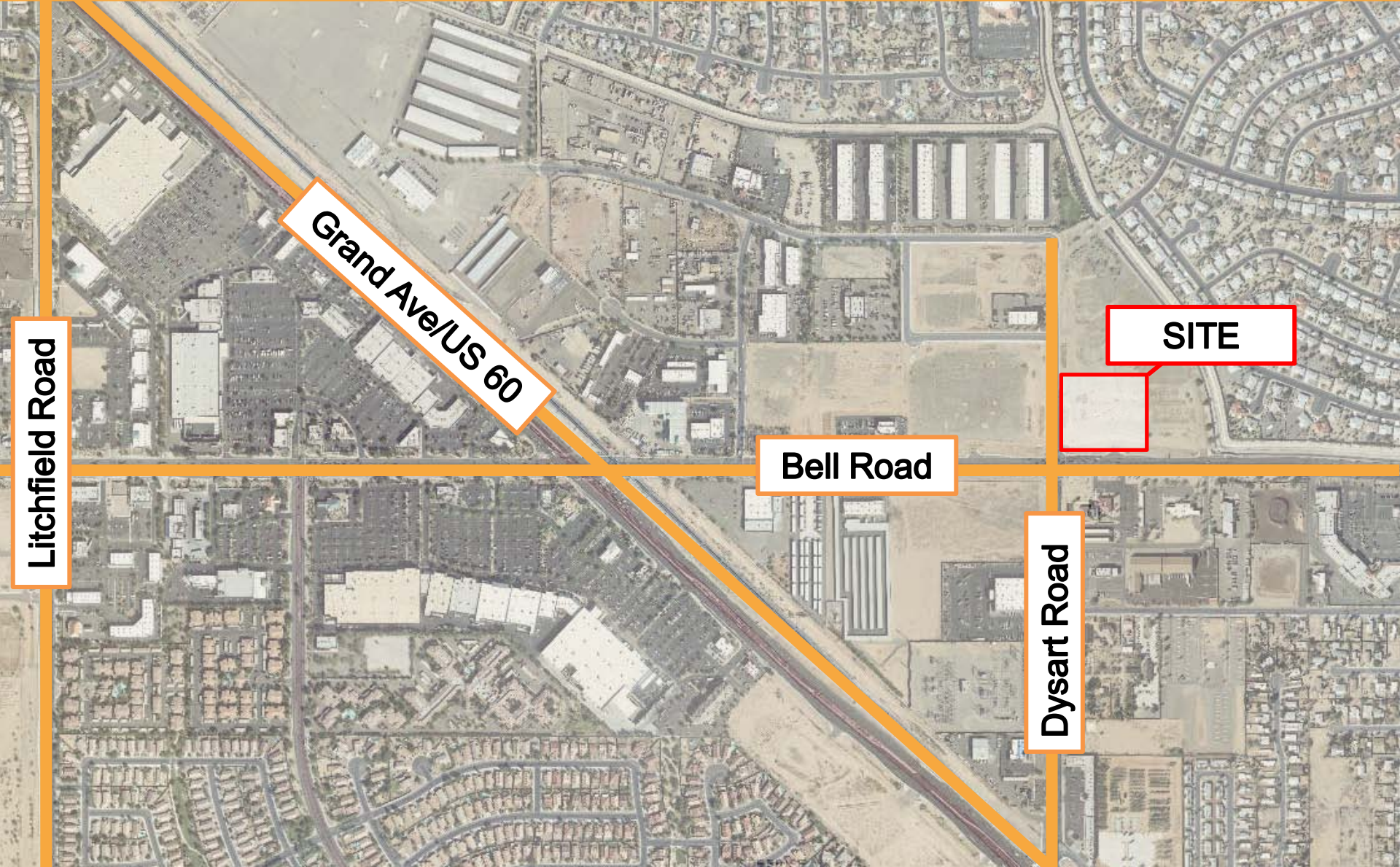
CANOPY, REF. SHEET G3.04



01
G3.00

ARCHITECTURAL SITE PLAN
SCALE: 1" = 20'-0"

VICINITY MAP



Litchfield Road

Grand Ave/US 60

Bell Road

Dysart Road

SITE



CITY OF SURPRISE
Regular City Council Meeting

April 15, 2014 @ 6:00:00 PM

 [Back](#)  [Print](#)

Council Meeting Date: April 15, 2014

Contact Person: Sherry Ann Aguilar, City Clerk

Submitting Department:

District: Citywide

Staff Recommendations: Approve

Consent	x	Regular	Public Hearing	Report/Discussion
---------	---	---------	----------------	-------------------

Agenda Wording:

Consideration and action on the minutes of April 1, 2014 Regular City Council Meeting.

Motion:

I move to approve the meeting minutes.

Background:

Financial Impact Statement:

ATTACHMENTS:

Click to download

☐ [Minutes](#)

External Attachment Links:

Meeting Requirements:

Powerpoint	x	Video	White Board	Other	x
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Presentation Speaker Names (spelling and titles for TV captions):

CITY OF SURPRISE
Regular City Council Meeting Minutes
16000 North Civic Center Plaza
Surprise, AZ 85374

Tuesday, April 1, 2014 @ 06:00 PM

A. Call To Order

B. Roll Call

Mayor Wolcott called the **Regular City Council Meeting** to order at 06:00 PM at Surprise City Hall, Council Chamber 16000 North Civic Center Plaza Surprise, Arizona 85374, on **Tuesday, April 1, 2014**. Also in attendance with Mayor Wolcott were Vice Mayor Hall, Council Member Winters, Council Member Biundo, Council Member Williams, Council Member Villanueva and Council Member Tande.

Staff City Manager, Chris Hillman, City Attorney, Misty Leslie and City Clerk,
Present: Sherry Ann Aguilar.

C. Pledge of Allegiance

D. Invocation

E. City Manager Report:

Government Relations Director, Michael Celaya gave a legislative update; 79th day of the session; it does not appear to be approaching a close soon; Senate has sent back many amendments to the budget and looks like this will continue for a while.

The Governor said she would not sign any more bills until the budget is presented. She is concerned about budget cuts for the schools. Many other bills are in the pipeline and many bills that the City does not support may be coming forward.

Regular City Council Meeting Minutes – April 1, 2014 – Page 2

HB 2547 - Major Events Safety Reimbursement is being reviewed, currently at the Rules Committee level. It has great support.

HB 2044 - Fire District Bill - Planning areas in adjacent Cities/Towns.

Firearms Bill update. This bill is not about firearms, it is about penalizing elected officials. Has gone through 4 committees, one more left.

F. City Attorney Report:

City Attorney Leslie reported on the National Crime Victims Rights Week; report in Progress Magazine and art in city hall.

Mayor Wolcott introduced Zeanna Hawk, Youth Civic Leader.

G. Regular City Council Meeting Agenda:

Mayor Wolcott read a proclamation recognizing Sexual Assault Victim Awareness Month; 14 reports of rape or attempted rape in Surprise. Chief commented on the campaign to assist victims, the victims are usually put on trial.

Mayor Wolcott read a proclamation recognizing of April as National Fair Housing Month - presented to Christina Ramirez, Housing Rehabilitation.

Consent Agenda:

***#1. Consideration and action approving a preliminary plat entitled "The Retreat at Sycamore Farms Parcel 12, Phase 2," dated December 2013, an area generally bounded by SR303 to the west, West Cholla Street to the north, and North 165th Drive to the east; Resolution #2014-20 - APPROVED**

***#2. Consideration and action on the minutes of March 11, 2014 Special City Council Meeting and March 18, 2014 Regular City Council Work Session and Regular City Council Meeting - APPROVED**

***#3. Consideration and action on Professional Services Agreement SA14-069 with GHD Inc, to provide design and construction management services for Mountain View Boulevard improvements in an amount of \$74,485 plus an owner's contingency of \$8,015 for a total cost of \$82,500 - APPROVED**

***#4 Consideration and action on a Series 06 Liquor License request by Wayne Roediger for Rumors Sports Bar & Grill located at 16846 W. Bell Road, Suite 100, Surprise, AZ 85374 - APPROVED**

***#5 Consideration and action accepting application to the Arizona Governor's Office of Highway Safety for available 2014 Reallocation Funding in the amount of \$25,225; Resolution #2014-24 - APPROVED**

*** #6 Consideration and action authorizing the submittal, acceptance and execution of the 2015 GOHS PD DUI Overtime, Equipment and Training grant through the Governor's Office of Highway Safety Program in the amount of \$66,000.00; Resolution #2014-28 - APPROVED**

*** #7 Consideration and action accepting a grant in the amount of \$1,600.00 from Wal-Mart Superstores located in Surprise, Arizona to assist with incurred costs for annual POST re-charter fees, youth training activities, literature, and equipment for members of the Police Explorer Program; Resolution 2014-32 - APPROVED**

*** #8 Consideration and action approving an Original Town Site Incentive Plan for Arizona Charter Academy located at 16011 North Dysart Road; Resolution #2014-33 - APPROVED**

***#9 Consideration and action accepting a grant in the amount of \$2,000.00 from the Sun City Elks Club to assist with the costs of conducting a city-wide bicycle safety program; Resolution #2014-35 - APPROVED**

Council Member Villanueva made the motion to approve the consent agenda. Council Member Tande seconded the motion. Seven yes votes. Motion carried.

Non-Public Hearing:

#10 Presentation and discussion of the village planning process and review of completed plans (Village 1 and Village 3). Obtain direction as to how to proceed and next steps - NO ACTION

City Planner, Nichole McCarty gave an overview regarding the village planning process and review of completed plans (Village 1 and Village 3). Obtain direction as to how to proceed and next steps. A powerpoint presentation was reviewed.

Ms. McCarty commented that she will do a review of past actions of the Village Planning for the purpose of new Council on board.

Regular City Council Meeting Minutes – April 1, 2014 – Page 3

Village 5 is one that we recommend as addressing next due to traffic issues and congestion and lack of roadway access.

Vice Mayor Hall spoke of Village 2 and high priority corners.

Council Member Biundo spoke of his connectivity concerns and further in-depth discussion.

Council Member Tande stated the following: that he has been watching the Village planning process before becoming a Council Member; if we get ourselves too thin on resources, there are issues in both Villages that he would like to see addressed soon and he would recommend spending some money upfront to have a good plan in place before proceeding.

Council Member Williams stated that there needs to be a better sense of urgency on Village 2 in terms of hard corners before other areas develop and that this is his recommendation.

Council Member Villanueva asked for clarification from Council Member Tande regarding the percentages that he mentioned in his comments.

Council Member Tande clarified planning resources, employees to address our most important projects.

Council Member Villanueva commented on Village 1 (Original Townsite) that it has been waiting for many years to be upgraded, especially along Grand Avenue which is a main entrance into the City. She further commented on investing and beautification of the OTS.

Vice Mayor Hall inquired about the GAP Study that was done 5 years ago.

Ms. McCarty stated that she is not familiar with this study.

Mayor Wolcott stated that we need to make sure the GAP Study doesn't have gaps in it and that it is a complete and useful document. She further commented that we need to find ways to bring our areas together. She also asked City Manager Hillman to arrange a joint meeting with Planning and Zoning for an in-depth discussion.

Vice Mayor Hall suggested coming up with a plan on how we can attract a resort development for the White Tanks area, have something available.

#11 Presentation and discussion regarding CDBG Annual Action Plan - NO ACTION

Regular City Council Meeting Minutes – April 1, 2014 – Page 5

Neighborhood Services Manager, Christina Ramirez gave an overview of the CDBG Annual Action Plan. A powerpoint presentation was reviewed. There is an amount leftover from previous estimates in the amount of \$345,000.

Vice Mayor Hall asked for a map of where the street improvements were and where the projected sites will be for the future. He inquired about Paradise Honors.

Ms. Ramirez stated that they did not qualify due to stringent qualifications for financial information.

Council Member Biundo inquired about the Social Services component.

Ms. Ramirez stated that it is not a requirement.

Council Member Villanueva agreed with Council Member Biundo on his recommendations and spoke of homes in the community. She then inquired about public service.

Ms. Ramirez gave an overview of the different types of services.

Council Member Tande asked if general fund dollars are involved in this.

Ms. Ramirez replied that they are not.

Council Member Tande inquired about the history on the P&Z Commission making recommendations.

Ms. Ramirez reviewed history of the committees,

Mayor Wolcott stated that she completely agrees that a priority needs to be in place so that we revitalize our City.

Vice Mayor Hall asked if our Grants Administrator knows that this is a priority.

Ms. Ramirez stated that it needs to be a coordinated effort.

City Manager Hillman stated that we are currently going through the process right now and reviewing all of our policies relating to grants.

Council Member Tande spoke of the process; future discussion on consolidation and that he would like to see Council Member Villanueva be able to weigh in heavily on this process.

Regular City Council Meeting Minutes – April 1, 2014 – Page 6

Vice Mayor Hall stated that there are a couple of huge assets in the OTS that we need to keep in mind

#12 Presentation and discussion on amending COS13-014 to include Guaranteed Maximum Price (GMP) 2 for the Construction Manager at Risk contract with Felix Construction for the Mountain Vista Ranch Well No. 2 in the amount of \$1,318,501 including a \$50,000 owners contingency - NO ACTION

Michael Boule of Public Works gave an overview and powerpoint presentation of this item.

Vice Mayor Hall stated that he would like to applaud the team for the work they have done on this project and working with the neighbors. He further stated that he has not received any complaints about this project.

Council Member Winters asked for clarification on the cost differences between GMP #1 and #2.

Mr. Boule stated that it includes many more components.

Council Member Tande asked if there are any general funds.

Mr. Boule stated that it is 100% impact fee funds.

#13 Presentation and discussion of the City's debt portfolio, the impact of the City's bond rating on debt management and amending the City's financial policy language to focus efforts on achieving the highest bond rating possible - NO ACTION

ACM, Bob Wingenroth gave an overview and powerpoint presentation regarding this item. He introduced CRS Director, Mark Coronado to discuss an exciting opportunity coming our way.

Jim Sundberg, Senior Executive Vice President at Texas Rangers Baseball Club and Kevin Uhlich, Senior Vice President, Business Operations at Kansas City Royals Baseball Club to talk about extending their leases and to share in the costs to help pay off the debt and possible expansion of the facility.

Mr. Sundberg stated that he was not a part of the decision of coming to Surprise but has had the pleasure of coming here to Surprise for the past 12 years. He further stated that he has been able to watch the City grow and that they have had a great partnership with the City and look forward on providing remodel on the headquarters.

Regular City Council Meeting Minutes – April 1, 2014 – Page 7

Mr. Uhlich commented on that it is a great relationship, that he has been with the Royals for 8 years and this partnership is far better than other partnerships and have been a great relationship. He further stated that they do use the facility 12 months out of the year.

Mayor Wolcott thanked everyone for the wonderful relationships with both teams.

Mr. Wingenroth presented one slide to show as a rough overview of financing. Take advantage of bond rating and extend the term of the bonds as an initial look at how we could achieve this.

Council Member Villanueva commended both teams.

Council Member Winters inquired about extending the debt.

Mr. Wingenroth explained that it is not definite yet but that it may be a range of 8 - 11 years to pull this off with keeping our investments in range.

Vice Mayor Hall requested an update on the latest economic impact of the stadium year round.

Mr. Coronado stated that he can get these studies from the Cactus League.

Council Member Williams commented on extending the MPC debt and inquired about the impact it would have on our bond rating for future endeavors.

Mr. Coronado stated that it should not have a negative impact as long as we put together a plan that our bond agencies will believe in.

Council Member Tande stated that having the teams and Stadium here has put us on the map and that this is what we need to do for economic development as we invest in the City of Surprise. He further commented that we are healthy again, not wealthy but we received a rating increase recently and this is huge. He read the following statement "The City shall periodically report on measurable steps taken while striving towards achieving and then maintaining the highest bond ratings in order to minimize borrowing costs, preserve access to credit and demonstrate excellent financial stewardship to our taxpayers and our residents"

Mayor Wolcott stated that we can make sure our policies are inspirational and appreciates Council Member Tande's leadership on this change of policy.

Mayor asked for Council's consensus on this policy change read by Council Member Tande.

Regular City Council Meeting Minutes – April 1, 2014 – Page 8

H. Call To The Public:

Ken Wright: spoke of the meeting regarding the impact fees and meaningful comments were made by City staff. Problem avoidance is the best resolution to problems. Most people wait until there is a problem before addressing. When the impact fees come before the Council again, the Council makes it clear where it qualifies.

I. Other Business and Future Agenda Items:

Council Member Villanueva: Boys & Girls Club

J. Mayor/Council Reports:

Council Member Villanueva: commended CRS for Spring Training and tournament; meetings at OTS have had great turnout; West Valley Foundation Caesar Chavez Breakfast on Friday; met with students from Mexico and toured techcelerator with 40 students.

Council Member Williams: thanked Lynch and his staff for coordinating with local high schools; collected data for Youth Master Plan.

Council Member Tande: tennis tournament; HOA Summit, a lot of good comments, good attendance and attending several block parties.

Council Member Winters: Art Show.

Council Member Biundo: Conference All Ages; Form Base Code Meeting and SC Grand seated new board of directors this morning.

Vice Mayor Hall: thanked staff for the great job with HOA Connection, super job and great ideas were shared.

Mayor Wolcott: thanked former Council Leo Mankiewicz, Form Base Code; trying to raise the bar on the quality of our community; enjoyed WHAM Arts Festival; GPEC Board of Directors; rolled out a Metropolitan Business Plan.

Council Member Tande made the motion to adjourn the Regular City Council Meeting and enter into executive session at 8:19 p.m. Council Member Winters seconded the motion. Seven yes votes. Motion carried.

K. Executive Session:

#14 Discussion and consideration of employment matters related to the performance and performance goals of the City Manager pursuant to Ariz. Rev. Stat. §38-431.03(A)(1).

L. Adjournment

Mayor Wolcott adjourned the Regular City Council Meeting of April 1, 2014 at 10:12 p.m.

Sharon R. Wolcott, Mayor

ATTEST:

Sherry Ann Aguilar, City Clerk

CERTIFICATION:

I, Sherry Ann Aguilar, City Clerk for the City of Surprise, Maricopa County, Arizona, do hereby verify that these are the true and correct minutes of the Regular City Council Meeting of **Tuesday, April 1, 2014.**

Sherry Ann Aguilar, City Clerk



CITY OF SURPRISE
Regular City Council Meeting

April 15, 2014 @ 6:00:00 PM

[Back](#) [Print](#)

Council Meeting Date:	April 15, 2014	Contact Person:	Council Member Tande
Submitting Department:	Finance Dept	District:	Citywide
Staff Recommendations:	Approve		

Consent	Regular	Public Hearing	Report/Discussion
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Agenda Wording:

Consideration and action to amend the City's Debt Management Financial Policy to read: "The City shall periodically report on measurable steps taken while striving towards achieving and then maintaining the highest bond ratings in order to minimize borrowing costs, preserve access to credit, and demonstrate excellent financial stewardship by the City for our taxpayers and residents".

Motion:

I move to amend the City's Debt Management Financial Policy to read: The City shall periodically report on measureable steps taken while striving towards achieving and then maintaining the highest bond ratings in order to minimize borrowing costs, preserve access to credit, and demonstrate excellent financial stewardship by the City for our taxpayers and residents."

Background:

Currently the debt Financial Policy reads: "The City will seek to maintain and, if possible, improve our current bond rating in order to minimize borrowing costs and preserve access to credit". There are financial benefits to achieve the highest bond rating possible for the City of Surprise; the greatest of which is a lower interest cost for our residents. To reflect the importance of continuing to focus on this goal I propose the policy be restated as follows: "City shall periodically report on measurable steps taken while striving towards achieving and then maintaining the highest bond ratings in order to minimize borrowing costs, preserve access to credit, and demonstrate excellent financial stewardship by the City for our taxpayers and residents".

Financial Impact Statement:

None

ATTACHMENTS:

[Click to download](#)

No Attachments Available

External Attachment Links:

Meeting Requirements:

Powerpoint x Video White Board Other x

Presentation Speaker Names (spelling and titles for TV captions):

Councilmember Todd Tande



CITY OF SURPRISE
Regular City Council Meeting

April 15, 2014 @ 6:00:00 PM

[Back](#) [Print](#)

Council Meeting Date: April 15, 2014

Contact Person: Council Member Biundo

Submitting Department:

District: Citywide

Staff Recommendations: Approve

Consent

Regular

Public Hearing

Report/Discussion

Agenda Wording:

Community Outreach Grants Program Subcommittee Presentation.

Motion:

Motion to approve the subcommittee recommendations.

Background:

Financial Impact Statement:

ATTACHMENTS:

Click to download

☐ [PRESENTATION](#)

☐ [Report](#)

External Attachment Links:

Meeting Requirements:

Powerpoint x

Video

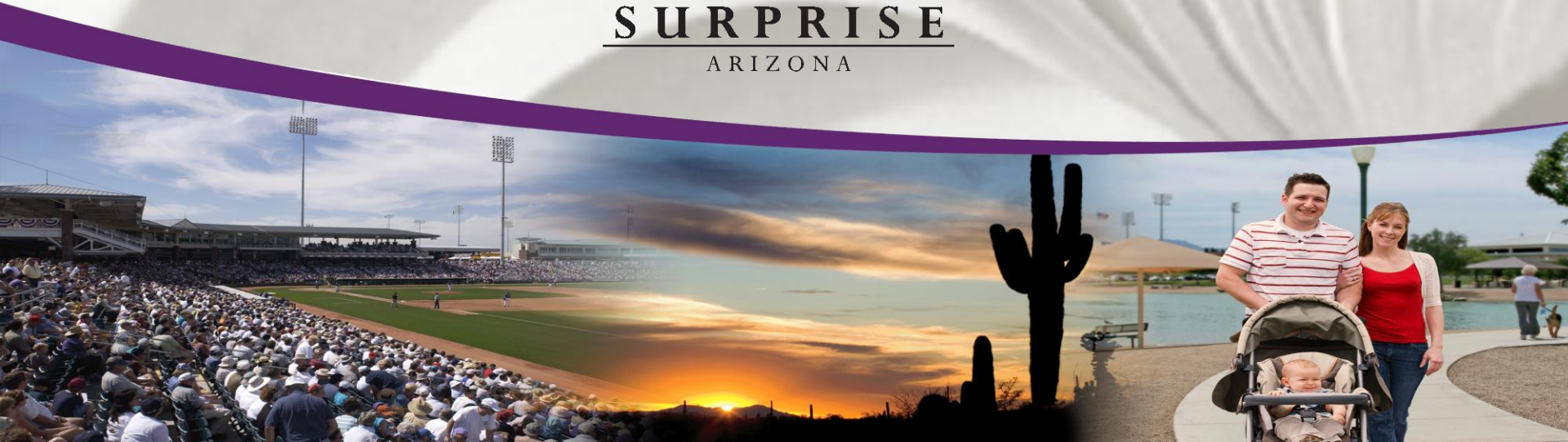
White Board

Other x

Presentation Speaker Names (spelling and titles for TV captions):

City of Surprise Community Outreach Grants Program

2014 ROUND TWO
TUESDAY, APRIL 15, 2014



Community Outreach Program Guidelines:

- *Must provide 501(c)3 verification*
- *Must submit a new application for every cycle*
- *Event/program/activity must take place in the City of Surprise*
- *Must include proposed budget for use of the funds*
- *Application must be typed, with original signature*
- *Late applications will not be accepted*
- *Reporting required twice a year*
- *Recipients will acknowledge the award in press releases*
- *Maximum award is \$10,000*
- *Funds are provided on an invoice or reimbursement basis*

Community Outreach Program Purpose:

- *Purpose of the Community Outreach Program is to support local non-profit organizations which serve the City of Surprise.*
- *FY 2013-2014: \$50,000 was allocated*
- *Five awards were made during Round One*
 - *Total requested amount \$52,853*
 - *Total awarded amount \$34,400*
 - *Remaining balance of \$14,600*
- *Five awards recommended for Round Two*
 - *Total requested amount \$47,777*
 - *Total recommended amount \$14,600*

Community Outreach Program Recommendations:

- *West Valley Symphony*
 - *Poster art contest in conjunction with WHAM and with the Dysart School grades 6-12 followed by poster printing, framing, and delivery to increase the visibility of West Valley Symphony and its concerts.*
 - *Requested: \$2,750*
 - *Recommended: \$1,750*
- *St. Vincent de Paul Society*
 - *Utility assistance of \$250 each for 20 Surprise families*
 - *Requested:\$5,000*
 - *Recommended:\$5,000*

Community Outreach Program Recommendations:

- *Friends of Surprise Library*
 - *Community awareness campaign for “Friends Place,” a used book store located within the Northwest Regional Library*
 - *Requested: \$240*
 - *Recommended: \$240*
- *American Cancer Society*
 - *Funding to support Relay for Life in Surprise on May 3-4, 2014. Promotional and marketing fees, printing cost etc.*
 - *Requested:\$10,000*
 - *Recommended:\$3,500*

Community Outreach Program Recommendations:

- *Maricopa Community College Foundation Rio Salado*
- *Surprise Community Intergenerational Sustainability Program. Tuition waivers (\$59), class supplies, lab fees, and in-kind costs for 54 students to attend three classes (Introductory Nutrition, Gardening Practices and Techniques, and Cooking a Plan Based Diet. Classes will be held at Rio Salado Lifelong Learning Center and Birt's Bistro at Benevilla.*
- *Requested:\$4,563*
- *Recommended:\$4,110*

Any Questions?

Community Outreach Program

Sub-Committee Members

Council Member Jim Biundo, Chair

Council Member John Williams

Council Member Roland Winters

SUBJECT:
FY 2013-2014 Community Outreach Program Round Two

MEETING DATE: April 6, 2014

TO: Mayor and City Council

FROM: Jim Biundo, Chair, City Council Grants & Community Outreach Program Subcommittee

THRU: Michael Celaya, Intergovernmental Relations Director
Chris Hillman, City Manager

PURPOSE:

The City Council Community Outreach Program Subcommittee is requesting that the full City Council approve the FY 2013-2014 Community Outreach Program Round Two funding plan.

DISCUSSION:

During the 2013-2014 fiscal budget review, the City Council allocated \$50,000 to support local non-profit organizations that serve the City of Surprise and its residents. The first round of funding resulted in five awards totaling \$35,400. The remaining \$14,600 was carried over to a second round of funding request. Nine (9) applications were received by the February 18, 2014 deadline. City staff reviewed the applications for eligibility and provided a summary of the request to the Council Subcommittee, which reviewed the recommendations and discussed each application at a public meeting on March 25, 2015.

The funding request for the second round of applications totaled \$47,777. The remaining budget amount is \$14,600. The City Council Subcommittee has recommended funding five (5) non-profit agencies with the following stipulations and amounts:

Agency	Requested	Recommended	Funding Recommendation/Stipulation
American Cancer Society	\$10,000	\$3,500	Funding shall support the Surprise Relay for Life event in May, 2014 items for purchase include: promotion/marketing, printing cost etc.
Friends of Surprise Library	\$240	240	Funding shall support community awareness campaign for "Friends Place," a used book store located within the Northwest Regional Library at Surprise.
Maricopa Community College Foundation Rio Salado	\$4,563	\$4,110	Funding shall support Surprise Community Intergenerational Sustainability Program. Tuition waivers (\$59.00), class supplies, lab fees, and cost for 54 students to attend three classes (Introductory Nutrition, Gardening Practices and Techniques, and Cooking a Plant Based Diet. Classes will be held at Rio Salado Lifelong Learning Center, and Birt's Bistro at Benevilla.
St. Vincent de Paul Society	\$5,000	\$5,000	Funding shall be used for utility assistance in the amount of \$250.00 for an additional 20 families that reside in Surprise.
West Valley	\$2,750	\$1,750	Funding shall support poster art contest in conjunction with WHAM and Dysart Schools grades 6-12 followed by poster printing, framing, and

Symphony			delivery to increase visibility of West Valley Symphony land its concerts.
Total	\$47,777	\$14,600	

SELECTION PROCESS:

Staff publicized the Community Outreach Program for one month on the City's Website. The City Council Subcommittee utilized the following criteria to assist in determining program eligibility:

- Organization must have 501(c)3 status
- Organizations must submit a new application for every cycle
- Events/programs/activities must take place in the City of Surprise
- Organizations must include proposed budget for use of the funds
- Applications must be typed, with original signatures
- Late applications will not be considered
- Reporting requirement commitment
- Recipients will acknowledge the awarding press releases
- Maximum funding award is \$10,000
- Funds are provided on an invoice or reimbursement basis

These criteria are not weighted and are used as a guide toward consensus decision-making. Funding recommendations were based on a composite of staff's technical evaluation of project eligibility and the selection by each sub-committee member of the projects they felt best exemplified local community interests.

If approved by the City Council, the Subcommittee funding recommendation will become a part of the FY2013-2014 budget. All applicants will be notified and required to accept funding with stipulations prior to May 30, 2014.

RECOMMENDATION:

Staff recommends that the City Council approve the FY2013-2014 Community Outreach Program funding plan.



CITY OF SURPRISE
Regular City Council Meeting

April 15, 2014 @ 6:00:00 PM

[Back](#) [Print](#)

Council Meeting Date:	April 15, 2014	Contact Person:	Dick McKinley, Public Works Department
Submitting Department:	Public Works	District:	3
Staff Recommendations:	Approve		

Consent	Regular	Public Hearing	Report/Discussion
---------	---------	----------------	-------------------

Agenda Wording:

Consideration and action declaring its intention to create the "City of Surprise, Arizona, Sycamore Farms Parcel #12 Lighting Improvement District" pursuant to A.R.S. § 48-616; Resolution #2014-26.

Motion:

I move to approve Resolution No. 2014 - 26

Background:

The City has verified that the Petition for the proposed street light improvement district contains the signatures of all of the real property owners in the district, exclusive of mortgages and other lien holders.

The City and Arizona Public Service Company ("APS") have approved the street layout and facilities design. The electric rates are established by APS tariff.

The lighting improvements are more than local or ordinary public benefit and the expenses of the district will be paid for by the levy and collection of equal apportionment taxes upon the assessed valuation within the district.

Financial Impact Statement:

Any financial impact on the City is anticipated to be minimal, as the Developer and District will be bearing the costs and expenses of the District and street light improvement facilities.

ATTACHMENTS:

Click to download

- ☐ [Resolution 2014-26](#)
 - ☐ [Signed Petition-legal description-Map](#)
-

External Attachment Links:

Meeting Requirements:

Powerpoint x Video White Board Other x

Presentation Speaker Names (spelling and titles for TV captions):

RESOLUTION # 2014-26

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, DECLARING ITS INTENTION TO ESTABLISH A STREET LIGHT IMPROVEMENT DISTRICT TO PURCHASE ENERGY FOR LIGHTING THE PUBLIC STREETS AND PARKS IN THE AREA WITHIN THE CORPORATE LIMITS OF THE CITY OF SURPRISE, ARIZONA DESCRIBED ON EXHIBIT A, ATTACHED HERETO; DECLARING SUCH IMPROVEMENTS TO BE OF MORE THAN LOCAL OR ORDINARY PUBLIC BENEFIT AND THAT THE EXPENSES THEREOF BE PAID FOR BY THE LEVY AND COLLECTION OF EQUAL APPORTIONMENT OF TAXES BASED ON THE NUMBER AND CLASSIFICATION OF PROPERTIES WITHIN THE DISTRICT TO BE KNOWN AS "CITY OF SURPRISE, ARIZONA, SYCAMORE FARMS PARCEL #12 LIGHTING IMPROVEMENT DISTRICT"; AND ORDERING THAT SUCH IMPROVEMENTS BE PROVIDED FOR UNDER THE PROVISIONS OF SECTION 48-572, ARIZONA REVISED STATUTES.

WHEREAS, the owners, exclusive of mortgagees and other lienholders, of all of the real property (hereinafter referred to as "Petitioner") in the hereinafter described District, acting pursuant to the provisions of Sections 48-615(A) and 48-617(A), Arizona Revised Statutes, have petitioned the Mayor and Council of the City of Surprise, Arizona (hereinafter referred to as "City"), to adopt a resolution of intention (hereinafter referred to as "Resolution") ordering the purchase of energy for the lighting of the public streets and parks (hereinafter referred to as "Improvements") for the real property legally described in Exhibit A (such area hereinafter referred to as the "District") with such boundaries as shown in the map in Exhibit B attached hereto pursuant to the provisions of Section 48-576, Arizona Revised Statutes, giving the City immediate jurisdiction to order the Improvements pursuant to the provisions of Section 48-581, Arizona Revised Statutes, without the necessity of the publications or posting of this Resolution provided for in Sections 48-578, Arizona Revised Statutes;

WHEREAS, the City has verified that Petitioner is the owner, exclusive of mortgagees and other lienholders, of all of the real property included within the boundaries of the District, and;

WHEREAS, the Mayor and Council of the City hereby find and determine that they have jurisdiction to adopt this Resolution to order the Improvements pursuant to the provisions of Section 48-576, Arizona Revised Statutes, and have immediate jurisdiction to adopt this Resolution ordering the Improvements pursuant to the provisions of Section 48-581, Arizona Revised Statutes without the necessity of publications and posting of this Resolution as provided for in Section 48-578, Arizona Revised Statutes;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Surprise, Arizona, as follows.

Section 1. The City, after verifying ownership of the real property included within the boundaries of the District, hereby finds the Petitioner is the owner, exclusive of

mortgagees and other lienholders, of all of the real property included within the boundaries of the District.

Section 2. The name of the District shall be "CITY OF SURPRISE, ARIZONA, SYCAMORE FARMS PARCEL #12 LIGHTING IMPROVEMENT DISTRICT."

Section 3. The District is formed, and shall exist, pursuant to the provisions of Title 48, Chapter 4, Article 2, Arizona Revised Statutes, and Section 48-616, Arizona Revised Statutes.

Section 4. The public interest or convenience requires, and it is the intention of the Mayor and Council of the City to order the Improvements as so described above.

Section 5. The Improvements, in the opinion of the Mayor and Council of the City, are of more than local or ordinary public benefit and are of special benefit to the respective lots, pieces and parcels of real property in the District, and the Mayor and Council of the City hereby make and order the expense of the Improvements payable from the levying and collection of an equal apportionment of taxes based on the number and classification of properties within the District to be known and designated as "City of Surprise, Arizona Sycamore Farms Parcel #12 Lighting Improvement District" and hereby declare that the District is as legally described on Exhibit A attached hereto with the boundaries as shown in the map in Exhibit B attached hereto. Any public street or alley within the District shall be omitted from the assessment. Any lot belonging to the United States, the State, a county, city, school district or political subdivision or institution of the state or county within the District shall be omitted from the assessment.

Section 6. The Superintendent of Streets or equivalent of the City shall not be required to post or cause to be posted notices of the Resolution of Intention. The Clerk of the City shall certify to the passage of this Resolution of Intention but shall not be required to cause the same to be published in a newspaper published and of general circulation in the City.

Section 7. The Mayor and Council of the City shall make annual statements and estimates of the expenses of the district, which shall be provided for by the levy and collection of equal apportionment of taxes based on the number and classification of properties within the District; shall publish notice thereof; shall have hearings thereon; and shall adopt them at the times and in the manner provided for incorporated cities and towns by the applicable portions of Section 42-17101, et seq., 42-17152, Arizona Revised Statutes. The Mayor and Council of the City shall, on or before the third Monday in August of each year, fix, levy and assess the amount to be raised by an equal apportionment of taxes based on the number and classification of the properties within the District and collect, as Maricopa County, Arizona (the "County") taxes are collected, the amounts shown by the statements and estimates as adopted by the Mayor and Council of the City. All statutes providing for the levy and collection of State of Arizona and County taxes, shall be applicable to District taxes as provided to be levied under Section 48-616, Arizona Revised Statutes.

Section 8. The District shall not be authorized to issue bonds and no assessment for District purposes against the property within the District shall exceed One Dollar and Twenty Cents (\$1.20) per each hundred dollars of taxable valuation thereof in any year.

Section 9. The District shall not engage in any activity other than as provided in Section 48-616, Arizona Revised Statutes, i.e., contracting for and purchasing of energy for street and public park lighting.

Section 10. The formation of the District shall not be considered as preventing the subsequent establishment of improvement districts for any other purpose authorized by law, including improvement districts for the purpose of construction street lighting facilities within any part or all of the same territory as the District.

Section 11. The type of lighting facilities to be installed in the District and the locations thereof shall consist of those lighting facilities and locations described in the petition submitted by Petitioner, or as may be approved by the City.

Section 12. The rate to be paid for purchasing the energy for the District shall be the rate described in the petition submitted by Petitioner, or as may be approved by the Arizona Public Service Company.

Section 13. Any resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

APPROVED AND ADOPTED this __ day of _____, 2014.

Sharon R. Wolcott, Mayor

Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Misty Leslie, City Attorney



**Legal Description
Sycamore Farms
Street Light Improvement District**

Job No. 12-128

December 2, 2013

That part of the East Half of Section 24, Township 3 North, Range 2 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly describe as follows:

COMMENCING at a brass cap in hand hole marking the east quarter corner of said Section 24, from which a brass cap in hand hole marking the northeast corner of said Section 24 bears N 00°19'18"E, a distance of 2,637.80 feet; thence N00°19'18"E, along the east line of the northeast quarter of said Section 24, a distance of 1,324.45 feet; thence N89°40'42"W a distance of 901.40 feet to the beginning of a curve, concave to the south, the center of which bears S00°19'18"W at a distance of 550.00 feet; thence westerly, along the arc of said curve, through a central angle of 39°17'21" for a distance of 377.15 feet to the POINT OF BEGINNING

Thence continuing southwesterly along the arc of said curve, through a central angle of 43°21'01", for a distance of 416.13 feet; thence S07°40'56"W for a distance of 537.45 feet to the beginning of a curve, concave to the west, the center of which bears N82°19'04"W at a distance of 905.00 feet; thence southerly, along the arc of said curve, through a central angle of 01°13'48" for a distance of 19.43 feet; thence N80°33'29"W, not tangent to said curve, for a distance of 155.57 feet to the beginning of a curve, concave to the north, the center of which bears N09°26'31"E at a distance of 408.00 feet; thence westerly, along the arc of said curve, through a central angle of 17°37'11" for a distance of 125.47 feet to a point of tangency; thence N62°56'18"W for a distance of 129.60 feet to a point on a non-tangent curve, concave to the south, the center of which bears S28°15'52"W, at a distance of 281.09 feet; thence westerly along the arc of said curve, through a central angle of 28°00'07" for a distance of 137.38 feet; thence N89°39'13"W, not tangent to said curve, for a distance of 388.79 feet to the east line of for State Route 303 right-of-way as described in Instrument No. 2013-639146, Official Records of Maricopa County, Arizona; thence N 00°23'37"E, along said east line, for a distance of 425.12 feet; thence N07°29'38"E, along said east line, for a distance of 455.87 feet; thence S89°40'42"E, departing said east line, a distance of 1,018.61 feet; thence S38°58'04"E, a distance of 160.64 feet to the POINT OF BEGINNING.

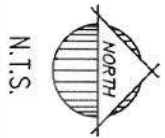
An area containing 925,119 square feet or 21.2378 acres, more or less.



EPS Group, Inc. • 2150-I S. Country Club Dr., Suite 22 • Mesa, AZ 85210
Tel (480) 503-2250 • Fax (480) 503-2258

S:\Projects\2012\12-128\Legal Survey\Legals\12128 LD STD.doc

SEE SHEET 2 FOR LINE AND CURVE TABLES



N.T.S.

165TH DRIVE

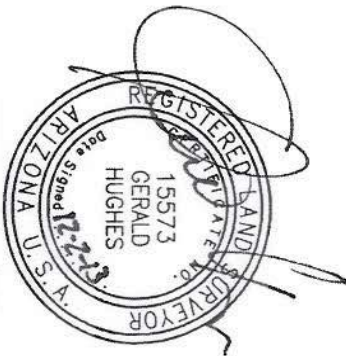
E 1/4 COR., SEC. 24
T.3 N., R.2 W.

1324.45'
N00°19'18"E 2637.80'
SARIVAL AVENUE

NE COR., SEC. 24 —

-POINT OF BEGINNING

EXPIRES: 3/31/2015



12-128



OS group, Inc.
Engineers, Planners & Surveyors
2045 S. Vineyard, Ste. 101, Mesa, Arizona 85210
Phone (480) 503-2259 Fax (480) 503-2258

SECTION 24, T.3N, R.2W

Project

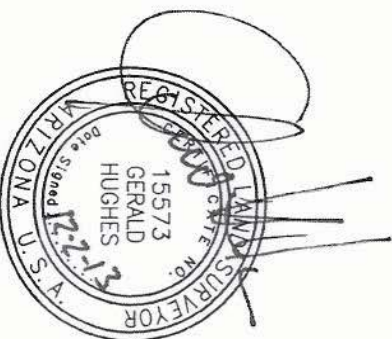
EXHIBIT SYCAMORE FARMS

SHEET 1 OF 2

LINE TABLE		
LINE	BEARING	LENGTH
L1	N89°40'42"W	901.40'
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EXPIRES: 3/31/2015



12-128



eps group, Inc.
Engineers, Planners & Surveyors

2045 S. Vinograd, Ste. 101, Mesa, Arizona 85210
Phone (480) 503-2320 Fax (480) 503-2328

SECTION 24, T.3N, R.2W

Project

EXHIBIT

SYCAMORE FARMS

SURPRISE, ARIZONA

SHEET 2 OF 2

STREET LIGHT IMPROVEMENT DISTRICT PETITION

TO THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE:

We, the undersigned, are all of the real property owners, exclusive of mortgagees and other lienholders, within the district named below. We petition the City Council of the City of Surprise, Arizona, to establish a street light improvement district under Arizona Revised Statutes (A.R.S.) §48-571 to 48-622, and any amendments, and specifically A.R.S. §48-615 to 48-617, to purchase electricity for lighting the public streets and/or parks within the district whose boundaries and area is described in Exhibit A, attached hereto and depicted in Exhibit B attached hereto. This petition includes a charge for maintaining the lighting facilities.

It is hereby requested that, in compliance with the Arizona Revised Statutes, the City Council adopt a Resolution of Intention to order the proposed improvements, and that unless protests are received pursuant to A.R.S. §48-579 sufficient to bar further proceedings, the City Council proceed with the improvements petitioned for herein.

Expenses of the District shall be paid by the levy and collection of an equal apportionment of taxes based on the number and classification of properties within the District.

Public convenience, necessity and welfare will be promoted by the establishment of the District and the real property within the District will be benefited by the District.

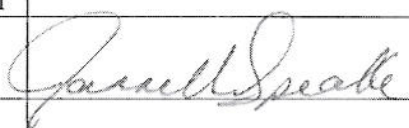
Additional street lighting facilities may be installed and included in the District, at no investment cost to the District, as directed by the City and as approved by Arizona Public Service and the City Engineer.

WHEREFORE, we respectfully ask that this Petition be properly filed and that the Mayor and Council of the City adopt the Resolution and take such other action as is proper, necessary and appropriate to form the District and to fulfill the purposes for which the District is organized, as the Mayor and Council believe is proper and necessary.

The name of the proposed street light improvements district shall be:

Sycamore Farms *PARCEL 12 #136*

PETITIONERS: Please print and sign your name

PETITIONER'S NAME	ADDRESS OR PARCEL NUMBER OF PROPERTY OWNED WITHIN DISTRICT	SIGNATURE
KB Home Phoenix, Inc (Jannelle Speake, Agent)	See Exhibit "A"	



**Legal Description
Sycamore Farms
Street Light Improvement District**

Job No. 12-128

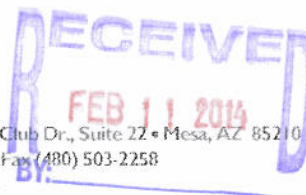
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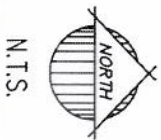
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An area containing 925,119 square feet or 21.2378 acres, more or less.



SEE SHEET 2 FOR LINE AND CURVE TABLES

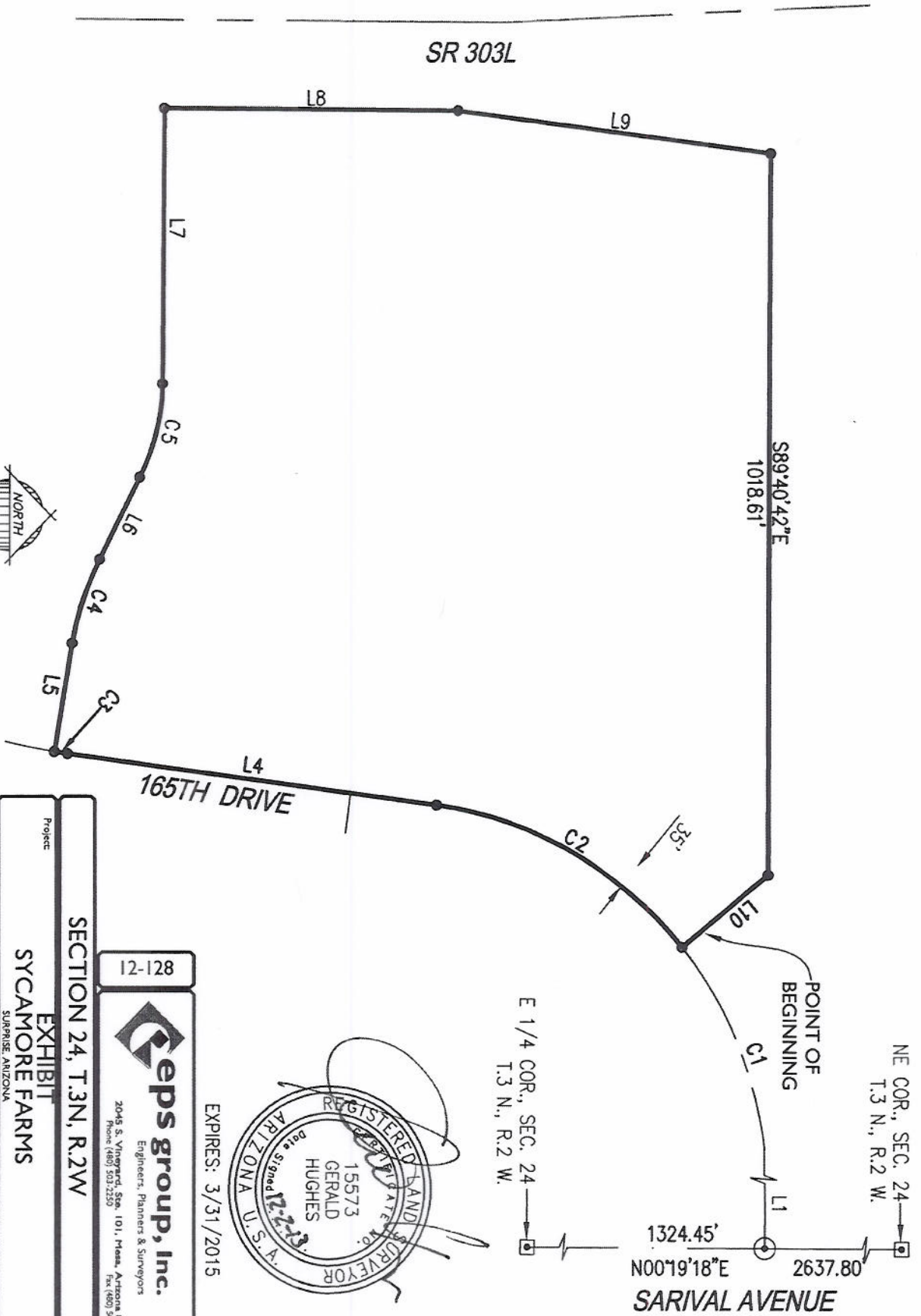


Project	SECTION 24, T.3N, R.2W
EXHIBIT	SYCAMORE FARMS
SURPRISE, ARIZONA	
SHEET 1 OF 2	

eps group, inc.
Engineers, Planners & Surveyors
2045 S. Vinograd, Ste. 101, Mesa, Arizona 85210
Phone (480) 503-2250 Fax (480) 503-2258

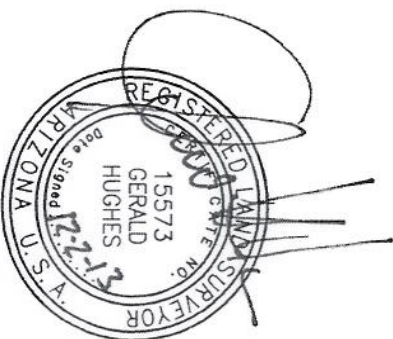
12-128

EXPIRES: 3/31/2015



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EXPIRES: 3/31/2015

12-128	 eps group, inc. Engineers, Planners & Surveyors 2045 S. Vineyard, Ste. 101, Mesa, Arizona 85210 Phone (480) 503-2250 Fax (480) 503-2258
SECTION 24, T.3N, R.2W	
EXHIBIT SYCAMORE FARMS SUPERIOR, ARIZONA	
SHEET 2 OF 2	



CITY OF SURPRISE
Regular City Council Meeting

April 15, 2014 @ 6:00:00 PM

[Back](#) [Print](#)

Council Meeting Date: April 15, 2014
Submitting Department: CD
Staff Recommendations: No Action

Contact Person: Chris Hillman, City Manager
District: Citywide

Consent	Regular	Public Hearing	Report/Discussion
---------	---------	----------------	-------------------

Agenda Wording:

Presentation and update on the Surprise Transportation Plan.

Motion:

Discussion only

Background:

Financial Impact Statement:

N/A

ATTACHMENTS:

Click to download

☐ [Staff Report](#)

External Attachment Links:

Meeting Requirements:

Powerpoint x Video White Board Other x

Presentation Speaker Names (spelling and titles for TV captions):

Martin Lucero, Transportation Planning Manager



COMMUNITY AND ECONOMIC DEVELOPMENT

Date: April 15, 2014

To: Mayor and City Council

From: Chris Hillman, City Manager
Martin Lucero, Transportation Planning Manager
martin.lucero@surpriseaz.gov, 623-222-3142

Re: Transportation Update

Background

In preparation of the Surprise Transportation Plan update Staff has identified various planning tools that should be developed. Elements of these tools are found in the newly adopted City's General Plan, as well as other regional planning documents. However, fully developed plans and policies have not been completed.

Each tool will be incorporated into the Surprise Transportation Plan and will help qualify future transportation projects for State and Federal funds.

Identified Planning Tools

- Access Management Plan
- Bicycle/Pedestrian Plan
- Complete Streets Guidelines and Policies
- Major Thoroughfare Plan
- Transit Plan

These tools will help the City of Surprise to create the environmentally friendly transportation system, where everyone is able to walk, ride, drive or bike in a safe, convenient, and affordable manner, as described in the City's general plan.

Presentation Summary

- Why develop the identified plans and policies
- Impacts and Benefits
- Timing

Recommendation

Staff is seeking direction to proceed with the development of identified plans and policies and looking for support to take to the Planning and Zoning Commission for review.



CITY OF SURPRISE
Regular City Council Meeting

April 15, 2014 @ 6:00:00 PM

[Back](#) [Print](#)

Council Meeting Date:	April 15, 2014	Contact Person:	Dick McKinley, Public Works Department
Submitting Department:	Public Works	District:	5
Staff Recommendations:	Approve		

Consent	Regular	Public Hearing	Report/Discussion
---------	---------	----------------	-------------------

Agenda Wording:

Consideration and action approving amendment to COS13-014 to add the second phase of the well project to include Guaranteed Maximum Price (GMP) 2 for the Construction Manager at Risk contract with Felix Construction for the Mountain Vista Ranch Well No. 2 in the amount of \$1,318,501 including a \$50,000 owners contingency.

Motion:

I move to approve the Construction Manager at Risk contract for GMP 2 with owners contingency.

Background:

City Council approved the original Construction Manager at Risk Contract and GMP No. 1 with Felix Construction on August 20, 2013 for preconstruction services and well drilling.

This contract and associated GMP 2 will be for the final phase of the Mountain Vista Ranch Well No. 2 construction including well site equipment installation, final connections and testing.

Financial Impact Statement:

This is a growth project in the Water System Development Fee Fund under the SPA1 Mountain Vista Well #2 project (21111). The total project budget is \$2,789,200 and the project had prior year's expenditures of \$126,700. The approved budget for FY2014 is \$2,136,500 with an additional \$526,000 planned for FY2015.

ATTACHMENTS:

Click to download

- ☐ [Contract](#)
 - ☐ [Presentation](#)
-

External Attachment Links:

Meeting Requirements:

Powerpoint x Video White Board Other x

Presentation Speaker Names (spelling and titles for TV captions):

CITY OF SURPRISE

CONSTRUCTION MANAGER AT RISK AGREEMENT

Pursuant to COS13-014, CM@Risk Request for Statements of Qualifications

Project: Mountain Vista Ranch Well No. 2

April 1, 2014

Gauranteed Maximum Price No. 2

Project No.: 21111

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CONSTRUCTION MANAGER AT RISK AGREEMENT

This Construction Manager at Risk Agreement (this "Agreement") is made by and between the City of Surprise, an Arizona municipal corporation ("City"), and Felix Construction Company, an Arizona Corporation ("CMAR").

RECITALS

- A. City is undertaking the design and construction of a public works project, as described in detail in **Exhibit B**, to benefit its citizens and visitors and the region generally (the "Project").
- B. City has engaged Brown and Caldwell to prepare design, programs, budgets, and other criteria for the project (the "Design Documents").
- C. CMAR submitted its Statement of Qualifications dated June 3, 2013 (the "SOQ"). CMAR's SOQ were submitted in response to City's Request for Statements of Qualifications dated May 2, 2013. CMAR was selected by a qualification-based process in accordance with Title 34 of the Arizona Revised Statutes.
- D. The City entered into a contract with Felix Construction Company for Guaranteed Maximum Price (GMP) #1 On August 21, 2013. City will engage CMAR under the terms of this Agreement to manage and be responsible for the timely and proper construction and commissioning of the fully completed and functional Project and set the GMP #2 (the "Work").
- E. The parties desire to memorialize their agreements.

AGREEMENT

City, subject to the terms and conditions of this Agreement, hereby engages CMAR to construct the Project, CMAR accepts this engagement, and therefore, City and CMAR agree as follows:

- 1. **Definitions.** Specific words used throughout this Agreement have a particular meaning described in **Exhibit A**. Other words may be described in the section in which they are used. For convenience, **Exhibit A** includes an index to terms and certain provisions of this Agreement.
- 2. **Construction Services.**
 - 2.1 **CMAR Obligation.**
 - (A) CMAR will furnish all Construction Services, including those further described in **Exhibit B**, that are necessary for the Project's timely and proper construction, completion, and use by City.
 - (B) Construction Services includes the completion of every improvement shown in whole or in part or reasonably inferable from any portion of the Project Documents.
- 3. **Representatives and Key Personnel.**
 - 3.1 **CMAR Representative.**
 - (A) Responsibilities. CMAR's Representative is authorized to act on CMAR's behalf and may not be discharged, replaced or have diminished responsibilities on the Project without City's prior consent, which may not be unreasonably withheld.

- (B) Address. CMAR's Representative address for Notice, as required in this Agreement, is:

Archie Lopez, President
Felix Construction Company
1326 West Industrial Drive
Coolidge, AZ 85128
Phone: 480-464-0011
Fax: 480-464-0078

3.2 City's Representative.

- (A) Designation of City Representative. City's Representative is authorized to act on City's behalf, whose address for Notice, as required in this Agreement, is:

Public Works Department
City of Surprise
16000 N. Civic Center Plaza
Surprise, Arizona 85374

With required copies to:

City Attorney
City of Surprise
City Attorney's Office
16000 N. Civic Center Plaza
Surprise, Arizona 85374

- (B) Concurrent Notices.

- (1) Except to the extent otherwise directed to CMAR in writing, all Notices to City's Representative must be given concurrently to the Project Manager and City Attorney.
- (2) Notices are not considered received by City's Representative until the time that it has also been received by the Project Manager and City Attorney.

- (C) Professional(s) (Architect, Engineer, or Construction Assurance/Administration). The Professional(s) representative with authority to act for the Construction Administration Firm for the Project whose information for Notices is:

Tracy Moraca, Project Engineer
Brown & Caldwell
201 E. Washington Street, Suite 500
Phoenix, AZ 85004
Phone:
Email: tmoraca@brwnncald.com

3.3 Key Personnel.

- (A) Employment of Key Personnel. CMAR and its Subcontractors will employ key personnel in connection with the Work, in categories of

persons identified in **Exhibit C** (collectively, "Key Personnel"); each of whom will be acceptable to and approved by City.

(B) Approval of Key Personnel.

- (1) All personnel listed in CMAR's SOQ will be assigned to the Project and will be dedicated to performing work on the Project at not less than that identified in the SOQ.
- (2) Prior to the commencement of the Work, CMAR must deliver to City a written proposal identifying the names, duties and titles, and attaching the resumes of each person who CMAR proposes as the Key Personnel.
- (3) Except for those Key Personnel identified in the SOQ, City will have the right to disapprove CMAR's choice of any Key Personnel, provided City does so by giving written notice to CMAR.
- (4) If City disapproves any of CMAR's proposed Key Personnel, CMAR must provide City with the name and qualifications of proposed alternates and the procedure will continue until a complement of Key Personnel who meet with City's approval is selected.
- (5) Each Key Personnel will remain assigned to the Project throughout the Project's duration; and
- (6) As long as each Key Personnel remains employed by CMAR or its Subcontractors, he or she must not be discharged, reassigned, replaced, or have his or her responsibility diminished without City's prior written consent.

4. **Documents.**

4.1 CMAR Documents. CMAR represents that it has carefully examined, has had the opportunity to object to during the RFQ process, and fully understands this Agreement, including CMAR Documents and all other items, conditions, and things that may affect the performance of its obligations, including the nature, local field conditions and Project's Site that are observable to CMAR without intrusive inspection, any environmental reports, surveys and other information regarding the Site that City has furnished to CMAR.

4.2 In the event of conflict among the various provisions of the Contract Documents, the terms shall be interpreted in the following order of priority:

- (A) Amendments to the Contract
- (B) The Agreement
- (C) Special Conditions
- (D) General Conditions

Drawings shall control over Specifications, and details in drawings shall control over large-scale drawings.

4.3 In the event of conflict among the various provisions of the Contract Documents, the terms shall be interpreted in the following order of priority:

- (A) Modifications to the Contract
- (B) The Contract
- (C) Special Conditions
- (D) General Conditions

Drawings shall control over Specifications, and details in drawings shall control over large-scale drawings.

4.4 Design Documents. City will furnish the Design Documents with the understanding that CMAR may rely upon it to the extent CMAR's reliance is reasonable.

- (A) CMAR must consider the Design Documents in agreeing to the Guaranteed Maximum Price (as required by § 5).
- (B) CMAR hereby waives all claims, demands or requirements for extras or changes to the Work or the Guaranteed Maximum Price based on facts related to the Site that were discoverable by CMAR prior to the Effective Date.

4.5 Work Product Formatting. Any drawings created by CMAR, its Subcontractors, or its Lower Tier Entities will be generated and furnished to City in hardcopy and in freely modifiable AutoCAD format as City may reasonably request.

4.6 Intellectual Property Rights Assignment. CMAR hereby irrevocably conveys and assigns to City the exclusive Ownership of, and copyrights in, Work Product (as defined in **Exhibit A**) that is generated by CMAR, its Subcontractors, and its Lower Tier Entities in connection with the Project, together with all copyright renewals and extensions and the right to reproduce, publish, modify, and create and publish derivative works from the Work Product.

- (A) Use of Intellectual Property. CMAR warrants that neither it, its Subcontractors, nor its Lower Tier Entities will utilize any of the Work Product in connection with any other project without City's prior written consent, which may not be unreasonably withheld but which may be denied to the extent the requested use is for the other project and involves aesthetically unique or signature elements of the Project.
- (B) Non-Infringement. CMAR further warrants to City that all Work Product generated or arranged for by CMAR, its Subcontractors, or its Lower Tier Entities in connection with the Project, and CMAR's conveyance and assignment to City of the ownership of, and copyrights in, the Work Product and/or copyrights in them, as provided in this section, will not infringe on the copyrights or another party's contractual or proprietary interests.
- (C) CMAR will include provisions equivalent to § 4.5 in each of CMAR's Subcontracts and Sub-subcontracts.

5. **Guaranteed Maximum Price.** The maximum amount for completion of the Work as required by the Design Documents will be the Guaranteed Maximum Price ("GMP"). Pre-Construction services are completed.

5.1 GMP Elements. The GMP will incorporate into one amount:

- (A) All CMAR's direct and indirect costs and expenses incurred in connection with the Work, whether at the home office, Site, or elsewhere;
- (B) The cost of all construction, construction materials, engineering services, architectural services, geotechnical services, transportation costs, labor, supplies, services, equipment and other elements necessary for the Project's proper and timely completion;
- (C) All profit, home office overhead, job site overhead, wages, salaries and fringe benefits paid to supervisory and other employees and representatives;
- (D) Job trailer rental, utilities, telephone, and other related expenses;
- (E) Printing;
- (F) Long distance charges;
- (G) Deliveries;
- (H) Transportation;
- (I) Insurance, as allowed in § 5.5;
- (J) Bonds, as allowed in § 5.5;
- (K) All building permit costs and fees required by any federal, state or local governmental entity;
- (L) All federal, state and local taxes imposed on labor, construction materials, equipment and services furnished, including transaction privilege, excise, sales, use, personal property and similar taxes, as allowed in § 7.1; and
- (M) All other general and administrative expenses incurred in connection with the Work.

5.2 Insurance and Bond Premiums. CMAR's Reimbursable Construction Insurance and Bond Premiums are the amounts equal to the premiums CMAR is required to pay to secure:

- (A) The Builder's Risk policy CMAR is required to furnish with City's approval as provided in this Agreement;
- (B) The liability insurance CMAR and its Lower Tier Entities are required to furnish under the provisions of **Exhibit F** in connection with the Construction Services; and
- (C) CMAR's statutory payment and performance bonds as provided in §30.3, if the premium has been included in the GMP Schedule approved in writing by City.

5.3 Contingencies. Any line item identified in the GMP Schedule as a contingency ("Contingency") belongs solely to City, and may not be drawn upon or reallocated by CMAR without the Project Manager's prior written approval.

- (A) Draws Including a Contingency. CMAR must include with each monthly Application for Progress Payment an itemization of each draw from the Contingency (by date, payee, purpose and amount of each transfer or payment) made during the Billing Month, together with a copy of City's written approval for the draw.
- (B) Required Designation of Contingency. Unless the GMP Schedule conspicuously designates a line item as a "contingency," the GMP does not include any contingency amount of any kind or nature.

5.4 Allowance. Any line item identified in the GMP Schedule as an allowance item ("Allowance Item") is subject to the following:

- (A) Allowance Use Approval. CMAR will not place any order for any Allowance Item until after City and Project Coordinator have given their approval of the specific item to be selected, its cost, and the resulting adjustment to the GMP.
- (B) Allowance Designation. Except to the extent the GMP Schedule conspicuously designates a line item as an Allowance Item, the GMP does not include any allowance item of any kind or nature.

5.5 CMAR Risk. CMAR bears the sole risk that any element of cost, overhead, or profit might cause the Guaranteed Maximum to be exceeded.

5.6 GMP Savings. If, upon the Work's Final Completion, the Contract Sum is less than an amount equal to the GMP, the resulting amount will belong solely to City.

5.7 GMP Schedule. The GMP is apportioned among the Work's various elements as provided in **Exhibit D** (the "GMP Schedule"). **Exhibit D** may be used by City as a basis for evaluating CMAR's Applications for Progress Payment. To the extent there is any inconsistency between any of the provisions in **Exhibit D**, and any of this Agreement's provisions, this Agreement's provisions govern.

6. Schedules.

6.1 Commencement Date. The date of City's written notice to proceed ("**Notice to Proceed**") will be the Construction Services commencement date.

- (A) City will not issue a Notice to Proceed until City has approved the applicable Construction Documents, and the necessary Permits have been issued.
- (B) CMAR must not commence any Construction Services at the Site until City has first issued a written Notice to Proceed.

6.2 Time of the Essence. Time is of the essence.

6.3 Project Schedule. CMAR must prosecute the Work in a logical and efficient manner in accordance with City's project schedule ("Project Schedule"), attached as **Exhibit E**.

- (A) Initial Project Schedule. Within 15 days of the execution of this Agreement, CMAR must submit an initial Project Schedule, which will include the following:

- (1) Times (number of days or dates) for starting and completing the various stages of the Work, including milestones as specified in CMAR Documents; and
 - (2) A Schedule of Values.
- (B) Adherence to Project Schedule. CMAR must adhere to the major milestone dates of the Project Schedule at all times during the Work, unless it has received City's prior written approval for a deviation from or modification to the major milestone dates of the Project Schedule. CMAR must not depart from the major milestone dates of the Project Schedule without prior consultation with and approval from City.
- (C) Project Schedule Revision. The Project Schedule must be revised at least monthly, or at more frequent intervals as required by the conditions of the Work and Project, but each Project Schedule revision must allow for expeditious and practicable execution of the Work consistent with the Contract Times.
 - (1) The monthly revision will be a condition precedent to any payment otherwise due to CMAR.
 - (2) Each revised Project Schedule must be prepared in sufficient detail to demonstrate for each element of the work its timing, duration, and sequence, all integrated to show a logical order and reasonable critical path consistent with the Substantial Completion and Final Completion Dates.
 - (a) The revised Project Schedule may take into account an appropriate number of weather delays reasonably anticipatable based on experience in the area, but not less than one day per month.
 - (b) Each revised Project Schedule must include activities and logic for mitigating the cost and time impact of any anticipated or potential delays to any critical path elements that CMAR wishes City to consider an Excusable Delay.
- (D) Weekly Progress Meeting. From the Effective Date until Final Completion, CMAR will meet with City every week (or as requested by City or CMAR) to review the Work's progress.
 - (1) In advance of each such meeting, CMAR must provide City a written progress report in the format and detail as provided in **Exhibit E** (each a "Progress Report").
 - (a) The Progress report will identify:
 - (i) Whether the Work is on schedule in accordance with the Project Schedule; or
 - (ii) Whether there are anticipated or potential delays to any critical path elements in the Work's construction, then CMAR must include an

analysis identifying CMAR's plan for making up or mitigating the delay.

- (b) Unless a delay is identified in the Progress Report, CMAR's Progress Report will be its certification that it has not incurred any delays to the critical path elements at least to the extent that a cause for the delay can then be reasonably identified.
- (2) Unless the delay is an Excusable Delay, CMAR must take all actions, at its expense, including working overtime and hiring additional personnel, to comply with such Project Schedule.
- (3) If the delay is an Excusable Delay, the Project Schedule may be modified to the extent mutually agreed upon by City and CMAR.
- (4) Notwithstanding anything to the contrary in this Agreement, CMAR is solely responsible for the timing, sequencing, coordination, and supervision of the Work consistent with the Substantial Completion and Final Completion Dates.
- (5) City's review, acceptance or approval of a Project Schedule or Progress Report provided by CMAR is not:
 - (a) A waiver or bar to any rights or claims City may have against CMAR in the event City subsequently discovers a deficiency in such Project Schedule or Progress Report; and
 - (b) An acceptance of any delay as an Excused Delay, which may only be granted, along with any extension of time, by a Change Directive or Contract Amendment.

6.4 Substantial Completion Notification.

(A) When the Contractor considers that the Work is substantially complete and that items remaining to be completed or corrected can be accomplished within another thirty (30) days, subject to the availability of special order parts and materials, the Contractor must give written notice to the Owner and the Engineer or Architect and request an inspection of the Work as provided in Section 6.4.B. The Contractor's notice and request for an inspection must be accompanied by a comprehensive Punch List describing all items to be completed or corrected before Final Completion and the submittals required by Section 6.4.B. The Contractor must proceed promptly to complete and correct items on the list. Failure to include an item on such list does not alter the Contractor's responsibility to complete all Work in accordance with the Contract Documents.

(B) In addition to the Punch List, the Contractor must submit the following with its request for a determination of Substantial Completion:

- (1) a use and occupancy permit;
- (2) final test reports as required by the Contract and certificates of inspection and approval required for use and occupancy;
- (3) approvals from, and transfer documents for, all utilities;
- (4) Warranties and Guarantees as provided in this Contract;
- (5) final, approved operating and maintenance manuals;
- (6) all documents and verification of training required in accordance with any Commissioning Plan; and
- (7) Schedule to complete the Punch List and value of Work not yet complete.

(C) Upon receipt of the Punch List, the Engineer or Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete and whether remaining items can be completed or corrected within thirty (30) days subject to the availability of special order parts and materials. The Owner may make a similar inspection. If such inspection discloses any item, whether or not included on the Punch List, which, in the opinion of the Owner or the Engineer or Architect, (i) must be completed or corrected before the Work can be occupied or used for its intended purpose, or (ii) cannot be completed or corrected within thirty (30) days, subject to the availability of special order parts and materials the Engineer or Architect will so advise the Contractor, and the Contractor must promptly complete or correct such item.

(D) Following the inspection and completion or correction of Work required by the Owner or the Engineer or Architect before issuance of a Certificate of Substantial Completion, the Contractor must notify the Owner and Engineer or Architect and request another inspection by the Owner and the Engineer or Architect to determine Substantial Completion. The Contractor must submit a revised Punch List with such notice. The Engineer or Architect will promptly notify the Contractor if the Owner or the Engineer or Architect do not concur that the Work is substantially complete. In such case, the Contractor must bear the cost of any additional services of the Owner or the Engineer or Architect until the Work is determined to be Substantially Complete.

(E) When the Owner and the Engineer or Architect concur that the Work is Substantially Complete and that Work remaining to be completed or corrected can be accomplished within a period of thirty (30) days, subject to the availability of special order parts and materials, the Engineer or Architect will prepare a Certificate of Substantial Completion and a revised Punch List. The Certificate of Substantial Completion will fix the Date of Substantial Completion and the time periods within which the Contractor must finish all items on the Punch List accompanying the Certificate.

(F) The Certificate of Substantial Completion and accompanying Punch List must be submitted to the Owner and Contractor for execution, which will constitute their written acceptance of responsibilities assigned to them in such Certificate.

(G) To the extent provided in the Contract Documents or in the Certificate of Substantial Completion, the Owner, upon execution of the Certificate, will assume responsibility for security, operation, safety, maintenance, heat, utilities, damage to the Work (other than damage caused by the Contractor) and insurance.

(H) Warranties required by the Contract Documents will commence on the Date of Substantial Completion of the Work unless otherwise provided in the Certificate of Substantial Completion or the Contract Documents.

(I) Upon execution of the Certificate of Substantial Completion, the Contractor will deliver custody and control of such Work to the Owner. The Owner will thereafter provide the Contractor reasonable access to such Work to permit the Contractor to fulfill the correction, completion and other responsibilities remaining under the Contract and the Certificate of Substantial Completion.

(J) Unless otherwise provided in the Certificate of Substantial Completion, the Contractor must complete or correct all items included in the final Punch List within thirty (30) days, subject to the availability of special order parts and materials, after the Date of Substantial Completion.

(K) At the time of Substantial Completion, in addition to removing rubbish and leaving the building "broom clean," the Contractor must replace any broken or damaged materials, remove stains, spots, marks and dirt from decorated Work, clean all fixtures, vacuum all carpets and wet mop all other floors, replace HVAC filters, clean HVAC coils, and comply with such additional requirements, if any, which may be specified in the Contract Documents.

6.5 Partial Occupancy or Use. The Owner may occupy or use any completed or partially completed portion of the Work at any stage. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, or reduction in liquidated damages, if appropriate, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to the Engineer or Architect as provided under Section 6.4.B. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Engineer or Architect.

(A) Disagreement as to Substantial Completion. Disagreements between City and CMAR regarding the Certificate of Substantial Completion will be resolved in accordance with provisions of § 11.

6.6 Final Completion. Final Completion must be accomplished by **December 20, 2014** (the "Final Completion Date").

(A) When the Contractor has completed or corrected all items on the final Punch List and considers that the Work is complete and ready for final acceptance, the Contractor must give written notice to the Owner and the Engineer or Architect and request a final inspection of the Work as provided in Section 6.6.B. The Contractor's notice and request for a final inspection must be accompanied by a final Application for Payment and the Submittals required by Section 6.6.C.

(B) Upon receipt of the Contractor's notice and request for final inspection, the Owner and the Engineer or Architect will promptly make such inspection and, when

the Owner and the Engineer or Architect concur that the Work has been fully completed and is acceptable under the Contract Documents, the Owner will issue a Certificate of Final Completion to the Owner. The Contractor's notice and request for final inspection constitutes a representation by the Contractor to the Owner that the Work has been completed in full and strict accordance with terms and conditions of the Contract Documents. The Engineer or Architect will promptly notify the Contractor if the Owner or the Architect do not concur that the Work is finally complete. In such case, the Contractor must bear the cost of any additional services of the Owner or the Engineer or Architect until the Work is determined to be finally complete.

(C) Neither final payment nor any remaining retained percentage will become due until the Contractor submits the following documents to the Engineer or Architect, unless otherwise specified in writing by the City:

- (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner), have been paid or otherwise satisfied;
- (2) a release or waiver of liens on behalf of the Contractor and a similar release or waiver on behalf of each Subcontractor and supplier;
- (3) a certificate evidencing that the Contractor's liability insurance and Performance Bond remain in effect during the two-year correction period following Substantial Completion;
- (4) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents;
- (5) consent of surety to final payment;
- (6) other data required by the Owner establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be prescribed by the Owner;
- (7) all warranties and bonds required by the Contract Documents;

(D) If the Contractor is unable to secure from any Subcontractor or supplier a release or waiver required under the Contract, the Contractor must furnish a bond satisfactory to the Owner to indemnify the Owner and any co-obligees under the bond against any lien or claim from such Subcontractor or supplier. The Contractor must also indemnify the Owner for all costs incurred by the Owner in removing, discharging or otherwise settling all Subcontractor or supplier liens or claims, including all personnel and consultant costs and reasonable attorneys' fees.

6.7 Completion Dates Extension. The Final Completion Dates may be equitably extended by Change Directive, or Contract Amendment to the extent the Work's critical path, as shown in the most recent approved Project Schedule, is necessarily delayed by:

(A) City Delay. Any of the following (each a "City Delay") to the extent they necessarily result in unreasonable delays that are not caused or contributed to by CMAR:

- (1) A Change Directive;

- (2) City's failure to make any decision of significance within a reasonable time (not exceed 10 days) after written request from CMAR accompanied by all documents and other information necessary for making the decision; or
 - (3) Any material breach of this Agreement by City.
- (B) Force Majeure. Any of the following force majeure ("Force Majeure") events to the extent they are not caused or contributed to by CMAR, or by any Subcontractor or other person or entity for whom CMAR is responsible:
 - (1) Fire;
 - (2) War;
 - (3) Damage or disruption committed on behalf of any foreign interests to further international political objectives;
 - (4) Injunction in connection with litigation, governmental action;
 - (5) Severe and adverse weather conditions beyond those reasonably anticipatable as of the Effective Date and beyond those required to be accounted for in the Project Schedule in § (C).

6.8 Excusable Delay.

- (A) Excusable delays are delays in the progress of the Work which at the time of the delays were critical path activities as shown on the most recently approved Construction Schedule and which prevent the Contractor from achieving Substantial Completion before the expiration of the Contract Time, caused by conditions which could not reasonably be anticipated by, are beyond the control of, and are without the fault or negligence of the Owner, as set forth in Section 6.8.B, the Contractor or anyone for whose acts the Contractor is responsible. Excusable delays do not include any delays caused in whole or in part by any Subcontractors, Sub-subcontractors or suppliers. There shall be no compensation whatsoever for excusable delays. Excusable delays may, but do not necessarily, include:
 - (1) weather delays;
 - (2) acts of government and regulatory agencies and officials (other than the Owner in its capacity as Owner);
 - (3) catastrophic events such as fire, flood and unavoidable casualties; and
 - (4) strikes or labor disputes.
- (B) Compensable delays are limited to delays in the progress of the Work which at the time of the delays were critical path activities as shown on the most recently approved Construction Schedule and which prevent the Contractor from achieving Substantial Completion before the expiration of the Contract Time, caused solely and exclusively by acts or omissions of the Owner (except actions taken by the Owner acting as a regulatory authority to protect the public health or safety or to conform to law).

- (C) Unexcused delays are delays in Work which at the time of the delays were critical path activities as shown on the most recently approved Construction Schedule and which prevent the Contractor from achieving Substantial Completion before the expiration of the Contract Time, and which are not excusable delays or compensable delays. No increase in the Contract Sum or extension of the Contract Time will be made for an unexcused delay.
- (D) The Contractor must provide written notice of any actual or prospective delay promptly, and in no event later than ten (10) days after the occurrence of the event giving rise to such delay. The notice must be given to the Owner and Engineer or Architect within the specified time. In the case of a continuing delay, the Contractor must provide an initial notice and a further notice at each progress meeting throughout the duration of the delay. The notice must contain all of the specific information required in Section 6.8.E. The Contractor's failure to provide the written notice containing the information specified in Section 6.8.E within the ten (10) days prescribed above will be conclusively deemed a waiver of any claim for delay arising from such occurrence.
- (E) The Contractor's notice must identify those portions of the Construction Schedule affected by the delay and must include an estimate of the cost and probable effect of the delay, if any, on the progress of the Work. Supporting documentation must include, but is not limited to:
- (1) A written detailed statement of the reasons and causes for the delay;
 - (2) inclusive dates of the delay;
 - (3) specific trades and portions of the Work affected by the delay;
 - (4) status of Work affected before commencement of the delay;
 - (5) effect of the delay on available "float" time;
 - (6) a critical path method (CPM) analysis demonstrating that the delay has affected an activity then on the critical path at the time of the occurrence of the delay as shown on the most recently approved Construction Schedule; and
 - (7) if the Contractor claims that the delay is an excusable delay or compensable delay, evidence that the delay was unforeseeable, beyond the Contractor's control, and without the fault or negligence of the Contractor or the negligence of anyone for whose acts the Contractor is responsible including any Subcontractor, Sub-subcontractor or supplier; and in the case of a compensable delay, was caused solely and exclusively by the acts or omissions of the Owner (excepting actions taken by the Owner to protect the public health or safety or to conform to law) or anyone for whose acts the Owner is responsible, and which are unreasonable under the circumstances involved and not reasonably within the contemplation of the parties.
 - (8) If strikes or labor disputes are to be considered as the basis for an excusable delay, they must be documented by data evidencing (i) the trades directly and

indirectly involved in or affected by the strike or labor dispute, (ii) reasons for the strike or labor dispute, (iii) the onset and duration of the strike or labor dispute, and (iv) the measures taken by the Contractor to avoid or overcome the effects of any delay.

6.9 Delay. Upon receipt of a notice from the Contractor of the occurrence of a delay complying with this Contract, the Owner will review the most recently approved Construction Schedule to determine (i) whether the delay is in fact an excusable or compensable delay, and (ii) whether any adverse effects of the delay can be overcome by an adjustment in the Construction Schedule, including the application of any unused "float" time available in the schedule. The Owner may require the Contractor to submit a more detailed Construction Schedule than previously required in order to permit the Owner to evaluate the delay. Based on such review, the Contractor must, if required by the Owner, submit for the Owner's approval a revised Construction Schedule which minimizes the adverse effects of the delay.

(A) No extension of the Contract Time or increase in the Contract Sum will be allowed for any delay or part thereof occurring more than ten (10) days before written notice of the delay is provided by the Contractor. No extension of the Contract Time or increase in the Contract Sum will be made to the extent that performance is, was or would have been suspended, delayed or interrupted by another cause for which the Contractor is responsible. No increase in the Contract Sum will be made to the extent performance was or would have been suspended, delayed or interrupted by another cause for which the Owner is not solely and exclusively responsible.

(B) The Contractor will not receive any compensation for profit, additional bond cost or overhead (which includes extended office overhead and site-specific overhead and general conditions) or any other cost or compensation or any other damages of any kind or nature whatsoever whether incurred by the Contractor, its Subcontractor or suppliers for delay, all of which are irrevocably waived by Contractor where the delay results from performance of additional Work (Change Order or Construction Directive) beyond the Work required by the Contract Documents and the Contractor is paid for the additional Work.

(C) The Contractor acknowledges and agrees that the profit, additional bond cost and overhead (which includes extended office overhead and site-specific overhead and general conditions) if any, incurred by the Contractor in performing work beyond the Work required by the Contract Documents and any and all other costs, compensation or damages due Contractor (including any of its Subcontractors or suppliers), is included in, and payable to the Contractor as part of the Change Order or Construction Directive. Contractor waives any and all other damages and cost of any nature or kind whatsoever including claims for local and cumulative impacts as a result of such Change Order or Construction Directive Work and any and all other claims of any type or nature whatsoever including any claim for loss of productivity or loss of efficiency. The Contractor will be compensated for compensable delays only for actual and direct damages resulting from such compensable delays. Actual direct damages are limited to site specific general conditions and do not include any indirect costs such as home office overhead. The Contractor will be compensated for such actual and direct damages for compensable delays not attributable to performance of Change Order. Work for which the Contractor is not otherwise compensated in an amount not to exceed the lesser of (i) a daily rate computed by dividing eight percent (8%) of the original Contract Sum by the original Contract Time or (ii) a daily rate computed by dividing the Contractor's profit,

bond cost and site-specific overhead (but not home office overhead) for the original Contract Sum by the original Contract Time. The Contractor for itself and its Subcontractors and suppliers, irrevocably waives any and all other compensation and delay damages as a result of any compensable delays, including without limitations any claims for any indirect cost and any claims for loss of productivity or loss of efficiency.

(D) In the event the Owner denies the Contractor's request for a change in the Contract Time or, in the case of a compensable delay, a change in the Contract Sum, the Contractor may, within ten (10) days after such denial, submit a Claim as provided in Article 15. Submissions made prior to the denial must be resubmitted after the denial. Any Claim on account of denial of a change that is not made within such ten (10) days of the denial is deemed waived.

(E) Delay damages.

(1) By executing a Change Order or Contract Amendment, the Contractor represents that the Contractor is not entitled to an increase in the Contract Sum or an extension of the Contract Time beyond that specified in the Change Order or Contract Amendment for the Work performed or to be performed under the Change Order. The Contractor is not entitled to an increase in the Contract Sum or extension of the Contract Time as a result of the issuance by the Owner of Construction Change Directive unless the Contractor asserts a claim as required by this Article 8 and Article 15;

(2) No charges or claims for damages may be made by the Contractor or paid to the Contractor for any delay, disruption, inefficiency, interference or hindrance from any cause whatsoever, whether foreseeable or not, including (i) acts or omissions by the Owner, its agents, employees or consultants, (ii) Contract Documents that are negligently prepared or contain inaccurate statements, or (iii) force majeure and circumstances beyond the Contractor's control. The sole remedy for delays, disruptions or hindrances will be non-compensable time extensions for completion of the Work;

(3) The provisions of the Section 6.8.E.1 and 6.8.E.2 do not apply to claims that meet all of the following conditions: (i) the claim arises under the Contract; (ii) the claim is limited to actual and direct damages (i.e. profit, additional bond costs (if any) and overhead (only site-specific overhead and not including home office overhead)) incurred as a result of a delay in completing the Project which the Contractor acknowledges are fully compensated for by payment of the adjustment amount specified in Section 8.3.11; (iii) the Contract establishes a time limit for achieving Substantial Completion and the claim is for critical path delays that prevent achievement of Substantial Completion of the Contract within that time limit; (iv) the delay for which damages are claimed is caused solely and exclusively by the Owner and/or the County (except as the County acting as a regulatory authority) or anyone for whom they are responsible; (v) the delay is not caused by actions taken by the Owner to protect the public health or safety or to conform to law; and (vi) the Contractor has fully complied with Sections 6.8.C and 6.8.D; and

(4) A time extension may be granted only for an excusable delay that is beyond the Contractor's control and occurs without the Contractor's fault or

negligence. No time extension will be granted in the absence of a written claim for the time extension complying with the Contract.

7. Compensation.

7.1 Taxes.

(A) Reimbursement.

- (1) Subject to the GMP, City will reimburse CMAR for Privilege Taxes paid by CMAR on gross receipts received by CMAR from City to the extent such Privilege Taxes were timely paid by CMAR on that part of CMAR's compensation for Cost of the Construction Services that is subject to state or local privilege taxation under the prime contractor or construction contractor classifications, and are not otherwise exempt from such taxation.
- (2) City will reimburse CMAR for Transaction Privilege Taxes paid by CMAR on amounts received from City for the direct costs paid by its Subcontractors for FFE (excluding Transaction Privilege Tax and without markup for profit and overhead) incorporated in the Project, but City will not reimburse CMAR for any amounts paid as and for Transaction Privilege Taxes by CMAR to its Lower Tier Entities or by a Lower Tier Entities to a Lower Tier Person.

(B) Tax Licenses. CMAR must take all steps necessary to obtain state and local retail tax licenses, issue exemption certificates to vendors, and otherwise perfect its right to be exempt from the payment of Privilege Tax for FFE purchases, and CMAR must require its Lower Tier Entities to also obtain state and retail tax licenses, issue exemption certificates to vendors, and otherwise perfect their rights to be exempt from the payment of Privilege Tax for FFE purchases.

8. **Payments.**

8.1 Draft Application for Progress Payment. Based on draft applications (each a "Draft Application") followed by formal applications for progress payment (each an "Application for Progress Payment"), City will make monthly progress payments on Contract Sum account as provided in this § 8. The Draft Application is for informational purposes only and its submission is not an Application for Progress Payment.

- (A) Period. The period covered by each Application for Progress Payment will be one calendar month (the "Billing Month") ending on the last day of each month.
- (B) Date for Submission. On or before the 25th day of each Billing Month, CMAR will submit to City its Draft Application, which must identify all amounts CMAR expects to invoice for the entire Billing Month.
- (C) Review Meeting. The parties will thereafter meet and make good faith efforts to reach agreement on the Draft Application by the end of the Billing Month, whereupon CMAR will formalize its Application for

Progress Payment for the Billing Month, incorporating all of the agreements reached during the parties' review of the Draft Application.

8.2 Application for Progress Payment. Provided that CMAR has submitted its Draft Application for review as provided above, CMAR may submit its Application for Progress Payment for the Billing Month to City, no earlier than the 1st day of the month following the Billing Month.

- (A) Date for Submission. City will make a Progress Payment, subject to applicable Withholdings, to CMAR not later than 21 days after the date on which the Application for Progress Payment has been received by City, subject to this Agreement.
- (B) One Progress Payment Per Month. Unless City agrees otherwise, CMAR may submit only one Application for Progress Payment in a month and City will make only one Progress Payment in a month to CMAR.
- (C) Progress Payment Application Form. The Application for Progress Payment will be in such form as City may reasonably require, and will be accompanied by the following to City's reasonable satisfaction:
 - (1) A sworn statement of the Cost of the Work furnished during the Billing Month, together with the required form of application as City requires, properly completed so as to allocate all Construction Services and FFE Services according to the most recent City-approved GMP Schedule;
 - (2) An itemized report of the Work performed during the Billing Month;
 - (3) Conditional and unconditional waivers and releases from CMAR and from Subcontractors, Lower Tier Entities, vendors, and others relating to Work for which the Application for Progress payment is requested, or receipt of amounts for which payment has previously been made, as requested by City;
 - (4) CMAR's monthly updated Project Schedule as provided in § 6.4; and
 - (5) Such other evidence substantiating the particulars of CMAR's Application for Progress Payment as may be required by City.
- (D) Complete Application Required. A complete Application for Progress Payment, including all required documentation, will be a condition precedent to CMAR's right to have the Application for Progress Payment reviewed or to receive any Progress Payments.
- (E) Incomplete or Untimely Applications. If CMAR submits an Application for Progress Payment that is incomplete or untimely, in City's reasonable judgment, CMAR must resubmit the Application for Progress Payment, with any applicable corrections.
- (F) Correspondence to Other Documents. CMAR's Application for Progress Payment must be organized so that all back-up for each line item of the Application for Payment corresponds to the most recently City-approved GMP Schedule and that the back-up for the amount requested for each item of the Construction Services, and FFE Services, and each Change

Directive or Change Order is separately provided for and is available for review by City.

- (G) Certification. The Application for Progress Payment must be signed by CMAR, the Architect of Record or the Engineer of Record certifying that:
 - (1) The Work has progressed to the point indicated in the Application for Progress Payment;
 - (2) That the Work is in accordance with the Project Documents;
 - (3) CMAR is entitled to payment in the amount requested; and
 - (4) Applications for Progress Payment to City will not be deemed delivered until actually received by City.
- (H) Review of Work by City. City will have the right to review the Work after receipt of CMAR's application.
- (I) Progress Payment to CMAR. Within 21 days after receipt of the properly completed Application for Progress Payment, City will pay to CMAR the entire amount set forth in the Application for Progress Payment, less any applicable Withholding and less retainage as provided in A.R.S. § 34-607(B).
- (J) Progress Payment to Lower Tier Entities. Within seven days after receipt of payment by City, CMAR will make payment available to its Subcontractors or Lower Tier Entities entitled to payment in accordance with A.R.S. § 34-607(F).
 - (1) If any payment is to be withheld from a Subcontractor as provided by Law, the amount withheld must not be included in the Application for Progress Payment.
 - (2) CMAR bears all costs and damages, without reimbursement, that arise from CMAR's failure to pay Subcontractors entitled to payment in a timely manner as provided by Law, to the extent such payment has been received by CMAR from City.
 - (3) City has no obligation under this Agreement to pay or to be responsible in any way for payment to a Subcontractor or Lower Tier Entities performing portions of the Work.

8.3 Proof of Payment.

- (A) Duty to Discharge Debts and Obligations. All CMAR's debts and obligations for labor, materials, equipment or fixtures incorporated into the Project or any other element of Work, including that shown in any estimate, Application for Progress Payment, requisition or claim and upon which CMAR has received a payment must be paid or discharged.
- (B) Proof. Receipts or vouchers showing payment or discharge must, if City so requires, be provided to City before CMAR will be entitled to receive any other or further payment under this Agreement.
- (C) Joint Check Alternative. At CMAR's election, CMAR may satisfy this requirement by requesting City issue joint checks. However the City will require the CMAR to sign a letter indicating that they are still ultimately

liable for any financial obligations and once the split check is requested it cannot be rescinded except by court order.

9. Final Payment.

9.1 Application for Final Payment. Provided that CMAR has accomplished Final Completion, CMAR may submit an application for final payment ("Application for Final Payment"); however, neither final payment nor amounts retained, if any, will be due until:

- (A) CMAR submits to City an application for final payment with all required documentations in accordance with § 9(2); and
- (B) City has thereafter conducted a review or audit of CMAR's Final Accounting, as defined in § 9(2).

9.2 Application for Final Payment Form. The Application for Final Payment must be in such form as City may reasonably require.

- (A) Required Information. Application for Final Payment must be accompanied by the following to City's satisfaction:

- (1) Waivers and Releases on Final Payment as provided in § 12.1;
- (2) CMAR's accounting ("Final Accounting"), bearing the certificates of CMAR's chief executive and chief financial officers attesting to the completeness and accuracy of the Cost of the Work for which CMAR has received or seeks reimbursement from City;
- (3) Architect of Record or the Engineer of Record certification to City that the Project is complete;
- (4) Proof that CMAR has furnished to City the as-builts, Record Documents, warranties, manuals and other close-out documents required by any of the Project Documents or applicable laws of city, county and state governments, or other authorities with jurisdiction over the Project;
- (5) Certificates that all insurance required by the Project Documents to be in force after Final Payment is made and will be in effect as required;
- (6) Such other documents substantiating the particulars of CMAR's Application for Final Payment (including additional backup for CMAR's accounting) as may be reasonably required by City, the Financing parties and CMAR's Surety;
- (7) Consent of CMAR's surety to the Final Payment; and
- (8) City may require CMAR to submit and meet to discuss a Draft Application for Final Payment, following the procedure provided in § 8.1.

- (B) Audit. City will have thirty (30) days after its receipt of the fully completed Application for Final Payment within which to audit and/or review CMAR's Final Accounting.

(1) CMAR must cooperate with City's review and/or audit by making all of its records available for inspection and copying, answering questions, and otherwise facilitating City's review promptly upon its request.

(2) City's review and/or audit of the Final Accounting will be in whatever detail and scope as City determines, in its discretion; such review or audit may

be conducted by City's employees and/or by independent contractor, as City may engage for that purpose.

- (C) Final Payment. Subject to the exchange of unconditional waivers and releases on Final Payment as provided in § 12.1, City will make the Final Payment to CMAR, within ten (10) days after City has issued its written determination of the amount of Final Payment it will pay to CMAR.
- (D) Payment for Withholding. If applicable Withholding exceeds amounts otherwise payable, CMAR must pay the difference to City within ten (10) days after demand from City.
- (E) Acceptance and Waiver. CMAR's acceptance of Final Payment will constitute a waiver of all Claims or Disputes that have not been timely submitted to City as CMAR Claims prior to CMAR's submission of the Application for Final Payment.

10. **Changes.** Changes in the scope of the Work (including, without limitation, additional and/or deductive Work) or in the Project Schedule (including, without limitation, suspension of all or part of the Work, or an order for acceleration of performance), may be accomplished only by Change Order or Change Directive.

10.1 Change Orders.

- (A) Request for Proposal. If City requests CMAR to submit a proposal for a Change Order, CMAR will do so promptly, within ten (10) days after written request from City, on a form and following a procedure established by Project Manager for the administration of change order proposals, that specifies CMAR's technical proposal for implementation of the proposed Change, together with CMAR's proposal for the resulting adjustment to the Contract Sum and/or Contract Times.
- (B) Acceptance. City may, in its sole discretion, accept or reject the proposal, or attempt to negotiate a modification and any resulting agreement will be reduced to a written Change Order. If the parties cannot reach agreement within ten (10) days after City has received the proposal, City has the right to issue a Change Directive.

10.2 Field Orders. City or Project Coordinator, when reasonable under the circumstances, may issue a written order that makes or authorizes minor deviations in the Work or provides necessary interpretation of the Construction Documents.

- (A) City may issue a Field Order on its own volition or at the request of CMAR.
- (B) Field Orders are for the benefit of CMAR by providing documentation of minor deviations or necessary interpretations of the Construction Documents.
- (C) If CMAR disagrees that the deviation or interpretation is appropriate for a Field Order, it will provide Notice to City of its disagreement and City may issue a Change Directive.

10.3 Authorization Required. CMAR may not perform any Change, or be entitled to any compensation or extension of time, unless CMAR has first received a Change Order or Change Directive or as provided in this § 10.

11. **CMAR's Claims.** CMAR may make a claim for any increase in the GMP or extension of the Contract Times, or both, that is otherwise permissible under this Agreement ("CMAR Claim").

11.1 CMAR's Duty to Mitigation Claims. CMAR must at all times and in all circumstances exercise best efforts to avoid or mitigate any potential impact of a CMAR Claim.

11.2 Notice of CMAR Claim. The right to make a CMAR Claim is subject to the condition precedent that in each case CMAR has submitted a written notice to both the City and the Project Coordinator within five days after CMAR first knew or should have known of the matter, occurrence or event that is the basis for the claim for additional compensation or time ("Notice of Claim").

- (A) Information. The Notice of Claim must furnish sufficient detail to appraise City and Project Coordinator of the basis, include the cause, for the claim, and will include:
 - (1) A reasonable estimate of the amount of compensation or time CMAR anticipates it will request; and
 - (2) A list of action CMAR intends to take in order to mitigate the time and cost impact of the situation given rise to or related to CMAR Claim.
- (B) Supplementation. CMAR must supplement the Notice of Claim during the course of the Work as additional information becomes available.
- (C) Continuing Delays. Only one notice is necessary in the case of a continuing delay that is attributable to the same cause described in the Notice of Claim.
- (D) Waiver. If CMAR fails to submit a Notice of Claim within five days after CMAR first knew or should have known of the basis therefore, CMAR will have waived the right to later submit or prosecute a Notice of Claim arising from such matter, occurrence or event.

11.3 Procedures for CMAR Claim. The procedures of this Section and **Exhibit H** apply to resolution of all Disputes arising from CMAR Claims.

12. **Additional Terms and Condition of Payment.**

12.1 Lien Waivers and Releases. Except as otherwise expressly set forth elsewhere herein, with each Application for Progress Payment, application for release of retention or other withholding, and Application for Final Payment, CMAR must submit lien waivers and sworn statements for the application from CMAR, and lien waivers and sworn statements from all Lower Tier Entities and entities who have furnished labor, Construction Materials, equipment, tools, fixtures, services or other work directly or indirectly to or for CMAR, in form and substance as reasonably required by City, to assure that the Site and Project will be free of liens arising from the Work for which the payment is requested.

12.2 Reservations upon Payment.

- (A) No Determination of Standard. No approval given or payment made by City is intended to be evidence of satisfactory performance of any Work, or of the sufficiency of any applicable application for payment.

- (B) Non-Acceptance. No payment to CMAR will constitute an acceptance of any Work not in accordance with this Agreement's requirements.
- (C) No Waiver of Defective Work. Any application for payment approval pursuant to A.R.S. § 34-607 will constitute approval solely for purposes of making payments and will not constitute a waiver of City's right to have all defective or incomplete Work corrected and performed in accordance with this Agreement, or to later modify or amend a Deficiency Notice or any approval or deemed approval previously given by City.

12.3 Retainage. Retainage will be held by City as additional security for performance of CMAR's obligations, and may be applied by City towards payment of any back-charge, setoff, or other amount payable by CMAR to City.

- (A) Discretionary Reduction of Retainage. After the Work is 50% complete CMAR may submit a request for reduction of the Retainage amount withheld from subsequent Progress Payments.
 - (1) If CMAR has performed its obligations on schedule and is otherwise in compliance with the Project Documents, City will reduce the Retainage amount from future Progress Payments to not less than 5%, subject to City's right to later reinstate 10% Retainage if CMAR thereafter fails to make satisfactory progress under the Project Documents.
 - (2) With the Final Payment, any unapplied Retainage will be released to CMAR.
- (B) Withholding.
 - (1) The amount of each Progress Payment, or Final Payment, otherwise payable to CMAR will be reduced by the following ("Withholding"), as applicable, in addition to Retainage:
 - (a) Sums as permitted under applicable Law on account of:
 - (i) The items identified in all applicable Certificates for Payment and/or Deficiency Notices and amendments thereto; or
 - (ii) Any additional amounts City in good faith believes are necessary to withhold, back-charge, or setoff in order to satisfy or cover any actual or reasonably anticipated loss, liability, damage or judgment that City has incurred or may incur in connection with CMAR's performance or non-performance of this Agreement;
 - (b) Any Liquidated Damages then due.
 - (2) City will make appropriate adjustments to Withholding after final disposition of the matter, condition, event or claim that resulted in such Withholding.
 - (3) If the expense incurred by City is less than the amount withheld, City will release the difference to CMAR within fourteen (14) days after such final disposition.

- (4) If, however, such expense exceeds the unpaid amounts otherwise due, CMAR must pay the difference within fourteen (14) days after demand from City.

12.4 Non-Incorporated Construction Materials. CMAR must not charge City for any Construction Materials that are not incorporated into the Project, unless City has given its written approval.

- (A) Storage of Materials. City may condition on its determination that the Construction Materials are suitably stored and properly secured from casualty, properly insured, and that title has passed to City free and clear of any liens or encumbrances.
- (B) Receipt of Documentation. City may further condition the making of payments with respect to Construction Materials upon receipt of contracts, bills of sale, or other agreements satisfactory to City to establish City's title to the Construction Materials, or otherwise protect City's interest.

- 13. **Project Coordinator.** David Giannetto (the "Project Coordinator"), if applicable to the project, will assist City in this Agreement's administration and overall Project administration.

13.1 Project Coordinator's Authority.

- (A) The Project Coordinator and its personnel has no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent and has no authority, express or implied, to bind City to any obligations whatsoever.
- (B) CMAR agrees that it shall look only to City for direction related to the Project.

13.2 Project Coordinator's Duties.

- (A) Project Coordinator is initially empowered to communicate with CMAR, and to review and make recommendations to City regarding:
 - (1) The Work Product;
 - (2) The Services furnished by CMAR in connection with the Project; and
 - (3) CMAR's invoices.
- (B) Project Coordinator may have other duties and responsibilities as City's Representative may designate in writing from time to time.

13.3 Cooperation. CMAR agrees to cooperate with the Project Coordinator so as not to result in any delay in the progress of the Services.

- 14. **Subcontractors and Lower Tier Entities.**

14.1 Subcontractors Unless otherwise agreed upon in writing by City and CMAR, the Construction Services will be performed by qualified Subcontractors and Lower Tier Entities to be selected and engaged as provided in § 14.2.

- (A) CMAR will be responsible and liable to City for the Work's proper and timely performance by Subcontractors and Lower Tier Entities.
- (B) CMAR will be responsible and liable to City for the proper and timely performance of the Work by each Subcontractor, Lower Tier Entities, and any other person or entity who furnishes any Work.

14.2 Subcontractor Selection. Subcontractors will be selected on the basis of qualifications alone, or a combination of qualifications and price, but not price alone, as provided either in City's Subcontractor Selection Plan or in the Subcontractor Selection Plan detailed by CMAR submitted during the selection process.

- (A) The process for Subcontractor selection will include:

- (1) A qualifications and price selection may be a single step selection based on a combination of qualifications and price ,or a two-step selection where the first step is based on qualifications and the second step may be based on a combination of qualifications and price or on price alone;

- (2) CMAR will then determine, with City's advice, which bids or proposals will be accepted;

- (3) CMAR may obtain bids or proposals from Subcontractors from the list previously reviewed and, after analyzing such bids or proposals, will deliver copies of such bids or proposals to City;

- (4) CMAR will not be required to contract with anyone to whom CMAR has a reasonable objection;

- (5) Requests for submittal of qualifications must be in writing, and kept by CMAR in its Project records; and

- (6) Each Subcontract must meet other requirements set forth in § 17.

- (B) Subcontracts. Except as provided in § 14.4, with respect to certain Vendors, each Subcontract must:

- (1) Be in writing;

- (2) Provide for a fixed, or not-to-exceed amount as the Subcontractor's entire compensation;

- (3) State that the Subcontract is subject to this Agreement's terms and conditions and specifically incorporates this Agreement's provisions (except its compensation terms);

- (4) Bind and obligate the Subcontractor to CMAR as CMAR is bound to City under this Agreement;

- (5) State that City is the intended third-party beneficiary of the Subcontract, with the right (but not the obligation) to pursue claims for damages and/or equitable or other rights or remedies directly against Subcontractor for breach of Subcontractor's obligations under the Subcontract, or of any warranty given by Subcontractor, without liability for benefits received, and that City may exercise its rights as third-party if the breach continues without cure for seven days after written notice has been given to CMAR;

(6) Contingently assign the Subcontract to City in the event this Agreement is terminated, subject to City's election to accept the assignment by delivery to Subcontractor of written notice—which City is not obligated to give—but that City is not under any obligation to compensate Subcontractor except for future Work performed after the date of City's election;

(7) Obligate Subcontractor to be joined as a party to any arbitration or other dispute resolution proceeding in which City or CMAR are parties and which arises out of or relates to Subcontractor's performance or nonperformance of the Subcontract;

(8) Include a termination for convenience clause equivalent to § 34.5;

(9) Contain an indemnity that is, at a minimum, equivalent to the provisions of § 30 and identifying, as Indemnitees, all Indemnified parties identified in § 30;

(10) Include any other provision required by the Project Documents;
and

(11) Agree to contract with Lower Tier Entities upon a written agreement with Lower Tier Entities meeting the requirements of § 14.3.

14.3 Lower Tier Entities. Except as provided in § 14.4, with respect to certain Vendors, each agreement between a Subcontractor and Lower Tier Entities, or between any party contracted to provide work or matters on the Project with another party providing work on the Project (each a "Sub-subcontract"), must:

- (A) Be in writing;
- (B) Provide for a fixed, or not-to-exceed amount as Lower Tier Entities' entire compensation;
- (C) State that Lower Tier Entities are subject terms and conditions of, and specifically incorporates to this Agreement's provisions, (except its compensation terms);
- (D) Bind and obligate Lower Tier Entities to Subcontractor as Subcontractor is bound and obligated to CMAR;
- (E) State that City is the intended third-party beneficiary of the Sub-subcontract, with the right (but not the obligation) to pursue claims for damages or equitable or other rights or remedies directly against Lower Tier Entities for breach of Lower Tier Entities' obligations under the Sub-subcontract, or of any warranties given by Lower Tier Entities without liability for benefits received;
- (F) Provide that City may exercise its rights as third-party beneficiary if the breach continues without cure for seven (7) days after written notice has been given to CMAR;
- (G) Consent to the contingent assignment of the Sub-subcontract to City, in the event this Agreement is terminated;
- (H) Obligate Lower Tier Entities to be joined as a party to any arbitration or other dispute resolution proceeding in which City or CMAR is a party

and arises out of or relates to Lower Tier Entities' performance or nonperformance of the Sub-subcontract;

- (I) Include a termination for convenience clause equivalent to § 34.5;
- (J) Contain an indemnity that is, at a minimum, equivalent to the provisions of § 29 and identifying, as Indemnities, all Indemnified parties identified in §29;
- (K) Include any other provision required under the Project Documents.

14.4 Vendors. Each Subcontract or Sub-subcontract with a Vendor must:

- (A) Be in writing;
- (B) Specifically incorporate the requirements of the Drawings & Specifications insofar as applicable to the Construction Materials to be furnished;
- (C) Provide a fixed, or not-to-exceed amount, as the Vendor's entire compensation with all Construction Materials delivered FOB to the Project site;
- (D) Require that the Vendor will, as a condition precedent to the right to deliver any Construction Materials to the Site:

- (1) Comply with the insurance requirements of **Exhibit F**; and

- (2) Execute an indemnity equivalent to that provided in §29 and identifying, as Indemnities, all Indemnified parties identified in § 29.

14.5 Employment Verification. CMAR will take all steps necessary and appropriate to ensure no employee will be recruited, interviewed, screened and employed in connection with the Work unless CMAR, Subcontractor or Lower Tier Entities, as applicable, verified the employee's authorization to work in the United States in compliance with all applicable Laws, including without limitation, Immigration Reform and Control Act, codified at 8 U.S.C.A. § 1324a, *et. seq.* and Legal Arizona Workers Act, codified at A.R.S. § 23-211, *et. seq.*

14.6 Condition Precedent to Work of Lower Tier Entities. Satisfaction of all requirements of this § 14 is a condition precedent of Subcontractor or Lower Tier Entities' right to commence any Work element and to the payment of any amount otherwise payable to CMAR for the Subcontractor or Lower Tier Entities.

- (A) Compliance Warranty. By permitting a Subcontractor or Lower Tier Entities to commence any Work element, CMAR conclusively warrants to City that all of this Agreement's requirements have been fulfilled and must continue to be fulfilled as to the Subcontractor or Lower Tier Entities.
- (B) CMAR Responsibility for Lower Tier Entities. CMAR is solely responsible and liable to City for the Work's proper and timely performance by each Subcontractor and Lower Tier Entities.
- (C) Copies of Subcontracts. CMAR shall furnish a copy of any Subcontract or Sub-subcontract to City within two (2) days after it is requested by City; however, City shall have no obligation to make such a request, or to review any Subcontract or Lower Tier Entities when received, and no review, non-review, objection or failure to object by City shall relieve

CMAR and its Subcontractors and Lower Tier Entities from their responsibilities for fulfilling this Agreement's requirements.

- (D) Change of Subcontractor Approval. CMAR will not change a Subcontractor after the Subcontractor has been approved by City, without City's written consent to the change.

15. **Self-Performed Work.**

15.1 Selection of CMAR. CMAR, or affiliates or entity under control of CMAR (or any entity composing CMAR), may seek to self-perform portions of the Construction Services only if selected by City following this Agreement's full subcontractor procurement process, and if and only:

- (A) CMAR is selected by City on the basis provided in § 13 in competition with at least two other candidates as determined by City; or

15.2 Contract for Self-Performed Work. If CMAR is selected to self-perform portions of the Construction Services, a written Subcontract will not be required and this Agreement's provisions will be applicable, but City and CMAR will agree prior to work on a written scope and a lump sum or not to exceed line item that will include CMAR's direct and indirect compensation, labor, labor burden, supervision, overhead, and all other costs.

16. **Performance Standards.** CMAR warrants to City that:

16.1 Standard of Care. CMAR, and all of its Subcontractors and Lower Tier Entities, will perform their respective obligations under this Agreement with the professional diligence and care prevailing among highly skilled and experienced commercial contractors and subcontractors with demonstrated ability to timely and properly construct projects equivalent to the Project (the "Standard of Care"), on schedule, within budget, and without latent defects.

16.2 Standard of Work. The Work must be:

- (A) In accordance with the requirements of the Project Documents;
- (B) Free from defects; and
- (C) Fit for City's intended use.

16.3 Standard of Construction Materials. All Construction Materials will be new and in excellent condition, except to the extent specifically provided otherwise in the Project Documents.

16.4 Quality Control. CMAR must establish, maintain, and implement a quality control program that is consistent with that described in the CMP and which is:

- (A) Sufficient to insure proper supervision, examination, inspection, and testing of all item of Work at appropriate intervals, including the work of Subcontractors, Lower Tier Entities, suppliers; and
- (B) Sufficient to assure conformance to the Project Documents with respect to Specifically Described Items, as defined in § 22.2, general workmanship, construction, and equipment (including maintenance, while-idle, and functional performance).

17. **Regulatory Compliance.**

17.1 Duty to Comply. CMAR must comply with all federal, state, county, and local statutes, rules, regulations, codes, ordinances, executive orders, and other legislative, executive, or judicial requirements and/or decisions (collectively, "Laws") applicable to the Work whether or not specifically referenced elsewhere in this Agreement.

- (A) Compliance must include adherence to those laws, rules, and regulations pertaining to contractor licensing, occupational health, safety, disabilities, building codes, construction standards, licensure, social security, employment, workers compensation, immigration, wages, payrolls, health, discrimination, equal employment opportunity, civil rights, storm water, solid wastes, Hazardous Substances, grading, air pollution, water pollution, waste disposal, human remains, land use, historic preservation, endangered or threatened species, navigable waters, waters of the United States and tributaries thereof, and all other Laws applicable to the Work.
- (B) Reference to standards, specifications, manuals, or codes of any technical society, organization, or association, shall mean the latest standard, specification, manual, code adopted by City (and as modified by City), or the latest in time if not adopted by City, unless specifically excepted or modified by City.

17.2 Notification of Investigations. To the fullest extent permitted by applicable Law, CMAR will notify City, and require its Subcontractors and Lower Tier Entities to notify City, in each case within twenty-four (24) hours after a demand for records or notice of audit is received and/or any inspection or other investigation is commenced by any federal, state or local governmental agency that relates to the Work, including, without limitation:

- (A) Any Site inspection or investigation relative to a determination of compliance with any Laws or Permits pertaining to Hazardous Substances, waste, dust control, air quality, water pollution, storm water runoff, endangered species, navigable waters, occupational health or safety; and
- (B) Any inspection, audit or other investigation, whether on or off the Site, that is initiated by any federal or state authorities to verify the immigration and/or worker authorization status of any of CMAR's workers, any Subcontractors, or any Lower Tier Entity or Person.

17.3 City's Rules. City has the right, but not the obligation, to adopt and prescribe from time to time one or more reasonable rules and regulations ("City's Rule(s)") governing parking, access, times of work, noise, behavior towards City's employees, customers, guests or invitees, and such other matters not involving the means, method, techniques or manner of the Work's performance that City deems pertinent to preventing disruption to City's ongoing operations.

- (A) CMAR will enforce, and will be responsible to City for the failure of its employees, or employees of Subcontractors or Lower Tier Entities to comply with City's Rules.

- (B) Compliance with City's Rules will be a condition to the right of any person to enter upon any of City's property, and City has the right to revoke such right of access as to any person who has materially breached any of City's Rules.
- (C) The issuance or non-issuance, enforcement or non-enforcement of City's Rules by City will not relieve CMAR from its sole and exclusive responsibility to City for taking all appropriate precautions, in accordance with applicable Laws, to ensure the health and safety of persons and property with respect to the Work.

17.4 Compliance Assurances. CMAR further warrants to City that CMAR and its Subcontractors and Lower Tier Entities are in compliance with the following:

- (A) Subcontractors and Lower Tier Entities now hold—and, at all times material, will hold—all licenses, registrations and other approvals necessary for the lawful furnishing of the Services;
- (B) Subcontractors and Lower Tier Entities are not—and, at all times material, will not—be debarred or otherwise legally excluded ("Debarred") from contracting with any federal, state or local governmental entity; and
- (C) Except with City's knowledge and consent and if the activity, employment, interest or contribution will not reasonably compromise or appear to compromise their professional judgment or prevent them from serving the best interests of City, Subcontractors and Lower Tier Entities will not:
 - (1) Accept trade discounts;
 - (2) Have a significant direct or indirect financial interest in CMAR or any of its Subcontractors or Lower Tier Entities; or
 - (3) Undertake any activity or employment or accept any contribution.

18. Health and Safety.

18.1 General Safety Duty.

(A) CMAR is solely responsible for the safety and health effects of the Work as it may impact all persons and property whether or not under CMAR's control.

(B) The Contractor shall be responsible for ensuring the OSHA safety standards are met and acknowledges that Contractor has general supervisory authority over the worksite including the power to correct safety and health violations. This would include the power to require subcontractors to correct violations of OSHA. Contractor is responsible for how frequently and closely Contractor needs to inspect to meet OSHA standard of reasonable care.

- (C) CMAR shall at all times:
 - (1) Provide proper traffic control, warnings, and all other measures necessary to protect City and City's employees, invitees, licensees, and agents, and all other third persons from illness,

sickness, death, personal injury or property damage arising from or relating to the Work; and

- (2) Maintain a safe working environment, in full compliance with all applicable Laws relating to occupational health and safety and drugs in the workplace.

18.2 Hazardous Substances. CMAR is responsible for the proper handling of every substance, material and equipment it brings to the Site, and in the conduct of its operations, so as to prevent the release of any Hazardous Substance:

- (A) Remediation. CMAR is responsible for the cost of remediation and all other losses and damages to City resulting from any release by CMAR of any Hazardous Substance.

- (B) Actions upon Discovery. If CMAR discovers material on the Site it reasonably believes to be a pre-existing Hazardous Substance, then CMAR must immediately:

- (1) Notify City in writing of the discovery of the hazard and provide all relevant information;

- (2) Discontinue Work in the affected area leaving the suspected Hazardous Substance uncovered as it was found (taking reasonable precautions to protect persons and property and prevent the movement, spread or disturbance of the suspected Hazardous Substance in accordance with applicable Laws);

- (3) CMAR may resume operations in the affected area only after City has determined by reasonable means that the material is either not a Hazardous Substance or has been mitigated in accordance with applicable Law; and

- (4) If the remedy directed by City results in a delay to the Work's critical path, and if CMAR did not cause, suffer, or permit the release of the Hazardous Substance, CMAR may be entitled to an equitable adjustment of the Contract Times and Contract Sum, subject to § 20.3(E).

18.3 Waste.

- (A) Waste Defined. "Waste" includes any dust, solids, liquids or other form of discardable material that is not a Hazardous Substance.

- (B) Waste Management. CMAR must maintain proper precautions so that the amount of Waste resulting from CMAR's Work is at all times:

- (1) Kept at minimum;
 - (2) Confined within the Site; and

Not permitted to interfere with or disturb City's ongoing operations or the activities of City's employees, customers, guests, invitees, or licensees.

- (C) Waste Removal. All Waste must be removed from the Site each day, pursuant to a plan approved by City, and disposed of at a disposal facility in accordance with applicable Law.

- (D) Contract. CMAR must contract with City for any regular waste removal.

19. **Permits.**

19.1 Duty to Secure. CMAR will timely and proactively apply for, and thereafter coordinate and interface as necessary to secure issuance to City all Permits, licenses and approvals required for the Work.

19.2 Costs of Permits. The cost of permits, licenses, connection fees, and other such fees must be included in the Construction Services Costs, and if CMAR's actions cause the cost thereof due to expediting in order to comply with the Construction Schedule, those costs must be borne solely by CMAR and will not be reimbursed by City.

19.3 Public Hearings. CMAR will attend and participate in all public hearings held by local governmental jurisdictions and utilities in connection with such Permits, licenses and approvals.

19.4 Compliance. CMAR and each of its Subcontractors and Lower Tier Entities must comply with, and give all notices and take all actions required by all permits issued for the Work.

20. **Site.**

20.1 Title to Project Site. City warrants that it owns title to the Project site and that all know easements, licenses, and restrictions that may affect the Project have or will be timely disclosed.

20.2 On-Site Locations.

- (A) Reference Points. City will provide engineering surveys to establish reference points for construction, which in City's judgment are necessary to enable CMAR to begin the Work.
- (B) Site Layout. CMAR will be responsible for laying out the Work, protecting and preserving the established reference points and must not make change relocations without the proper written approval of City.
- (C) CMAR's Responsibilities. CMAR must report to City whenever any reference point is lost or destroyed or a required relocation because of necessary changes in grades or locations, and CMAR will be responsible for the accurate replacement or relocation of the reference points by professionally qualified personnel.

20.3 Improper or Differing Conditions. CMAR warrants and represents that CMAR:

- (A) Inspection. Has inspected the Site's visible portions, reviewed the soils report, and performed other due diligence with respect to the existing conditions of the Project that CMAR considers adequate to verify the conditions of the soils and other conditions at the Site;
- (B) No Defects. Has observed no defects, discrepancies or problems with the Site or in the Project Documents application to the Site that would require further investigation (except those that have been reported to City in writing); and
- (C) Acceptance. Accepts the condition of the soils and the Site as being fit and proper to receive CMAR's Work, except only for concealed or unknown conditions differing materially from those expected to be

encountered, and which could not reasonably have been detected by CMAR's investigation.

- (D) Discovery of Conditions. If, at any time CMAR encounters conditions at the Site that are not suitable for the Work's proper and accurate performance—including, without limitation, deficiencies in the design or in the condition of existing construction, conditions in or beneath the Site that differ materially from indications in the Design Documents, or other improper or differing conditions that may adversely impact the Work and that are not provided for in the Design Documents (collectively, "Improper or Differing Conditions")—CMAR must promptly:
 - (1) Discontinue Work in the affected area;
 - (2) Leaving the Improper or Differing Conditions as they are found (taking reasonable precautions for the protection of persons and property);
 - (3) Notify City and Project Coordinator (immediately by phone or email, followed by written notice within 24 hours identifying the Improper or Differing Conditions with specificity); and
 - (4) Await clarification and direction before CMAR proceeds with any Work that may be affected.
- (E) Equitable Adjustment. If the Improper or Differing Conditions were not reasonably anticipatable by CMAR during its Site review, CMAR will be entitled to equitable adjustment of the Contract Times and GMP for any resulting critical path delays or additional expenses incurred by CMAR, subject to §§ 10 and 11.
- (F) Liability and Responsibility. If CMAR proceeds with Work after discovery of an Improper or Differing Condition without notifying City and deferring applicable Work as provided in this section, CMAR will be liable and responsible to City for all resulting losses, liabilities, damages, and expenses and CMAR will have waived any right to prosecute a CMAR Claim arising from the Improper or Differing Conditions.

20.4 Underground Facilities. CMAR will comply with the provisions of A.R.S. § 40-360.21 *et. seq.*, relating to underground facilities, and further:

- (A) Other Owners. CMAR acknowledges that City is not the owner of some underground facilities on or adjacent to the construction site, such as electrical conduit, water irrigation canals and ditches, gas lines, telecommunications lines, and may be owned and operated by other governmental or private entities;
- (B) Information and Data. The information and data shown or indicated on the Design Documents and other site specific documents concerning existing underground facilities at, or contiguous to, the construction site will be based on information and data furnished to City by the owners of the underground facilities or by others;
- (C) CMAR's Responsibilities. City will not be responsible for the accuracy or completeness of the information or data provided by others and CMAR will have the responsibility for the following, the cost of which may be included in the GMP:

- (1) Reviewing and verifying the information and data provided by others;
 - (2) Locating all underground facilities on the construction site or adjacent to the construction site to the extent knowledge of adjacent underground facilities is necessary and reasonable to secure;
 - (3) Coordinating the Work with the owners of the underground facilities during construction;
 - (4) Providing for the safety and protection of all underground facilities affected by the work; and
 - (5) Integrating any underground facility into the Work as necessary.
- (D) Repair and Replacement. City will not be responsible for any repair or consequential damages resulting from CMAR's responsibility to locate underground facilities and appropriately integrate the location into the Work.
- (E) City-Owned Underground Facilities. City will provide CMAR with information and data about the location and characteristics of any underground facility that it owns, generally water and sewer, and CMAR may rely on that information and data.

20.5 Archaeological Deposits. In accordance with A.R.S. § 41-844, if CMAR discovers any archaeological sites or objects, CMAR must promptly report them to City and Director of the Arizona State Museum:

- (A) CMAR will further ensure compliance with the provisions of state law with respect to archaeological sites or objects; and
- (B) CMAR may be allowed an adjustment for time depending on the extent of the work associated with the find and affect of the find on the Work.

21. **On-Site City Activity.**

21.1 Partial Utilization. City may opt to place into use a reasonably divisible part of the Project when that part has reached substantial completion if:

- (A) The Design Documents identify phase of the Project and the part sought to be placed into use has been identified in the Design Documents as a separate phase; or
- (B) City and CMAR agree that the part sought to be placed into use is a separately functioning and usable part of the Work that can be used by City for its intended purpose without significantly interfering with CMAR's timely and proper performance of the remainder of the Work.
- (C) If the Project is not phased and City decides to place a part of the Project into use such that CMAR incurs additional costs or requires additional time, CMAR may present a Claim under § 11.

21.2 Other On-site Work. City may perform other work on-site that is related to the Project using either City's own forces or let contracts for this work, or City may have utility companies, e.g., electric, gas, telecommunications, perform work on the Site. ("Other On-site Work").

- (A) Access. CMAR will assure that the entities handling the Other On-site Work have safe and proper access to the Site and that portion of the Site upon which the Other On-site Work is to be performed.
- (B) Materials and Equipment. CMAR will assure that the entities handling the Other On-site Work have reasonable area and opportunity for the introduction and storage of materials and equipment and reasonable area and opportunity to conduct the Other On-site Work.
- (C) Coordination. To the extent necessary, CMAR will appropriately coordinate the Work with the Other On-site Work.
 - (1) Unless otherwise provided in the Project Documents, CMAR will do all cutting, fitting, and patching of the Work that may be required to make the Work and the Other On-site Work come together properly and be sufficiently integrated.
 - (2) CMAR will not endanger any Other On-site Work while integrating the works.
 - (3) If the Work depends on the Other On-site Work, CMAR will inspect the Other On-site Work and report time to City any delays, defects, or deficiencies that may render it unavailable or unsuitable for CMAR to complete execution of the Work; failure by CMAR to inspect and report will constitute acceptance of the Other On-site Work.
- (D) Compensation. If Other On-site Work is required, but not noted in the Design Documents or other documents upon which CMAR could reasonably rely in preparing the GMP, the following may occur:
 - (1) Written notice of the Other On-site Work will be given to CMAR a reasonable time before this work begins; and
 - (2) CMAR may make a Claim, under the provisions of § 11 if CMAR believes the Other On-site Work will cause CMAR to incur additional expenses or time.

21.3 Transfer of Control. CMAR and City will work to assure that safety of the work site is not compromised, that property site control is maintained, and that proper insurance is in place.

22. **Inspection of Work.**

22.1 City Inspections. City has the right to inspect the Work at any time and to any degree it believes is necessary and reasonable.

- (A) Required Inspections. Certain aspects of the Work will require inspections in accordance with existing Ordinances and regulations of City or the scope of Work as set forth in this Agreement.
 - (1) CMAR must timely arrange and finalize these required inspections and testing.
 - (2) CMAR will pay all costs associated with the required inspections, which costs may be reflected in the GMP, including the costs of any testing or collection of data that is required for the inspection of City.

- (3) CMAR must obtain and provide to City Certifications or warranties required or which reasonably result from the required inspection or testing.
- (B) Cooperation. CMAR will cooperate fully with the inspections of City and City will attempt to coordinate appropriately the inspections with the Work; however, inspections for life or safety issues will be handled by both parties on a priority basis.
- (C) Independent Inspections. City may employ the services of an independent party to conduct any tests or inspections at City's cost and expense.

22.2 Specifically Described Items. If any material, component, or equipment (collectively, an "Item") is specified or described in the Project Document, Construction Document, or other document submitted to City by CMAR or by CMAR to City, by trade, proprietary, or supplier name, that specification or description is intended to establish the specific item that is to be used in the Work.

(A) "Or-equal". If the specification or description contains or is followed by the words "or-equal", other Items may be accepted by City if, in City's sole discretion, if the Item proposed by CMAR prior to use is qualitatively and functionally equal to that named and the Item is sufficiently similar so that no change in the related Work will be required.

(B) Substitutions. If CMAR proposes to use an Item different than that which is specifically named, CMAR must make an application for approval of a substitution to City prior to use or prior to any modification or deviation intended to accommodate the use.

(1) CMAR must submit a request for substitution in writing to City.

(2) CMAR must submit with the request for substitution the following:

(a) Information about the Item sufficient for City to make a determination if the Item is essentially equivalent to that named and is an acceptable substitute.

(b) Any effect the substitution may have on timely achievement of the Substantial Completion date;

(c) Any cost or credits that will result from the substitution must detail; and

(d) Any other relevant information requested by City.

(F) City approval of any substitute Item will be within its sole discretion.

(G) CMAR is responsible for the costs associated with making the request for substitution, including the cost of obtaining the data.

22.3 Uncovering Work. City or Project Coordinator may require CMAR to uncover Work for inspection and testing.

(A) Builder's Responsibility. If the Work had been covered without CMAR's compliance with all applicable inspection and approval requirements of the Project Documents, CMAR must properly remedy or replace all nonconforming or deficient Work, and adjacent property

damaged thereby, to City's satisfaction, and CMAR must pay the costs City reasonably incurs in connection with uncovering, testing, inspection and remedial work, subject to § 11.

- (B) City Responsibility. If the Work had been covered in accordance with all applicable inspection and approval requirements of CMAR Documents, City will pay the costs CMAR reasonably incurs in connection with the uncovering, testing, inspection, remedial and restoration work, subject to § 11.

22.4 Rejected Work. CMAR must promptly, so as not to interfere with the Contract Times, remove and replace, at CMAR's expense, any Work that is rejected by City or Project Coordinator as defective, contrary to CMAR's warranties, or otherwise not in accordance with the Project Documents.

22.5 City's Remedy. If CMAR does not correct such deficient or nonconforming Work within seven (7) days (or to initiate any work that would reasonably take longer than seven (7) days) after receipt of written notice from City to do so, City may, without prejudice to any other remedies it may have, take whatever steps are necessary to correct the deficient or nonconforming Work, and CMAR will pay City the costs City reasonably incurs in connection with the remedial and corrective Work.

23. **Warranties.**

23.1 CMAR Warranty. At any time within two years after Final Completion of the Work, CMAR must, at CMAR's sole expense, within twenty (20) days of written notice from City, uncover, correct, and remedy all defects in CMAR's Work or any defects in work that CMAR has accepted pursuant to § 22.

23.2 Third Party Warranties. If any other Contract Document or third party warranty provides for a period longer than two years, the longer period applies.

23.3 Remedial Work. CMAR, at CMAR's sole expense, will properly restore any of the Work or other property that is damaged by reason of any remedial Work, to City's satisfaction.

- (A) Warranty on Remedial Work. All remedial Work will have an extended warranty equal to the later of Final Completion or six (6) months after completion of the remedial Work.
- (B) Self-Help. If CMAR fails to correct any defects in accordance with this call-back warranty, then City may correct the defects and CMAR must reimburse City for all expenses incurred by City.
- (C) Non-exclusivity. This express call-back warranty is given in addition to, and without any limitation on, any other claim, right or remedy City may have under this Agreement or applicable Law including, without limitation, any claim, right or remedy arising from tort, contract breach, license bond, recovery fund, latent defect, breach of the implied warranty of habitability, CMAR's violation of any Law, or any other claim, right or remedy, whether discovered before or after the above described call-back period (as may be extended above).
- (D) No Fault of CMAR. This express call-back warranty excludes remedy for damage or defect caused by abuse, modifications not executed by CMAR, improper or insufficient maintenance, improper operation, or normal wear and tear usage.

24. **Liens and Stop Notices.**

24.1 Title to Work. CMAR warrants that title to all Work covered by an Application for Progress Payment or Application for Final Payment will pass to City no later than the time of payment.

24.2 Work Free of Liens. CMAR further warrants that, upon Application for Progress Payment or Application for Final Payment submittal, all Work for which Certificates for Payment have been previously issued and payments received from City must, to the best of CMAR's knowledge, information and belief, be free and clear of liens, claims, security interests or encumbrances.

24.3 Duty to Remove Liens. In the event any document intending to give rise to a lien, or any other claim is asserted, filed, or maintained against the Project or City contrary to the foregoing warranty by CMAR, Subcontractor, or any Lower Tier Entity or Person, then CMAR agrees to cause such lien or claim to be satisfied, removed, or otherwise discharged at its own expense, by payment, bond or otherwise, within ten (10) days from the lien's filing date.

24.4 City's Remedy for Liens. While state law precludes the filing of liens against public property, liens cause City to incur unnecessary legal fees and costs in their removal. Therefore:

- (A) City right to Action. If CMAR fails to take such action promptly after notice from City, then City has the right, in addition to all other rights and remedies under the Project Documents and at Law, to cause each such lien or claim to be removed, satisfied or discharged by whatever means City chooses.
- (B) Costs and Expenses. CMAR will be responsible for the entire cost and expense of this action, including reasonable attorneys' fees and expenses incurred by City, and will remit payment for these costs and expenses immediately upon demand by City.

25. **No Waiver.** Any review or approval given, or payment made, by City or any of its representatives does not:

25.1 Constitute acceptance of CMAR's Work or of the sufficiency of any request for payment;

25.2 Operate as an acquiescence to, or waiver of, any departure from, or CMAR's failure to perform in accordance with, any of this Agreement's requirements;

- (A) Constitute approval of:
- (B) The adequacy, form or content of any Subcontract; or
- (C) Any actions taken by CMAR or by any Subcontractor.

25.2 Relieve CMAR or any Subcontractor of any obligations or responsibilities under this Agreement;

25.3 Be accepted as evidence of satisfactory performance of any Work; or

25.4 Diminish in any manner City's rights and remedies under this Agreement.

26. **CMAR's Warranties and Representations.**

26.1 Warranty. CMAR represents and warrants the following to City (in addition to the other representations and warranties contained in the Agreement) as an inducement to City to execute this Agreement:

- (A) Financial Condition. That it and its affiliated entities are financially solvent and able to pay its debts as they mature, and possessed of sufficient working capital to complete the Work and perform its obligations under this Agreement, provided that City satisfies its payment and other obligations under this Agreement;
- (B) Performance Ability. That it is able to furnish the Construction Services and FFE Services required to complete the Project and perform its obligations hereunder, provided that City satisfies its payment and other obligations, and that CMAR has sufficient experience and competence to do so;
- (C) Litigation Status. There are no pending or threatened actions or proceedings which might materially impair it or its affiliated entities' ability to satisfy its obligations hereunder;
- (D) Legal Status. That it, or the prime contractor that is a part of a CMAR entity, is licensed by the Arizona Registrar of Contractors to perform construction and that all its construction Subcontractors and Lower Tier Entities also will be so licensed; and
- (E) Proper Authorization. That execution of this Agreement and its performance are within its authorized powers.

26.2 Survival. These representations and warranties survive this Agreement's execution and delivery and the Project's final completion.

27. **CMAR Relationship to City.**

27.1 CMAR's relationship to City is in all respects that of an independent contractor.

27.2 CMAR is solely responsible for the means, manner, method, supervision, performance, coordination, safety programs, or control of the Work to be performed by CMAR.

27.3 CMAR is not and will not be found to be an employee or member of City for any purpose.

27.4 This Agreement will in no respect be construed to create a partnership, joint venture, or agency between the parties.

27.5 Neither party has right or power to bind or obligate the other party for any liabilities or obligations without the other party's prior written consent.

28. **Assignments.**

28.1 City Assignment. City may assign or transfer this Agreement without CMAR's consent.

28.2 City Financing. CMAR agrees that if City assigns this Agreement to any lender or other third party source of funding for the Project (each, a "Financing Party");

- (A) CMAR will cooperate with any such assignments, and will execute any consents, assignments and other instruments reasonably required to facilitate the assignments;
- (B) CMAR will cooperate with any inspectors engaged by a Financing Party to observe or inspect the work; and
- (C) CMAR will execute any documents that the Financing Party reasonably requests it to execute in connection with its review of any of CMAR's Work or any of City's requests to Financing Party for disbursements on account of the Work.

28.3 CMAR Assignment. CMAR will not, without City's prior written consent, which may not be unreasonably withheld, do the following:

- (A) Sell, transfer, assign or delegate any interest in this Agreement or any rights or CMAR's obligations; or
- (B) Until Final Payment is made, cause, suffer or permit:
 - (1) Any sale, transfer or assignment of any stock, membership or other equity ownership interest in CMAR, or
 - (2) The issuance of any new stock or other equity ownership in CMAR.

28.4 Void Assignments. Any transfer, sale, assignment, delegation, or issuance of any stock, membership, or other interest in CMAR without City's written consent is void.

29. **Indemnity.**

29.1 Duty to Indemnify, Defend, and Hold Harmless. To the fullest extent permitted by Law, CMAR will indemnify, defend and hold harmless City and its elected officials, officers, employees, agents, consultants, sub-consultants, representatives, and agents (individually, an "Indemnified Party"; collectively, the "Indemnified Parties") for, from and against any and all third-party claims, demands, causes of action, damages (including compensatory, consequential, liquidated, and punitive), judgments, penalties, settlements and all other losses arising (collectively "Claim") from the performance or nonperformance of this Agreement by CMAR or of a Subcontractor, Lower Tier Entities, or any other person or entity for whom CMAR is responsible and all attorneys' fees, consultants' fees, court costs (whether or not taxable by statute), and expenses incurred by each Indemnified Party.

29.2 Extent of Indemnification.

- (A) This indemnification is comprehensive and encompassing to the maximum extent permitted by Law and includes, but is not limited to, a Claim, just or unjust, of any kind, nature or description whatsoever, whether sounding in a tort, warranty, contract (including breach of this Agreement), equity, a statute, or any other theory of liability, and whether Claim is based on an alleged death, personal injury, sickness, conversion, breach of contract, breach of warranty (express or implied), breach of representation, defective work not remedied, lien, stop notice, property damage (including property damage to the Work), patent infringement, copyright infringement, loss of use and all other economic

loss, release of a petroleum byproduct or other substance regulated by applicable Law, legal violations or other claimed damage.

- (B) This indemnity is in addition to and will not be deemed to limit any other indemnity given by CMAR.

29.3 Defense of Indemnified Party. CMAR will defend each Indemnified Party under this indemnity at CMAR's expense with counsel reasonably acceptable to the Indemnified Party, subject to the following:

- (A) The Indemnified Party has the opportunity to participate in the defense against the Claim;
- (B) If there are potential conflicting interests that would make it inappropriate for the same counsel to represent both CMAR and the Indemnified Party, or the Indemnified Party has defenses available to it that are not available to CMAR, then the Indemnified Party may select separate counsel to represent it at CMAR's expense;
- (C) No settlement or compromise can be effected by CMAR without the prior consent of the Indemnified Party; and
- (D) If CMAR does not, within fifteen (15) days after receipt of Notice from the Indemnified Party (or such shorter period of time as may be necessary to avoid a default on a Claim), give Notice to the Indemnified Party of CMAR's election to assume the defense of the Claim, the Indemnified Party has right to undertake, at the expense and risk of CMAR, the defense, compromise or settlement of the Claim.

29.4 Negligence of Indemnified Party. The foregoing obligations to indemnify, hold harmless and defend apply even if a Claim results in part from the negligence of an Indemnified Party, but, in such event, the ultimate liability of CMAR is only to the extent the Claim is found to have resulted from the negligence of CMAR or of any Lower Tier Entity or Person.

- (A) In no event, however, will an Indemnified Party be indemnified for a Claim to the extent it results from the negligence of the Indemnified Party or the Indemnified Party's agents, employees or indemnity as provided in A.R.S. § 34-226.
- (B) An Indemnified Party's acting or failing to act in reliance on promises, representations or agreements made by CMAR in the performance of the Work may not be considered negligently or knowingly acting or failing to act by the Indemnified Party.

30. **Insurance Requirements.**

30.1 Insurance Obligation. CMAR must, prior to beginning work on the Project. And as a material obligation to City and a condition precedent to any payment otherwise due to CMAR, furnish and maintain, and cause its Subcontractors and Lower Tier Entities to furnish and maintain, insurance in accordance with the Insurance Requirements attached as **Exhibit F**.

- (A) Force Placement. In the event CMAR fails, or any Subcontractor or Lower Tier Person fails, to maintain all insurance as provided in **Exhibit F**, City may, in addition to, and without prejudice to any other

remedies available to it under this Agreement or applicable Law, on two (2) days notice, purchase equivalent insurance.

- (B) Reimbursement for Force Placement. CMAR will reimburse City upon demand, or, at City's option, by way of withholding from amounts otherwise due to CMAR, for all expenses City incurs in connection with obtaining such insurance.

30.2 Risk of Loss.

- (A) CMAR bears the risk of loss to all materials, equipment, fixtures, supplies, or other Work element, whether in transit, stored off-site, or stored or housed on site, until these have been incorporated into the Project, at which time CMAR risk of loss will be addressed in accordance with the other portions of this Agreement.
- (B) CMAR is solely responsible for insuring all such materials, equipment fixtures or other Work element from loss until such materials, equipment, fixtures or other elements have been physically incorporated in the Project, at which time CMAR risk of loss will be addressed in accordance with the other portions of this Agreement.

30.3 Bonds. Upon this Agreement's execution, CMAR must furnish Payment and Performance Bonds required under the provisions of A.R.S. § 34-608 prior to beginning work on the Project. The forms of the bonds will comply with the statute and be provided by a surety approved by City.

30.4 Builder's Risk Insurance. CMAR will furnish an all risk property insurance ("Builder's Risk") for the replacement value of the Work performed.

- (A) Form. The form of policy for this Builder's Risk coverage must be non-reporting, in completed value with no co-insurance, and valued at replacement cost with non-standard (broad) form all risk policy.
- (B) Coverage Value. The value utilized must be 100% of the completed value (including Contract Amendments) of the renovation, repairs or construction.

30.5 Other Property Lost Coverage. Insurance against loss of tools, equipment, or otherwise not to be incorporated in the Work, but required for the Work's prosecution, is CMAR's responsibility.

- 31. **Records.** CMAR must keep full and detailed accounts and exercise controls as may be reasonably necessary for the Work's proper financial management using accounting and control systems reasonably satisfactory to City.

31.1 City and its properly authorized representatives—who may be City employees or independent contractors as determined by City—will be afforded access at all times on reasonable advance notice to all CMAR's tangible and electronic records received or generated in connection with the Project, including, without limitation, records, books, correspondence, instructions, drawings, receipts, contracts, subcontracts, vouchers, memoranda, electronic data bases and other electronically stored data and printouts thereof, and similar data relating to this Agreement ("Project Data").

- (A) Project Data availability is intended to allow for audit, review, inspection and copying, at the Site or at CMAR's offices if these offices are located in Maricopa County, Arizona.

- (B) Access will be available during regular business hours.
- (C) Project Data will be available for this inspection until after City has issued its Final Payment or final resolution of any claims pending as of the date of Final Payment, whichever date is later.

31.2 CMAR must include this provision in its Subcontracts and Sub-subcontracts affording City similar access for audit, inspection and copying, to all of the hard copy and electronically stored Project Data of CMAR's Lower Tier Entities.

32. Equal Employment Opportunity.

32.1 Non-Discrimination Policies. CMAR must develop, consistently implement, and effectively maintain non-discrimination policies.

- (A) Duty to Not Discrimination. CMAR and CMAR's Subcontractors and Lower Tier Entities must not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin.
- (B) Affirmative Action. CMAR must take affirmative action to insure that applicants are employed, and that the employees are treated during employment without regard to their race, religion, color, sex, or national origin. This affirmative action includes, but not be limited to, the following:
 - (1) employment;
 - (2) upgrading;
 - (3) demotion or transfer;
 - (4) recruitment or recruitment advertising;
 - (5) layoff or termination;
 - (6) rates of pay or other compensation; and
 - (7) selection for training, including apprenticeship.

32.2 Notices of Non-Discrimination Policies. CMAR will post in conspicuous places, available to employees and applicants for employment, notices that set forth the non-discrimination policies and CMAR and CMAR's Subcontractors and Lower Tier Entities will, in all solicitations or advertisements for employees placed by them or on their behalf, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, or national origin.

33. Immigration Law Compliance: CMAR, and on behalf any subcontractor, warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.

Any breach of warranty under this Section is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.

City retains the legal right to inspect the papers of any CMAR or subcontractor employee who performs work under this Agreement to ensure that CMAR or any subcontractor is compliant with the warranty under this Section.

City may conduct random inspections, and upon request of City, CMAR shall provide copies of papers and records of CMAR demonstrating continued compliance with the warranty under this Section. CMAR agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this Section.

CMAR agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon CMAR and expressly accrue those obligations directly to the benefit of the City. CMAR also agrees to require any subcontractor to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of the City.

CMAR's warranty and obligations under this Section to the City is continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this Section is no longer a requirement.

The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

34. **Termination.**

34.1 For Cause. City has the right to terminate this Agreement without notice if CMAR:

- (A) Fails to maintain insurance required by this Agreement;
- (B) Violates any applicable Law regulating Hazardous Substances, occupational health, job safety, or environmental matters;
- (C) Jeopardizes the health, safety or welfare of persons or property;
- (D) Is Debarred by any governmental entity (in which event the termination will be effective as of the date of the sanction or debarment); or
- (E) Abandons the Work.

34.2 For Breach. If this Agreement is breached by CMAR, City may terminate this Agreement if CMAR fails to cure the breach within seven (7) calendar days after delivery of written notice specifying the breach or within such longer period of time as City may agree to in writing.

34.3 Remedy after Termination. If this Agreement is terminated, CMAR will immediately stop Work and remove its employees from the Site, and City may, without prejudice to any other right or remedy available in law or in equity, complete the Project through alternate means in whatever manner City deems appropriate, and City may, at its election, take possession of and use the materials, equipment, tools and machinery of CMAR, a Subcontractor, or any Lower Tier Entities.

34.4 Payment after Termination. CMAR will have no right to any further payment until after City has completed the Project and determined the amount of its costs, and expenses and damages resulting from the termination.

- (A) If the unpaid balance of the Contract Sum exceeds the costs City incurs to complete the Project, plus other expenses and damages incurred by

City resulting from CMAR's breaches of this Agreement, City will pay CMAR the difference.

- (B) If the expense of completing the Project, plus City's damages, exceeds such unpaid balance CMAR will pay the difference to City upon demand.

34.5 For Convenience. City may terminate this Agreement as to all or any part of the Work for convenience at any time without cause upon five (5) days written notice

- (A) Notice of Termination for Convenience. Notice of termination for convenience:
 - (1) Will be provided no less than five (5) days before cessation of work;
 - (2) Will specify the date of termination for that part of the Work; and
 - (3) Will direct the sequence and manner in which the termination will be implemented.
- (B) Payment after Termination for Convenience. Upon termination for convenience, City will pay CMAR the reasonable value of all Work furnished to the date of termination, including costs necessarily incurred, reasonable costs of demobilization and shut down, and reasonable overhead and profit on Work performed, but excluding any profit or overhead on unexecuted Work.
- (C) Limitation on Termination Compensation. Irrespective of the reason for termination or the party terminating, the total sum paid to the Construction Manager shall not exceed the Contract Construction Price, as properly adjusted, reduced by the amount of payments previously made and penalties or deductions incurred pursuant to any other provision of this Contract For Construction, and shall in no event include duplication of payment.

34.6 Abandonment.

- (A) City's Right to Terminate. In the event CMAR or any Subcontractor or Lower Tier Entity suspends or terminates its performance under the Agreement for any reason, City has the right to suspend or terminate all or any part of the Agreement and finish the suspended or terminated Work by whatever means City determines is expedient.
- (B) Replacement. To preclude termination, CMAR must replace Subcontractor or Lower Tier Entity within five (5) days by procurement of a Subcontractor or Lower Tier Entity that is reasonably acceptable to City.
- (C) Withholding of Payments. If the abandoning Subcontractor or Lower Tier Entity is not timely replaced, City may complete the Work at CMAR's expense, in which case:
 - (1) CMAR will not be entitled to receive any further payment hereunder until:

- (a) The entire Project is complete; and
 - (b) All direct and indirect costs incurred by City to complete CMAR's Work, plus a reasonable allowance for City's overhead and profit, has been determined.
- (2) Direct and indirect costs and the allowance for overhead and profit will apply against the Contract Price and, if the cost to complete the Project is greater than the amount due CMAR, CMAR will pay that difference immediately to City.

35. **Dispute Resolution.**

35.1 Each claim, controversy and dispute (each a "Dispute," collectively, "Disputes") will be initiated and resolved as provided in **Exhibit H**.

35.2 CMAR will continue performance of the Work pending resolution of any CMAR Claim, or of any Dispute unless otherwise directed by City in writing.

36. **Notices.**

36.1 Any communication or notice required to be issued or given under this Agreement will be effective only if:

- (A) Notice is in writing; and
- (B) Delivered to the physical or electronic address given in § 3 on a business day observed by City ("Business Day"):
 - (1) in person;
 - (2) by private express overnight delivery service (delivery service charges prepaid);
 - (3) certified or registered mail (return receipt requested); or
 - (4) electronic mail, if confirmation of receipt is given and received.

36.2 A notice will be deemed delivered to the party:

- (A) As of the date of receipt if received before 5:00 PM on a Business Day at the address for Notices identified in § 3; or
- (B) As of the next Business Day if received after 5:00 PM on a Business Day at the address for Notices identified in § 3.

36.3 The party giving Notice will have the burden of proof as to the time and place of delivery.

36.4 A party may only change its Representative or the information for giving Notice by giving Notice of the change if done in writing and in accordance with this Section.

36.5 CMAR or City may change the name of a representative and/or information for Notices under this Agreement, by giving Notice of the change in accordance with this Section at least ten (10) days prior to the change.

37. **Miscellaneous.**

37.1 Contract Amendment. The parties may, at any time, modify this Agreement by written agreement ("Contract Amendment") signed by City Manager or their designee and CMAR, and, upon its execution, the Contract Amendment will be a Contract Document.

37.2 Integration. This is the entire agreement of City and CMAR, and it supersedes all negotiations and any prior agreements between them relating to the Work. No other documents are included unless incorporated herein by reference.

37.3 Counterparts. This Agreement may be executed in counterparts, and all counterparts will together comprise one instrument.

37.4 Successor and Assigns. This Agreement will insure to the benefit of and be binding on the parties' successors and assigns.

37.5 Rights and Remedies.

- (A) All rights and remedies provided in this Agreement are cumulative and the exercise or assertion of one or more rights or remedies will not affect any other rights or remedies allowed by Law or equity or this Agreement.
- (B) Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under this Agreement's provisions, or with respect to any occurrence, operates as a waiver with respect to such provision or occurrence thereof.
- (C) No single or partial exercise of any right, remedy, power or privilege precludes any other or further exercise of the same or of any right, remedy, power or privilege.

37.6 No Waiver. No waiver is effective unless it is in writing and is signed by the party asserted to have granted such waiver.

37.7 Severability. If any provision of this Agreement is held by any court to be void or unenforceable, that provision will not affect the validity of the other provisions.

37.8 Survival. Except as specifically provided otherwise in this Agreement, each warranty, representation, indemnification provision, insurance requirement, and every other right, remedy and responsibility of City or CMAR under this Agreement will survive the Project's completion, or this Agreement earlier termination.

38. **Conditions Precedent.** This Agreement's effectiveness, and City's obligations hereunder, are contingent upon City's written confirmation to CMAR that each of the following contingencies have been fulfilled:

38.1 Funding. City has allocated funds specifically for the purpose of the Project or has secured financing it deems satisfactory for the Project.

38.2 Approval. This Agreement has been approved by the Surprise City Council.

39. **Exhibits.** The following exhibits are incorporated by this reference:

<u>Exhibit</u>	<u>Title</u>	<u>First Reference</u>
A	Definition Index	§ 1
B	The Project	Recital A
C	The Work; Key Personnel	Recital B; § 3.2(C)
D	GMP Schedule	§ 5.10
E	Project Schedule	§ 6.4
F	CMAR's Insurance Requirements	§ 30
G	Forms of Payment and Performance Bonds	§ 30.1
H	Dispute Resolution Procedures	§ 35

[Remainder of page intentionally left blank. Signatures of the parties appear on the following page.]

IN WITNESS WHEREOF, City and CMAR enter into this agreement as of _____,
2014 (the "effective date").

CITY OF SURPRISE

City Manager

Date:_____

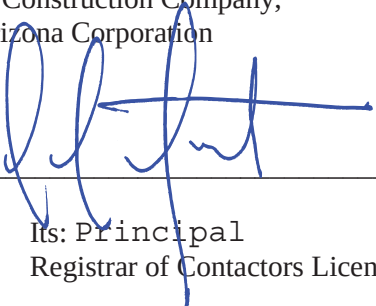
Approved as to Form:

City Attorney

Attestation:

City Clerk

Felix Construction Company,
an Arizona Corporation

By: _____

Its: Principal

Registrar of Contactors License: ROC 083020 B-01

Date: 03.05.2014

EXHIBIT A

DEFINED TERMS AND INDEX

DEFINED TERMS

[Any plural of a defined term will have the same meaning logical as its singular.]

"Change Directive" means a written directive issued by City specifying the required Change, together with City's determination of the corresponding adjustment (if any) in the Contract Sum and/or Contract Times.

"Change Order" means a written amendment to this Agreement, executed on behalf of City and CMAR that specifies the Change, and the adjustment to the Contract Sum and/or Contract Times.

"Construction Documents" means those stamped and sealed documents containing all of the elements required in this Agreement and prepared by a registered design professional in connection with the Work that have been accepted by both CMAR and City and approved and released for construction by the applicable governmental permitting authorities.

"Construction Materials" means all fixtures, materials, and supplies provided for incorporation in the Project.

"Project Documents" include:

- this Agreement and any amendments,
- Design Documents,
- Construction Documents,
- any Change Orders, Change Directives, or Field Orders,
- Notice to Proceed,
- Project related specifications and drawings,
- permits,
- FFE Procurement Schedules,
- provisions of the required bonds and insurance policies, and
- other documents identified in **Exhibit B**.

"Construction Services" means all procurement and construction services of every kind and description, including all construction services, expertise, labor, materials, equipment, tools, utilities, supervision, coordination, scheduling, permitting, shop drawings, transportation, insurance, testing, inspection, procurement, installation and other facilities and services of every kind and description, and calculations incidental and required in connection therewith and as further described in **Exhibit C**.

"Excusable Delay" means a delay that that City determines has or will cause the Project Schedule not to be met as a result of an event that is not attributable in any manner to CMAR's actions or inactions, or attributable in any manner to the actions or inactions of any entity under CMAR's control or direction, and cannot be avoided or mitigated by CMAR's best efforts. A Force Majeure event, as defined in § 6.7(B), would constitute an Excusable Delay.

"FFE" means the furniture, fixtures, and moveable equipment and other items of Work that are required for the completed Project. City may distinguish between furniture, fixtures, and moveable equipment that will be provided by City outside CMAR's scope and that which CMAR will provide as a part of this Agreement.

"Final Completion" means the date when all of the following have occurred:

- (a) All punch list items have been completed to the satisfaction of the governmental permitting authority;
- (b) A permanent certificate of occupancy has been secured;

EXHIBIT A

DEFINED TERMS AND INDEX

(c) The Engineer or Architect of Record has accepted the Project and submitted the property Certificate of Final Completion to City; and

(d) City has accepted the Project.

"Hazardous Substance" means any element, compound, mixture, solution, particle or substance which is or may become dangerous, or harmful to the health and welfare of life or the physical environment if not used, stored or disposed of in accordance with applicable law, such as, but not limited to, explosives, petroleum products, radioactive materials, hazardous wastes, toxic substances and related materials, and including without limitation: (1) any substance or material included within the definitions of "hazardous substances," "hazardous wastes," "special wastes," "regulated substances," "Hazardous Substances," "toxic substances," "hazardous pollutants" or "toxic pollutants" in any of the Resource Conservation and Recovery Act, 42 U.S.C. § 9601, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 6901, the Toxic Substances Control Act, the Clean Air Act and/or the Clean Water Act, as the foregoing may be amended from time to time, or any regulations promulgated, and any analogous state, local or other governmental laws, rules or regulations; (2) any "PCBs" or "PCB items," as defined in 40 CFR § 761.3; and (3) any "asbestos," as defined in 40 CFR § 763.63.

"Lower Tier Persons" means collectively any entity except the CMAR and a Subcontractor of the CMAR that is contracted to furnish any labor, equipment, professional services, Construction Materials or other Work.

"Punch List" means, collectively, unfinished items of the construction of the Project, which unfinished items of construction are minor or insubstantial details of construction, mechanical adjustment or decoration remaining to be performed, the non-completion of which would not materially affect the use of the Project, and which are capable of being completed within thirty (30) days of Substantial Completion, subject to the availability of special order parts and materials.

"Subcontractor" means any person or entity, including materialmen, which has a direct contract with CMAR to furnish any element of the Work. The prime contractor of CMAR is not a subcontractor.

"Substantial Completion" of the Work means the date when all of the following have occurred:

- (a) The Work is approved by City and substantially complete;
- (b) The applicable permitting authorities have each issued their respective written approvals of the Work as being sufficiently complete so that it may lawfully be occupied by City for City's intended use;
- (c) The Engineer or Architect of Record has accepted the Project and submitted the property Certificate of Substantial Completion to City certifying that the work is substantially complete; and
- (d) Subject only to specified punch list items.

"Vendor" means a Subcontractor or Lower Tier Entities who sells, but does not attach or install Construction Materials that are not specially manufactured or fabricated for the Project.

"Withholding" means the amount of each Progress Payment, Final Payment, or other amount otherwise payable to CMAR will be reduced for the reasons provided in this Agreement.

EXHIBIT A

DEFINED TERMS AND INDEX

“Work” means that activity required for the timely, cost-effective, and proper design, engineer, construct, and commission of the Project. Work includes and is the result of CMAR performing, furnishing, and incorporating as necessary all labor, materials, and equipment into the construction of the Project, and CMAR performing, furnishing, or making provision for the services and documents required by this Agreement and the other associated Project documents.

"Work Product" means the documents generated by CMAR and its Lower Tier Entities, including, but not limited to, all preliminary and completed evaluations, programs, reports, drawings, plans, operational documents or other work product in any media or form that CMAR and its Lower Tier Entities generate, or arrange for, in connection with the Project, together with the design of the buildings and structures embodied within them, and all items and matters included within the definition of "architectural work" as provided in 17 U.S.C. § 101.

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DEFINED TERMS AND INDEX

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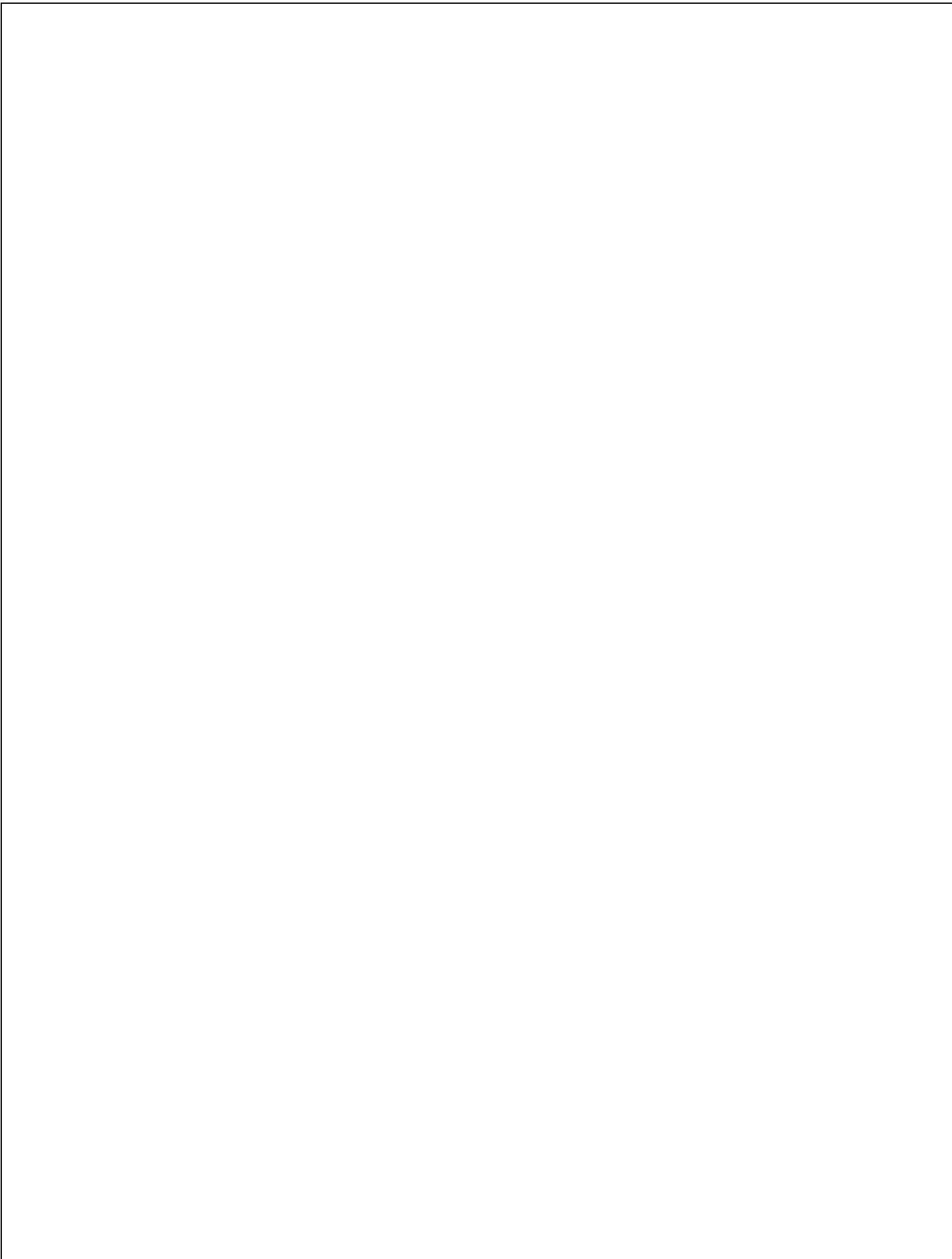


Exhibit B

THE PROJECT AND SCOPE

The Project

Design and Construction of a 1,500 gallon per minute well at the Mountain Vista Well #2 site. The new well will tie into existing infrastructure to provide additional water capacity and redundancy for storage and fire flow emergencies as needed within the Mountain Vista Ranch water service area.

Scope

Construction Services: The CMAR will be responsible for holding the construction contract with the City for construction of the project. The CMAR assumes the risk of delivering the project through a Guaranteed Maximum Price contract. The CMAR will be responsible for the construction means and methods and may also compete to self-perform limited amounts of work.

Construction Phase Services includes but is not limited to:

- Procure all construction material, equipment and labor contracts to vendors and pre-qualify subcontractors.
- Coordinate with various City of Surprise departments, outside agencies, and City consultants and vendors.
- Coordinate work with other Capital Improvement Program projects planned for the facility.
- Provide quality control to minimize the risk to the City and CMAR
- Develop construction scheduling
- Manage site operations and supervise all subcontractors
- Manage resolution of disputes and/or demonstrations by organized interests
- Provide quality control to minimize risk to the City and the design engineer firm
- Manage contingency and change requests
- Bond for, and insure, all construction work
- Ensure compliance with federal, state and local permitting and regulatory requirements
- Ensure construction job site safety
- Participate in presentations to City Management and City Council
- A mutually agreeable detailed scope of work will be developed at onset of contract.
- Public outreach
- Operator training
- Project closeout documentation

EXHIBIT C
THE WORK
KEY PERSONNEL

(See Attached)



Statement of Qualifications

Our Team's CMAR experience has been a model of proven success to meet your project goals while being mindful of safety and sustaining operations.

A. General Contractor Qualifications information. (30 points)

1. Provide a general description of the firm that is proposing to provide construction management services and general construction services. Explain the legal organization of the proposed firm or team. Provide an organization chart showing key personnel.

Felix Construction Company (Felix) is a general engineering contractor (GC) and construction manager (CM). Our GC work focuses on water and wastewater projects. Our CM work includes cost modeling/estimating, project planning/scheduling, alternate systems evaluation, constructability review, long-lead studies and procurement, efficiency analysis, permitting assistance, safety/hazard analysis, quality analysis/control, and value comparison/engineering. Our approach to CMAR is to anticipate a project's problems, and to offer cost-effective and timely solutions. We are a for-profit corporation, incorporated in Arizona in 1987.

Project Organization Chart

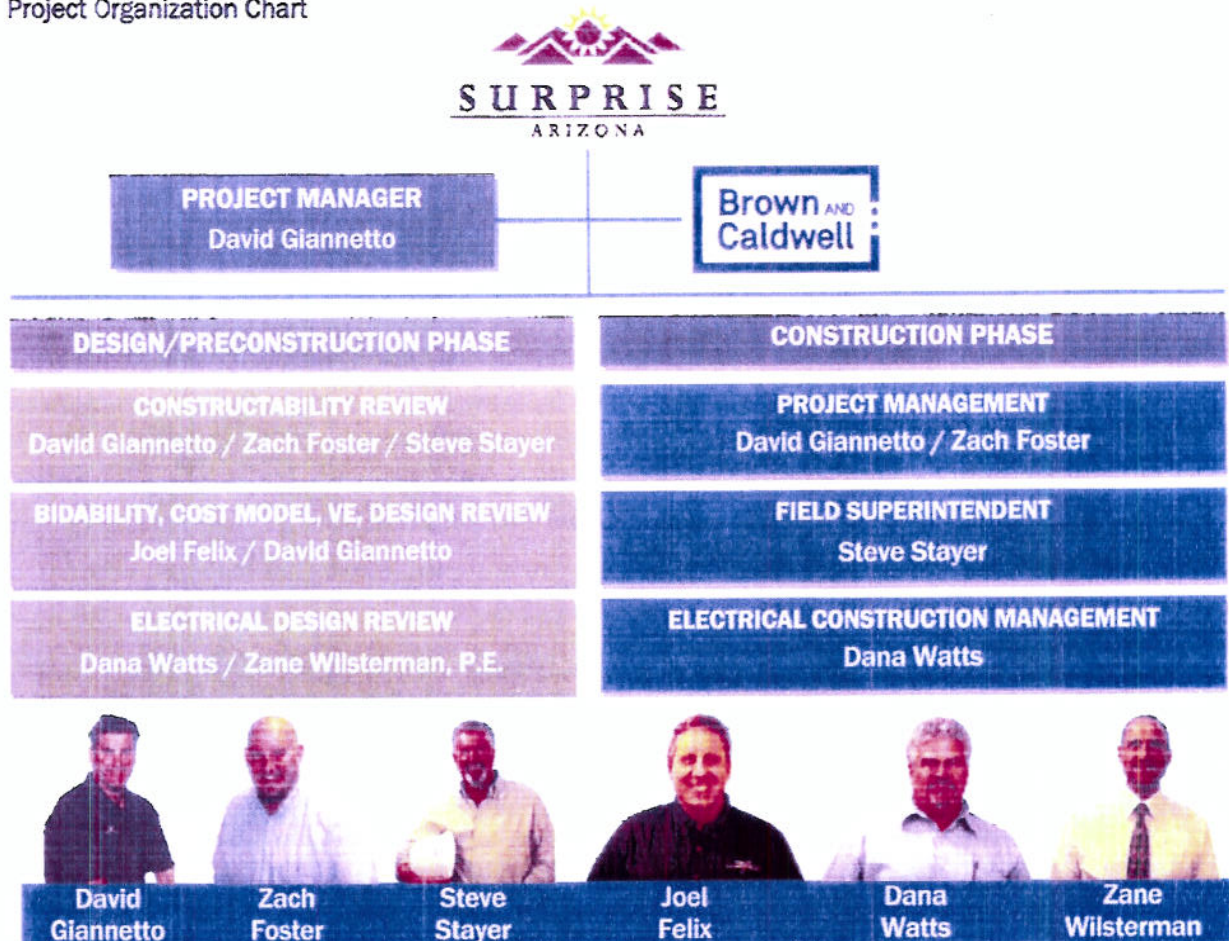


EXHIBIT D

GMP PROPOSAL SCHEDULE

(See Attached)



Mountain Vista Ranch Well No. 2 Project Cost Summary



GMP No. 1 Base Contract	\$ 1,042,369.00
GMP No. 1 Project Contingency	\$ 50,000.00
Credit for Unused Contingency	\$ (50,000.00)
GMP No. 1 Final Cost	\$ 1,042,369.00
GMP No. 2 Base Contract	\$ 1,268,501.00
GMP No. 2 Project Contingency (Carry Over from GMP No. 1)	\$ 50,000.00
GMP No. 2 Total	\$ 1,318,501.00
Total Project Project Cost GMP No. 1 + GMP No. 2	\$ 2,360,870.00

Master Development		W Phase 1001				W Phase 1002				W Phase 1003				W Phase 1004			
Tagline	Owner & Contact	Quant	Unit	Unit Price	Total Price	Item Price	Change	Quant	Unit	Unit Price	Total Price	Item Price	Change	Quant	Unit	Unit Price	Total Price
Description		Date of Bid 10/01/13				Date of Bid 10/01/13				Date of Bid 10/01/13				Date of Bid 10/01/13			
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Description		Total Price				Total Price				Total Price				Total Price			
Description		Total Price				Total Price				Total Price				Total Price			
Description		Total Price				Total Price				Total Price				Total Price			
Description		Total Price															

EXHIBIT E
PROJECT SCHEDULE
SCHEDULE UPDATES

(See Attached)

GMAW PUMP ELECTION

Legend:

- Design Activities (Blue)
- Construction Activities (Green)
- Commissioning Activities (Yellow)

Project Summary:

- Start Date: 1/1/2020
- End Date: 12/31/2020
- Project Status: On Track
- Project Manager: [Name]

Task List:

Task ID	Task Name	Start Date	End Date	Duration	Progress (%)
1	Design Activities	1/1/2020	1/1/2020	1 Day	100%
2	Design Activities	1/1/2020	1/1/2020	1 Day	100%
3	Design Activities	1/1/2020	1/1/2020	1 Day	100%
4	Design Activities	1/1/2020	1/1/2020	1 Day	100%
5	Design Activities	1/1/2020	1/1/2020	1 Day	100%
6	Design Activities	1/1/2020	1/1/2020	1 Day	100%
7	Design Activities	1/1/2020	1/1/2020	1 Day	100%
8	Design Activities	1/1/2020	1/1/2020	1 Day	100%
9	Design Activities	1/1/2020	1/1/2020	1 Day	100%
10	Design Activities	1/1/2020	1/1/2020	1 Day	100%
11	Design Activities	1/1/2020	1/1/2020	1 Day	100%
12	Design Activities	1/1/2020	1/1/2020	1 Day	100%
13	Design Activities	1/1/2020	1/1/2020	1 Day	100%
14	Design Activities	1/1/2020	1/1/2020	1 Day	100%
15	Design Activities	1/1/2020	1/1/2020	1 Day	100%
16	Design Activities	1/1/2020	1/1/2020	1 Day	100%
17	Design Activities	1/1/2020	1/1/2020	1 Day	100%
18	Design Activities	1/1/2020	1/1/2020	1 Day	100%
19	Design Activities	1/1/2020	1/1/2020	1 Day	100%
20	Design Activities	1/1/2020	1/1/2020	1 Day	100%
21	Design Activities	1/1/2020	1/1/2020	1 Day	100%
22	Design Activities	1/1/2020	1/1/2020	1 Day	100%
23	Design Activities	1/1/2020	1/1/2020	1 Day	100%
24	Design Activities	1/1/2020	1/1/2020	1 Day	100%
25	Design Activities	1/1/2020	1/1/2020	1 Day	100%
26	Design Activities	1/1/2020	1/1/2020	1 Day	100%
27	Design Activities	1/1/2020	1/1/2020	1 Day	100%
28	Design Activities	1/1/2020	1/1/2020	1 Day	100%
29	Design Activities	1/1/2020	1/1/2020	1 Day	100%
30	Design Activities	1/1/2020	1/1/2020	1 Day	100%
31	Design Activities	1/1/2020	1/1/2020	1 Day	100%
32	Design Activities	1/1/2020	1/1/2020	1 Day	100%
33	Design Activities	1/1/2020	1/1/2020	1 Day	100%
34	Design Activities	1/1/2020	1/1/2020	1 Day	100%
35	Design Activities	1/1/2020	1/1/2020	1 Day	100%
36	Design Activities	1/1/2020	1/1/2020	1 Day	100%
37	Design Activities	1/1/2020	1/1/2020	1 Day	100%
38	Design Activities	1/1/2020	1/1/2020	1 Day	100%
39	Design Activities	1/1/2020	1/1/2020	1 Day	100%
40	Design Activities	1/1/2020	1/1/2020	1 Day	100%
41	Design Activities	1/1/2020	1/1/2020	1 Day	100%
42	Design Activities	1/1/2020	1/1/2020	1 Day	100%
43	Design Activities	1/1/2020	1/1/2020	1 Day	100%
44	Design Activities	1/1/2020	1/1/2020	1 Day	100%
45	Design Activities	1/1/2020	1/1/2020	1 Day	100%
46	Design Activities	1/1/2020	1/1/2020	1 Day	100%
47	Design Activities	1/1/2020	1/1/2020	1 Day	100%
48	Design Activities	1/1/2020	1/1/2020	1 Day	100%
49	Design Activities	1/1/2020	1/1/2020	1 Day	100%
50	Design Activities	1/1/2020	1/1/2020	1 Day	100%
51	Design Activities	1/1/2020	1/1/2020	1 Day	100%
52	Design Activities	1/1/2020	1/1/2020	1 Day	100%
53	Design Activities	1/1/2020	1/1/2020	1 Day	100%
54	Design Activities	1/1/2020	1/1/2020	1 Day	100%
55	Design Activities	1/1/2020	1/1/2020	1 Day	100%

EXHIBIT F

CMAR'S INSURANCE REQUIREMENTS

CMAR must, as a material obligation to City and a condition precedent to any payment otherwise due to CMAR, furnish and maintain, and cause its Subcontractors to furnish and maintain, insurance in accordance with the provisions of this Exhibit.

CMAR must secure and maintain without interruption, from the date of commencement of the Work until the later of the date of Final Completion, the date of final payment, or the date until which this Agreement requires any coverage to be maintained after final payment, policies of commercial general liability, commercial auto, umbrella/excess, workers compensation and employers liability insurance, providing the following coverages, limits and endorsements:

1. Commercial General Liability Insurance.

- 1.1 The CGL policy must be written on an occurrence basis, on ISO form CG 001 or its equivalent, providing coverage for bodily injury, broad form property damage, personal injury (including coverage for contractual and employee acts), contractual liability, incidental professional liability, the hazards commonly referred to as XCU, and products and completed operations, with a combined single limit of liability of not less than \$5,000,000 for each occurrence applicable to the Work, and an annual aggregate limit of liability of not less than \$5,000,000 applicable solely to the Work, and meeting all other requirements of this Exhibit.
- 1.2 The general liability insurance may be accomplished with a combination of a general liability and an excess/umbrella liability policy.
- 1.3 Each general liability policy must be endorsed or written to:
 - (A) Include the per project aggregate endorsement;
 - (B) Name as additional insureds the following: City of Surprise and its employees, representatives and agents (collectively, the "Additional Insureds");
 - (C) List the Project number and address(es);
 - (D) Stipulate that the insurance afforded by the policies furnished by CMAR will be primary insurance and that any insurance, self-insured retention, deductibles, or risk retention programs maintained or participated in by the Additional Insureds, or their agents, officials or employees will be excess and not contributory to the liability insurance furnished by CMAR and by its Subcontractors;
 - (E) Includes a severability of interest clause; and
 - (F) Waive all rights of recovery against the Additional Insureds.

2. Workers' Compensation Insurance.

- 2.1 The Workers' Compensation policy must meet all Arizona statutory requirements, and Employers' Liability Insurance, with limits of at least \$500,000 per accident or disease per employee, both policies endorsed to waive subrogation against the Additional Insureds.
- 2.2 CMAR must provide, at CMAR's expense, Voluntary Compensation insurance for the protection of employees engaged in the Work who are exempt from the coverage provided under the Workers' Compensation statutes with coverage

equivalent or better than the coverage required in the preceding sentence, for the duration of the project.

3. **Auto Liability Insurance,**

- 3.1 Auto Liability must be carried with minimum combined single limits of \$1,000,000 per occurrence for bodily injury and property damage.
- 3.2 This policy must include a duty to defend and cover all owned, non-owned, leased, hired, assigned or borrowed vehicles.
- 3.3 This policy must be endorsed to name the Additional Insureds as such, stipulate that any insurance carried by the Additional Insureds must be excess and not contributory, and to waive subrogation against the Additional Insureds.

4. **Equipment Property Insurance.**

- 4.1 CMAR must secure, pay for, and maintain all-risk insurance as necessary to protect City against loss of owned, non-owned, rented or leased capital equipment and tools, equipment and scaffolding, staging, towers and forms owned or rented by CMAR, its Subcontractors or Lower Tier Entities and any construction material in transit or stored in any location other than the Site.
- 4.2 This policy must have a waiver of subrogation in favor of the Additional Insureds.

5. **Commercial Crime Insurance.** This policy must cover employees responsible to disburse funds to pay project costs against employee dishonesty, forgery or alteration, or computer fraud.

6. **Waiver of Subrogation.** CMAR hereby waives, and will require each of its Subcontractors and Lower Tier Entities to waive, all rights of subrogation against the Additional Insureds to the extent of all losses or damages covered by any policy of insurance.

7. **Term of Coverage.**

- 7.1 The products and completed operations liability coverage required by this Agreement must extend for a period of not less than five years after the earlier of Final Payment for the Work, or the termination of the Agreement (the "Completed Operations Term").
- 7.2 If at any time during the Completed Operations Term CMAR cannot obtain equivalent coverage by replacement or renewal, CMAR must acquire a tail policy prior to expiration of the existing policy that will extend coverage until the end of the Completed Operations Term.
- 7.3 CMAR will furnish certificates of insurance and other evidence that City may reasonably require during the Completed Operations Term to establish compliance with the requirements of this paragraph.
- 7.4 All other policies of insurance must be maintained continuously in force from commencement of the Work until the date of Final Payment.

8. **Subcontractor and Lower-Tier Entities Insurance Requirements.**

- 8.1 CMAR must require all of CMAR's Subcontractors and Lower Tier Entities, as a condition of working on the Project, and of receiving payment, to:

- (A) Purchase and maintain Commercial General Liability, Workers' Compensation and Employer's Liability, and Automotive insurance policies, with the same coverages, endorsements, terms of coverage and other provisions as are required of CMAR under by this Exhibit, **EXCEPT THAT** the combined coverage limits of the general liability insurance to be furnished by Lower Tier Entities must be \$1,000,000 per occurrence, and \$1,000,000 as the annual aggregate limit); and
- (B) Timely furnish to City proper certificates, endorsements, copies of declarations pages, and other documents necessary to establish the Subcontractor's compliance with this Exhibit.
- (C) The Lower Tier Entities' general liability policy must also be endorsed to provide the same coverage as the primary insurance, the general liability insurance furnished by CMAR must be the secondary and non-contributory, and any insurance carried by the Additional Insureds must be excess, tertiary and non-contributory to the insurance furnished by CMAR and Subcontractor.
- (D) City has the right to inspect and copy all such certificates, endorsements, or other proof at any reasonable time.

9. **Other Policy Provisions.** Each policy to be furnished by CMAR, A/E and each Subcontractor must:

- 9.1 Be issued by an insurance carrier having a rating from A.M. Best Company of at least A-VII or better;
- 9.2 Have a deductible not exceeding \$10,000 unless otherwise agreed upon by City;
- 9.3 Provide that attorneys fees shall be outside of the policy's limits and shall be unlimited;
- 9.4 Include the Facility per aggregate endorsement;
- 9.5 Waive all rights of subrogation against City;
- 9.6 Contain a provision that coverages afforded under the policies will not be canceled, allowed to expire, or reduced in amount until at least thirty (30) days prior written notice has been given to City; and
- 9.7 Be otherwise satisfactory to City. City agrees to consider alternatives to the requirements imposed by this Exhibit but only to the extent that City is satisfied the insurance is not commercially available to the insured. In such event, City shall have the right to set conditions for such waiver, including, but not limited to, additional indemnities, and the request that City shall be a loss-payee under the policy.

10. **Certificates and Endorsements.**

- 10.1 Within ten (10) days after the execution of this Agreement, CMAR must provide City with certificates and endorsements;
- 10.2 Within ten (10) days after execution of each Subcontract (but in all events prior to such Subcontractor commencing Services), CMAR must provide City with certificates and endorsements from each of its Subcontractors, in all cases evidencing compliance by CMAR, each Subcontractor, and Lower Tier Entities with the requirements of this Exhibit together with letters from the respective

carriers (including, but not limited to, the Errors and Omissions insurance carriers) that there are no known or pending claims or incidents which have resulted in the establishment of a reserve or otherwise have reduced the amount of coverage potentially available to City under the policy and that available coverage has not been reduced because of revised limits or payments made (or, in the event such representations cannot be given, CMAR, its Subcontractors must furnish the particulars thereof to City.

- 10.3 If any of the foregoing insurance coverages are required to remain in force after final payment, CMAR must submit an additional certificate evidencing continuation of such coverage with the application for final payment.
11. **Reduction in Coverage.** CMAR, each of its Subcontractors and Lower Tier Entities must promptly inform City of any reduction of coverage resulting from revised limits, claims paid, or both. City shall have the right to require CMAR or the applicable Subcontractor to obtain supplemental or replacement coverage to offset such reduced coverage, at the sole cost or expense of CMAR or the applicable Subcontractor.
12. **Suppliers and Materialmen Coverages.**
 - 12.1 CMAR will endeavor to cause all suppliers and materialmen to deliver any equipment, machinery or other goods FOB Site.
 - 12.2 With respect to any equipment, machinery or other goods for which City or CMAR has paid a deposit, CMAR will cause the respective suppliers and materialmen to maintain personal property insurance in an amount equal to the value of such equipment, machinery or other goods (but in no event less than the amount of the applicable deposit) during fabrication, storage and transit, naming City and CMAR as loss payee as their interests appear.
13. **Condition Precedent to Starting Work.**
 - 13.1 Prior to, and as a condition of its right to begin performing any Work on the Site, CMAR and each Subcontractor and Lower Tier Entities must deliver to City certificates of insurance representing that the required insurance is in force, together with the additional insured endorsements and waivers of subrogation required above, and such other proof satisfactory to City that the required insurance is in place; together with the original of each bond required under this Agreement. CMAR and each Subcontractor and Lower Tier Entities hereby authorize City to communicate directly with the respective insurance agents, brokers and/or carriers and sureties to verify their insurance and bond coverage;
 - 13.2 City shall be under no obligation or duty to make any such inquiry and City shall be entitled to rely on any proofs of insurance tendered by CMAR and its Subcontractors and Lower Tier Entities. City's acceptance of any proof of insurance and bonds offered by CMAR or any Subcontractor or Lower Tier Entities will not be deemed a waiver of the obligations of CMAR and Subcontractors and Lower Tier Entities to furnish the insurance and bonds required by this Exhibit.
14. **Additional Proofs of Insurance.** CMAR must, within ten (10) days after request, provide City with certified copies of all policies and endorsements obtained in compliance with this Agreement.

15. **Indemnity.** The fact that CMAR and its Subcontractors are required by this Agreement to purchase and maintain insurance in no way limits or restricts any other obligations or duties CMAR and its Subcontractors and Lower Tier Entities may have to indemnify, defend or hold harmless City and the other Additional Insureds from and against any and all Demands, Liabilities, Losses or Expenses of whatever kind or nature.
16. **Interpretation.** In the event of any inconsistency between the provisions of this Exhibit and those of the other provisions of the Agreement, the terms of this Exhibit will govern.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

8/21/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Minard-Ames Insurance Services LLC 4646 E Van Buren Ste., #200 Phoenix AZ 85008		CONTACT NAME: Lee Gaddis PHONE (A/C, No, Ext): 602-393-3421 E-MAIL: gaddis@minardames.com ADDRESS: gaddis@minardames.com		FAX (A/C, No): 602-273-0212
INSURED Felix Construction Co, inc. 1326 W Industrial Drive Coolidge AZ 85126		INSURER(S) AFFORDING COVERAGE INSURER A: Cincinnati Insurance Companies INSURER B: Navigators Specialty Insurance Comp INSURER C: Atlantic Specialty Insurance Compan INSURER D: INSURER E: INSURER F:		NAIC # 10677 27154

COVERAGES

CERTIFICATE NUMBER: 871971712

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY ☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY ☒ PRO-JECT ☐ LOC	Y	Y	EPP0133002	4/7/2013	4/1/2014 EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (\$a occurrence) \$300,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COM/PROP AGG \$2,000,000 \$
A	AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ ALL OWNED AUTOS ☒ HIRED AUTOS ☒ SCHEDULED AUTOS ☐ NON-OWNED AUTOS	Y	Y	EBAD133002	4/7/2013	4/1/2014 COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	☒ UMBRELLA LIAB ☒ EXCESS LIAB ☐ CLAIMS-MADE DED ☒ RETENTION \$0	Y	Y	LA13EXC7798741C	4/7/2013	4/1/2014 EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000 \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) if yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WC1932485-01	4/1/2013	4/1/2014 ☒ WC STATUTORY LIMITS E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000
C	Scheduled Equipment Leased/Rented Equipment Coins 90%, ACV / Ded: \$1,000			790012939	4/7/2013	4/1/2014 Scheduled Equip Limit \$1,016,000 Leased/Rented Limit \$750,000 L/R Max per item \$500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Certificate Holder and Owner (if applicable) are defined as additional insured on the general, auto and excess/umbrella liability if required in a written contract. General Liability coverage is primary and non-contributory in accordance with all policy terms and conditions, if required in a written contract. Waiver of subrogation applies in favor of the certificate holder on the general and auto liability if required in a written contract and/or agreement. Per attached forms: GA233AZ 09/09; GA4316AZ 09/09; AA4171 11/05; GA4094 10/01; AA4172 09/09. RE: Project #21111, Mountain Vista Ranch Well #2. Additional Insured: City of Surprise and its employees, representatives and agents. Waiver of Subrogation applies in favor of Additional Insureds.

CERTIFICATE HOLDER**CANCELLATION**

City of Surprise 16000 N. Civic Center Plaza Surprise AZ 85374	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACTORS' COMMERCIAL GENERAL LIABILITY BROADENED ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Endorsement - Table of Contents:

<u>Coverage:</u>	<u>Begins on Page:</u>
1. Employee Benefit Liability Coverage	2
2. Unintentional Failure to Disclose Hazards	7
3. Damage to Premises Rented to You	8
4. Supplementary Payments	9
5. Medical Payments	9
6. Voluntary Property Damage (Coverage a.) and Care, Custody or Control Liability Coverage (Coverage b.)	9
7. 180 Day Coverage for Newly Formed or Acquired Organizations	10
8. Waiver of Subrogation	10
9. Automatic Additional Insured - Specified Relationships:	10
• Managers or Lessors of Premises;	
• Lessor of Leased Equipment;	
• Vendors;	
• State or Political Subdivisions - Permits Relating to Premises;	
• State or Political Subdivisions - Permits; and	
• Contractors' Operations	
10. Broadened Contractual Liability - Work Within 50' of Railroad Property	13
11. Property Damage to Borrowed Equipment	13
12. Employees as Insureds - Specified Health Care Services:	14
• Nurses;	
• Emergency Medical Technicians; and	
• Paramedics	
13. Broadened Notice of Occurrence	14

B. Limits of Insurance:

The Commercial General Liability Limits of Insurance apply to the insurance provided by this endorsement, except as provided below:

1. Employee Benefit Liability Coverage

Each Employee Limit: \$ 1,000,000
Aggregate Limit: \$ 3,000,000
Deductible: \$ 1,000

3. Damage to Premises Rented to You

The lesser of:

- a. The Each Occurrence Limit shown in the Declarations; or
- b. \$500,000 unless otherwise stated \$ _____

4. Supplementary Payments

- a. Bail bonds: \$ 1,000
- b. Loss of earnings: \$ 350

b. Deductible Clause

- (1) Our obligation to pay damages on your behalf applies only to the amount of damages for each "occurrence" which are in excess of the deductible amount stated in Section B. Limits of Insurance, 6. Voluntary Property Damage and Care, Custody or Control Liability Coverage of this endorsement. The limits of insurance will not be reduced by the application of such deductible amount.
- (2) Condition 2. Duties in the Event of Occurrence, Offense, Claim or Suit, applies to each claim or "suit" irrespective of the amount.
- (3) We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

7. 180 Day Coverage for Newly Formed or Acquired Organizations

SECTION II - WHO IS AN INSURED is amended as follows:

Subparagraph a. of Paragraph 4. is hereby deleted and replaced by the following:

- a. Insurance under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

8. Waiver of Subrogation

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, 9. Transfer of Rights of Recovery Against Others to Us is hereby amended by the addition of the following:

We waive any right of recovery we may have because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a written contract requiring such waiver with that person or organization and included in the "products-completed operations hazard". However, our rights may only be waived prior to the "occurrence" giving rise to the injury or damage for which we make payment under this Coverage Part. The insured must do nothing after a loss to impair our rights. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce those rights.

9. Automatic Additional Insured - Specified Relationships

- a. The following is hereby added to **SECTION II - WHO IS AN INSURED**:

- (1) Any person or organization described in Paragraph 9.a.(2) below (hereinafter referred to as additional insured) whom you are required to add as an additional insured under this Coverage Part by reason of:

- (a) A written contract or agreement; or
- (b) An oral agreement or contract where a certificate of insurance showing that person or organization as an additional insured has been issued,

is an insured, provided:

- (a) The written or oral contract or agreement is:

- 1) Currently in effect or becomes effective during the policy period; and
- 2) Executed prior to an "occurrence" or offense to which this insurance would apply; and

- (b) They are not specifically named as an additional insured under any other provision of, or endorsement added to, this Coverage Part.

- (2) Only the following persons or organizations are additional insureds under this endorsement, and insurance coverage provided to such additional insureds is limited as provided herein:

- (a) The manager or lessor of a premises leased to you with whom you have agreed per Paragraph 9.a.(1) above to provide insurance, but only with respect to liability arising out of the ownership, maintenance or use of that part of a premises leased to you, subject to the following additional exclusions:

This insurance does not apply to:

- 1) Any "occurrence" which takes place after

you cease to be a tenant in that premises.

- 2) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.
- (b) Any person or organization from which you lease equipment with whom you have agreed per Paragraph 9.a.(1) above to provide insurance. Such person(s) or organization(s) are insureds solely with respect to their liability arising out of the maintenance, operation or use by you of equipment leased to you by such person(s) or organization(s). However, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.
- (c) Any person or organization (referred to below as vendor) with whom you have agreed per Paragraph 9.a.(1) above to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:
- 1) The insurance afforded the vendor does not apply to:
 - a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
 - b) Any express warranty unauthorized by you;

- c) Any physical or chemical change in the product made intentionally by the vendor;
 - d) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
 - e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
 - f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
 - g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor.
- 2) This insurance does not apply to any insured person or organization:
- a) From whom you have acquired such products, or any ingredient, part or container, entering into, ac-

companying or
containing such
products, or

- b) When liability included within the "products-completed operations hazard" has been excluded under this Coverage Part with respect to such products.

- (d) Any state or political subdivision with which you have agreed per Paragraph 9.a.(1) above to provide insurance, subject to the following additional provision:

This insurance applies only with respect to the following hazards for which the state or political subdivision has issued a permit in connection with premises you own, rent or control and to which this insurance applies:

- 1) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners, or decorations and similar exposures; or
- 2) The construction, erection, or removal of elevators; or
- 3) The ownership, maintenance, or use of any elevators covered by this insurance.

- (e) Any state or political subdivision with which you have agreed per Paragraph 9.a.(1) above to provide insurance, subject to the following provisions:

- 1) This insurance applies only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

- 2) This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or political subdivision.

- (f) Any person or organization with which you have agreed per Paragraph 9.a.(1) above to provide insurance, but only with respect to liability caused, in whole or in part, by your ongoing operations performed for that additional insured by you or on your behalf. A person or organization's status as an insured under this provision of this endorsement ends when your operations for that insured are completed.

- (3) Any insurance provided to an additional insured designated under Paragraph 9.a.(2):

- (a) Subparagraphs (e) and (f) does not apply to "bodily injury" or "property damage" included within the "products-completed operations hazard";

- (b) Subparagraphs (a), (b), (d) and (e) does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the sole negligence or willful misconduct of the additional insured or their agents, "employees" or any other representative of the additional insured; or

- (c) Subparagraph (f) does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

- 1) The rendering of or failure to render any professional services by you or on your behalf, but only with respect to either or both of the following operations:

- a) Providing engineering, architectural or surveying services to others; and

- b) Providing or hiring independent professionals to provide engineering, architectural or surveying services in connection with the construction work you perform.

Subject to the final paragraph of this exclusion below, professional services include:

- a) Preparing, approving or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
- b) Supervisory or inspection activities performed as a part of any architectural or engineering activities.

Professional services do not include services within construction means, methods, techniques, sequences and procedures employed by you in connection with construction work you perform.

- 2) "Your work" for which a consolidated (wrap-up) insurance program has been provided by the prime contractor-project manager or owner of the construction project in which you are involved.

- b. Only with regard to insurance provided to an additional insured designated under Paragraph 9.a.(2) Subparagraph (f) above, **SECTION III - LIMITS OF INSURANCE** is amended to include:

The limits applicable to the additional insured are those specified in the written contract or agreement or in the Declarations of this Coverage Part, whichever are less. If no limits are specified in the written contract or agreement, or if there is no written contract or agreement, the limits ap-

plicable to the additional insured are those specified in the Declarations of this Coverage Part. The limits of insurance are inclusive of and not in addition to the limits of insurance shown in the Declarations.

- c. **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, 5. Other Insurance** is hereby amended as follows:

Any insurance provided by this endorsement shall be primary to other insurance available to the additional insured except:

- (1) As otherwise provided in **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, 5. Other Insurance, b. Excess Insurance**; or
- (2) For any other valid and collectible insurance available to the additional insured as an additional insured by attachment of an endorsement to another insurance policy that is written on an excess basis. In such case, the coverage provided under this endorsement shall also be excess.

10. Broadened Contractual Liability - Work Within 50' of Railroad Property

It is hereby agreed that Paragraph f.(1) of Definition 12. "Insured contract" (**SECTION V - DEFINITIONS**) is deleted.

11. Property Damage to Borrowed Equipment

- a. The following is hereby added to Exclusion j. **Damage to Property of Paragraph 2., Exclusions of SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY:**

Paragraphs (3) and (4) of this exclusion do not apply to tools or equipment loaned to you, provided they are not being used to perform operations at the time of loss.

- b. With respect to the insurance provided by this section of the endorsement, the following additional provisions apply:

- (1) The Limits of insurance shown in the Declarations are replaced by the limits designated in Section B. **Limits of Insurance, 11.** of this endorsement with respect to coverage provided by this endorsement. These limits are inclusive of and not in addition to the limits being replaced. The

Limits of Insurance shown in Section B. Limits of Insurance, 11. of this endorsement fix the most we will pay in any one "occurrence" regardless of the number of:

- (a) Insureds;
- (b) Claims made or "suits" brought; or
- (c) Persons or organizations making claims or bring "suits".

(2) Deductible Clause

- (a) Our obligation to pay damages on your behalf applies only to the amount of damages for each "occurrence" which are in excess of the Deductible amount stated in Section B. Limits of Insurance, 11. of this endorsement. The limits of insurance will not be reduced by the application of such Deductible amount.
- (b) Condition 2. Duties in the Event of Occurrence, Offense, Claim or Suit, applies to each claim or "suit" irrespective of the amount.
- (c) We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

12. Employees as Insureds - Specified Health Care Services

It is hereby agreed that Paragraph 2.a.(1)(d) of **SECTION II - WHO IS AN INSURED**, does not apply to your "employees" who provide professional health care services on your behalf as duly licensed:

- a. Nurses;
- b. Emergency Medical Technicians; or
- c. Paramedics,

in the jurisdiction where an "occurrence" or offense to which this insurance applies takes place.

13. Broadened Notice of Occurrence

Paragraph a. of Condition 2. Duties in the Event of Occurrence, Offense, Claim or Suit (**SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**) is hereby deleted and replaced by the following:

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

This requirement applies only when the "occurrence" or offense is known to an "authorized representative".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARIZONA AUTOMATIC ADDITIONAL INSURED - WHEN REQUIRED IN CONTRACT OR AGREEMENT WITH YOU - COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. SECTION II - WHO IS AN INSURED, 2. is amended to include:

e. Any person or organization, hereinafter referred to as Additional Insured:

- (1) Who or which is not specifically named as an additional insured under any other provision of, or endorsement added to, this Coverage Part; and
- (2) For whom you are required to add as an additional insured, except any architect, engineer or surveyor, on a completed operations basis on this Coverage Part

under a written contract or written agreement:

- (1) But only with respect to liability caused, in whole or in part, by "your work" performed for that additional insured by you or on your behalf; and
- (2) If the written contract or written agreement specifies coverage for the additional insured in the "products-completed operation hazard".

With respect to the person(s) or organization(s) referenced in Paragraph A.2.e. above, their status as an additional insured under this endorsement will not apply beyond the period of time required in that written construction contract or agreement referred to in Paragraph A.2.e. above. If that written construction contract or agreement does not specify a period of time, this coverage will not apply beyond 1 year from the completion of "your work" where the work that caused the "bodily injury" or "property damage" occurred. "Your work" will be deemed completed as specified in Paragraph a.(2) of SECTION V - DEFINITIONS, 19. "Products-completed operations hazard".

B. With respect to the additional insureds referenced in Paragraph A.2.e. above, the following exclusion is added to Paragraph 2. Ex-

clusions of SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, this insurance does not apply to "bodily injury" or "property damage" arising out of:

1. The rendering of or failure to render any professional services by you or on your behalf, but only with respect to either or both of the following operations:
 - a. Providing engineering, architectural or surveying services to others; and
 - b. Providing or hiring independent professionals to provide engineering, architectural or surveying services in connection with the construction work you perform.

Subject to the final paragraph of this exclusion below, professional services include:

- a. Preparing, approving or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; and
- b. Supervisory or inspection activities performed as a part of any architectural or engineering activities.

Professional services do not include services within construction means, methods, techniques, sequences and procedures employed by you in connection with construction work you perform.

2. "Your work" for which a consolidated (wrap-up) insurance program has been provided by the prime contractor / project manager or owner of the construction project in which you are involved.
3. "Bodily injury" or "property damage" arising out of "residential construction".

C. SECTION III - LIMITS OF INSURANCE is amended to include:

The limits of insurance available to the additional insured(s) will not exceed:

1. Those limits specified in the written construction contract or agreement referred to in Paragraph A.2.e. above; or
2. The Limits of Insurance specified in the Declarations of this Coverage Part;

whichever are less. If no limits are specified in that written construction contract or agreement, the limits available to the additional insured(s) will not exceed the Limits of Insurance specified in the Declarations of this Coverage Part. The limits of insurance available to the additional insured(s) are inclusive of and not in addition to the Limits of Insurance shown in the Declarations.

D. SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS is amended to include the following:

AUTOMATIC ADDITIONAL INSURED PROVISION

The written construction contract or agreement referred to in Paragraph A.2.e. above must:

1. Be currently in effect or become effective during the term of this Coverage Part; and
2. Have been executed prior to the "bodily injury" or "property damage" to which this endorsement pertains.

E. SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, 5. Other Insurance, b. Excess Insurance is amended to include the following:

1. Where required by the written construction contract or agreement referred to in Paragraph A.2.e. above, this insurance is primary and / or noncontributory as respects any other insurance policy issued to the additional insured, and such other insurance policy shall be excess and / or

noncontributing, whichever applies, with this insurance.

2. Any insurance provided by this endorsement shall be primary to other insurance available to the additional insured except:

- a. As otherwise provided in **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, 5. Other Insurance, b. Excess Insurance**; or

- b. When other valid and collectible insurance is available to the additional insured:

- (1) As an additional insured by attachment of an endorsement to another insurance policy; and

- (2) On an excess basis.

In such case the coverage provided under this endorsement shall also be excess.

F. SECTION V - DEFINITIONS is amended to include:

1. "Residential construction" means:

- a. A structure where any of the structure's square foot area is used, or is intended, for the purpose of human habitation and includes, but is not limited to, single-family housing, multi-family housing, apartments, condominiums, townhouses, and similar structures intended for human habitation; and

- b. Common areas and appurtenant structures of those structures listed in Paragraph 1.a. above.

"Residential construction" does not include:

- a. Hospitals or prisons; and

- b. Military housing, dormitories, long-term care facilities, hotels or motels, provided there is no individual ownership of units.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY / NONCONTRIBUTORY AMENDMENT OF CONDITIONS FOR DESIGNATED ADDITIONAL INSUREDS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization (Additional Insured):

BLANKET IF REQUIRED BY WRITTEN CONTRACT, ORAL OR WRITTEN AGREEMENT

With respect to insurance provided the additional insured shown in the Schedule, **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, 5. Other Insurance** is deleted in its entirety and replaced by the following:

5. Other Insurance

If other valid and collectible insurance is available to the additional insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

Where required by a written contract, this insurance is primary and noncontributory as respects any other insurance policy issued to the additional insured. Otherwise, b. below applies.

b. Excess Insurance

This insurance is excess over any of the other insurance available to the additional insured whether primary, excess, contingent or on any other basis.

When this insurance is excess, we will have no duty under Coverages A or B to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over any other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED BY CONTRACT

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM**

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement Effective: 04-07-2012	Policy Number: EBA 013 30 02
Named Insured: FELIX CONSTRUCTION CO INC	
Countersigned by:	

(Authorized Representative)

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

SECTION II - LIABILITY COVERAGE, A. Cover-
age, 1. Who is an Insured is amended to include
as an insured any person or organization with
which you have agreed in a valid written contract
to provide insurance as is afforded by this policy.

This provision is limited to the scope of the valid
written contract.

This provision does not apply unless the valid
written contract has been executed prior to the
"bodily injury" or "property damage".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET WAIVER OF SUBROGATION - AUTO

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement Effective:	04/07/13 - 04/01/14	Policy Number:	EBA0133002
Named Insured:			
Felix Construction Co., Inc.			
Countersigned by:			

(Authorized Representative)

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

1. Blanket Waiver of Subrogation

SECTION IV - BUSINESS AUTO CONDITIONS, A. Loss Conditions, 5. Transfer of Rights of Recovery Against Others to Us is amended by the addition of the following:

We waive any right of recovery we may have against any person or organization because

of payments we make for "bodily injury" or "property damage" arising out of the operation of a covered "auto" when you have assumed liability for such "bodily injury" or "property damage" under an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the "insured contract".

you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a) Owned, occupied or used by; or
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by,

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.

- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Insurance under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. a. The General Aggregate Limit is the most we will pay for the sum of:

- (1) Medical expenses under **COVERAGE C. MEDICAL PAYMENTS**;
- (2) Damages under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- (3) Damages under **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY**.

This General Aggregate Limit will not apply if either the Location General Aggregate

gate Limit of Insurance, Paragraph 2.b., or the Construction Project General Aggregate Limit of Insurance, Paragraph 2.c. applies.

- b. A separate Location General Aggregate Limit of Insurance, equal to the amount of the General Aggregate Limit shown in the Declarations, shall apply to each location owned by, or rented or leased to you and is the most we will pay for the sum of:

(1) Damages under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and

(2) Medical expenses under **COVERAGE C. MEDICAL PAYMENTS**,

which can be attributed to operations at only a single location owned by, or rented or leased to you.

- c. A separate Construction Project General Aggregate Limit of Insurance, equal to the amount of the General Aggregate Limit shown in the Declarations, shall apply to each construction project and is the most we will pay for the sum of:

(1) Damages under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and

(2) Medical expenses under **COVERAGE C. MEDICAL PAYMENTS**;

which can be attributed only to ongoing operations and only at a single construction project.

- d. Only for the purpose of determining which General Aggregate Limit of Insurance, 2.a., 2.b., or 2.c., applies:

(1) Location means premises involving the same or connecting lots, or premises, whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.



(2) Construction project means a location you do not own, rent or lease where ongoing improvements, alterations, installation, demolition or maintenance work is performed by you or on your behalf. All connected ongoing improvements, alterations, installation, demolition or maintenance work performed by you or on

your behalf at the same location for the same persons or organizations, no matter how often or under how many different contracts, will be deemed to be a single construction project.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

4. Subject to 2.a. above, the Personal and Advertising Injury Limit is the most we will pay under **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.

5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:

a. Damages under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**; and

b. Medical expenses under **COVERAGE C. MEDICAL PAYMENTS**;

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. Subject to 5. above, the Damage to Premises Rented to You Limit is the most we will pay under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire or explosion, while rented to you or temporarily occupied by you with permission of the owner.

7. Subject to 5. above, the Medical Expense Limit is the most we will pay under **COVERAGE C. MEDICAL PAYMENTS** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each "coverage term".

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties in the Event of Occurrence, Offense, Claim or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or

EXHIBIT C

FORMS OF PAYMENT AND PERFORMANCE BONDS

(See Attached)

EXHIBIT H

DISPUTE RESOLUTION PROCEDURES

1. Disputes.

- 1.1 Each Dispute arising out of or related to this Agreement (including Disputes regarding any alleged breaches of this Agreement) shall be initiated and decided under the provisions of this Exhibit.
- 1.2 CMAR and City shall each designate in writing to the other party, from time to time, a member of senior management who shall be authorized to attempt to expeditiously resolve any Dispute relating to the subject matter of this Agreement in an equitable manner.
- 1.3 A party shall initiate a Dispute by delivery of written notice to the members of management designated by the respective parties under § 1.2.
- 1.4 The parties must:
 - (A) Attempt to resolve all Disputes promptly, equitably and in a good faith manner; and
 - (B) Provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any such Dispute.
- 1.5 With respect to matters concerning modification of the GMP or any schedule, CMAR must first follow the provisions of any Claim procedure established by the Design-Build Agreement before seeking relief under these Procedures.

2. Emergency Arbitration.

- 2.1 If the parties are unable to accomplish resolution of a Dispute, the expedited resolution of which either party considers necessary to prevent or mitigate a material delay to the critical path of the Services (a "Time Sensitive Dispute") within two days after the Time Sensitive Dispute has been initiated by a party, either party may thereafter seek emergency relief before an emergency arbitrator (the "Emergency Arbitrator") appointed as follows:
 - (A) The parties will exercise best efforts to pre-select an Emergency Arbitrator within 20 days after entering into this Agreement;
 - (B) If the Emergency Arbitrator has not been selected at the time a party delivers Notice of a Time Sensitive Dispute, the parties will each select a representative within one day after the Notice is delivered and the two representatives will then select the Emergency Arbitrator by the third day following delivery of the Notice.
 - (C) The Emergency Arbitrator shall be an attorney with at least ten (10) years experience with commercial construction legal matters in Maricopa County, Arizona, be independent, impartial, and not have engaged in any business for or adverse to either party for at least ten (10) years.
- 2.2 The Emergency Arbitrator will conduct a hearing and render a written determination on the Dispute to both parties within five business days of the matter being referred to him or her, all in accordance with Rules O-1 to O-8 of

the American Arbitration Association ("AAA") Commercial Rules-Optional Rules for Emergency Protection Commercial Rules ("AAA Emergency Rules").

- 2.3 Although the hearing will be conducted using AAA rules, unless both parties agree otherwise, this dispute process will not be administered by the AAA but will be conducted by the parties in accordance with these procedures.
- 2.4 If, however, an Emergency Arbitrator has not selected within three days after delivery of the Notice, either party may upon three days additional notice, thereafter seek emergency relief before the AAA, in accordance with the AAA Emergency Rules, provided that the Emergency Arbitrator meets the qualifications set forth above.
- 2.5 All proceedings to arbitrate Time Sensitive Disputes shall be conducted in Surprise, Arizona.
- 2.6 Presentation, request for determination (i.e., a party's prayer), and the Emergency Arbitrators decision will adhere to the procedures required in § 3.6.
- 2.7 The finding of the Emergency Arbitrator with respect to any Time Sensitive Dispute will be binding upon the parties on an interim basis during progress of the Services, subject to review *de novo* by arbitration after the Project Substantial Completion Date.
- 2.8 The time and extent of discovery will be as determined by the Emergency Arbitrator.
 - (A) Discovery orders of the Emergency Arbitrator will consider the time sensitivity of the matter and the parties desire to resolve the issue in the most time and costs efficient manner;
 - (B) The parties are obligated to cooperate fully and completely in the provision of documents and other information, including joint interviews of individuals with knowledge such that the matter moves toward resolution in the most time and costs efficient manner and the Emergency Arbitrator is empowered to fashion any equitable penalty against a party that fail to meet this obligation.

3. **Non-Emergency Arbitration.**

- 3.1 Except as provided in § 5, any Dispute that is either a non-emergency Dispute that has not been resolved by negotiation, or a *de novo* review of an AAA emergency arbitration will be decided by binding arbitration by a panel of three arbitrators in accordance with, but not necessarily administered by, the Construction Industry Rules of the AAA.
 - (A) The parties shall each select an arbitrator within 15 days after notice that a party desires to resolve a dispute by arbitration.
 - (B) The two arbitrators shall then each select a third arbitrator. If an arbitrator is not selected within any such 15 day period, then the arbitrator shall be appointed by the AAA.
- 3.2 The arbitrator(s) shall meet the qualifications of Emergency Arbitrators as provided in § 2.
- 3.3 The arbitrators do not have the authority to consider or award punitive damages as part of the arbitrators' award.

- 3.4 In connection with such arbitration, each party shall be entitled to conduct up to five depositions, and, no less than 90 days prior to the date of the arbitration hearing, each party shall deliver to the other party copies of all documents in the delivering party's possession that are relevant to the dispute.
- 3.5 The arbitration hearing shall be held within 150 days of the appointment of the arbitrators.
- 3.6 At the arbitration hearing, each party will argue its position to the arbitrators in support of one proposed resolution to the dispute (a "Proposed Resolution").
- (A) Each party's Proposed Resolution must be fully dispositive of the dispute.
 - (B) The arbitrators must select one Proposed Resolution by majority consent and are not free to fashion any alternative resolutions.
 - (C) The parties must submit their proposed resolution of the matter to the arbitrators and the other party 15 days prior to the date set for commencement of the arbitration proceeding.
 - (D) The decision of the arbitrators will be forwarded to the parties within 15 days after the conclusion of the arbitration hearing.
 - (E) The decision of the arbitration panel is final and binding on the parties and may be entered in any court of competent jurisdiction for the purpose of securing an enforceable judgment.
 - (F) All costs and expenses associated with the arbitration, including the reasonable legal fees and costs incurred by the prevailing party, must be paid by the party whose position was not selected by the arbitrators.
4. **Continuing Work.** Unless otherwise agreed to in writing, CMAR must continue to perform and maintain progress of the Work during any Dispute resolution or arbitration proceedings, and City will continue to make payment to CMAR in accordance with the Design-Build Agreement.
5. **Exceptions.**
- 5.1 Neither City nor CMAR are required to arbitrate any third-party claim, cross-claim, counter claim, or other claim or defenses in any action that is commenced by a third-party who is not obligated by contract to arbitrate disputes with City and CMAR.
 - 5.2 City or CMAR may commence and prosecute a civil action to contest a lien or stop notice, or enforce any lien or stop notice (but only to the extent the lien or stop notice the party seeks to enforce is enforceable under Arizona law), including, without limitation, an action under A.R.S. § 33-420, without the necessity of initiating or exhausting the procedures of this Exhibit.
 - 5.3 This Exhibit does not apply to, and may not be construed to require arbitration of, any claims, actions or other process undertaken, filed, or issued by the City of Surprise Building Safety Department, Code Compliance Department, Police Department, Fire Department, or any other agency of City acting in its governmental permitting, for the benefit of public health, safety, and welfare, or other regulatory capacity.

- 5.4 In connection with any arbitration, the arbitrators do not have the authority to, and may not enforce, any provision of the Federal or Arizona Rules of Civil Procedure.

Mountain Vista Ranch Well No. 2 Construction Contract

Council Work Session
CIP# 21111

April 1, 2014
Public Works Department



Consideration and action to amend the Construction Manager at Risk Contract (COS13-014) and award Guaranteed Maximum Price No. 2 (GMP) for the Mountain Vista Ranch Well No. 2 capital improvement project with Felix Construction.

Phase 1 Photos- Well Drilling



Phase 1 Photos- Pump Testing



Scope and Cost Breakdown



- GMP No. 1- \$1,042,369- COMPLETE
 - Pre construction services
 - Well Drilling
- GMP No. 2- \$1,318,501- CURRENT ACTION
 - Well Site Equipping
- SPA1 Water Development Impact Fee Fund
 - Total project: \$2,789,200
 - Design: 428,300
 - GMP No. 1 1,042,369
 - GMP No. 2 1,318,501



CITY OF SURPRISE
Regular City Council Meeting

April 15, 2014 @ 6:00:00 PM

Back Print

Council Meeting Date:	April 15, 2014	Contact Person:	Chris Boyd, Community & Economic Development
Submitting Department:	CD	District:	Citywide
Staff Recommendations:	Approve		

Consent	Regular	Public Hearing	x	Report/Discussion
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Agenda Wording:

Consideration and action on the Community Development Block Grant Annual Action Plan 2014-2015 funding priorities.

Motion:

I move to approve the Community Development Block Grant Annual Action Plan 2014-2015 funding priorities.

Background:

The Annual Action Plan is a one-year strategic plan that describes community needs, resources, priorities and proposed activities under CDBG and HOME grant programs for the fiscal year 2014-2015.

Financial Impact Statement:

Staff and Planning and Zoning Commission funding recommendations for the 2014-15 Annual Action Plan include reimbursement of administrative costs up to a maximum of \$102,436 (20%), funding for public services to a maximum of \$76,827 (15%), and funding for the Street Improvements Project to a maximum of \$332,918. The total anticipated CDBG allotment is \$512,181.

ATTACHMENTS:

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☐ [Staff Report](#)

External Attachment Links:

Meeting Requirements:

Powerpoint	x	Video	White Board	Other	x
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Presentation Speaker Names (spelling and titles for TV captions):

Christina Ramirez, Neighborhood Services Supervisor

Date: April 15, 2014

To: Mayor and City Council

From: Chris Boyd, Interim Director
Christina Ramirez, Neighborhood Services Supervisor

Re: Community Development Block Grant Annual Action Plan 2014-15

Introduction

The City of Surprise Neighborhood Services Division is in the process of completing the Annual Action Plan 2014-15. The plan is mandated by the U.S Department of Housing and Urban Development (HUD) and it allows the city a comprehensive method to identify funding priorities for the Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) programs on an annualized basis.

Today's Public Hearing is aimed at opening a constructive discussion by the Council members, staff, and residents of Surprise to enable the Mayor and City Council in recommending approval of the Annual Action Plan 2014-15.

Background

Consolidated Plan 2010-14

The Consolidated Plan encompasses eligible activities, national objectives to meet, and the priority action items recommended by the residents and city staff which should in turn meet the recommended HUD goals. The Five-Year Consolidated Plan provides an assessment of the housing and community development needs; a strategic plan for addressing these needs; and a specific one-year Action Plan for the use of HUD grants funds.

Annual Action Plan 2014-15

The Annual Action Plan is a one-year strategic plan that describes community needs, resources, priorities and proposed activities under CDBG and HOME grant programs for the fiscal year 2014-2015. The Annual Action Plan notifies the citizens and HUD of the specific projects, goals and funding of the fiscal year based on the goals identified in the Consolidated Plan.

Key elements established in the Annual Action Plan 2014-15 are:

- Inclusion of CDBG-Funded Public Service Activities in the Annual Action Plan.
- Continue emergency housing rehabilitation throughout Surprise with roll-over funding
- Public improvements (street improvements)
- Continue housing rehabilitation/reconstruction with HOME funds.
- Administrative allotment.

Upon approval by the City Council, the plan will be submitted to HUD by May 15, 2014.

Previous Actions

Recommended priority projects as listed within city's 2010-2014 Consolidated Plan:

1. Citywide housing rehabilitation.
2. Street improvement including sidewalk connectivity in the OTS.
3. Youth training program.
4. Park improvements in the OTS.
5. Façade improvements for commercial and residential.
6. Public Services.

Staff and Planning and Zoning Commission funding recommendations for the 2014-15 Annual Action Plan include reimbursement of administrative costs up to a maximum of \$108,389 (20%), fund public services to a maximum of \$76,827 (15%), fund the Street Improvements Project to a maximum of \$356,730, for a total anticipated CDBG allotment of \$541,946. Housing Activities will continue during the program year with roll-over funding of approximately \$345,000.

Updated Actions

On March 6, 2014, the Planning and Zoning Commission held a public hearing to discuss funding recommendations for projects and public service activities that will be forwarded to the City Council for consideration.

Along with the stated priority projects listed above, the Planning and Zoning Commission more specifically recommends funding of the following organizations with regard to Public Services:

Arizona Bridge to independent Living Home Modifications	\$34,558
St. Mary's Food Bank Emergency Food Assistance	\$20,000
Benevilla Day Care, Adult Day, and Home Delivered Meals	\$14,269
Central Arizona Shelter Services Homeless Assistance	\$ 8,000
Total	\$76,827

Future Actions

Submission to HUD: by May 15, 2014.

Recommendations

Adoption of the Community Development Block Grant Annual Action Plan 2014-2015 funding priorities.



CITY OF SURPRISE
Regular City Council Meeting

April 15, 2014 @ 6:00:00 PM

[Back](#) [Print](#)

Council Meeting Date:	April 15, 2014	Contact Person:	Chris Boyd, Community & Economic Development
Submitting Department:	CD	District:	Citywide
Staff Recommendations:	Approve		

Consent	Regular	Public Hearing	x	Report/Discussion
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Agenda Wording:

Consideration and action on Ordinance 2014-04, adopting by reference the 2012 International Codes and amendments and setting an effective date of September 1, 2014.

Motion:

I move to approve Ordinance 2014-04.

Background:

The City of Surprise utilizes model building codes developed by the International Code Council (ICC) as the basis to review construction plans, issue permits, and conduct inspections.

Financial Impact Statement:

N/A

ATTACHMENTS:

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 - ☐ [Ordinance](#)
-

External Attachment Links:

Meeting Requirements:

Powerpoint	x	Video	White Board	Other	x
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Presentation Speaker Names (spelling and titles for TV captions):

Chris Boyd, Interim Director, CED



COMMUNITY & ECONOMIC DEVELOPMENT

Date: April 1, 2014
To: Mayor and City Council
From: Chris Boyd, Interim Director
Doug Helbig, Fire Marshal, Fire Department
Re: 2012 I-Code Development

Introduction

The City of Surprise utilizes model building codes developed by the International Code Council (ICC) as the basis to review construction plans, issue permits, and conduct inspections. The ICC is a non-profit organization that utilizes an extensive and collaborative process to develop model construction codes on a three year cycle. These building codes are used exclusively in Maricopa County, predominantly in Arizona, and throughout the nation.

Local Amendments

In addition to the adopted codes, Surprise staff has developed local amendments utilizing a robust collaborative process. Staff worked with a variety of stakeholders including:

- Maricopa Associations of Government's Building Codes Committee
- Arizona Multi-Family Housing Association
- Home Builders Association of Central Arizona
- 60 day public comment period

In addition to input from stakeholders and the public, The Building and Construction Review Board studied the proposed amendments during five work sessions. At the conclusion of those work sessions, the Building and Construction Review Board recommended adoption of the ICC Codes and their local amendments to Mayor and City Council. During the March 18, 2014 Work Session the Mayor and City Council reviewed the local amendments and directed questions to staff regarding work that would be exempt from a building permit, water supply lines, garage fire protection, and reinforced masonry construction.

Recommendation

Staff respectfully requests adoption of Ordinance 2014-04

ORDINANCE #2014-04

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, AMENDING CHAPTER 105 OF THE SURPRISE MUNICIPAL CODE, AND ADOPTING BY REFERENCE THE 2012 INTERNATIONAL CODES AND THE CITY AMENDMENTS USED TO REGULATE CONSTRUCTION WITHIN THE CITY. DECLARING AS A PUBLIC RECORD THE 2012 CODES, INCLUDING CITY OF SURPRISE AMENDMENTS, FILED WITH THE CITY/TOWN CLERK, IMPOSING A PENALTY FOR VIOLATIONS AND SETTING AN EFFECTIVE DATE OF SEPTEMBER 1, 2014.

WHEREAS, The 2012 International Codes, and 2006 International Property Maintenance Code, with amendments, three copies of which are on file in the office of the City/Town clerk, is hereby declared to be a public record;

WHEREAS, said copies are ordered to remain on file with the city clerk;

WHEREAS, the Mayor and Council deem it necessary, in order to protect the public health, safety and welfare and public and private property, to adopt certain rules and regulations to regulate the erection, construction, enlargement, alteration, repair, moving, removal, and demolition, conversion, occupancy, equipment, use, height, area and maintenance of all buildings, structures, or premises;

WHEREAS, in 2004 the Mayor and City Council adopted the 2003 set of International Codes and in 2007 they adopted the 2006 International Codes;

WHEREAS, the 2012 International Codes are meant to replace the 2006 Codes previously adopted by the Mayor and City Council;

WHEREAS, City staff has reviewed the 2012 International Codes and has recommended the following amendments;

WHEREAS, the City desires for the community to have time to review and prepare for the implemented changes in Code and therefore sets the effective date for September 1, 2014; and

WHEREAS, all the 2006 International Codes are being updated to the 2012 versions, except for the 2006 International Property Maintenance Codes, which will remain in effect until brought forward separately for adoption.

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

Section 1. The 2012 International Codes and appendices as published by the International Code Council, and the amendments to those codes, as contained in this Ordinance #2014-, are hereby adopted by reference, as amended, and declared to be public records by this Ordinance #2014-. At least three (3) copies of the Codes and its corresponding amendments shall be filed in the City Clerk's office and kept available for public use and inspection.

Section 2. The following changes are made to the Surprise Municipal Code, Chapter 105, Article II, Division 1, Section 105-19 and imposing a penalty for violation:

Sec. 105-19. Construction codes.

The following codes and appendices as published by the International Code Council, ~~2006 edition~~, and the amendments to those codes, as ~~contained in this~~ adopted by Ordinance No. 07-08, are hereby adopted as amended and declared to be public records ~~by this Ordinance No. 07-08~~. At least three copies of each code and its corresponding amendments, if any, shall be filed in the city clerk's office and kept available for public use and inspection.

- (a) 2012 International Building Code, ~~including Appendix G.~~
- (b) 2012 International Residential Code.
- (c) 2012 International Electrical Code.
- (d) 2012 International Mechanical Code.
- (e) 2012 International Plumbing Code.
- (f) 2012 International Fuel Gas Code.
- (g) 2012 International Energy Conservation Code.
- (h) 2006 International Property Maintenance Code.
- (i) 2012 International Existing Buildings Code.
- (j) 2012 International Fire Code.

Section 3. The 2012 International Code amendments are adopted by reference, three copies of which are on file in the office of the City Clerk of Surprise, which is made a public record by this Ordinance is hereby referred to, adopted and made a part hereof as if fully set out in this Ordinance, the provisions thereof to become **effective on the 1ST day of SEPTEMBER, 2014.**

Section 4. That if any provision or any portion of any provision of this Ordinance is for any reason held to be unconstitutional or otherwise unenforceable by a court of competent jurisdiction, such provision or portion thereof shall be deemed separate, distinct and independent of the remaining provisions of this Ordinance and shall be severed without affecting the validity of the remaining portions of this Ordinance.

Section 5. This Ordinance shall be codified.

Section 6. Other ordinances or sections of ordinances which are in conflict with the present Ordinance, or any part of the Code adopted herein by reference, are repealed,

including portions of Ordinance 07-08 wherein it adopted the 2006 International Codes and amendments, except wherein it adopted the 2006 International Property Maintenance Code and amendments.

Section 7. Any violation of the 2012 International Codes or amendments, or 2006 International Property Maintenance Code may be enforced by civil or criminal citation as consistent with Surprise City Code.

APPROVED AND ADOPTED this _____ day of _____ 2014.

Sharon R. Wolcott, Mayor

Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Misty Leslie, City Attorney



Community and Economic Development

Building Safety Division
16000 N Civic Center Plaza
Surprise, Arizona 85374

Phone: 623-222-3000 / Fax: 623-222-3001

TTY: 623-222-1002

Proposed 2012 International Building Code Local Amendments

Including appendices C and R

105.2 Work exempt from permit. Exemptions from *permit* requirements of this code shall not be deemed to grant authorization for any work to be done in any manner in violation of the provisions of this code or any other laws or ordinances of this jurisdiction. *Permits* shall not be required for the following:

Building:

1. One-story detached accessory structures used as tool and storage sheds, playhouses and similar uses, provided the floor area is not greater than ~~120~~ 200 square feet (11 18.58 m²).
2. Fences not over ~~7~~ 6 feet (~~2134 mm~~ 1829 mm) high.
3. Oil derricks.
4. Retaining walls that are not over 4 feet (1219 mm) in height measured from the bottom of the footing to the top of the wall, unless supporting a surcharge or impounding Class I, II or IIIA liquids.
5. Water tanks supported directly on grade if the capacity is not greater than 5,000 gallons (18 925 L) and the ratio of height to diameter or width is not greater than 2:1.
6. Platforms, sidewalks and driveways not more than 30 inches (762 mm) above adjacent grade, and not over any basement or *story* below and are not part of an *accessible route*.
7. Painting, papering, tiling, carpeting, cabinets, counter tops and similar finish work.
8. Temporary motion picture, television, and theater stage sets and scenery.
9. Prefabricated swimming pools accessory to a Group R-3 occupancy that are less than ~~24~~ 18 inches (610 mm) deep.
10. Shade cloth structures constructed for nursery or agricultural purposes, not including service systems.
11. Swings and other playground equipment accessory to detached one- and two-family *dwelling*s.
12. Window awnings in Group R-3 and U occupancies, supported by an exterior wall that do not project more than 54 inches (1372 mm) from the exterior wall and do not require additional support.

13. Non-fixed and movable fixtures, cases, racks, counters and partitions not over 5 feet 9 inches (1753 mm) in height.

14. Re-roofing with the same type of material as the original roofing and provided not more than two layers of asphalt shingles are applied over an existing asphalt shingle roof.

15. Installation of a nonstructural weatherproof exterior covering over an existing weatherproof covering on an existing structure so long as the new covering will not affect the fire-resistive classification of the existing structure.

Exception: Installation of an Exterior Insulation and Finish System (EIFS).

SECTION 202

DEFINITIONS

PERSONAL CARE SERVICE ~~The care of persons who do not require medical care. Personal care involves responsibility for the safety of persons while inside the building.~~ Assistance with activities of daily living that can be performed by persons without professional skills or professional training and includes the coordination or provision of intermittent nursing services and administration of medications or treatments.

SUPERVISORY CARE SERVICE General supervision, including daily awareness of resident functioning and continuing needs.

DIRECTED CARE SERVICE Care of residents, including personal care services, who are incapable of recognizing danger, summoning assistance, expressing need, or making basic care decisions.

ASSISTED LIVING FACILITY A residential care institution, including adult foster care, that provides or contracts to provide supervisory care services, personal care services or directed care services on a continuing basis.

ASSISTED LIVING CENTER An assisted living facility that provides resident rooms or residential units to eleven or more residents.

ASSISTED LIVING HOME An assisted living facility that provides resident rooms to ten or fewer residents.

SECTION 308

INSTITUTIONAL GROUP I

308.3 Institutional Group I-1. This occupancy shall include buildings, structures or portions thereof for more than 16 persons who reside on a 24 hour basis in a supervised environment, ~~and receive custodial care, and~~ The persons receiving care are capable of self-preservation, except as provided for assisted living centers. This group shall include, but not be limited to, the following:

Alcohol and drug centers
Assisted living facilities-centers
Congregate care facilities

Convalescent facilities
Group homes
Halfway houses
Residential board and *custodial care* facilities
Social rehabilitation facilities

308.3.2 Six to sixteen persons receiving care. A facility such as above, housing not fewer than six and not more than 16 persons receiving such care, shall be classified as Group R-4, except as provided for assisted living homes.

308.4 Institutional Group I-2. This occupancy shall include buildings and structures used for *medical care* on a 24-hour basis for one or more ~~than five~~ persons who are *incapable of self-preservation*. This group shall include, but not be limited to, the following:

Foster care facilities
Detoxification facilities
Hospitals
Nursing homes
Assisted Living Centers
Psychiatric hospitals

~~**308.4.1 Five or fewer persons receiving care.** A facility such as the above with five or fewer persons receiving such care shall be classified as Group R-3 or shall comply with the *International Residential Code* provided an automatic sprinkler system is installed in accordance with Section 903.3.1.3 or with Section P2904 of the *International Residential Code*.~~

SECTION 310

RESIDENTIAL GROUP R

310.2 Definitions The following terms are defined in Chapter 2:

ASSISTED LIVING FACILITY
ASSISTED LIVING CENTER
ASSISTED LIVING HOME
BOARDING HOUSE
CONGREGATE LIVING FACILITIES.
DIRECTED CARE SERVICES
DORMITORY
GROUP HOME
PERSONAL CARE SERVICE
SUPERVISORY CARE SERVICES
TRANSIENT

310.5.1 Care facilities within a dwelling. Licensed care facilities for five ten (10) or fewer persons receiving care that are within a single-family dwelling are permitted, to comply with the *International Residential Code* provided an automatic sprinkler system is installed in accordance with Section 903.1.3 or Section P2904 of the *International Residential Code* provided that the requirements of Section 425 of this code are met.

310.6 Residential Group R-4. This occupancy shall include buildings, structures or portions thereof for more than five but not more than 16 persons, excluding staff, who reside on a 24-hour basis in a supervised residential environment and receive *custodial care*. The persons receiving care are capable of self-preservation, except as provided for *assisted living homes*. This group shall include, but not be limited to, the following:

Alcohol and drug centers

Assisted living facilities-homes

Congregate care facilities

Convalescent facilities

Group homes

Halfway houses

Residential board and *custodial care* facilities

Social rehabilitation facilities

Group R-4 occupancies shall meet the requirements for construction as defined for Group R-3, except as otherwise provided for in this code and Section 425.

310.6.1. Condition 1. This occupancy condition shall include facilities licensed to provide supervisory care services, in which occupants are capable of self-preservation by responding to an emergency situation without physical assistance from staff. Condition facilities housing more than 10 persons shall be classified as Group I-1

310.6.2 Condition 2. This occupancy condition shall include facilities licensed to provide personal or directed care services , in which occupants are incapable of self-preservation by responding to an emergency situation without physical assistance from staff. Condition 2 facilities housing more than 10 persons shall be classified as Group I-2.

SECTION 425

ASSISTED LIVING HOMES

425.1 Applicability. The provisions of this section shall apply to a building or part thereof housing not more than 10 persons, excluding staff, on a 24-hour basis, who because of age, mental disability or other reasons, live in a supervised residential environment, which provides licensed care services. Except as specifically required by this division, R-4 occupancies shall meet all the applicable provisions of Group R-3.

425.2 General. Building or portions of buildings classified as R-4 may be constructed of any materials allowed by this code, shall not exceed two stories in height nor be located above the second story in any building and shall not exceed two thousand square feet above the first story, except as provided in Section 506.

425.3 Special Provisions. R-4 occupancies having more than 2000 square feet above the first story shall be of not less than one-hour fire-resistive construction throughout.

425.3.1 Mixed Uses. R-4 occupancies shall be separated from other occupancies as provided in Table 508.4.

425.4 Access and Means of Egress Facilities

425.4.1 Accessibility. R-4 occupancies shall be provided with a concrete landing and ramp outside of the main entrance to comply with sections 1008.1.6, 1010.3, 1010.7.1 and 1010.10. Thresholds at the main entrance shall comply with section 1008.1.7.

425.4.2 Exits

425.4.2.1 Number of Exits. Every story, basement, or portion thereof shall have not less than two exits.

Exception: Basements and stories above the first floor containing no sleeping rooms used by residents may have only one means of egress as provided in Chapter 10.

425.4.2.2 Distance to Exits. The maximum travel distance shall comply with Section 1016, except that the maximum travel distance from the center point of any sleeping room to an exit shall not exceed 75 feet.

425.4.2.3 Emergency Exit Illumination. In event of a power failure, exit illumination shall be automatically provided from an emergency system powered by storage batteries or an onsite generator set installed in accordance with the International Electric Code.

425.4.2.4 Emergency Escape and Rescue. R-4 occupancies shall comply with the requirements of Section 1029, except that Exception #1 to 1029 does not apply to R-4 occupancies.

425.4.2.5 Delayed Egress Locks. In R-4 Condition 2 occupancies, delayed egress locks shall be permitted in accordance with 1008.1.9.7, Items 1, 2, 4, 5, and 6.

425.5 Smoke Alarms and Sprinkler Systems.

425.5.1 Smoke Alarms. R-4 occupancies shall be provided with smoke alarms installed in accordance with 907.2.11.2, and such alarms shall be installed in all habitable rooms.

425.5.2 Sprinkler Systems. R-4 occupancies shall be provided with a sprinkler system installed in accordance with 903.3.1.3. Sprinkler systems installed under this section shall be installed throughout, including attached garages, and in Condition 2 facilities, shall include concealed spaces ~~of~~ or containing combustible materials. Such systems may not contain unsupervised valves between the domestic water riser control valve and the sprinklers. In Condition 2 occupancies, such systems shall contain water flow switches electrically supervised by an approved supervising station, and shall sound an audible signal at a constantly attended location.

1204.1 Equipment and systems. ~~Habitable spaces~~ Interior spaces intended for human occupancy shall be provided with active or passive space-heating and space-cooling systems capable of maintaining a minimum indoor temperatures between 70 of 68°F (201°C) and 90°F (32°C) at a point 3 feet (914 mm) above the floor on the design heating day. The installation of portable space heaters or coolers shall not be used to achieve compliance with this section.

Exception: Space heating and cooling systems are not required for interior spaces where the primary purpose of the space is not associated with human comfort.

1612.3 Establishment of flood hazard areas. To establish *flood hazard areas*, the applicable governing authority shall adopt a flood hazard map and supporting data. The flood hazard map shall include, at a minimum, areas of special flood hazard as identified by the Federal Emergency Management Agency in an engineering report entitled "The Flood Insurance Study for Maricopa County, Arizona and Incorporated Areas revised on July 19, 2001", as amended or revised with the accompanying Flood Insurance Rate Map (FIRM) and Flood Boundary and Floodway Map (FBFM) and related supporting data along with any revisions thereto. The adopted flood hazard map and supporting data are hereby adopted by reference and declared to be part of this section.

1607.2 Loads not specified.

Table 1607.1

MINIMUM UNIFORMLY DISTRIBUTED LIVE LOADS, L_o , AND MINIMUM CONCENTRATED LIVE LOADS^g

OCCUPANCY OR USE	UNIFORM (psf)	CONCENTRATED (lbs.)
25. Residential One- and two-family dwellings		-
Uninhabitable attics with storage ^{i,j,k}	20 40	
Habitable attics and sleeping areas ^k (no other changes in item 25)	30 40	

2106.1 Seismic design requirements for masonry. Masonry structures and components shall comply with the requirements in section 1.18 of TMS 402/ACI 530/ASCE 5 depending on the structure's seismic design category. All new masonry elements, regardless of seismic design category, shall meet the following minimum reinforcement requirements:

1. Connections to columns shall comply with Section 1.18.4.3.2.1 of TMS 402/ACI 530/ASCE 5.

2. Vertical wall reinforcement of at least 0.20 square inch (130 mm²) in cross-sectional area shall be provided continuously from support to support at each corner, at each side of each opening, at the ends of walls and at maximum spacing of 4 feet (1219 mm) apart horizontally throughout the wall.

3. Horizontal wall reinforcement not less than 0.20 square inch (130 mm²) in cross-sectional area shall be provided (1) at the bottom and top of wall openings and extend not less than 24 inches (610 mm) or less than 40 bar diameters past the opening, (2) continuously at structurally connected roof and floor levels and at the top of walls, (3) at the bottom of walls or in the top of foundations when doveled in walls, and (4) at maximum spacing of 10 feet (3048 mm) unless uniformly distributed joint reinforcement is provided.

4. Where anchor bolts are used to connect horizontal elements to the tops of columns, anchor bolts shall be placed within lateral ties. Lateral ties shall enclose both the vertical bars in the column and the anchor bolts. There shall be a minimum of two No. 4 (M #13) or three No. 3 (M #10) in the top 5 inches (127 mm) of the column.

SECTION 3109

SWIMMING POOL ENCLOSURES AND SAFETY DEVICES

DELETE section in its entirety

Appendix R **Local Amendment**

SOLAR PHOTOVOLTAIC POWER SYSTEMS

SECTION AR101

SOLAR PHOTOVOLTAIC POWER SYSTEMS

AR101 Installation of solar photovoltaic power systems. Solar photovoltaic power systems shall be installed in accordance with Sections AM101 through AM101.4, the *International Building Code* and NFPA 70.

Exception: Detached, non-habitable Group U structures including, but not limited to, parking shade structures, carports, solar trellises and similar structures shall not be subject to the requirements of this section.

AR101.1 Marking. Marking is required on interior and exterior direct -current (DC) conduit, enclosures, raceways, cable assemblies, junction boxes, combiner boxes and disconnects.

AR101.1.1 Materials. The materials used for marking shall be reflective, weather resistant and suitable for the environment. Marking as required in Sections AM101.1.2 through AM101.1.4 shall have all letters capitalized with a minimum height of 3/8 inch (9.5 mm) white on red background.

AR101.1.2 Marking content. The marking shall contain the words "WARNING: PHOTOVOLTAIC POWER SOURCE."

AR101.1.3 Main service disconnect. The marking shall be placed adjacent to the main service disconnect in a location clearly visible from the location where the disconnect is operated.

AR101.1.4 Location of marking. Marking shall be placed on interior and exterior DC conduit, raceways, enclosures and cable assemblies every 10 feet (3048 mm), within 1 foot (305 mill) of turns or bends and within 1 foot (305 mm) above and below penetrations of roof/ceiling assemblies, walls or barriers.

AR101.2 Locations of DC conductors. Conduit, wiring systems, and raceways for photovoltaic circuits shall be located as close as possible to the ridge or hip or valley and from the hip or valley as directly as possible to an outside wall to reduce trip hazards and maximize ventilation opportunities. Conduit runs between sub arrays and to DC combiner boxes shall be installed in a manner that minimizes the total amount of conduit on the roof by taking the shortest path from the array to the DC combiner box. The DC combiner boxes shall be located such that conduit runs are minimized in the pathways between arrays. DC wiring shall be installed in metallic conduit or raceways when located within enclosed spaces in a building. Conduit shall run along the bottom of load bearing members.

AR101.3 Access and pathways. Roof access, pathways, and spacing requirements shall be provided in accordance with Sections AM101.3.1 through AM101.3.3.3.

Exceptions:

1. Residential structures shall be designed so that each photovoltaic array is no greater than 150 feet (45 720 mm) by 150 feet (45 720 mm) in either axis.
2. Panels/modules shall be permitted to be located up to the roof ridge where an alternative ventilation method approved by the fire chief has been provided or where the fire chief has determined vertical ventilation techniques will not be employed.

AR101.3.1 Roof access points. Roof access points shall be located in areas that do not require the placement of ground ladders over openings such as windows or doors, and located at strong points of building construction in locations where the access point does not connect with overhead obstructions such as tree limbs, wires, or signs.

AR101.3.2 Residential systems for one- and two- family dwellings. Access to residential systems for one- and two-family dwellings shall be provided in accordance with Sections AM101.3.2.1 through AM101.3.2.4.

AR101.3.2.1 Residential buildings with hip roof layouts. Panels/modules installed on residential buildings with hip roof layouts shall be located in a manner that provides a 3-foot-wide (914 mm) clear access pathway from the eave to the ridge on each roof slope where panels/modules are located. The access pathway shall be located at a structurally strong location on the building capable of supporting the live load of fire fighters accessing the roof.

Exception: These requirements shall not apply to roofs with slopes of two units vertical in 12 units horizontal (2:12) or less.

AR101.3.2.2 Residential buildings with a single ridge. Panels/modules installed on residential buildings with a single ridge shall be located in a manner that provides two. 3-foot-wide (914 mm) access pathways from the eave to the ridge on each roof slope where panels/modules are located.

Exception: This requirement shall not apply to roofs with slopes of two units vertical in 12 units horizontal (2:12) or less.

AR101.3.2.3 Residential buildings with roof hips and valleys. Panels/modules installed on residential buildings with roof hips and valleys shall be located no closer than 18 inches (457 mm) to a hip or a valley where panels/modules are to be placed on both sides of a hip or valley. Where panels are to be located on only one side of a hip or valley that is of equal length, the panels shall be permitted to be placed directly adjacent to the hip or valley.

Exception: These requirements shall not apply to roofs with slopes of two units vertical in 12 units horizontal (2:12) or less.

AR101.3.2.4 Residential building smoke ventilation. Panels/modules installed on residential buildings shall be located no higher than 3 feet (914 mm) below the ridge in order to allow for fire department smoke ventilation operations.

AR101.3.3 Other than residential buildings. Access to systems for occupancies other than one- and two family dwellings shall be provided in accordance with Sections AM101.3.3.1 through AM101.3.3.3.

Exception: Where it is determined by the *Building Official* that the roof configuration is similar to that of a one- or two-family dwelling, the residential access and ventilation requirements in Sections AM101.3.2.1 through AM101.3.2.4 shall be permitted to be used.

AR101.3.3.1 Access. There shall be a minimum 6-1 foot-wide (1829 mm) clear perimeter around the edges of the roof.

Exception: Where either axis of the building is 250 feet (76 200 mm) or less, there shall be a minimum 4-foot-wide (1290 mm) clear perimeter around the edges of the roof.

AR101.3.3.2 Pathways. The solar installation shall be designed to provide designated pathways. The pathways shall meet the following requirements:

1. The pathway shall be over areas capable of supporting the live load of fire fighters accessing the roof.
2. The centerline axis pathways shall be provided in both axes of the roof. Centerline axis pathways shall run where the roof structure is capable of supporting the live load of fire fighters accessing the roof.
3. Shall be a straight line not less than 4 feet (1290 mm) clear to skylights or ventilation hatches.
4. Shall be a straight line not less than 4 feet (1290 mm) clear to roof standpipes.
5. Shall provide not less than 4 feet (1290 mm) clear around roof access hatch with at least one not less than 4 feet (1290 mm) clear pathway to parapet or roof edge.

AR101.3.3.3 Smoke ventilation. The solar installation shall be designed to meet the following requirements:

1. Arrays shall be no greater than 150 feet (45 720 mm) by 150 feet (45 720 mm) in distance in either axis in order to create opportunities for fire department smoke ventilation operations.
2. Smoke ventilation options between array sections shall be one of the following:
 - 2.1. A pathway 8 feet (2438 mm) or greater in width.
 - 2.2. A 4-foot (1290 mm) or greater in width pathway and bordering roof skylights or smoke and heat vents.
 - 2.3. A 4-foot (1290 mm) or greater in width pathway and bordering 4-foot by 8-foot (1290 mm by 2438 mm) "venting cutouts" every 20 feet (6096 mm) on alternating sides of the pathway.

AR101.4 Ground-mounted photovoltaic arrays. Ground-mounted photo voltaic arrays shall comply with Sections AM101 through AM101.2 and this section. Setback requirements shall not apply to ground-mounted, free-standing photovoltaic arrays. A clear, brush-free area of 10 feet (3048 mm) shall be required for ground mounted photovoltaic arrays.

Proposed 2012 International Residential Code Local Amendments

Including appendices E, G, H, I, K and R

R105.2 Work exempt from permit. Permits shall not be required for the following. Exemption from permit requirements of this code shall not be deemed to grant authorization for any work to be done in any manner in violation of the provisions of this code or any other laws or ordinances of this jurisdiction.

Building:

1. One-story detached accessory structures used as tool and storage sheds, playhouses and similar uses, provided the floor area is not greater than 200 square feet (18.58 m²).
2. Fences not over ~~7 6~~ feet (~~2134 mm~~ 1829 mm) high.
3. Retaining walls that are not over 4 feet (1219 mm) in height measured from the bottom of the footing to the top of the wall, unless supporting a surcharge
4. Water tanks supported directly on grade if the capacity is not greater than 5,000 gallons (18 925 L) and the ratio of height to diameter or width is not greater than 2:1.
5. Sidewalks and driveways.
6. Painting, papering, tiling, carpeting, cabinets, counter tops and similar finish work.
7. Prefabricated swimming pools accessory to a Group R-3 occupancy that are less than ~~24~~ 18 inches (610 mm) deep.
8. Swings and other playground equipment.
9. Window awnings supported by an exterior wall that do not project more than 54 inches (1372 mm) from the exterior wall and do not require additional support.
10. Decks not exceeding 200 square feet (18.58 m²) in area, that are not more than 30 inches (762 mm) above grade at any point, are not attached to a dwelling and do not serve the exit door required by Section R311.4.
11. Hot water re-circulators.
12. Water Softeners and Soft Water Loops.
13. Replacement of existing water heaters previously installed with a valid building permit.
14. Re-roofing with the same type of material as the original roofing and provided not more than two layers of asphalt shingles are applied over an existing asphalt shingle roof.
14. Installation of a nonstructural weatherproof exterior covering over an existing weatherproof covering on an existing structure so long as the new covering will not affect the fire-resistive classification of the existing structure.

Exception: Installation of an Exterior Insulation and Finish System (EIFS).

R301.2 Climatic and geographic design criteria. Buildings shall be constructed in accordance with the provisions of this code as limited by the provisions of this section. Additional criteria shall be established by the local jurisdiction and set forth in Table R301.2(1).

Table R301.2(1)

(Due to space limitations the table could not be reproduced; only the values are listed)

Ground snow load: 0
 Wind speed (mph): 90 Exposure B (unless otherwise designated by the Building Official)
 Seismic design category: B
 Weathering: Negligible
 Frost line depth: 0"
 Termite: Moderate to heavy
 Decay: None to slight
 Winter design temperature: 32°F
 Ice shield underlayment required: N/A
 Flood hazards: MCFC
 Air freezing index: 0
 Mean annual temperature: 72.3°F

R301.5 Live Load.

The minimum uniformly distributed live load shall be as provided in Table R301.5

TABLE R 301.5

MINIMUM UNIFORMLY DISTRIBUTED LIVE LOADS (in pounds per square foot)

USE	LIVE LOAD
Attics with storage ^{b,g}	20 <u>40</u>
Sleeping rooms	30 <u>40</u>

(No other changes to Table)

SECTION R302

FIRE-RESISTANT CONSTRUCTION

R302.1 Exterior Walls. Construction, projections, openings and penetrations of exterior walls of dwellings and accessory buildings shall comply with Table R302.1(1); or dwellings equipped throughout with an automatic sprinkler system installed in accordance with Section P2904 shall comply with Table R302.1(2).

Exceptions:

1. Walls, projections, openings or penetrations in walls perpendicular to the line used to determine the fire separation distance.
2. Walls of dwellings and accessory structures located on the same lot.

3. Detached tool sheds and storage sheds, playhouses and similar structures exempted from permits are not required to provide wall protection based on location on the lot. Projections beyond the exterior wall shall not extend over the lot line.
4. Detached garages accessory to a dwelling located within 2 feet (610 mm) of a lot line are permitted to have roof eave projections not exceeding 4 inches (102 mm)
5. Foundation vents installed in compliance with code are permitted
6. When the wall is at 5' or greater to the property line, with no attic vents or gable end vents, a maximum of 18" unprotected eave overhang is permitted.

R302.5 Dwelling/garage opening/penetration protection.

R302.5.1 Opening protection. Openings from a private garage or carport directly into a room used for sleeping purposes shall not be permitted. Other openings between the garage or carport and residence shall be equipped with solid wood doors not less than $1 \frac{3}{8}$ inches (35 mm) in thickness, solid or honeycomb-core steel doors not less than $1 \frac{3}{8}$ inches (35 mm) thick, or 20-minute fire-rated doors, equipped with a self-closing, self latching device.

R302.6 Dwelling/garage fire separation.

Table R302.6 Dwelling/Garage Separation

SEPARATION	MATERIAL
From the residence attics	Not less than 1/2" gypsum board applied to the garage side <u>Minimum 5/8" Type X gypsum board applied to the garage side</u>

R303.9 Required heating and cooling. When the winter design temperature in Table R301.2(1) is below 60°F (16°C). Every *dwelling unit* shall be provided with heating and cooling facilities capable of maintaining a minimum room temperatures between of 70°F(21°C) 68°F (20°C) and 90°F (50°C) at a point 3 feet (914 mm) above the floor and 2 feet (610 mm) from exterior walls in all habitable rooms at the design temperature. The installation of one or more portable space heaters or portable space coolers shall not be used to achieve compliance with this section.

SECTION R309 GARAGES AND CARPORTS

Section 309.5 Fire Sprinklers.

DELETE section in its entirety.

SECTION R313 AUTOMATIC FIRE SPRINKLER SYSTEMS

DELETE section in its entirety.

SECTION R322 FLOOD-RESISTANT CONSTRUCTION

R322.1 General. Buildings and structures constructed in whole or in part in flood hazard areas ~~(including A or V Zones) as established in Table R301.2(1)~~ shall be designed and constructed in accordance with ~~Section R322~~ the regulations of the Maricopa County Flood Control District. ~~Buildings and structures located in whole or in part in identified floodways shall be designed and constructed in accordance with ASCE 24.~~

CHAPTER 11 [RE]

ENERGY EFFICIENCY

N1101.2 Scope. This code applies to *residential buildings* and the building sites and associated systems and equipment. Group R-2 when defined as a *Residential Building* by section R202, shall have the option of complying under the Commercial Provisions of the code, regardless of height. Once defined as such on the submittal documents, all components of the Commercial Provisions shall be followed.

SECTION N1101.9 ALTERNATE MATERIALS-METHOD OF CONSTRUCTION, DESIGN OR INSULATING SYSTEMS

Section N1101.9.1

RESNET Testing & Inspection Protocol. The Residential Energy Services Network (RESNET) Mortgage Industry National Home Energy Rating System Standards Protocol for third party testing and inspections, shall be deemed to meet the requirements of sections N1102.4.1.1, N1102.4.1.2 and N1103.2.2. and shall meet the following conditions:

1. Third Party Testing and Inspections shall be completed by RESNET certified Raters or Rating Field Inspectors and shall be subject to RESNET Quality Assurance Field Review procedures.
2. Sampling in accordance with Chapter 6 of the RESNET Standards shall be performed by Raters or Rating Field Inspectors working under a RESNET Accredited Sampling Provider.
3. Third Party Testing is required for the following items:
 - a. 1102.4.1.1 –Building Envelope – Thermal and Air Barrier Checklist
 - b. 1102.4.1.2 –Testing – Air Leakage Rate
 - c. 1103.2.2 – Sealing – Duct Tightness
4. The other requirements identified as “mandatory” in Chapter 11 shall be met.
5. Alternate testing and inspection programs and protocols shall be allowed when approved by the Building Official.

N1101.15 Compliance. Projects shall comply with Sections identified as “mandatory” and with either sections identified as “prescriptive” or the performance approach in Section R405.

N1101.15.1 Alternative approach for compliance. A Home Energy Rating System (“HERS”) Index of 73 or less, confirmed in writing by a Residential Energy Services Network certified energy rater may be used in place of the approach described in section 401.2 above. Compliance may be demonstrated by sampling in accordance with Chapter 6 of the Mortgage Industry National Home Energy Rating Systems Standard as adopted by the Residential Energy Services Network.

SECTION N1103 SYSTEMS

N1103.2 Ducts. Ducts and air handlers shall be in accordance with Sections N1103.2.1 through N1103.2.3.

N1103.2.1 Insulation (Prescriptive). Supply ducts in attics shall be insulated to a minimum of R-8. Ducts in floor trusses shall be insulated to a minimum of R-6.

Exceptions: Ducts or portions thereof located completely inside the building thermal envelope.

1. Ducts or portions thereof located completely inside the building thermal envelope.

2. Supply ducts may be insulated to a minimum of R-6 when one or more of the following conditions are met;

2.1 Minimum SEER rating of space heating/cooling system is increased to 15.

2.2 Maximum U-factor is decreased to 0.35 and maximum SHGC is decreased to 0.22 for all fenestration products.

2.3 Wall cavity insulation minimum R-value is increased to R-19.

2.4 Residential buildings that meet the requirements of sections R102.1.1 or R405.

Section N1103.9.3 ~~Covers~~ Variable Speed Pool Pumps

~~R403.9.3~~ Heated pools and in-ground permanently installed spas shall be provided with a vapor-resistant cover.

Exception: Pools deriving over 70% of the energy for heating from site-recovered energy, such as a heat pump or solar energy source computed over an operating season.

Motors with a total horsepower of one or more for pools and in-ground permanently installed spas shall have the capability of operating at two or more speeds with a low speed having a rotation rate that is no more than one-half of the motor's maximum rotation rate and shall be operated with a pump control with the capability of operating the pump at two or more speeds. Residential pool pump motor controls that are sold for use with a two or more speed motor shall have a default circulation speed setting no more than one-half of the motor's maximum rotation rate. Any high speed override capability shall be for a temporary period not to exceed one twenty-four hour cycle without resetting to the default setting.

**Proposed 2012 International Residential Code
Appendix E
Local Amendment**

DELETE this appendix in its entirety and REPLACE as follows:

See State Office of Manufactured Housing Regulations

**Proposed 2012 International Residential Code
Appendix I
Local Amendment**

DELETE this appendix in its entirety and REPLACE as follows:

See State Department of Environmental Quality Regulations.

Proposed 2012 International Residential Code

Appendix G

Local Amendment

SWIMMING POOLS, SPAS AND HOT TUBS

SECTION AG101 GENERAL

AG101.1 General.

The provisions of this appendix shall control the design and construction of swimming pools, spas and hot tubs installed in or on the lot of a one- and two-family dwelling.

SECTION AG102 DEFINITIONS

AG102.1 General.

For the purposes of these requirements, the terms used shall be defined as follows and as set forth in Chapter 2.

ABOVE-GROUND/ON-GROUND POOL. See "Swimming pool"

BARRIER. A fence, wall, building wall or combination thereof which completely surrounds the swimming pool and obstructs access to the swimming pool.

HOT TUB. See "Swimming pool."

IN-GROUND POOL. See "Swimming pool."

RESIDENTIAL. That which is situated on the premises of a detached one- or two-family dwelling or a one-family townhouse not more than three stories in height.

SPA, NONPORTABLE. See "Swimming pool."

SPA, PORTABLE. A nonpermanent structure intended for recreational bathing, in which all controls, water-heating and water-circulating equipment are an integral part of the product.

SWIMMING POOL. Any structure intended for swimming or recreational bathing that contains water over 18 inches (457 mm) deep at any point, and, other than hot tubs and spas is wider than 8 feet (2400 mm) at any point. This includes in-ground, above ground and on-ground swimming pools and, other than the width, hot tubs and spas.

SWIMMING POOL, INDOOR. A swimming pool which is totally contained within a structure and surrounded on all four sides by walls of said structure.

SWIMMING POOL, OUTDOOR. Any swimming pool which is not an indoor pool.

SECTION AG103 SWIMMING POOLS

AG103.1 In-ground pools.

In-ground pools shall be designed and constructed in conformance with ANSI/NSPI-5 as listed in Section AG107.

AG103.2 Above-ground and on-ground pools.

Aboveground and on-ground pools shall be designed and constructed in conformance with ANSI/NSPI-4 as listed in Section AG107.

SECTION AG104 SPAS AND HOT TUBS

AG104.1 Permanently installed spas and hot tubs.

Permanently installed spas and hot tubs shall be designed and constructed in conformance with ANSI/NSPI-3 as listed in Section AG107.

AG104.2 Portable spas and hot tubs.

Portable spas and hot tubs shall be designed and constructed in conformance with ANSI/NSPI-6 as listed in Section AG107.

SECTION AG105 BARRIER REQUIREMENTS

AG105.1 Application.

The provisions of this chapter shall control the design of barriers for residential swimming pools, spas and hot tubs. These design controls are intended to provide protection against potential drownings and near-drownings by restricting access to swimming pools, spas and hot tubs.

AG105.2 Outdoor swimming pool.

An outdoor swimming pool, including an in-ground, above-ground or on-ground pool, hot tub or spa shall be provided with a barrier which shall comply with the following:

1. The top of the barrier shall be at least 48 inches (1219 mm) above grade measured on the side of the barrier which faces away from the swimming pool. The maximum vertical clearance between grade and the bottom of the barrier shall be 2 inches (51 mm) measured on the side of the barrier which faces away from the swimming pool. Where the top of the pool structure is above grade, such as an aboveground pool, the barrier may be at ground level, such as the pool structure, or mounted on top of the pool structure. Where the barrier is mounted on top of the pool structure, the maximum vertical clearance between the top of the pool structure and the bottom of the barrier shall be 4 inches (102 mm). Any decorative design work on a barrier located entirely upon the subject parcel, and on the side away from the swimming pool, such as protrusions, indentations, or cutouts or other fixed or moveable, attached or unattached objects within 24 inches of the pool barrier, which render the barrier easily climbable, are prohibited. The wall, fence, or barrier shall be at least 20 inches from the water's edge.
2. Openings in the barrier shall not allow passage of a 4-inch-diameter (102 mm) sphere.
3. Solid barriers which do not have openings, such as a masonry or stone wall, shall not contain indentations or protrusions except for normal construction tolerances and tooled masonry joints.
4. Where the barrier is composed of horizontal and vertical members and the distance between the tops of the horizontal members is less than 45 inches (1143 mm), the horizontal members shall be located on the swimming pool side of the fence. Spacing between vertical members shall not exceed 1.75 inches (44 mm) in width. Where there are decorative cutouts within vertical members, spacing within the cutouts shall not exceed 1.75 inches (44 mm) in width.
5. Where the barrier is composed of horizontal and vertical members and the distance between the tops of the horizontal members is 45 inches (1143 mm) or more, spacing between vertical members shall not exceed 4 inches (102 mm). Where there are decorative cutouts within vertical members, spacing within the cutouts shall not exceed 1.75 inches (44 mm) in width.
6. Chain link fencing shall not be used as a barrier.

7. Where the barrier is composed of diagonal members, such as a lattice fence, the maximum opening formed by the diagonal members shall not be more than 1.75 inches (44 mm).
8. Access gates shall comply with the requirements of Section AG105.2, Items 1 through 7, and shall be equipped to accommodate a locking device. Pedestrian access gates shall open outward away from the pool and shall be self-closing and have a self-latching device. Gates other than pedestrian access gates shall have a self-latching device. Where the release mechanism of the self-latching device is located less than 54 inches (1372 mm) from the bottom of the gate, the release mechanism and openings shall comply with the following:
 - 8.1. The release mechanism shall be located on the pool side of the gate at least 5 inches (125 mm) below the top of the gate, and
 - 8.2. The gate and barrier shall have no opening greater than 0.5 inch (12.7 mm) within 18 inches (457 mm) of the release mechanism.
 - 8.3. All pedestrian access gates and any other access gates shall have a sign attached to both sides of the gate stating the following: "Protect your children, Keep Gate Closed". Details of minimum sign size, letter type, and color and other specifications of the sign shall be provided by the ~~Building Safety Division~~ City.
9. Where a wall of a dwelling serves as part of the barrier one of the following conditions shall be met:
 - 9.1. The pool shall be equipped with a powered safety cover in compliance with ASTM F1346; or
 - 9.2. Openings in the wall of the residence or living area which constitute part of the barrier will be protected in the following ways:
 - 9.2.1 Doors will be protected in the following ways:
 - 9.2.1.1 Add self-closing, self latching devices installed on all doors with direct access to the pool area, with the release mechanism located minimum of 54 inches above the floor.
 - 9.2.1.2 An alarm shall be installed on all doors with direct access to the pool. The alarm shall sound continuously for a minimum of 30 seconds within seven seconds after the door is opened, and be capable of being heard throughout the house during normal household activities. The alarm shall automatically reset under all conditions. The alarm system shall be equipped with a manual means, such as touchpad or switch, to temporarily deactivate the alarm for a single opening. Such deactivation shall last for not more than 15 seconds. The deactivation switch(es) shall be located at least 54 inches (1372 mm) above the threshold of the door.
 - 9.2.1.3 Pet doors which provide direct access to the pool are prohibited.

Exception: ~~Pet doors fitted with a permanent barrier in compliance with AG105.2, Item 2.~~
 - 9.2.2 Windows with access to the pool area shall be protected in the following ways:
 - 9.2.2.1 Emergency escape or rescue windows from sleeping areas with access to the swimming pool will be equipped with a latching device not less than 54 inches above the floor.

9.2.2.2 All other openable windows with similar access will also be equipped with a latching device not less than 54 inches above the floor or shall be equipped with a key-lock device that prevents opening the window more than 4 inches.

9.3. Other means of protection, such as self-closing doors with self-latching devices, which are approved by the governing body, shall be acceptable so long as the degree of protection afforded is not less than the protection afforded by Item 9.1 or 9.2 described above.

10. Where an aboveground pool structure is used as a barrier or where the barrier is mounted on top of the pool structure, and the means of access is a ladder or steps, then:

10.1. The ladder or steps shall be capable of being secured, locked or removed to prevent access, or 10.2. The ladder or steps shall be surrounded by a barrier which meets the requirements of Section AG105.2, Items 1 through 9. When the ladder or steps are secured, locked or removed, any opening created shall not allow the passage of a 4-inch-diameter (102 mm) sphere.

AG105.3 Indoor swimming pool. All walls surrounding an indoor swimming pool shall comply with Section AG105.2, Item 9.

AG105.4 Prohibited locations. Barriers shall be located so as to prohibit permanent structures, equipment or similar objects from being used to climb the barriers.

AG105.5 Barrier exceptions. Spas or hot tubs with a safety cover which complies with ASTM F 1346, as listed in Section AG107, shall be exempt from the provisions of this appendix.

AG 105.6 Retroactivity. The owner of every dwelling with an existing swimming pool or spa which was constructed prior to the effective date of this Appendix G (amended) and to which this Appendix would otherwise apply, must comply with this Appendix not later than one year after the effective date of this Appendix.

AG105.7 Duty to comply. Every person who owns, rents, occupies, or controls a swimming pool or spa to which this Appendix G (amended) applies, shall comply with all the provisions of this Appendix at all times.

AG105.7.1 No person shall construct a swimming pool or spa to which this Appendix applies in a manner, which is not in compliance with this Appendix. No person shall remove, alter, disable, render inoperable, or change, either temporarily or permanently, any device or structure installed or constructed in accordance with this Appendix, in such a manner that the device or structure or the barrier to which it is attached or of which it is a part, is no longer in compliance with this Appendix.

AG105.7.2 Every person who contracts to build a swimming pool or spa to which this Appendix applies, or who contracts to sell, lease or rent a dwelling with a swimming pool or spa to which this Appendix applies, shall, at the time of executing the contract, give to the buyer, lessee, or renter, a copy of this Appendix.

AG105.8 Violations and Penalties. Every person who violates any provision of this Appendix G (amended) is guilty of a misdemeanor, and upon conviction shall be punished by imprisonment for up to six months, or by a fine of not more than two thousand five hundred dollars, or both such fine and imprisonment.

Proposed 2012 International Residential Code

Appendix K

Local Amendment

SOUND TRANSMISSION

Appendix K SOUND TRANSMISSION

AK102.2. Sound Attenuation. In order to achieve an interior noise level of 45 decibels, all residences shall be constructed using the following minimum construction standards:

1. Exterior wall penetrations by pipe ducts or conduits shall be sealed.
2. Mail boxes shall not be used through the door or wall.
3. Windows shall have 2 panes of glass and a sound transmission rating of STC-22. All operable windows shall be weather stripped and air tight in accordance with ASTM E-283-84-T Standard. Perimeter window frames" shall be sealed.
4. All exterior side hinge doors shall be solid core wood or insulated hollow metal, at least 1", inches thick and fully weather stripped. All exterior doors other than side hinge doors shall be solid wood, foam filled fiberglass or metal construction.
5. Fireplaces shall be provided with well fitting dampers.
6. Exterior walls shall achieve a minimum overall thermal resistance rating of ~~19~~ 18. (*Exterior walls shall be at least four inches in nominal thickness and shall be finished on the outside with block, siding, sheathing, or stucco on one inch Styrofoam. A minimum of R-13 fiberglass or cellulose insulation shall be installed continuously throughout the cavity space within the wall.*)
7. All roof spaces shall achieve a minimum overall thermal resistance rating of 30.

AK1 02.2.1. Certification. A certified statement by a licensed architect or engineer certifying that the residence achieves the requirement of a maximum interior noise level of 45 decibels is required for all construction. The certified statement shall include documentation supporting the statement.

Exception. Construction outside the areas designated as having a day-night average sound level 65 decibels or higher as determined by the use of the 1988 noise contour lines developed by the Maricopa County Association of Governments that complies with the construction standards of Section 1206.4.1 shall be deemed to have achieved the interior noise level of 45 decibels, and shall not require the certified statement"

Proposed 2012 International Residential Code

Appendix R

Local Amendment

SOLAR PHOTOVOLTAIC POWER SYSTEMS

SECTION AR101

SOLAR PHOTOVOLTAIC POWER SYSTEMS

AR101 Installation of solar photovoltaic power systems. Solar photovoltaic power systems shall be installed in accordance with Sections AM101 through AM101.4, the *International Building Code* and NFPA 70.

Exception: Detached, non-habitable Group U structures including, but not limited to, parking shade structures, carports, solar trellises and similar structures shall not be subject to the requirements of this section.

AR101.1 Marking. Marking is required on interior and exterior direct -current (DC) conduit, enclosures, raceways, cable assemblies, junction boxes, combiner boxes and disconnects.

AR101.1.1 Materials. The materials used for marking shall be reflective, weather resistant and suitable for the environment. Marking as required in Sections AM101.1.2 through AM101.1.4 shall have all letters capitalized with a minimum height of 3/8 inch (9.5 mm) white on red background.

AR101.1.2 Marking content. The marking shall contain the words "WARNING: PHOTOVOLTAIC POWER SOURCE."

AR101.1.3 Main service disconnect. The marking shall be placed adjacent to the main service disconnect in a location clearly visible from the location where the disconnect is operated.

AR101.1.4 Location of marking. Marking shall be placed on interior and exterior DC conduit, raceways, enclosures and cable assemblies every 10 feet (3048 mm), within 1 foot (305 mm) of turns or bends and within 1 foot (305 mm) above and below penetrations of roof/ceiling assemblies, walls or barriers.

AR101.2 Locations of DC conductors. Conduit, wiring systems, and raceways for photovoltaic circuits shall be located as close as possible to the ridge or hip or valley and from the hip or valley as directly as possible to an outside wall to reduce trip hazards and maximize ventilation opportunities. Conduit runs between sub arrays and to DC combiner boxes shall be installed in a manner that minimizes the total amount of conduit on the roof by taking the shortest path from the array to the DC combiner box. The DC combiner boxes shall be located such that conduit runs are minimized in the pathways between arrays. DC wiring shall be installed in metallic conduit or raceways when located within enclosed spaces in a building. Conduit shall run along the bottom of load bearing members.

AR101.3 Access and pathways. Roof access, pathways, and spacing requirements shall be provided in accordance with Sections AM101.3.1 through AM101.3.3.3.

Exceptions:

1. Residential structures shall be designed so that each photovoltaic array is no greater than 150 feet (45 720 mm) by 150 feet (45 720 mm) in either axis.
2. Panels/modules shall be permitted to be located up to the roof ridge where an alternative ventilation method approved by the fire chief has been provided or where the fire chief has determined vertical ventilation techniques will not be employed.

AR101.3.1 Roof access points. Roof access points shall be located in areas that do not require the placement of ground ladders over openings such as windows or doors, and located at strong points of building construction in locations where the access point does not conflict with overhead obstructions such as tree limbs, wires, or signs.

AR101.3.2 Residential systems for one- and two- family dwellings. Access to residential systems for one- and two-family dwellings shall be provided in accordance with Sections AM101.3.2.1 through AM101.3.2.4.

AR101.3.2.1 Residential buildings with hip roof layouts. Panels/modules installed on residential buildings with hip roof layouts shall be located in a manner that provides a 3-foot-wide (914 mm) clear access pathway from the eave to the ridge on each roof slope where panels/modules are located. The access pathway shall be located at a structurally strong location on the building capable of supporting the live load of fire fighters accessing the roof.

Exception: These requirements shall not apply to roofs with slopes of two units vertical in 12 units horizontal (2:12) or less.

AR101.3.2.2 Residential buildings with a single ridge. Panels/modules installed on residential buildings with a single ridge shall be located in a manner that provides two, 3-foot-wide (914 mm) access pathways from the eave to the ridge on each roof slope where panels/modules are located.

Exception: This requirement shall not apply to roofs with slopes of two units vertical in 12 units horizontal (2:12) or less.

AR101.3.2.3 Residential buildings with roof hips and valleys. Panels/modules installed on residential buildings with roof hips and valleys shall be located no closer than 18 inches (457 mm) to a hip or a valley where panels/modules are to be placed on both sides of a hip or valley. Where panels are to be located on only one side of a hip or valley that is of equal length, the panels shall be permitted to be placed directly adjacent to the hip or valley.

Exception: These requirements shall not apply to roofs with slopes of two units vertical in 12 units horizontal (2:12) or less.

AR101.3.2.4 Residential building smoke ventilation. Panels/modules installed on residential buildings shall be located no higher than 3 feet (914 mm) below the ridge in order to allow for fire department smoke ventilation operations.

AR101.3.3 Other than residential buildings. Access to systems for occupancies other than one- and two family dwellings shall be provided in accordance with Sections AM101.3.3.1 through AM101.3.3.3.

Exception: Where it is determined by the *Building Official* that the roof configuration is similar to that of a one- or two-family dwelling, the residential access and ventilation

requirements in Sections AM101.3.2.1 through AM101.3.2.4 shall be permitted to be used.

AR101.3.3.1 Access. There shall be a minimum 6-1 foot-wide (1829 mm) clear perimeter around the edges of the roof.

Exception: Where either axis of the building is 250 feet (76 200 mm) or less, there shall be a minimum 4-foot-wide (1290 mm) clear perimeter around the edges of the roof.

AR101.3.3.2 Pathways. The solar installation shall be designed to provide designated pathways. The pathways shall meet the following requirements:

1. The pathway shall be over areas capable of supporting the live load of fire fighters accessing the roof.
2. The centerline axis pathways shall be provided in both axes of the roof. Centerline axis pathways shall run where the roof structure is capable of supporting the live load of fire fighters accessing the roof.
3. Shall be a straight line not less than 4 feet (1290 mm) clear to skylights or ventilation hatches.
4. Shall be a straight line not less than 4 feet (1290 mm) clear to roof standpipes.
5. Shall provide not less than 4 feet (1290 mm) clear around roof access hatch with at least one not less than 4 feet (1290 mm) clear pathway to parapet or roof edge.

AR101.3.3.3 Smoke ventilation. The solar installation shall be designed to meet the following requirements:

1. Arrays shall be no greater than 150 feet (45 720 mm) by 150 feet (45 720 mm) in distance in either axis in order to create opportunities for fire depm1ment smoke ventilation operations.
2. Smoke ventilation options between array sections shall be one of the following:
 - 2.1. A pathway 8 feet (2438 mm) or greater in width.
 - 2.2. A 4-foot (1290 mm) or greater in width pathway and bordering roof skylights or smoke and heat vents.
 - 2.3. A 4-foot (1290 mm) or greater in width pathway and bordering 4-foot by 8-foot (1290 mm by 2438 mm) "venting cutouts" every 20 feet (6096 mm) on alternating sides of the pathway.

AR101.4 Ground-mounted photovoltaic arrays. Ground-mounted photo voltaic arrays shall comply with Sections AM101 through AM101.2 and this section. Setback requirements shall not apply to ground-mounted, free-standing photovoltaic arrays. A clear, brush-free area of 10 feet (3048 mm) shall be required for ground mounted photovoltaic arrays.

Proposed 2012 International Fire Code Local Amendments

The International Fire Code, 2012 Edition is hereby amended as follows:

The following Appendices of the International Fire Code, 2012 Edition, are hereby adopted in their entirety.

The most recent Editions of the National Fire Codes and Standards published by the National Fire Protection Association (NFPA) as referenced in Chapter 80 of the International Fire Code 2012 edition and the most recent addition of the NFPA 101 Life Safety Code, together with all errata to those codes as adopted by NFPA from time to time.

Appendix B - Fire-Flow Requirements for Buildings

Appendix C - Fire Hydrant Location and Distribution

Appendix D - Fire Apparatus Access Roads

Appendix E - Hazard Categories

Appendix F - Hazard Ranking

Appendix G - Cryogenic Fluids, Weight and Volume Equivalents

Appendix H - Hazardous Materials Management Plan (HMMP) and Hazardous Materials Inventory Statement (HMIS) Instructions

Appendix I - Fire Protection Systems-Noncompliant Conditions

Appendix J - Building Information Sign

[A] 101.1 Title.

These regulations shall be known as the Fire Code of [NAME OF JURISDICTION] City of Surprise Fire Code, hereinafter referred to as "this code.

[A] 104.10 Fire investigations.

The fire code official, the fire department or other responsible authority shall have the authority to investigate the cause, origin and circumstances of any fire, explosion or other hazardous condition. Information that could be related to trade secrets or processes shall not be made part of the public record, except as directed by a court of law. The Fire Code Official shall investigate or cause to be investigated the cause, origin and circumstance of each and every fire occurring in the jurisdiction involving loss of life or injury to a person or destruction or damage to property, and if it appears to the Fire Investigator that such fire is of suspicious origin, the Fire Investigator shall notify the appropriate law enforcement agency and shall secure the site until the law enforcement agency takes control of the site. Then, the Fire Investigator shall continue to pursue the investigation to its conclusion. Information that could be related to trade secrets or processes shall not be made part of the public record unless directed by a court of law.

[A] 104.10.1 Assistance from other agencies.

Police and other enforcement agencies shall have authority to render necessary assistance in the investigation of fires when requested to do so. It shall be unlawful for any person to enter into a fire scene, or refuse to leave a fire scene when directed to do so by a Police or Fire Officer, when such scene is established by ropes, guards, line tape or any other method.

[A] 105.4.2 Information on construction documents. Construction documents shall be drawn and submitted in accordance with the Arizona State Board of Technical Registration. to scale upon suitable

~~material. Re-submittals, modifications or revisions shall include: revision date identified by a Cloud Area and Delta; and shall include a response letter addressing each item. Electronic media documents are allowed to be submitted when approved by the fire code official~~ Fire Code Official. Construction documents shall be of sufficient clarity to indicate the location, nature and extent of the work proposed and show in detail that it will conform to the provisions of this code and relevant laws, ordinances, rules and regulations as determined by the ~~fire code official~~ Fire Code Official.

[A] 105.6.47 Trade shows and exhibits in buildings or structures. An operational permit is required to operate a trade show or exhibit in a building or structure.

[A] 106.2.1 Inspection requests.

It shall be the duty of the ~~person doing the work holder of the permit or their duly authorized by a permit agent to notify the Fire Code Official that such work is ready for inspection. fire code official when work is ready for inspection. It shall be the duty of the permit holder to provide access to and means for inspections of such work that are required by this code.~~

[A] 108.1 Board of appeals established. ~~In order to hear and decide appeals of orders, decisions or determinations made by the fire code official relative to the application and interpretation of this code, there shall be and is hereby created a board of appeals. The board of appeals shall be appointed by the governing body and shall hold office at its pleasure. The fire code official shall be an ex officio member of said board but shall have no vote on any matter before the board. The board shall adopt rules of procedure for conducting its business, and shall render all decisions and findings in writing to the appellant with a duplicate copy to the fire code official.~~

[A] 108.2 Limitations on authority. ~~An application for appeal shall be based on a claim that the intent of this code or the rules legally adopted hereunder have been incorrectly interpreted, the provisions of this code do not fully apply, or an equivalent method of protection or safety is proposed. The board shall have no authority to waive requirements of this code.~~

[A] 108.3 Qualifications. ~~The board of appeals shall consist of members who are qualified by experience and training to pass on matters pertaining to hazards of fire, explosions, hazardous conditions or fire protection systems, and are not employees of the jurisdiction.~~

[A] 109.4 Violation penalties. ~~Persons who shall violate a provision of this code or shall fail to comply with any of the requirements thereof or who shall erect, install, alter, repair or do work in violation of the approved construction documents or directive of the Fire Marshal, or of a permit or certificate used under provisions of this code, shall be guilty of a [SPECIFY OFFENSE] punishable by a fine of not more than [AMOUNT] dollars or by imprisonment not exceeding [NUMBER OF DAYS], or both such fine and imprisonment. Each day the violation continues after due notice has been served shall be deemed a separate offense.~~

SECTION 202 DEFINITIONS

ASSISTED LIVING CENTER. An assisted living facility that provides resident rooms or residential units to eleven or more residents.

ASSISTED LIVING FACILITY. A residential care institution, including adult foster care, that provides or contracts to provide supervisory care services, personal care services or directed care services on a continuing basis.

ASSISTED LIVING HOME. An assisted living facility that provides resident rooms to ten or fewer residents.

ATTENDANT. A person knowledgeable in the use of portable fire extinguishers, whose duty it is to maintain fire safety measures during public or private events, as prescribed.

AUTHORITY HAVING JURISDICTION. The City of Surprise Fire Marshal or his designated representative.

CHIEF OF THE DIVISION OF FIRE PREVENTION. The Fire Marshal or delegates.

CORPORATION LEGAL COUNSEL. The City Attorney or delegates.

CUSTODIAL CARE. Assistance with day-to-day living tasks; such as assistance with cooking, taking medication, bathing, using toilet facilities and other tasks of daily living. Custodial care includes occupants who evacuate at a slower rate and/or who have mental or psychiatric complications.

DIRECTED CARE SERVICE. Care of residents, including personal care services, who are incapable of recognizing danger, summoning assistance, expressing need, or making basic care decisions.

DIVISION OF FIRE PREVENTION. The Fire Marshal's Office.

DRIVE LENGTH. The distance from the driveway entrance to the structure measured in feet.

FIRE CODE OFFICIAL. The fire chief ~~marshal or other~~ who is the designated authority charged with the administration and enforcement of the code, or a duly authorized representative.

GRADE. The degree of inclination of a slope, road or other surface (see slope).

HORIZONTAL (YARD) STANDPIPE. Approved water supply piping that extends the source of potable water to remote locations around the exterior of a structure.

HOSE LAY. The maximum length of a hand held hose line (fire hose) extended from fire apparatus 200 feet (60 900 mm) around the perimeter of a structure. If the hose lay is more than 200 feet (60 900 mm) from the road to all portions of the exterior, an Operational Platform is required.

MODIFIED (Mod) NFPA 13D SPRINKLER SYSTEM. In addition to NFPA 13D, sprinkler heads shall be installed in enclosed patios and porches, hidden spaces, attics, spaces under egress stairways, and in garages. A one-inch (25 mm) domestic water meter is required.

MODIFIED (Mod) NFPA 13R FIRE SPRINKLER SYSTEM. In addition to NFPA 13R, sprinkler heads shall be installed in enclosed patios and porches, hidden spaces, attics, spaces under egress stairways, and in garages. A one-inch (25 mm) domestic water meter is required.

OCCUPANCY CLASSIFICATION. For the purposes of this code, occupancies are defined and amended as follows:

Institutional Group I-1. This occupancy shall include buildings, structures or portions thereof for more than 16 persons who reside on a 24 hour basis in a supervised environment, ~~and receive custodial care,~~ and the ~~persons receiving care~~ are capable of self-preservation, except as provided for assisted living centers. This group shall include, but not be limited to, the following:

Alcohol and drug centers
~~Assisted living facilities~~ centers
Congregate care facilities
Convalescent facilities
Group homes
Halfway houses
Residential board and *custodial care* facilities
Social rehabilitation facilities

Six to sixteen persons receiving care. A facility such as above, housing not fewer than six and not more than 16 persons receiving such care, shall be classified as Group R-4, except as provided for assisted living homes.

Institutional Group I-2. This occupancy shall include buildings and structures used for *medical care* on a 24-hour basis for one or more than five persons who are *incapable of self-preservation*. This group shall include, but not be limited to, the following:

Foster care facilities
Detoxification facilities
Hospitals
~~*Nursing homes*~~ Assisted Living Centers
Psychiatric hospitals

~~**Five or fewer persons receiving care.** A facility such as the above with five or fewer persons receiving such care shall be classified as Group R-3 or shall comply with the *International Residential Code* provided an *automatic sprinkler system* is installed in accordance with Section 903.3.1.3 or with Section P2904 of the *International Residential Code*.~~

Residential Group R-4. This occupancy shall include buildings, structures or portions thereof for more than five but not more than 16 persons, excluding staff, who reside on a 24-hour basis in a supervised residential environment and receive *custodial care*. The persons receiving care are capable of self-preservation, except as provided for assisted living homes. This group shall include, but not be limited to, the following:

Alcohol and drug centers
~~Assisted living facilities~~ homes
Congregate care facilities
Convalescent facilities
Group homes
Halfway houses
Residential board and *custodial care* facilities
Social rehabilitation facilities

Group R-4 occupancies shall meet the requirements for construction as defined for Group R-3, except as otherwise provided for in this code and the 2012 International Building Code Section 425 (amended).

Condition 1. This occupancy condition shall include facilities licensed to provide supervisory care services, in which occupants are capable of self-preservation by responding to an emergency

situation without physical assistance from staff. Condition facilities housing more than 10 persons shall be classified as Group I-1

Condition 2. This occupancy condition shall include facilities licensed to provide personal or directed care services, in which occupants are incapable of self-preservation by responding to an emergency situation without physical assistance from staff. Condition 2 facilities housing more than 10 persons shall be classified as Group I-2.

PAVED SURFACE. A surface of concrete, asphalt, pavers, or other material designed to support fire apparatus in excess of 75,000 pounds GVW under any weather condition.

PERMANENT ALL WEATHER SURFACE (PAWS). A road surface made up of approved materials compacted to 90% with side containment, and capable of supporting fire apparatus vehicles in excess of 75,000 pound gross vehicle weight (GVW) under any weather condition. The permanent all weather surface shall be maintained by the property owner for intended use by the fire department.

SLOPE. The ground, road or other surface that forms a natural or artificial incline. The percentage of slope is determined by dividing the rise by the horizontal run multiplied by 100 [% slope = (Rise/Run) X 100].

STREET VALVE. An ON/OFF valve located in the street used to control the flow of water to a fire hydrant.

SUPERVISORY CARE SERVICE. General supervision, including daily awareness of resident functioning and continuing needs.

TEMPORARY ALL WEATHER SURFACE (TAWS). A road surface made up of an aggregate base or other approved materials compacted to 90% and capable of supporting fire apparatus vehicles in excess of 75,000 pound gross vehicle weight (GVW) under any weather condition. The TAWS shall be maintained by the builder for intended use by the fire department during the construction process.

TURNING RADIUS. 2002 AASHTO WB-50 SU-40 Scale

UNLAWFUL. A violation of this code, which may be punished by a civil penalty or a criminal penalty; however no person may be punished for the same offense by both a civil and criminal penalty.

Chapter 3 GENERAL PRECAUTIONS AGAINST FIRE

308.1.4 Open-flame cooking devices. Charcoal burners and other open-flame cooking devices shall not be operated on combustible balconies or within 10 feet (3048 mm) of combustible construction.

Exceptions:

1. One- and two-family dwellings.
2. ~~Where buildings, balconies and decks are protected by an automatic sprinkler system.~~
3. ~~LP-gas cooking devices having LP-gas container with a water capacity not greater than 2 ½ pounds [nominal 1 pound (0.454 kg) LP-gas capacity].~~

308.3.2.1 Audience control. The audience shall be at least 30 feet (9144 mm) away from the closest projection of an open flame device. Audience control shall be established by use of a physical barrier which can be easily moved or removed in the event of an emergency and shall remain in place throughout the entire performance.

308.3.2.2 Attendant. Flame Effects before an Audience. Performances shall be attended by a person knowledgeable in the proper use of fire extinguishers. Each attendant will watch over no more than two (2) active flame devices. Attendants shall remain at the performance until all flames are extinguished and attendant is dismissed.

308.3.2.3 Fire extinguishers. Approved fire extinguishing equipment shall be readily available for use during the performance. Portable fire extinguishers shall be provided at a minimum of one 20BC fire extinguisher for every 4 simultaneous devices.

308.3.2.4 Clearance from combustibles. A 30-foot (9144 mm) clearance from all combustibles shall be maintained in all directions.

311.2.2 Fire protection. Fire alarm, sprinkler and standpipe systems shall be maintained in an operable condition at all times.

Exceptions:

- ~~1. When the premises have been cleared of all combustible materials and debris and, in the opinion of the fire code official, the type of construction, fire separation distance and security of the premises do not create a fire hazard.~~
- ~~2. Where approved by the fire chief, buildings that will not be heated and where fire protection systems will be exposed to freezing temperatures, fire alarm and sprinkler systems are permitted to be placed out of service and standpipes are permitted to be maintained as dry systems (without an automatic water supply), provided the building has no contents or storage, and windows, doors and other openings are secured to prohibit entry by unauthorized persons.~~

503.1.1 Buildings and facilities. Approved fire apparatus access roads shall be provided for every facility, building or portion of a building hereafter constructed or moved into or within the jurisdiction. The fire apparatus access road shall comply with the requirements of this section and shall extend to within ~~150 feet (45 720mm)~~ 200 feet (60 960 mm) of all portions of the facility or all portions of the exterior walls of the first story of the building as measured by an approved route around the exterior of the building or facility, and within 200 feet (60 960 mm) of the center of the furthest room on the second floor or level from the access road for buildings with two or more floors. Travel shall be measured along normal pedestrian routes. One flight of stairs shall count as 30 feet (9144 mm).

Exceptions: The ~~fire code official~~ Fire Marshal is authorized to increase the dimension of ~~150~~ 200 feet (60 960 mm) where:

- ~~1. The building is equipped throughout with an approved automatic sprinkler system installed in accordance with Section 903.3.1.1, 903.3.1.2 or 903.3.1.3.~~

2. Fire apparatus access roads cannot be installed due to location on property, *topography, waterways, non-negotiable grades or other similar conditions*, and an approved alternative means of fire protection is provided.
3. There are not more than two Group R-3 or Group U occupancies.

503.2.4 Turning radius. The required turning radius of a fire apparatus access road shall be ~~determined by the fire code official.~~ in accordance with ~~2002-AASHTO WB-50-SU-40~~ Scale.

503.2.5 Dead ends. Dead-end fire apparatus access roads in excess of ~~150 feet (45 720mm)~~ 200 feet (60 960 mm) in length shall be provided with an approved area for turning around fire apparatus. Dead-end fire apparatus access roads located between buildings shall have a 10-foot (3048 mm) setback from the edge of the access road to the structures on each side of the road.

503.3 Marking. Where required by the ~~by the~~ *fire code official*, approved signs with red curb markings and other approved notices or markings that include the words NO PARKING FIRE LANE shall be provided for fire apparatus access roads to identify such roads and prohibit the obstruction thereof. ~~This means by which fire lanes are designated shall be maintained a clean and legible condition at all times and be replace or repaired when necessary to provide adequate visibility.~~ Signs, notices and red curb markings shall be maintained in a clean and legible condition at all times, and be replaced, repaired or repainted when necessary to provide adequate visibility. All signage to be consistent with the requirements in the Surprise Fire Department Emergency Access Detail book.

503.3.1 Maintenance. The person(s) in possession of premises on which a fire apparatus access roadway is required shall be solely responsible for the maintenance of such roadways and all required signs and markers. No owner, manager or other person(s) in charge of premises served by a required fire apparatus access roadway shall abandon or close the fire apparatus roadway or any part thereof without permission of the Fire Chief. The person(s) in possession of the premises shall be responsible for ensuring that fire apparatus roadways are clear at all times.

503.4 Obstruction of fire apparatus access roads. Fire apparatus access roads shall not be obstructed in any manner, including the parking of vehicles. For the purposes of this section, parking is defined as stopped vehicles with no driver occupying the driver's position. Other occupants of the vehicle do not count as the driver. The minimum widths and clearances established in Section 503.2.1 shall be maintained at all times. The person in possession of the premises shall be responsible to ensure that fire apparatus access roadways are unobstructed at all times.

503.6 Security gates. ~~The installation of security gates across a fire apparatus access road shall be approved by the fire chief. Where security gates are installed, they shall have an approved means of emergency operation. The security gates and the emergency operation shall be maintained operational at all times. Electric gate operators, where provided, shall be listed in accordance with UL 325. Gates intended for automatic operation shall be designed, constructed and installed to comply with the requirements of ASTM F 2200. Plans to install security gates across fire apparatus access roads shall include Tomar preemption equipment and be submitted to the fire department for review. When security gates are approved all means of emergency operation shall be provided and maintained. All gates shall be consistent with the requirements in the Surprise Fire Department Emergency Access Detail Book.~~

Gates installed across fire apparatus access roads at gated communities and where required, shall be electronic with battery backup, and shall be provided with approved Tomar preemption equipment, controls, electronic Knox key switch and manual release mechanism.

Existing gates at entry points into gated communities and where required, shall be upgraded to include electronic preemption equipment, as required, within one year of the effective date of this code.

503.6.1 Clear width. Clear width of the roadway shall be minimum of 20 feet (6096 mm) clear width at all entrances. Exit roadways shall be a minimum of 16 feet (4878 mm) clear width, unless otherwise required by the Fire Marshal.

503.6.2 Divided entrance. Sub-divisions may have a combination divided entrance and exit. The Entrance Gate shall have a clear width of 20 feet (6096 mm) and the Exit Gate shall have 16 feet (4878 mm) clear width. Gates shall be designed to fit the opening.

503.6.3 Gates. Gates shall be designed and installed so that the turning radius (SU-40) of the roadway shall not interfere or obstructed the operation of the gate. Minimum set back from the public streets shall be a distance determined by the City Engineering Department and allow the emergency vehicle the ability to safely operate the lock box or panel. Turning radius from the right-of-way onto a public or private access roadway shall be designed utilizing the SU-40 standard.

503.6.4 Location of access controls. The control pedestal shall be located on the approach (ingress) side of the gate and be located and designed for easy activation by the operator without leaving the vehicle. The maximum height of the control box shall be 66 inches measured from the finished grade.

503.6.5 Traffic preemption device. Approved traffic preemption devices (TOMAR) shall be installed on all gates providing security access at gated communities and where required by the Fire Marshal.

503.6.6 Gate timing. Gates must fully open within 15 seconds of activation and remain open until closed by operation of the control device.

503.6.7 Control pedestal. The control pedestal must be identified by a metal sign 6" X 10" with red background-white letters. The sign must be securely fastened to the pedestal and legible from the approaching vehicle. Fire Department access gates shall fail-safe to the open position in the event of a power failure.

503.6.8 Secondary access. In addition to primary gates, secondary access gates, when required, shall be installed for additional Fire Department emergency access. Exit only gates that are not automated shall be installed per the Surprise Fire Department Emergency Access Detail Book. Exit Only Gates shall have a minimum clearance of 20 feet clear width and be posted with a sign that states "Caution Gate Opens Out" and the pavement shall be painted with a 5" wide yellow strip showing the depth of the gate swing.

503.6.9 Preemption device operation. Operation of the gate shall be by electronic preemption equipment installed on fire apparatus and/or by electronic Knox key switch.

503.7 Graphic directories. Approved graphic directories shall be provided at all driveway entrances for all multiple dwelling complexes, mobile home parks, or when required by the Fire Marshal. Directories shall be illuminated internally and consistent with the City of Surprise sign design standards, and be approved by the Fire Marshal. Existing facilities shall provide internally illuminated graphic directories within one year of the effective date of this code.

505.1 Address identification. New and existing buildings shall have approved address numbers, building numbers or approved building identification placed in a position so that the number is plainly legible and visible from the street or road fronting the property. ~~These numbers shall contrast with their background. Where required by the fire code official, address number shall be provided in additional approved locations to facilitate emergency response. Address numbers shall be a minimum of 4 inches (101.6 mm) high with a minimum stroke width of 0.5 inches (12.7 mm). Where access is by means of a private road and the building cannot be viewed from the public way, a monument, pole or other sign or means shall be used to identify the structure. Address numbers shall be maintained.~~ Commercial and Residential address numbers shall be located on the building at a point closest to the street as approved by the Fire Marshal.

Commercial Building address numbers shall be black or contrasting in color. Tenant space numbers or letters shall be black or contrasting color, 4 inches in height, 1 inch in width, and shall be displayed on or above the front door and on or above the rear door so that identification is plainly legible and visible from the street or road fronting the property. See Table 1 for size of commercial address numbers based on distance from the roadway fronting the property.

Table 1 Commercial Address

Table 1	
0 to 50 feet (15 240 mm).	Numbers shall be a minimum 9 inches (230 mm) in height, 2-inches (50.8 mm) in width.
51 (15 545 mm) to 100 feet (30 480 mm).	Numbers shall be a minimum 12 inches (305 mm) in height, 3-inches (76.2 mm) in width.
101 feet (30 785mm) or more.	Numbers shall be a minimum 15 inches (375 mm) in height, 4-inches (101.6 mm) in width.

The location of address numbers for a Single-Family dwelling shall be located so that the address is plainly legible and visible from the street or road fronting the property, contrasting in color, and numbers shall be a minimum 4 inches (101.6 mm) in height, ½ inch (12.7 mm) in width, and shall be displayed on the front of the dwelling on “front-loaded properties” and on the rear of “rear-loaded” properties.

Residential (Multi-Family Units). Apartment address numbers shall be color contrasting and located on the building at the closest point to the roadway so that the number is plainly legible and visible from the street or road fronting the property. See Table 2 for residential application.

Table 2 Residential Multi-family Unit Addressing

Table 2

0 to 50 feet (15 240 mm), numbers shall be a minimum 4 inches (101.6 mm) in height.
50 feet (15 240 mm) or more, numbers shall be 6 inches (152.5 mm) in height.

Apartment Building & Door Numbers. Apartment building numbers are to be contrasting in color, a minimum seven inches (177.5 mm) in height with a one inch (25.4 mm) brush stroke. Numbers on apartment doors shall be a minimum of four inches (101.6 mm) in height with a five-eighth (5/8) inch (16 mm) brush stroke and contrasting in color. Numbers shall not be repeated. See Table 2.1 for example.

Table 2.1

<u>301 – 310</u>	<u>3rd Floor</u>
<u>201 – 210</u>	<u>2nd Floor</u>
<u>101 – 110</u>	<u>1st Floor</u>

506.1.3 Location. A minimum of one recessed Knox Box is required for each occupancy at the time of construction or when required by the Fire Marshal. Additional Knox Boxes may be required due to the unique design, location, and accessibility, water supply, square-footage, and type of business process.

A key for each tenant space entrance is required at the time of construction but prior to certificate of occupancy. The key provided shall open all exterior and interior doors of the structure, including the fire sprinkler and alarm room and alarm panel. All keys shall be labeled for recognition and placed inside the Knox box.

The Knox box shall be located on the left side of the main entrance, top of the box 60 inches above finished grade, or located as approved by the Fire Marshal.

Exception: If the complex is served by one master key, one key will be sufficient.

506.1.4 Knox box. The Knox Box devices utilized by the Fire Department shall be the Knox Box, Knox Padlock, or Knox Key Switch. Approved devices authorized by the Fire Department are shown on the official Knox Box forms.

506.2 Key box maintenance. The owner, operator, or property manager of the building shall immediately notify the Fire Department ~~fire code official and provide the new key when a lock is changed or rekeyed.~~ The key to such lock shall be secured in the key box. ~~when a lock set and/or key is changed or modified.~~ The new key shall be provided and secured inside the key box by the Fire Inspector.

507.1 Required water supply. An approved water supply capable of supplying the required fire flow for fire protection shall be provided to premises upon which facilities, building or portions of buildings are hereafter constructed or moved into or within the jurisdiction. Where property is subdivided with or without the creation of public or private streets for the express purpose of providing said subdivided parcels for sale or otherwise permitting separate and/or individual development to occur, an approved water supply capable of supplying the projected fire flow for fire protection shall be provided and extended to serve directly any and all subdivided properties. The projected fire flow will be based on the greatest potential demand posed by any type of occupancy allowed by zoning laws on the proposed property. Required water supply shall not be interrupted, for any reason, without prior approval of the Fire Marshal.

507.4.1 Flow Test Documentation. It is the responsibility of Developer/Builder to submit fire flow test data to the Fire Department. Detailed test result data shall be provided to the fire department in an electronic format, acceptable by the Fire Marshal.

Use the following tables and references:

1. Use Table B105.1 2012 IFC for Fire Flow and Duration for buildings.
2. Use Table C105.1 2012 IFC for Number and Distribution of Fire Hydrants.
3. Use IFC Section B105.2 Buildings other than one- and two family dwellings.

507.4.2 Certificate of occupancy. Certificate of Occupancy for any structure shall not be issued prior to final approval of the water supply system by the Fire Marshal.

507.5.2 Inspection, testing and maintenance. Fire hydrant systems shall be subject to periodic tests as required by the ~~fire code official~~ Fire Code Official. Fire hydrant systems shall be maintained in an operative condition at all times and shall be promptly repaired or replaced where defective.

All additions, repairs, or alterations ~~and servicing~~ of a water supply and fire hydrant systems shall comply with nationally recognized approved standards and be approved by the Fire Marshal and any other applicable city departments.

507.5.2.1 Required installations. Fire hydrants installed as a result of a permit or work-order shall be spaced so that short hose lines can be utilized and so there is a sufficient number of fire hydrants within a reasonable distance to obtain the required fire flow as determined by Appendix B, IFC 2012 Edition.

In other than single-family residential areas, hydrants shall be spaced so that they are not more than 500 feet (152 400 mm) apart. For one- and two-family dwellings, hydrants shall be spaced so that they are not more than 500 feet (152 400 mm) apart and not more than 400 feet (121 920 mm) hose lay from the center of any structure. Hydrant spacing and hose lay requirements may be modified by the Fire Marshal.

Private and Municipal Fire Hydrants. All fire hydrants shall be flushed and serviced and maintained annually in accordance with the American Water Works Association- Manual of Water Supply Practices, Installation Field Testing and Maintenance of Fire hydrants. With assistance from the water company, the Fire Marshal shall determine the number of fire hydrants to be tested in accordance with test procedures outlined in the American Water Works Association Manual of Water Supply Practices, Distribution System Requirements for Fire Protection, AWWA M31. Results of the testing shall be provided to the fire department in an electronic format acceptable to the Fire Marshal.

Fire Hydrants. All fire hydrants designed and installed shall be in accordance with AWWA recognized standards and shall be capable of delivering the required fire flow, and shall be equipped with two 2½ inch outlets and one 4½ inch outlet. All outlets shall have National Standard Threads (NST).

507.5.3 Private fire service mains and water tanks. Private fire service mains and water tanks shall be periodically inspected, tested and maintained in accordance with NFPA 25; at the following intervals:

1. Private fire hydrants (all types): Inspection annually and after each operation; flow test and maintenance service annually.
2. Fire service main piping: Inspection of exposed, annually; flow test every five (5) years.
3. Fire service main piping strainers: Inspection and maintenance after each use.
4. Fire hydrant systems. Plans and specifications for fire hydrant systems shall be submitted to the fire department for review and approval prior to City Council action on the final subdivision plat, or in the case of an individual building or structure, for review and approval prior to issuance of the building permit.

Water service providers, whether municipal or private, shall submit a map identifying the location of fire hydrants within the service area of the water provider. The map required under this subsection shall be submitted on or before December 31, of each year, and shall be updated by the water service provider as new fire hydrants are installed. On May 31, of each subsequent year, a map identifying the location of the fire hydrants within the service area of the water provider shall be submitted to the Fire Marshal. In the event a water service provider fails to submit the map required under subsection 5 of this section, the Fire Marshal is authorized to prepare a map of the fire hydrant locations within the service area of water service provider, and charge the cost of preparation of the map to the water service provider, together with an administrative fee equal to 15 percent of the cost of preparation of the map.

A water service provider, whether municipal or private, having a portion of its service area in which no distribution or service lines are located, shall identify such areas on the map required by this subsection. Such areas shall be exempt from the requirements of Sections 508.1 through 508.4 and Appendix B and C until distribution or service lines are installed by the water service provider.

On or before December 31, of each year, a water service provider, whether municipal or private shall have prepared and filed with the fire department, a plan that: Indicates sufficient hydrants on all streets within its water service area containing water utility distribution or service lines to comply with the requirements of International Fire Code, Appendix C-Fire Hydrant Locations and Distribution, including but not limited to Table C105.1 or, a five year Capital Improvement Plan indicating plans for the construction of sufficient hydrants on all streets within its water service area containing water utility distribution or service lines to comply with the requirements of 2012 International Fire Code, Appendix C Fire Hydrant Locations and Distribution, including but not limited to Table C105.1 within five (5) years from the date of submission of the plan.

On or before January 10, of each year following submission of the plan, the Fire Marshal shall file with the City Clerk, the Director of Community and Economic Development and Division Managers of Water Services, Engineering, and applicable water provider, a written notice indicating each water service provider who is not in compliance with the requirements of subsection 5 of this code. Upon filing of the written notice with the City Clerk, no building permit shall be issued within the service area of a water service provider who is not in compliance with the requirements of subsection 5 of this code.

A water service provider that believes a notice has been improperly issued under this section may appeal the issuance of the notice to the City Manager, by filing a written notice of appeal to the City Manager within ten (10) days after filing of the Notice with the City Clerk. The City Manager or his/her designee shall hold a hearing on the appeal within thirty (30) days after filing of the appeal.

605.1.1 Electrical service shut off access. Where electrical service shut off controls are located inside a building, a door providing direct access from the exterior to the room containing such electrical shut off controls shall be provided, when required by the Fire Marshal.

901.2.1.2. Plans for fire sprinkler systems. Complete plans and hydraulic calculations for fire sprinkler system installation shall be submitted for review and approval prior to installation, modification or

alteration. Plans shall be drawn to an indicated scale, on sheets of uniform size and shall show, as a minimum, the data required by NFPA 13. Manufacturer's cut sheets for all equipment used shall be included with the original submittal. Water supply data for hydraulic calculations shall be based on 90 percent of the available water supply as determined by flow test information. An additional copy of these plans shall be submitted in an electronic format suitable to the Fire Marshal.

901.2.1.3 Plan submittals. Plan submittals shall be in accordance with the standard plan review format and shop drawings shall accompany construction documents at the time of second initial submittal, unless otherwise required.

901.2.1.4 Plan certifications for fire sprinklers. Fire sprinkler plans submitted to the fire department for review and approval shall bear a review certification stamp and signature of an AZ Professional Design Registrant or Level III National Institute for the Certification of Engineering Technologies (NICET) in fire sprinkler systems.

901.2.1.5 Plan certification for all other fire protection systems. Plan certification for all other fire protection systems shall be accompanied by a certification of qualification when required. Shop drawings for all other fire protection systems shall accompany construction documents at the time of second submittal. Shop drawings for tenant improvement plans (TI's) shall accompany the initial submittal.

901.2.1.6 Plan certification for fire alarms and occupant notification. All fire alarm system plans submitted to the fire department for review and approval shall bear a review certification stamp and signature of an Arizona Professional Design Registrant or Level III National Institute for the Certification of Engineering Technologies (NICET) in Fire Alarm Systems. Plan certification for all fire alarm systems shall be accompanied by a certification of competence when required. Shop drawings shall accompany construction documents at the time of second submittal. Shop drawings for tenant improvement plans (TI's) shall accompany initial submittal.

901.2.1.7 On site plans, specifications and permits. Fire department approved plans, specifications and permits shall be retained on the job site, and made available to the fire inspector on each inspection.

901.3 Permits. ~~Permits shall be required as set forth in Section 105.6 and 105.7~~

901.4.1.1 Fire Equipment Room. The fire sprinkler riser assembly and the fire alarm control panel shall be installed inside the building with a door providing access into the fire equipment room. The fire equipment room shall be used for fire protection equipment and controls only. The fire sprinkler riser shall be equipped with a listed double backflow prevention device sized to match piping. The minimum size of the equipment room shall allow adequate firefighter access and mobility, and be measured not less than 36 inch radius around the riser and not less than 18 inches measured from the back or side of the riser nearest the wall.

901.4.1.2 Electric horn and strobe. A water-proof electric horn and strobe shall be installed on the exterior wall adjacent to the fire riser in lieu of the electric bell and/or water gong.

901.4.2 Nonrequired fire protection systems. ~~Any fire protection system or portion thereof not required by this code or the International Building Code shall be allowed to be furnished for partial or complete protection provided such installed system meets the applicable requirements of this code and the International Building Code.~~

901.4.2 Inspectors' test valve. The Inspectors' Test Valve shall be located at the end of the most distant sprinkler pipe on each story and shall be equipped with a readily accessible brass shutoff valve and signage per the Surprise Fire Department Emergency Access Book.

901.6 Inspection, testing and maintenance. ~~Fire detection, alarm, and extinguishing systems, mechanical smoke exhaust systems, and smoke and heat vents shall be maintained in an operative condition at all times, and shall be replaced or repaired where defective. Nonrequired fire protections~~

~~systems and equipments shall be inspected, tested and maintained or removed. All fire and life safety systems including but not limited to: fire extinguishers, fire alarms, water supply and fire hydrant systems, backflow prevention devices, fire sprinklers and standpipes, chemical extinguishing systems and other types of automatic fire extinguishing systems, basement pipe inlets and other fire-protection systems and appurtenances shall be inspected, tested and maintained on an annual basis, after each use or as often as required by the Fire Marshal to ensure operability by nationally recognized standards. Test records and tags shall be retained on site by the occupant of the building and a copy sent electronically to the Surprise Fire Department Fire Prevention Division. The systems shall be inspected, tested and maintained by service personnel holding a valid certificate of qualification to perform service on listed fire protection and life safety systems in accordance with NFPA, Underwriters Laboratories, or Industry Manufacturers.~~

901.6.2 Records. Records of all system inspections, tests and maintenance required by the referenced standards shall be maintained on the premises for a minimum of three years and copied to fire code official upon request the fire department electronically.

901.6.3 Professional Qualification. To perform work on fire and life safety systems in the City of Surprise, all service personnel shall hold a valid "certificate of qualification" issued by NFPA, Underwriters Laboratories, or Industry Manufacturers. Fire sprinklers or alarms shall not be placed out of service for more than 8 hours in any 24 hour period, without authorization by the Fire Marshal.

901.8.2 Use of fire hydrants during construction. Use of fire hydrants for the purpose of site development must be approved by the Fire Marshal. The contractor shall request, in writing, approval to attach appliances to fire hydrants. Fire hydrants shall be inspected prior to water-meter attachment, and during removal by the fire department.

903.2 Where required. Approved automatic fire sprinkler systems in new buildings and structures shall be provided in the locations described in Sections 903.2.1 through 903.2.12. shall be required in all new commercial structures and buildings for which a permit is required or issued. Installation of the sprinkler system shall be in accordance with the requirements of NFPA 13, unless otherwise approved by the Fire Marshal.

Existing buildings, structures and occupancies will not require retrofitting fire sprinkler systems to current code standards unless:

1. Occupant load is increased without increasing square footage.
2. Occupancy classification is changed to a higher hazard
3. Building fire resistance rating is decreased.
4. Original building foot print (square footage) is increased 50% or more

Exceptions: ~~Spaces or areas in telecommunications buildings used exclusively for telecommunications equipment, associated electrical power distribution equipment, batteries and standby engines, provided those spaces or areas are equipped throughout with an automatic smoke detection system in accordance with Section 907.2 and are separated from the remainder of the building by not less than 1-hour fire barriers constructed in accordance with Section 711 of the International Building Code or not less than 2-hour horizontal assemblies constructed in accordance with Section 711 of the International Building Code, or both.~~

1. Detached gazebos, ramadas, restrooms and guardhouses.
2. Detached non-combustible covered parking not exceeding 15,000 square feet.

3. Detached non-combustible canopies used exclusively for automotive, motor fuel-dispensing. Canopies where vehicles are attended, and in place on a temporary basis, for non-maintenance activities.
4. Detached non-combustible non-occupied water supply Booster Pump structures.

For the purposes of this section "TEMPORARY" is defined as any time period of less than 8 hours in any 24 hour time period.

903.2.8.1 Group R-3 or R-4 congregate residences. ~~An automatic A Mod. NFPA 13D sprinkler system shall be required to be installed in accordance with Section 903.3.1.3 shall be permitted in Group R-3 or R-4 congregate living facilities with 16 or fewer residents. If any portion of a patio has habitable space directly above the patio, the patio shall be equipped with sprinkler protection.~~

903.2.8.2 Care facilities. ~~An automatic sprinkler system installed in accordance with Section 903.3.1.3 shall be permitted in care facilities with 5 or fewer individuals in a single family setting. All care facilities in a single-family dwelling, exclusive of the care giver and their family, or day care, shall be required to install a Mod. NFPA 13D Residential Fire Sprinkler System throughout, including attached garages. If any portion of a patio or porch has habitable space directly above the patio or porch, the patio or porch shall have sprinkler protection.~~

Such systems shall consist of an electronically supervised valve located between the domestic water riser control valve and the sprinklers, and include concealed spaces containing combustible materials, and shall be equipped with a electrically supervised water flow switch and monitored by an approved Central Station, and shall sound an alarm at a constantly attended location inside the facility. The minimum listed electronic components for alarms shall consist of one auto dialer, and one interior horn/strobe connected to the fire riser water-flow switch.

903.2.8.3 Group R, Division 3. A Mod. NFPA 13D Residential Fire Sprinkler System shall be installed in Group R, Division 3 occupancies. If any portion of a patio or porch has habitable space directly above the patio or porch, the patio or porch shall have sprinkler protection.

Exception: Residential sprinklers may be omitted from Group R, Division 3 occupancies as long as the residence meets the required fire flows in accordance with Appendix B Table B105.1 Minimum Required Fire Flow and Flow Duration for Buildings.

903.2.8.4 Group R, Division 3. In lieu of mandatory residential fire sprinklers, each builder or developer shall offer each buyer at the time of purchase, the option to install a residential fire sprinkler system.

903.2.8.4.1 Sprinkle cost comparison. The costs to install residential fire sprinklers shall be listed as one of the available options and show comparative installation costs.

903.2.8.4.2 Display of fire sprinkler equipment. The seller shall provide a full size display model of NFPA 13D automatic fire sprinkler system riser, control valves, and gauges in the sales office of each model home complex. A display model is not required if the sales office is equipped with a sprinkler system.

903.2.8.4.3 Educational materials. The seller shall provide each buyer with a copy of approved Fire Department educational material describing the benefits of a residential fire sprinkler system.

903.2.8.4.4 Affidavit. An affidavit signed by the buyer and the seller indicating a fire sprinkler option was offered and accepted, or refused shall be retained at the sales office and made available to the fire inspector for a period of one year from the date of transferring title to the buyer. A copy of the signed affidavit shall be attached to the application for permit.

903.2.8.5 Special requirements for Group R-1 and R-2 occupancies. Group R-1 and R-2 occupancies, sprinklers shall be installed in bathrooms, closet areas containing any electrical or mechanical equipment, foyers, and attached garages, accessible areas under interior stairs or landings, exterior balconies and covered patios or landings which have habitable space directly above the balconies, patio or porch. In living spaces, sprinklers shall be the concealed type. For the purpose of inspection, testing, or maintenance, there shall be provided, at the time of construction, an exterior access door on the side of the building next to the fire sprinkler riser of adequate size to allow for valves and gauges to be accessed, repaired and viewed from the exterior for testing and maintenance purposes. The dimensions of the access door will depend on the design of the fire riser, controls and gauges. When necessary, access shall be provided through private dwellings or garages so service personnel can maintain the fire sprinkler riser and equipment.

903.2.8.6 Special requirements for Group R-4 occupancies. R-4 occupancies, sprinklers shall be installed in bathrooms, closet areas containing any electrical or mechanical equipment, foyers, attached garages, and accessible areas under interior stairs or landings. State licensed facilities shall be equipped with an approved automatic sprinkler system in accordance with this code.

903.2.8.7 Special requirements for speculative warehouses. Speculative warehouses shall comply with this Chapter, Chapter 23, and NFPA 13. The minimum sprinkler design in speculative warehouses shall be based upon a minimum class IV commodity and maximum allowable storage height in the building. The system shall be hydraulically designed to protect the maximum possible clear height of storage without in-rack sprinklers and/or use an approved alternate design such as Early Suppression Fast Response (ESFR) sprinklers.

903.3.7 Fire department connections. The location of fire department connections shall be approved by the fire code official. All signage shall be consistent with the Surprise Fire Department Emergency Access Book.

906.1 Where required. Portable fire extinguishers shall be installed in the following locations.

1. In new and existing Group A, B, E, F, H, I, M, R-1, R-2, R-4, and S occupancies.

Exception: In Group R-2 occupancies, portable fire extinguishers shall be required only in locations specified in Items 2 through 6 where each dwelling unit is provided with a portable fire extinguisher having a minimum rating of 1-A, 10-B:C. In new and existing Group A, B, and E occupancies equipped throughout with quick-response sprinklers, portable fire extinguishers shall be required only in locations specified in Items 2 through 6.

2. Within 30 feet (9144 mm) of commercial cooking equipment.
3. In areas where flammable or combustible liquids are stored, used, or dispensed.
4. On each floor of structures under construction, except Group R-3 occupancies, in accordance with Section 1415.1.

5. Where required by the sections indicated in Table 906.1.
6. Special-hazard areas, including but not limited to laboratories, computer rooms and generator rooms, where required by the fire code official.

907.2 Where required – new buildings and structures. ~~An approved fire alarm system installed in accordance with the provisions of this code and NFPA 72 shall be provided in new buildings and structures in accordance with Sections 907.2.1 through 907.2.23 and provide occupant notification in accordance with Section 907.5, unless other requirements are provided by another section of this code.~~

~~A minimum of one manual fire alarm box shall be provided in an approved location to initiate a fire alarm signal for fire alarm systems employing automatic fire detectors or water flow detection devices. Where other sections of this code allow elimination of fire alarm boxes due to sprinklers, a single fire alarm box shall be installed.~~

Exceptions:

- ~~1. The manual fire alarm box is not required for fire alarm systems dedicated to elevator recall control and supervisory service.~~
- ~~2. The manual fire alarm box is not required for Group R-2 occupancies unless required by the fire code official to provide a means for fire watch personnel to initiate an alarm during a sprinkler system impairment event. Where provided, the manual fire alarm box shall not be located in an area that is accessible to the public.~~

All new commercial occupancies for which a building or construction permit is obtained shall not require full area smoke detection providing the building is equipped with a fully automatic fire sprinkler system. Duct detection shall be required in accordance with International Mechanical Code. Full area notification shall be required and shall be addressable class A wiring. The fire riser flow switch shall be connected to and monitored by an approved monitoring company.

Self storage facilities will not require the installation of smoke/heat detectors inside the storage compartment, but will require smoke detection in all common areas, and the installation of standpipes in stairwells in accordance with NFPA 13 and NFPA 14.

Section 907.2.1 Group A. ~~A manual fire alarm system that activates the occupant notification system in accordance with Section 907.5 shall be installed in Group A occupancies where the occupant load due to the assembly occupancy is 300 or more. Group A occupancies not separated from one another in accordance with Section 707.3.10 of the International Building Code shall be considered as a single occupancy for the purposes of applying this section. Portions of Group E occupancies occupied for assembly purposes shall be provided with a fire alarm system as required for the Group E occupancy.~~

Exception: ~~Manual fire alarm boxes are not required where the building is equipped throughout with an automatic sprinkler system installed in accordance with Section 903.3.1.1 and the occupant notification appliances will activate throughout the notification zones upon sprinkler water flow.~~

907.2.1.1 System initiation in Group A occupancies with occupant load of 1,000 or more. ~~Activation of the fire alarm in Group A occupancies with an occupant load of 1,000 or more shall initiate a signal using an emergency voice/alarm communications system in accordance with Section 907.5.2.2.~~

Exception: ~~Where approved, the prerecorded announcement is allowed to be manually deactivated for a period of time, not to exceed 3 minutes, for the sole purpose of allowing a live voice announcement from an approved, constantly attended location.~~

~~**907.2.1.2 Emergency voice/alarm communication system captions.** Stadiums, arenas and grandstands required to caption audible public announcements shall be in accordance with Section 907.5.2.2.4.~~

Section 907.2.4 Group F. A manual fire alarm system that activates the occupant notification system in accordance with Section 907.5 shall be installed in Group F occupancies where both of the following conditions exist:

- ~~1. The Group F occupancy is two or more stories in height; and~~
- ~~2. The Group F occupancy has a combined occupant load of 500 or more above or below the lowest level of exit discharge.~~

~~**Exception:** Manual fire alarm boxes are not required where the building is equipped throughout with an automatic sprinkler system installed in accordance with Section 903.3.1.1 and the occupant notification appliances will activate throughout the notification zones upon sprinkler water flow~~

907.4.2 Manual fire alarm boxes. ~~Where a manual fire alarm system is required by another section of this code, it shall be activated by fire alarm boxes installed in accordance Sections 907.4.2.1 through 907.4.2.6. Manual fire alarm boxes shall not be installed in occupancies where the building is equipped throughout with an approved automatic sprinkler system, unless otherwise required by the Fire Marshal.~~

912.2.1 Visible location. ~~Fire department connections shall be located on the street side of buildings on the entrance side of the building, 36 inches above grade, fully visible and recognizable from the street or nearest point of fire department vehicle access or as otherwise approved by the Fire Chief Marshal. See Surprise Fire Department Emergency Access Detail Book.~~

912.4 Signs. A metal sign with raised letters at least 1 inch (25 mm) in size shall be mounted on all Fire Department Connections serving automatic fire sprinklers, standpipes or fire pump connections. Such signs shall read: AUTOMATIC SPRINKLERS or STANDPIPES or TEST CONNECTION or a combination thereof as applicable. Where the fire department connection does not serve the entire building, a sign shall be provided indicating the portions of the building served. All signage shall be consistent with the Surprise Fire Department Emergency Access Detail Book. When a building is served by multiple Fire Department Connections, each connection shall be provided with an approved sign detailing the area of the building served by each connection.

912.5 Backflow prevention. The potable water supply to automatic sprinkler and standpipe systems shall be protected against backflow as required by the *International Plumbing Code*.

Backflow prevention devices shall be installed on the main fire sprinkler riser inside the building. Backflow prevention device shall be U.L. 1469 Listed. Backflow prevention devices shall be installed in an orientation in accordance with the listing.

If an additional backflow prevention device is installed on exterior water supply piping, shutoff valves shall be locked in the open position. Backflow prevention device valves shall be electrically supervised by a tamper switch installed in accordance with NFPA 72. On all exterior backflow devices a means shall be provided to accommodate measured forward flow testing at the sprinkler system demand. It shall be the responsibility of the property owner to comply with state and local jurisdictional laws regarding testing of the backflow preventers. Forward flow test piping shall be sized the same as the backflow prevention assembly. Piping shall terminate to the building exterior and the terminal connection shall be a test header with a 2½ inch (62.7 mm) national standard thread outlet for each 250 gallons of system demand.

A metal sign with raised letters at least 1 inch (25.2 mm) in size shall be mounted on all test headers. Such signs shall read: TEST CONNECTION. Required water supply for fire protection shall not be interrupted, for any reason, without prior approval of the Fire Marshal.

1016.2.2 Group F-1 and S-1 Increase. The maximum exit access travel distance shall be 400 feet (121 920 mm) in Group F-1 and S-1 occupancies where all of the following are met:

1. The portion of the building classified as Group F-1 or S-1 is limited to one story in height.
2. The minimum height from the finish floor to bottom of the ceiling or roof slab or deck is 24 feet (7315 mm); and
3. The building is equipped throughout with an automatic fire sprinkler system in accordance with Section 903.3.1.1 and Chapter 32 of this code.
4. Additional building access shall be provided in accordance with Sections 3206.6 through 3206.6.1.3 of this code.

1016.2.2.1 Group F-1 and S-1 with a storage area greater than 500, 000 square feet. Group F-1 and S-1 with a storage area greater than 500, 000 square feet, a Technical Report shall be prepared by an Arizona Professional and shall be submitted to the Fire Marshal for approval.

5601.1.3 Fireworks. ~~The possession, manufacture, storage, sale and handling and use of fireworks are prohibited.~~

Exceptions:

1. ~~Storage and handling of fireworks as allowed in Section 5604.~~
2. ~~Manufacture, assembly and testing of fireworks as allowed in Section 5605~~
3. ~~The use of fireworks displays as allowed in Section 5608~~
4. ~~The possession, storage, sale, handling and use of the specific types of Division 1.4G fireworks where allowed by applicable laws, ordinances and regulations, provide such fireworks comply with CPSC 16 CFR Parts 1500 and 1507, and DOTn 49 CFR Parts 100-185, for consumer fireworks.~~

Permissible Consumer Fireworks may be possessed, displayed for sale, and sold by licensed and permitted personnel regulated in accordance with the Arizona Revised Statutes and City of Surprise Municipal Code requirements.

5608.1 General Fireworks Displays and Pyrotechnic Permits. ~~Outdoor fireworks displays, use of pyrotechnics before a proximate audience and pyrotechnic special effects in motion picture, television, theatrical and group entertainment productions shall comply with Sections 5608.2 through 5608.10 and NFPA 1123 or NFPA 1126.~~ Commercial fireworks may be possessed, stored, used and handled by authorized licensed fireworks shooter(s) documentation from the Bureau of Alcohol Tobacco & Firearms (BATF). Pre-squib all commercial fireworks prior to entering City limits. Permits for the public display of fireworks may be granted by the Surprise Fire Department, upon application and after proper inspection, in a manner that does not endanger persons, animals, or property. A permit shall not be issued, and may be revoked, during time periods of wind and/or High Fire Danger warnings. The Fire Marshal, or designee, has authority to impose conditions on any permits granted.

Proposed 2012 International Plumbing Code Local Amendments

Including appendices B and E

403.2 Separate Facilities. Where plumbing fixtures are required, separate facilities shall be provided for each gender.

Exceptions:

1. Separate facilities shall not be required for dwelling units and sleeping units.
2. Separate facilities shall not be required in structures or tenant spaces with a total occupant load, including both employees and customers, of 15 or fewer.
3. Separate facilities shall not be required in mercantile and business occupancies in which the maximum occupant load is 50 ~~100~~ or fewer.

Section 405.3.1

Exception. Side Clearances for accessible or ambulatory water closets shall comply with ICC/ANSI A117.1.

Section 410.3 Substitution. Where restaurants provide drinking water in a container free of charge, drinking fountains shall not be required in those restaurants. ~~In other occupancies, where drinking fountains are required, water coolers or bottled water dispensers shall be permitted to be substituted for not more than 50 percent of the required number of drinking fountains.~~ In other occupancies, where drinking fountains are required, bottle water dispensers or water coolers shall be permitted to be substituted.

Proposed 2012 International Mechanical Code

Local Amendments

307.2.2 Drain pipe materials and sizes. Components of the condensate disposal system shall be cast iron, galvanized steel, copper, cross-linked polyethylene, polybutylene, polyethylene, ABS, CPVC or PVC pipe or tubing. Nonmetallic piping shall not be installed in exposed locations. All components shall be selected for the pressure and temperature rating of the installation. Joints and connections shall be made in accordance with the applicable provisions of Chapter 7 of the International Plumbing Code relative to the material type. Condensate waste and drain line size shall be not less than 3/4-inch (19 mm) internal diameter and shall not decrease in size from the drain pan connection to the place of condensate disposal. Where the drain pipes from more than one unit are manifolded together for condensate drainage, the pipe or tubing shall be sized in accordance with Table 307.2.2.

[B] 309.1 Space-heating systems. Heating and Cooling systems. ~~Habitable spaces~~ Interior spaces intended for human occupancy shall be provided with active or passive space-heating and space-cooling systems capable of maintaining a minimum indoor temperatures between 70 of 68°F (201°C) and 90°F (32°C) at a point 3 feet (914 mm) above the floor on the design heating day. The installation of portable space heaters or coolers shall not be used to achieve compliance with this section.

Exception: Space heating and cooling systems are not required for interior spaces where the primary purpose is not associated with human comfort.

403.7 Balancing. The *ventilation air* distribution system shall be provided with means to adjust the system to achieve at least the minimum ventilation airflow rate as required by Sections 403.3 and 403.4. Ventilation systems shall be balanced Sections 403.3 and 403.4. using a nationally accepted air balancing test by an approved method. Such balancing shall verify that the ventilation system is capable of supplying and exhausting the airflow rates required by A final report shall be provided to the engineer of record and the mechanical inspector.

Exception: Residential occupancies shall be exempt from this provision.

502.14 Motor vehicle operation. In areas where motor vehicles operate, mechanical ventilation shall be provided in accordance with Section 403. Additionally, areas in which stationary motor vehicles are operated shall be provided with a *source capture system* that connects directly to the motor vehicle exhaust systems. Makeup air for the required exhaust systems in areas where motor vehicles operate shall be provided through permanent unobstructed openings to the outdoors, such as louvers and grills. Mechanical equipment and louvers used for makeup air purposes shall be electrically interlocked with the exhaust system.

Exceptions:

1. This section shall not apply where the motor vehicles being operated or repaired are electrically powered.
2. This section shall not apply to one- and two-family dwellings.
3. This section shall not apply to motor vehicle service areas where engines are operated inside the building only for the duration necessary to move the motor vehicles in and out of the building.

SECTION 929

WOODSTOVE/FIREPLACE INSTALLATION

929.1 Definitions. For purposes of this section, the following words and terms shall have the meaning ascribed thereto:

Fireplace: A built-in-place masonry hearth and fire chamber or a factory-built appliance, designed to burn solid fuel or to accommodate gas or electric log insert or similar device, and which is intended for occasional recreational or aesthetic use, not for cooking, heating, or industrial processes.

Solid fuel: Includes, but is not limited to, wood, coal, or other non-gaseous or non-liquid fuels, including those fuels defined by the Maricopa County Air Pollution Control Officer as "inappropriate fuel" to burn in residential wood burning devices.

Woodstove: A solid-fuel burning heating appliance including a pellet stove, which is either freestanding or designed to be inserted into a fireplace.

929.2 General. In accordance with Maricopa County regulations, on or after December 31, 1998, no person, firm or corporation shall construct or install a fireplace or a wood stove, and the Building Official shall not approve or issue a permit to construct or install a fireplace or a wood stove, unless the fireplace or wood stove complies with one of the following:

1. A fireplace which has a permanently installed gas or electric log insert;
2. A fireplace, wood stove or other solid fuel burning appliance which has been certified by the United States Environmental Protection Agency as conforming to 40 Code of Federal Regulations part 60, subpart AAA;
3. A fireplace, woodstove or other solid fuel burning appliance that has been tested and listed by a nationally recognized testing agency to meet performance standards equivalent to those adopted by 40 Code of Federal Regulations part 60, subpart AAA;
4. A fireplace, wood stove or other solid fuel burning appliance which has been determined by the Maricopa County Air Pollution Control Officer to meet performance standards equivalent to those adopted by 40 Code of Federal Regulations part 60, subpart AAA, as in effect on July 1, 1990.
5. A fireplace which has a permanently installed wood stove insert which complies with subparagraph 2, 3, or 4 above.

Exceptions: The following installations are not regulated and are not prohibited by this section:

1. Furnaces, boilers, incinerators, kilns, and other similar space heating or industrial process equipment.
2. Cook stoves, barbecue grills, and similar appliances designed primarily for cooking.
3. Fire pits, barbecue grills, and other outdoor fireplaces.

Proposed 2012 International Fuel Gas Code Local Amendment

404.12 Minimum burial depth. Underground piping systems shall be installed a minimum depth of 12 inches (305 mm) below grade, ~~except as provided for in Section 404.12.1 for metal piping and 18 inches (457mm) for plastic piping.~~

~~**404.12.1 Individual outside appliances.** Individual lines to outside lights, grills or other appliances shall be installed a minimum of 8 inches (203 mm) below finished grade, provided that such installation is approved and is installed in locations not susceptible to physical damage.~~

Proposed 2012 International Energy Conservation Code Local Amendments

SECTION C101 SCOPE AND GENERAL REQUIREMENTS (COMMERCIAL)

C101.2 Scope. This code applies to *commercial buildings* and the building sites and associated systems and equipment. Group R-2 when defined as a *Commercial Building* by section C202, shall have the option of complying under the Residential Provisions of the code, regardless of height. Once defined as such on the submittal documents, all components of the Residential Provisions shall be followed.

SECTION R101 SCOPE AND GENERAL REQUIREMENTS (RESIDENTIAL)

R101.2 Scope. This code applies to *residential buildings* and the building sites and associated systems and equipment. Group R-2 when defined as a *Residential Building* by section R202, shall have the option of complying under the Commercial Provisions of the code, regardless of height. Once defined as such on the submittal documents, all components of the Commercial Provisions shall be followed.

SECTION R102 ALTERNATE MATERIALS-METHOD OF CONSTRUCTION, DESIGN OR INSULATING SYSTEMS

Section R102.1

RESNET Testing & Inspection Protocol. The Residential Energy Services Network (RESNET) Mortgage Industry National Home Energy Rating System Standards Protocol for third party testing and inspections, shall be deemed to meet the requirements of sections R402.4.1.1, R402.4.1.2 and R403.2.2. and shall meet the following conditions:

6. Third Party Testing and Inspections shall be completed by RESNET certified Raters or Rating Field Inspectors and shall be subject to RESNET Quality Assurance Field Review procedures.
7. Sampling in accordance with Chapter 6 of the RESNET Standards shall be performed by Raters or Rating Field Inspectors working under a RESNET Accredited Sampling Provider.
8. Third Party Testing is required for the following items:
 - d. 402.4.1.1 –Building Envelope – Thermal and Air Barrier Checklist
 - e. R402.4.1.2 –Testing – Air Leakage Rate
 - f. R403.2.2 – Sealing – Duct Tightness
9. The other requirements identified as “mandatory” in Chapter 4 shall be met.
10. Alternate testing and inspection programs and protocols shall be allowed when approved by the Building Official.

CHAPTER 4 RESIDENTIAL ENERGY EFFICIENCY

SECTION R401 GENERAL

R401.1 Scope. This chapter applies to residential buildings.

R401.2 Compliance. Projects shall comply with Sections identified as “mandatory” and with either sections identified as “prescriptive” or the performance approach in Section R405.

R401.2.1 Alternative approach for compliance. A Home Energy Rating System (“HERS”) Index of 73 or less, confirmed in writing by a Residential Energy Services Network certified energy rater may be used in place of the approach described in section 401.2 above. Compliance may be demonstrated by sampling in accordance with Chapter 6 of the Mortgage Industry National Home Energy Rating Systems Standard as adopted by the Residential Energy Services Network.

SECTION R403 SYSTEMS

R403.2 Ducts. Ducts and air handlers shall be in accordance with Sections R403.2.1 through R403.2.3.

R403.2.1 Insulation (Prescriptive). Supply ducts in attics shall be insulated to a minimum of R-8. Ducts in floor trusses shall be insulated to a minimum of R-6.

Exceptions: Ducts or portions thereof located completely inside the building thermal envelope.

1. Ducts or portions thereof located completely inside the building thermal envelope.

2. Supply ducts may be insulated to a minimum of R-6 when one or more of the following conditions are met:

2.1 Minimum SEER rating of space heating/cooling system is increased to 15.

2.2 Maximum U-factor is decreased to 0.35 and maximum SHGC is decreased to 0.22 for all fenestration products.

2.3 Wall cavity insulation minimum R-value is increased to R-19.

2.4 Residential buildings that meet the requirements of sections R102.1.1 or R405.

Section R403.9.3 ~~Covers~~ Variable Speed Pool Pumps

R403.9.3 ~~Heated pools and in-ground permanently installed spas shall be provided with a vapor-resistant cover.~~

Exception: ~~Pools deriving over 70% of the energy for heating from site-recovered energy, such as a heat pump or solar energy source computed over an operating season.~~

Motors with a total horsepower of one or more for pools and in-ground permanently installed spas shall have the capability of operating at two or more speeds with a low speed having a rotation rate that is no more than one-half of the motor's maximum rotation rate and shall be operated with a pump control with the capability of operating the pump at two or more speeds. Residential pool pump motor controls that are sold for use with a two or more speed motor shall have a default circulation speed setting no more than one-half of the motor's maximum rotation rate. Any high speed override capability shall be for a temporary period not to exceed one twenty-four hour cycle without resetting to the default setting.

Proposed 2011 National Electric Code Local Amendment

Article 250 – Grounding and Bonding

250.118 Types of Equipment Grounding Conductors.

The equipment grounding conductor run with or enclosing the circuit conductors shall be one or more or a combination of the following:

(1) A copper, aluminum, or copper-clad aluminum conductor. This conductor shall be solid or stranded; insulated, covered, or bare; and in the form of a wire or a busbar of any shape.

(2) Rigid metal conduit.

(3) Intermediate metal conduit.

(4) Electrical metallic tubing with an additional equipment grounding conductor.

(5) Listed flexible metal conduit meeting all the following conditions:

a. The conduit is terminated in listed fittings.

b. The circuit conductors contained in the conduit are protected by overcurrent devices rated at 20 amperes or less.

c. The combined length of flexible metal conduit and flexible metallic tubing and liquidtight flexible metal conduit in the same ground-fault current path does not exceed 1.8 m (6 ft).

d. If used to connect equipment where flexibility is necessary to minimize the transmission of vibration from equipment or to provide flexibility for equipment that requires movement after installation, an equipment grounding conductor shall be installed.

(6) Listed liquidtight flexible metal conduit meeting all the following conditions:

a. The conduit is terminated in listed fittings.

b. For metric designators 12 through 16 (trade sizes 3/8 through 1/2), the circuit conductors contained in the conduit are protected by overcurrent devices rated at 20 amperes or less.

c. For metric designators 21 through 35 (trade sizes 3/4 through 1-1/4), the circuit conductors contained in the conduit are protected by overcurrent devices rated not more than 60 amperes and there is no flexible metal conduit, flexible metallic tubing, or liquidtight flexible metal conduit in trade sizes metric designators 12 through 16 (trade sizes 3/8 through 1/2) in the ground-fault current path.

d. The combined length of flexible metal conduit and flexible metallic tubing and liquidtight flexible metal conduit in the same ground-fault current path does not exceed 1.8 m (6 ft).

e. If used to connect equipment where flexibility is necessary to minimize the transmission of vibration from equipment or to provide flexibility for equipment that requires movement after installation, an equipment grounding conductor shall be installed.

(7) Flexible metallic tubing where the tubing is terminated in listed fittings and meeting the following conditions:

a. The circuit conductors contained in the tubing are protected by overcurrent devices rated at 20 amperes or less.

b. The combined length of flexible metal conduit and flexible metallic tubing and liquidtight flexible metal conduit in the same ground-fault current path does not exceed 1.8 m (6 ft).

(8) Armor of Type AC cable as provided in 320.108.

(9) The copper sheath of mineral-insulated, metal-sheathed cable.

(10) Type MC cable that provides an effective ground-fault current path in accordance with one or more of the following:

a. It contains an insulated or uninsulated equipment grounding conductor in compliance with 250.118(1)

b. The combined metallic sheath and uninsulated equipment grounding/bonding conductor of interlocked metal tape-type MC cable that is listed and identified as an equipment grounding conductor

c. The metallic sheath or the combined metallic sheath and equipment grounding conductors of the smooth or corrugated tube-type MC cable that is listed and identified as an equipment grounding conductor

(11) Cable trays as permitted in 392.10 and 392.60.

(12) Cablebus framework as permitted in 370.3.

(13) Other listed electrically continuous metal raceways and listed auxiliary gutters.

(14) Surface metal raceways listed for grounding.

Proposed 2012 International Green Construction Code Local Amendments

SECTION 101 GENERAL

101.2 General. The use of this code is optional, unless specifically required through ordinance by the City of Surprise. This code is an overlay document to be used in conjunction with the other codes and standards adopted by the jurisdiction. This code is not intended to be used as a standalone construction regulation document and permits are not to be issued under this code. This code is not intended to abridge or supersede safety, health or environmental requirements under other applicable codes or ordinances.



CITY OF SURPRISE
Regular City Council Meeting

April 15, 2014 @ 6:00:00 PM

[Back](#) [Print](#)

Council Meeting Date:	April 15, 2014	Contact Person:	Bob Wingenroth, Assistant City Manager / Chief Financial Officer
Submitting Department:	Finance Dept	District:	Citywide
Staff Recommendations:	No Action		

Consent	Regular	Public Hearing	x	Report/Discussion
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Agenda Wording:

Presentation and opportunity for public input regarding the proposed development impact fees.

Motion:

None.

Background:

The City is required to update development impact fees by August 1, 2014. A public hearing on the Development Impact Fee Study is required as part of the process.

Financial Impact Statement:

If the Development Impact Fee Study is approved, fees will be revised and effective August 3, 2014.

ATTACHMENTS:

Click to download

- ☐ [Presentation](#)
 - ☐ [Surprise Fee Report](#)
-

External Attachment Links:

Meeting Requirements:

Powerpoint	x	Video	White Board	Other	x
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Presentation Speaker Names (spelling and titles for TV captions):

Bob Wingenroth, Assistant City Manager / Chief Financial Officer

Development Impact Fees Public Hearing

April 15, 2014



What is an Impact Fee?

How is it calculated?

Where are we in the implementation process?

What was discussed during the stakeholder meeting?

Example

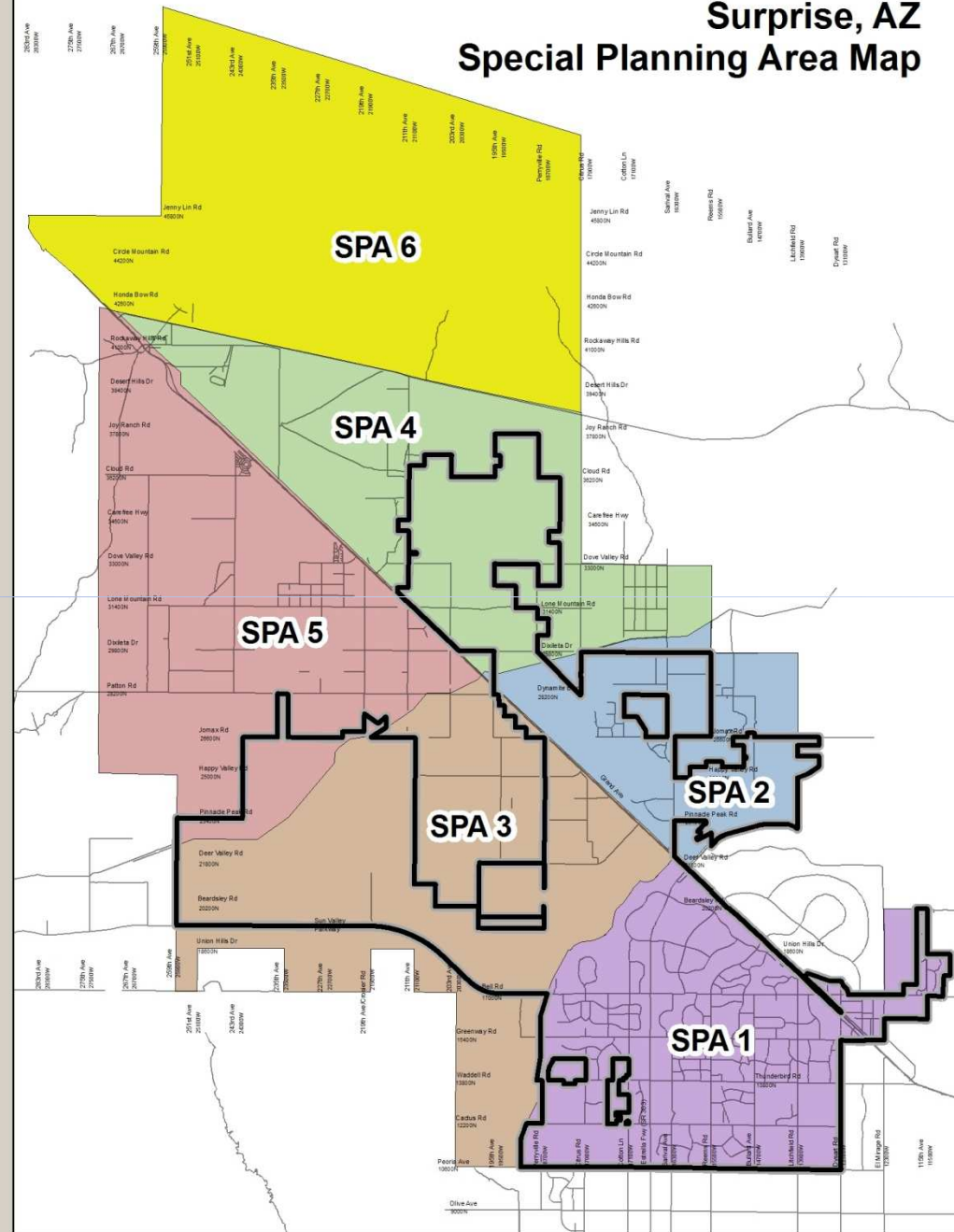
What is an Impact Fee?



One time charge

Help pay for buildings, roads, pipes,
equipment needed to serve growth in the City

Can't be used to hire people, to maintain, or
to pay for operations



Calculate Fee – Step 1: Growth



Growth generates:

People/911 calls

Road trips

Water/Sewer Use

Calculate Fee – Step 2: Build



Increased 911 calls, road trips, and water/sewer use means we need to build:

Fire Stations

Road – 163rd Avenue

Wells, pumps, water
& sewer lines

Calculate Fee – Step 3: Fair Share



Development pays their “fair share” of capital costs based on:

Residential
Housing Unit

Retail, Office,
Industrial Use per
1000 Square Feet

Water meter size
 $\frac{3}{4}$ " up to 8"

Impact Fees – The Big Three



Growth - Land Use Assumptions – Elliott Pollack (outside expert on growth)

Build - Infrastructure Improvement Plan – City of Surprise Departments

New Fees - Impact Fee Report – Raftelis (outside expert on fees)

Flow of information - simple



Pollack says: “we will have 5000 new homes in the next 15 years”

City say: “that’s 15,000 new people; we need to build \$5 million Fire Station”

Raftelis does the math:

\$5 million divided by 5000 homes equals \$1000 per home

Update on our Timeline



December 4, 2013 Notice of public hearing
and release of the LUA and IIP

January 23, 2014 Stakeholder Meeting

February 4, 2014 Public Hearing for IIP and
LUA

March 11, 2014 – Regular Council Meeting IIP
and LUA Adopted/Notice of Intent
Development Impact Fees

Update on our Timeline



March 24, 2014 Stakeholder Meeting

April 15, 2014 – Council Work Session Public
Hearing Development Impact Fee Report

May 20, 2014 - Special Meeting Development
Impact Fees adopted

August 1, 2014 Development Impact Fees
Effective

Stakeholder Meeting Feedback

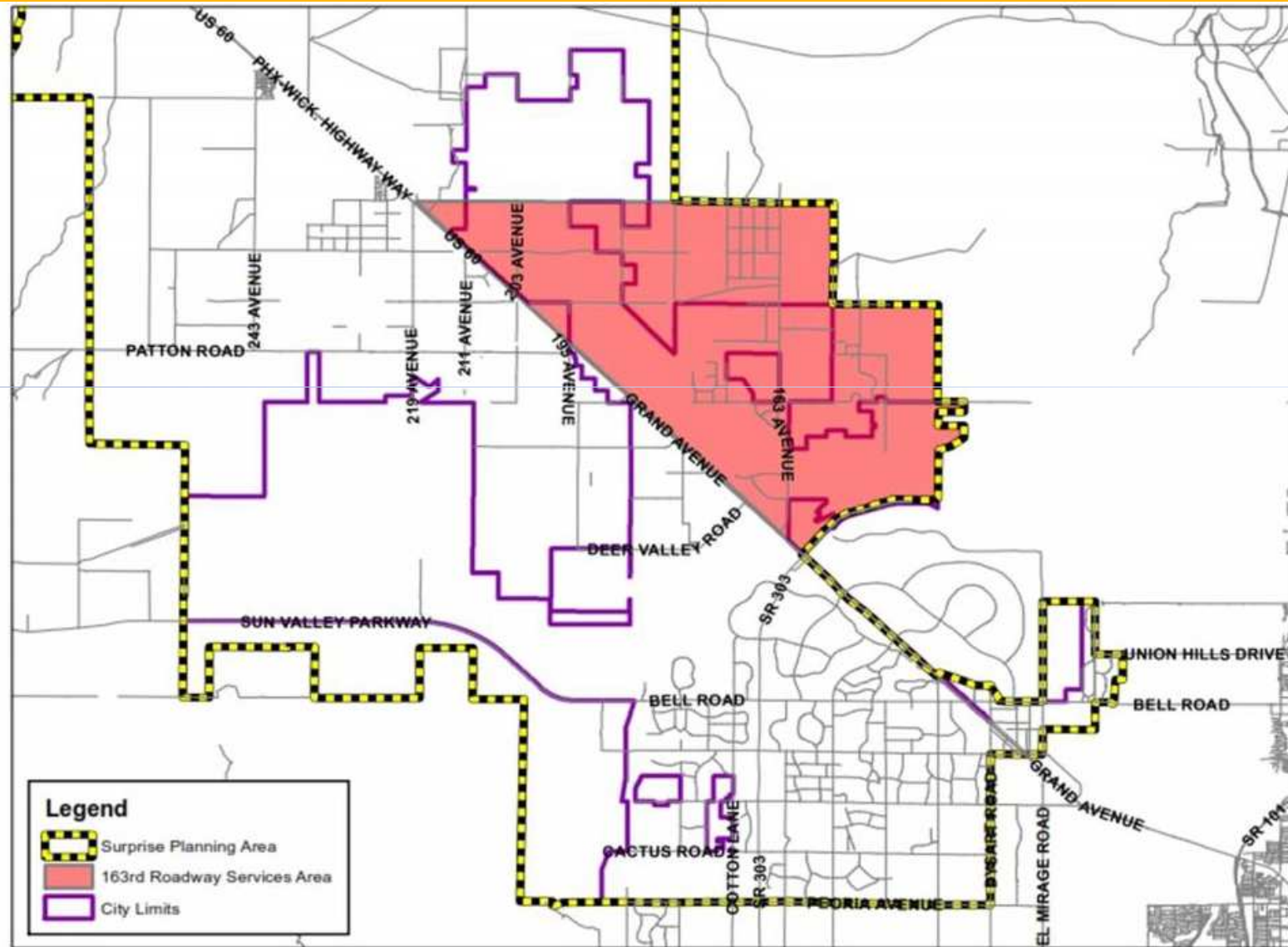


Service Area for 163rd Avenue extending north of the CAP

Retail category for the 163rd Avenue project appeared to be paying more than their share

New Law makes it difficult for Cities to pay for growth

163rd Avenue Service Area



Stakeholder Meeting Feedback



Service Area for 163rd Avenue extending north of the CAP

Retail category for the 163rd Avenue project appeared to be paying more than their share

New Law makes it difficult for Cities to pay for growth

163rd Avenue Retail Fee



Table 14; 163rd Avenue Roadway Development Impact Fees

Development Type	Impact Fee	Assessment
Single Family Residential	\$299	Housing Unit
Multi Family Residential	209	" "
Retail	3958	1000 Square Feet
Office	240	" " "
Public	304	" " "
Industrial	150	" " "

Stakeholder Meeting Feedback



Service Area for 163rd Avenue extending north of the CAP

Retail category for the 163rd Avenue project appeared to be paying more than their share

New Law makes it more difficult for Cities to pay for growth



One-Time Revenues from Single Family Residence

	SPA1 Proposed	SPA1 Current	SPA2 Proposed	SPA2 Current
Square Footage	2,500	2,500	2,500	2,500
Valuation	\$ 275,725	\$ 275,725	\$ 275,725	\$ 275,725
<i>General Fund Revenues</i>				
Construction Sales Tax (2.2% tax rate)	\$ 3,943	\$ 3,943	\$ 3,943	\$ 3,943
Building Permit Fees	1,160	1,160	1,160	1,160
<i>Total General Fund</i>	5,103	5,103	5,103	5,103
<i>General Capital Fund Revenues</i>				
Construction Sales Tax (1.5% tax rate)	2,688	2,688	2,688	2,688
<i>Development Impact Fee Revenue</i>				
General Govt	661	661	661	661
Fire	1,368	688	1,368	688
Park\Rec	785	785	785	785
Library	-	133	-	133
Police	371	371	371	371
Public Works	-	109	-	109
Water	1,393	3,895	1,544	3,923
Water Resource	714	2,100	873	796
Sewer	3,265	3,853	3,361	3,039
Roads of Regional Significance	-	-	-	5,715
163rd Avenue Roadway	-	-	251	-
<i>Total Development Impact Fees</i>	\$ 8,557	\$ 12,595	\$ 9,214	\$ 16,220
Grand Total All Funds	\$ 16,348	\$ 20,386	\$ 17,005	\$ 24,011

Development Impact Fees Public Hearing

April 15, 2014





City of Surprise **ARIZONA**

Development Impact Fee Report

Revised Draft | April 10, 2014

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Abbreviations and Acronyms

2007 Fire Plan – Fire planning evaluation completed for the city in 2007

ADWR – Arizona Department of Water Resources

AMA – Active Management Area

ARS – Arizona Revised Statutes

AWS – Assured Water Supply

AWWA – American Water Works Association

CAP – Central Arizona Project

CIP – Capital Improvements Plan

City – The City of Surprise

DIFs, Impact Fees, or Development Fees – Development Impact Fees

EDPCO – Elliott D. Pollack and Company

EDU – Equivalent Development Unit

EMS – Emergency Medical Services

ENR-CCI – Engineering News Record Construction Cost Index

Fee Report – Development Impact Fee Report

FY – Fiscal Year

GMA – Groundwater Management Act

GO – General Obligation Bonds

GPD – Gallons per Day

HazMat – Hazardous Materials

IIP – Infrastructure Improvements Plan

ITE – Institute of Transportation Engineers

LOS – Level of Service

LUA – Land Use Assumptions

MGD – Million Gallons per Day

MPC – Municipal Property Corporation

NPS – Necessary Public Services

RCN – Replacement Cost New

RFC – Raftelis Financial Consultants

SB – Senate Bill

SFR – Single-Family Residential

SPA – Special Planning Area

VMT – Vehicle Miles Traveled

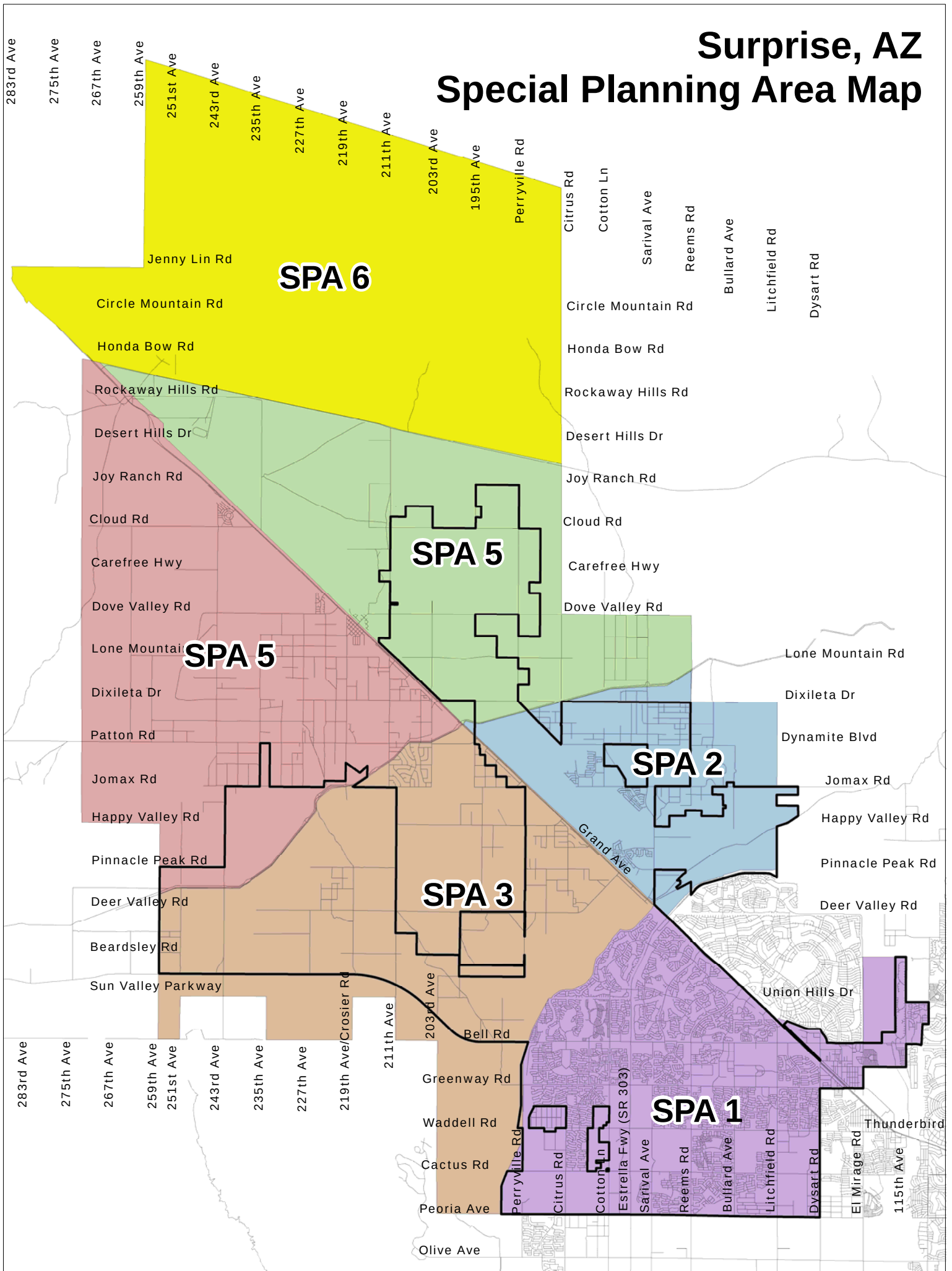
VTE – Vehicle Trip Ends

WRF – Water Reclamation Facility

WSF – Water Supply Facility

WWTP – Wastewater Treatment Plant

Surprise, AZ Special Planning Area Map



Executive Summary

The City of Surprise (City) retained the team of Raftelis Financial Consultants, Inc.¹ (RFC or Raftelis) and Elliott D. Pollack and Company (EDPCO) to complete an update of the City's development impact fees for compliance with the requirements of Arizona Revised Statutes (ARS) § 9-463.05 effective August 1, 2014.

Under the updated requirements of ARS § 9-463.05 a development impact fee study is segmented into three major components as follows:

1. Land Use Assumptions (LUA) identify the current and projected service units by service area. The City LUA is summarized in one report dated March 11, 2014. This report outlines the projected growth in residential population and housing units and non-residential employment and square feet.
2. Infrastructure Improvements Plan (IIP) identifies the current and future facilities to serve the projected growth in service units identified within the LUA. The City IIP is summarized as a separate report also dated March 11, 2014.
3. Development Impact Fee report (Fee Report), the subject of this document, outlines the proposed development impact fee by fee category and service area based on the eligible facilities and service units identified in the separate Final LUA and Final IIP Reports dated March 11, 2014. The Fee Report incorporates capital funding analyses, offset calculations and cash flow projections for the proposed development impact fees.

To ensure that new development contributes its proportionate share towards the cost of public facilities, the City of Surprise (City) has enacted development impact fees for a variety of fee categories. The fees were most recently updated in December 2011 for compliance with ARS § 9-463.05 which was adopted earlier in 2011. The purpose of the overall study is to update the following City's development impact fee categories:²

- Fire and Emergency Medical Services (EMS)
- 163rd Avenue Roadway
- Water System
- Water Resources
- Wastewater System

The draft development impact fees are proposed to be effective August 1, 2014.

¹ The City initially retained Red Oak Consulting, an ARCADIS group, to complete this study and the contract was subsequently assigned to RFC in July 2013.

² The City is maintaining existing Fire and EMS, Police, General Government and Parks and Recreation Development Impact Fees to repay outstanding debt obligations.

Table 1 summarizes the draft residential and non-residential Fire and EMS development impact fees to be assessed City-wide.

Table 1
Draft Fire and EMS Development Impact Fees

Development Type	Impact Fee	Assessment
Single-Family Residential	\$680	Housing Unit
Multi-Family Residential	499	Housing Unit
Retail	779	1,000 square feet
Office	1,247	1,000 square feet
Public	1,247	1,000 square feet
Industrial	519	1,000 square feet

Table 2 summarizes the draft residential and non-residential 163rd Avenue Roadway development impact fees to be assessed within the 163rd Avenue Roadway service area.

Table 2
Draft 163rd Avenue Roadway Development Impact Fees

Development Type	Impact Fee	Assessment
Single-Family Residential	\$299	Housing Unit
Multi-Family Residential	209	Housing Unit
Retail	3,958	1,000 square feet
Office	240	1,000 square feet
Public	304	1,000 square feet
Industrial	150	1,000 square feet

Tables 3 through 8 summarize the draft 3/4-inch and less water system, water resource and wastewater system development impact fees calculated for separate Special Planning Area (SPA) 1 and SPA 2. A map of the current SPAs is included before the Executive Summary. The water system, water resource and wastewater system SPA 1 and SPA 2 service areas are identified within the Final IIP as detailed within this report and Appendices C, D and E. Water system, water resource and wastewater system development impact fees will be increased for 1-inch and higher meter sizes based on the American Water Works Association (AWWA) meter capacity relationships. Within SPA 2, Wastewater System Development Impact Fees outlined in Appendix E are calculated with two separate components. The first component recovers treatment, disposal and other miscellaneous facilities serving development in SPA 2. The second component recovers sewer line facilities serving other developments in SPA 2. Some developments that are served by facilities from both components are assessed the combined fee summarized in Table 8. Other developments may benefit from one of the two fee components and will be assessed one of the two fee components detailed in Appendix E.

The City's fiscal year (FY) starts July 1 and is completed on June 30 with references to each fiscal year within this document using the final six months. For example, FY 2014 refers to the period of July 1, 2013 through June 30, 2014.

Table 3
Draft SPA 1 Water System Development Impact Fees

Meter Size	Service Units	Impact Fee
3/4" and Less	1.00	\$1,393
1"	1.67	2,322
1.5"	3.33	4,644
2"	5.33	7,431
3"	10.00	13,933
4"	16.67	23,222
6"	33.33	46,444
8"	53.33	74,310

Table 4
Draft SPA 2 Water System Development Impact Fees

Meter Size	Service Units	Impact Fee
3/4" and Less	1.00	\$1,544
1"	1.67	2,574
1.5"	3.33	5,148
2"	5.33	8,237
3"	10.00	15,445
4"	16.67	25,742
6"	33.33	51,483
8"	53.33	82,373

Table 5
Draft SPA 1 Water Resource Development Impact Fees

Meter Size	Service Units	Impact Fee
3/4" and Less	1.00	\$714
1"	1.67	1,191
1.5"	3.33	2,381
2"	5.33	3,810
3"	10.00	7,144
4"	16.67	11,906
6"	33.33	23,812
8"	53.33	38,099

Table 6
Draft SPA 2 Water Resource Development Impact Fees

Meter Size	Service Units	Impact Fee
3/4" and Less	1.00	\$873
1"	1.67	1,456
1.5"	3.33	2,911
2"	5.33	4,658
3"	10.00	8,734
4"	16.67	14,556
6"	33.33	29,112
8"	53.33	46,579

Table 7
Draft SPA 1 Wastewater System Development Impact Fees

Meter Size	Service Units	Impact Fee
3/4" and Less	1.00	\$3,265
1"	1.67	5,442
1.5"	3.33	10,884
2"	5.33	17,414
3"	10.00	32,651
4"	16.67	54,418
6"	33.33	108,836
8"	53.33	174,138

Table 8
Draft SPA 2 Total Wastewater System Development Impact Fees

Meter Size	Service Units	Impact Fee
3/4" and Less	1.00	\$3,361
1"	1.67	5,601
1.5"	3.33	11,202
2"	5.33	17,923
3"	10.00	33,606
4"	16.67	56,010
6"	33.33	112,019
8"	53.33	179,231

Introduction and Overview

The City of Surprise (City) retained the team of Raftelis Financial Consultants, Inc.³ (RFC or Raftelis) and Elliott D. Pollack and Company (EDPCO) to complete an update of the City's development impact fees for compliance with the requirements of Arizona Revised Statutes (ARS) § 9-463.05 effective August 1, 2014.

Under the updated requirements of ARS § 9-463.05 a development impact fee study is segmented into three major components as follows:

1. Land Use Assumptions (LUA) identify the current and projected service units by service area. The City LUA is summarized in one report dated March 11, 2014. This report outlines the projected growth in residential population and housing units and non-residential employment and square feet.
2. Infrastructure Improvements Plan (IIP) identifies the current and future facilities to serve the projected growth in service units identified within the LUA. The City IIP is summarized as a separate report also dated March 11, 2014.
3. Development Impact Fee report (Fee Report), the subject of this document, outlines the proposed development impact fee by fee category and service area based on the eligible facilities and service units identified in the separate Final LUA and Final IIP Reports dated March 11, 2014. The Fee Report incorporates capital funding analyses, offset calculations and cash flow projections for the proposed development impact fees.

To ensure that new development contributes its proportionate share towards the cost of public facilities, the City of Surprise (City) has enacted development impact fees for a variety of fee categories⁴. The fees were most recently updated in November 2011 with recreation and public building fee categories eliminated as a result of ARS § 9-463.05 which was adopted earlier in 2011. The purpose of the overall study is to update the following City's development impact fee categories:

- Fire and Emergency Medical Services (EMS)
- 163rd Avenue Roadway
- Water System
- Water Resources
- Wastewater System

Appendix F includes a summary of the City's current utility and non-utility development impact fees. The draft development impact fees discussed in this report are proposed to be effective

³ The City initially retained Red Oak Consulting, an ARCADIS group to complete this study and the contract was subsequently assigned to RFC in July 2013.

⁴ The City's library and park development impact fees will be discontinued by August 1, 2014.

August 1, 2014. Table 9 summarizes the City's current single-family residential non-utility development impact fees.

Table 9
Current Non-Utility Development Impact Fees

Development Impact Fee	Single Family Residential
Fire & EMS	\$688
Police	371
Library	133
Parks & Recreation	785
General Government	661
Public Works	109
Non-Utility (City-Wide)	<u>2,747</u>
Non-Utility (City-Wide)	2,747
Roads of Regional Significance (1)	<u>5,715</u>
Total	8,462
Non-Utility (City-Wide)	2,747
Roads of Regional Significance (1)	<u>5,396</u>
Total	8,143

(1) Roads of Regional Significance development impact fee of \$5,715 is assessed in SPAs 2, 4 and 6 and \$5,396 is assessed in SPAs 3 and 5.

Table 10 summarizes the City's current SPA 1 and SPA 2 water system (drinking), water resource and wastewater development impact fees that apply to 3/4-inch water meter connections.

Table 10
Current Utility Development Impact Fees

Development Impact Fee	3/4-inch Water Meter - SPA 1	3/4-inch Water Meter - SPA 2
Water Resource	\$2,100	\$796
Water System - Drinking	3,895	3,895
Wastewater	<u>3,853</u>	<u>3,039</u>
Total	\$9,848	\$7,730

Methodologies

There are a variety of methods that can serve as a rational basis for computing non-utility and utility development impact fees. The most common include:

- System Buy-In
- Plan-Based Incremental
- Plan Based Average
- Hybrid Method

The **System Buy-in** method uses a historical perspective. The original costs of the system's fixed assets are identified and escalated to current value using a nationally recognized index. System value equals the escalated original cost less developer contributions. The development fee is the quotient of the system equity divided by the system capacity.

The **Plan-Based Incremental** method is a forward-looking and considers only future growth-related capital projects and acquisitions. The development impact fee is the quotient of the growth-related cost of proposed projects for a specified time frame divided by the number of units to be served or the increase in capacity provided by those projects.

The **Plan-Based Average** method is similar to the **Plan-Based Incremental** method. However, the plan based average approach considers future growth-related projects that benefit new and current development. The development fee is the quotient of the cost of proposed projects for a specified time frame divided by the total capacity served in the calculation year.

The **Hybrid** method combines the **System Buy-in** and **Incremental** methods. The development fee is the quotient of the sum of the current system equity and future growth-related capital costs divided by of the sum of existing system capacity and the increase in capacity provided by the future growth-related projects.

The City evaluated the facilities required to provide necessary public services for new growth detailed in the Final LUA and Final IIP Report. In developing the costs in the IIP, the City considered what was needed so the burden of providing services to new development did not lower the service level for existing citizens or charge new development exclusively to increase the level of service provided to existing residents. The City may increase the level of service for current and future residents; however, the development impact fee will reflect only the portion of the facility benefiting new development with funding for the increased level of service portion of the improvement benefiting current development funded by alternative sources.

As discussed within the Final LUA and IIP Report, the demand for facilities is quantified using a common unit of measurement, called a "service unit." A service unit is a standardized measure of the consumption, use, generation or discharge attributable to an individual unit of development calculated using generally accepted engineering or planning standards. The service units and resulting Equivalent Development Unit (EDU) vary by development impact fee category. One EDU represents the average demand for services generated by a single-family home.

In all fee categories, projects are based on facility needs to serve future development. There are existing and future facilities that will benefit future development. To recognize the proportion of the costs benefiting development over the study period, project costs allocated to new growth

over the study period have been adjusted to exclude the portion of future facilities serving current development. For example, the 163rd Avenue Roadway facilities replace currently constructed roadway facilities while expanding facilities to the benefit of new development and the fee calculations recognize the proportional cost of future facilities benefiting new development. Funding for the portion of facilities benefiting current development will need to be funded from another source which may include current general fund revenues and/or debt summarized by fee category and included in the appendices.

City of Surprise Development Agreements

The City has entered into a variety of development agreements and amendments to the agreements over the past thirty years. These agreements outline responsibilities and obligations for both the City and the other contracting parties to the agreements. Many agreements incorporate future development impact fees assessed by the City as the mechanism to reimburse developers for funding or oversizing facilities recovered through the assessed development impact fee. Current and future obligations defined below are identified within the development agreements.

Current Obligations: Infrastructure has been constructed and accepted by the City, and actual costs subject to reimbursement have been provided to the City. Some reimbursement and/or credit may have been provided and additional costs remain to be reimbursed and/or credited through future development impact fees.

Future Obligations: Infrastructure subject to reimbursement and/or credit have not been completed and/or accepted by the City and the City does not have actual costs related to the constructed facilities. These future obligations may involve developments that have been partially developed and/or where some infrastructure has been constructed, but not all of the requirements have been met in order for the City to reimburse eligible costs with assessed development impact fees. Costs estimates for the infrastructure to be completed may be provided and reimbursements will be based on actual costs provided after the City has accepted the infrastructure. The IIP will need to be updated in order for future obligations to be eligible for development impact fee reimbursement per the requirements of ARS §9-463.05.

For many of the agreements, the facilities were constructed and accepted by the City with reimbursement obligations that are fully satisfied. In these cases, the City may continue to assess and keep development impact fees related to the constructed facilities serving current and future development. Other agreements include current obligations for infrastructure constructed and accepted by the City that are active with remaining obligations. The IIP includes only those facilities tied to current obligations or those where the infrastructure has been constructed; the City has accepted the infrastructure and has costs within the City's fixed assets as the basis for reimbursements.

Future obligations related to facilities that either have not been constructed and/or the City has not accepted and may be privately owned and operated are excluded from this IIP. These future

facilities will need to be incorporated in updates to the IIP prior to the inclusion as development impact fee eligible projects and before the City may use development impact fees to reimburse the eligible facility costs.

Reflecting projected development within various master planned communities throughout the City, revenue projections and cash flow analyses presented in this Fee Report incorporate development impact fee reimbursements and/or credits.

Fire and EMS Development Impact Fee

The draft Fire and EMS development impact fees will be assessed City-wide. Table 11 summarizes draft Fire and EMS development impact fees by type of development.

Table 11
Draft Fire and EMS Development Impact Fees

Development Type	Impact Fee	Assessment
Single-Family Residential	\$680	Housing Unit
Multi-Family Residential	499	Housing Unit
Retail	779	1,000 square feet
Office	1,247	1,000 square feet
Public	1,247	1,000 square feet
Industrial	519	1,000 square feet

Single-family and multi-family residential developments are assessed fees per housing unit while non-residential development categories are assessed per 1,000 square feet of development. Draft fees are proposed to be effective August 1, 2014.

The City's Fire and EMS development impact fee was calculated using the incremental approach that considers:

- Current cost of future growth-related IIP projects.
- Increase reflecting net present value (NPV) of interest of growth-related portion of projected debt issues.

Table 12 summarizes the calculated Fire and EMS development impact fees per residential and non-residential service units. The eligible costs are allocated between residential and non-residential types of development based on calls for service from the four-year period of FY 2010 through FY 2013. Service units reflect existing and projected residents and employees detailed in the Final LUA and Final IIP Reports. The capacity of planned facilities will be exceeded in FY 2022 and the projected FY 2022 service units are used to calculate the separate residential and non-residential costs per service unit. A single-family residential dwelling unit is equal to one EDU. The residential cost per service unit is translated into a fee per dwelling unit based on persons per dwelling unit for single-family and multi-family residential development types.

Non-residential costs per service unit are translated into a fee per 1,000 square feet based on employees per 1,000 square feet that varies retail, office, public and industrial types of development.

Table 12
Fire and EMS
Development Impact Fee Calculation

Description	Calls for Service (1)	Allocation	Allocated Costs
Residential	25,576	73.0%	\$13,796,403
Non-Residential	9,441	27.0%	5,092,737
Total	35,017	100.0%	\$18,889,140

Residential	Units	Fiscal Year	
Allocated portion of facilities			\$13,796,403
Capacity of Facilities	Population	2022	60,853
Cost per Unit	Population		\$226.72

Non-Residential			
Allocated portion of facilities			\$5,092,737
Capacity of Facilities	Employees	2022	16,339
Cost per Unit	Employees		\$311.69

(1) FY 2009-10 through FY 2012-13.

The components of the calculated Fire and EMS development impact fee and associated cash flow projection is discussed in the following sections.

Infrastructure Improvements Plan Projects

The total cost of two proposed fire stations is \$15.0 million anticipated to be constructed from FY 2015 through FY 2018 as detailed in the Final IIP Report and summarized in Appendix A to this report. Both fire stations are allocated fully to future development (growth) benefiting future residents and employees. Based on the timing of the projects, an annual capital project inflation rate of 3%, compounded annually, is applied to project cost estimates and illustrated in the cash flow and supporting worksheet also provided in Appendix A.

Cash Flow

A cash flow analysis has been compiled to summarize the sources and uses and funding requirements of new Fire and EMS development impact fee fund included in Appendix A. The sections below outline projects and cash flow uses of IIP projects, development agreement reimbursements, debt issuance and reserve requirements, debt service funded through development impact fee revenues, interest income, and debt proceeds. For current development, the funding sources incorporate general fund revenues and/or debt instead of development impact fees. This section summarizes the assumptions and projections outlined in Appendix A.

The new Fire and EMS development impact fee fund has a fund balance of \$0 as of June 30, 2013.

Debt Proceeds, Issuance Costs and Debt Service

Table 13 summarizes the projected debt and resulting NPV of interest cost future development's portion of Fire and EMS IIP facilities.

Table 13
New Fire and EMS Development Impact Fee Fund Debt Issues

Fiscal Year	Bond Issues	
	Principal	NPV of Interest Payments
2014	\$0	\$0
2015	0	0
2016	4,500,000	1,862,355
2017	0	0
2018	5,000,000	2,069,284
2019	0	0
2020	0	0
2021	0	0
2022	0	0
2023	0	0
Total	<u>\$9,500,000</u>	<u>\$3,931,639</u>

Debt projections reflect availability of revenues generated from development impact fees balanced against the timing of the project and availability of cash to partially fund anticipated projects. Assumptions regarding the term, interest rate, debt service requirement and issuance expenses are also summarized in Appendix A.

NPV of Future Growth-Related Debt Interest

The NPV of future interest payments associated with future development's portion of debt funded Fire and EMS IIP facilities is projected to be approximately \$3.9 million. The NPV interest reflects today's value associated with funding the growth-related facilities and is eligible for inclusion as assessed development impact fees are anticipated to repay the growth-related debt service. The annual debt service and NPV associated with projected debt issues are detailed in Appendix A.

Revenue Projections

Projected Fire and EMS development impact fee revenues are based on the draft fees by development type, indexed for inflation, applied to projected development for the following development types:

- Single-family residential
- Multi-family residential
- Retail
- Public
- Industrial
- Admin / Medical Office

Residential developments are assessed fees per housing unit while non-residential development categories are assessed per 1,000 square feet of development. Appendix A summarizes the projected development impact fee revenues by type of development.

163rd Avenue Roadway Development Impact Fee

The draft 163rd Avenue Roadway development impact fees will be assessed to a service area identified in Figure 2 of the Final IIP⁵.

Table 14 summarizes draft 163rd Avenue Roadway development impact fees by type of development.

Table 14
Draft 163rd Avenue Roadway Development Impact Fees

Development Type	Impact Fee	Assessment
Single-Family Residential	\$299	Housing Unit
Multi-Family Residential	209	Housing Unit
Retail	3,958	1,000 square feet
Office	240	1,000 square feet
Public	304	1,000 square feet
Industrial	150	1,000 square feet

Single-family and multi-family residential developments are assessed fees per housing unit while non-residential development categories are assessed per 1,000 square feet of development. 163rd Draft fees are proposed to be effective August 1, 2014.

The City's 163rd Avenue Roadway development impact fee was calculated using the plan-based average approach that considers:

⁵ The 163rd Avenue Roadway development impact fee service area includes properties north of the Central Arizona Project canal. These properties are included because the 163rd Avenue serves as the main connection between east and west roads e.g., (Dove Valley), connecting them to Grand Avenue / Highway 60. In addition these properties will ultimately connect to the extended 163rd Avenue once a bridge over the Central Arizona Project canal is constructed. The project to complete the bridge is not included in the current IIP as it may be constructed beyond the 10-year period and is anticipated to be included in future updates to the City's IIP.

- Current cost of future growth-related IIP projects.
- Debt adjustments include:
 - Increase reflecting the NPV of future interest of growth-related portion of projected debt issues.
 - Reduction reflecting the NPV of non-growth portion of annual total debt service associated with projected debt issues repaid by tax-based revenues.

Appendix B summarizes the calculated 163rd Avenue Roadway development impact fees per service unit. Service units reflect vehicle miles traveled (VMT) by development type. VMT is used to apportion the total future vehicle mile capacity of the proposed improvements among projected development within the service area as outlined in the Final IIP Report. Since the 163rd Avenue Roadway service units are represented as a ratio per dwelling unit and per 1,000 square feet or the same basis as the fee is assessed, it is not necessary to convert service units to an EDU for fee assessment. However, EDUs for the different types of development may be calculated based on the ratio of the adjusted average day VMTs for the type of development compared to the adjusted average day VMTs of a single-family residential housing unit. The capacity of the 163rd Avenue Roadway facilities will be exceeded in FY 2040 and the projected FY 2040 service units are used to calculate a cost per service unit. The cost per VMT is translated into a cost per development unit that varies for different types of developments previously discussed in the Final IIP Report and documented in Appendix B.

The components of the calculated 163rd Avenue Roadway development impact fee and associated cash flow projection is discussed in the following sections.

Infrastructure Improvements Plan Projects

The total cost of the proposed 163rd Avenue Roadway is \$24.8 million anticipated to be constructed in two phases as detailed in the Final IIP Report and summarized in Appendix B. Phase 1 is anticipated to cost \$11.3 million and be completed in FY 2017. Phase 2 is anticipated to cost \$13.3 million and be completed in FY 2021. The project components are allocated between future development (growth) and current development (non-growth) based on the current (30%) and future (70%) capacity added by both phases. The allocated costs of Phases 1 and 2 to new development is approximately \$17.3 million reflecting 70% of the total costs as summarized in Appendix B. Based on the timing of the projects, an annual capital project inflation rate of 3%, compounded annually, is applied to project cost estimates and illustrated in the cash flow and supporting worksheet also provided in Appendix B.

Cash Flow

A cash flow analysis has been compiled to summarize the sources and uses of both 163rd Avenue Roadway development impact fee fund and the funding of the requirements of current development funded from general fund revenues. Appendix B details the cash flow analysis. The sections below outline projects and cash flow uses of IIP projects, repayment of loans from the general fund, debt issuance and reserve requirements, debt service funded through

development impact fee revenues, loans from the general fund, interest income, and debt proceeds. For current development, the funding sources exclude development impact fees and instead incorporate general fund revenues. This section summarizes the assumptions and projections outlined in Appendix B.

The SPA 2, 4, 6 Roads of Regional Significance development impact fee fund has a fund balance of approximately \$2.1 million as of June 30, 2013 available to fund future eligible 163rd Avenue Roadway facilities.

Debt Proceeds, Issuance Costs and Debt Service

Table 15 summarizes the projected debt and resulting NPV of interest cost future development's portion of 163rd Avenue Roadway IIP facilities. Debt projections reflect available funding sources balanced against the timing of the project and availability of cash to partially fund anticipated projects.

Table 15
163rd Avenue Roadway Development Impact Fee Fund Debt Issues

Fiscal Year	Bond Issues	
	Principal	NPV of Interest Payments
2014	\$0	\$0
2015	0	0
2016	8,500,000	3,517,780
2017	0	0
2018	0	0
2019	0	0
2020	500,000	206,931
2021	11,000,000	4,552,426
2022	0	0
2023	0	0
Total	<u>\$20,000,000</u>	<u>\$8,277,136</u>

Debt is also anticipated to fund the current development or non-growth portion of 163rd Avenue Roadway IIP projects summarized in Appendix B. Table 16 summarizes the projected debt and resulting NPV of principal and interest debt service cost of current development's portion of 163rd Avenue Roadway facilities. Assumptions regarding the term, interest rate, debt service requirement and issuance expenses are summarized in Appendix F.

Table 16
163rd Avenue Roadway Development Impact Fee Non-Growth Debt Issues

Fiscal Year	Bond Issues	
	Principal	NPV of P&I Payments
2014	\$0	\$0
2015	0	0
2016	3,750,000	3,660,718
2017	0	0
2018	0	0
2019	0	0
2020	200,000	195,244
2021	5,000,000	4,880,953
2022	0	0
2023	0	0
Total	<u>\$8,950,000</u>	<u>\$8,736,915</u>

NPV of Future Growth-Related Debt Interest

The NPV of future interest payments associated with future development's portion of debt funded 163rd Avenue Roadway IIP facilities is projected to be approximately \$8.3 million. The NPV interest reflects today's value current value associated with funding the growth-related facilities and is eligible for inclusion as assessed development impact fees are anticipated to repay the growth-related debt service. The annual debt service and NPV associated with projected debt issues are detailed in Appendix B.

Offsets

Debt projected to fund non-growth portion of 163rd Avenue Roadway IIP facilities generate offsets or reductions to the draft fee since future general fund revenues generated from taxes assessed to current and future development will be used to repay current development's portion of the issued GO debt. The offset is calculated based on the NPV of future principal and interest payments of approximately \$8.7 million divided by the projected service units (residential and non-residential VMTs) at FY 2040. The annual debt service and NPV associated with projected debt issues are detailed in Appendix B.

The City has an excess tax rate (construction sales tax) that is 1.5% above the average tax rate. The revenues associated with the excess rate are segmented with the first \$1,250,000 to the General Fund and any excess revenues dedicated to the transportation improvement fund for transportation related capital projects as summarized in Appendix A of the Final IIP Report. An offset for the excess tax rate was not included as the offset for the non-growth portion of 163rd Avenue Roadway facilities already addresses the use of revenues towards the repayment of annual debt service associated with these necessary public services.

Revenue Projections

Projected 163rd Avenue Roadway development impact fee revenues are based on the draft fee by development type, indexed for inflation, applied to projected development in SPAs 2 and 4 for the following development types⁶:

- Single-family residential
- Multi-family residential
- Retail
- Public
- Industrial
- Admin / Medical Office

Residential developments are assessed fees per housing unit while non-residential development categories are assessed per 1,000 square feet of development. Appendix B summarizes the projected development impact fee revenues by type of development.

Water System Development Impact Fee

The draft Water System development impact fees will be assessed within SPA 1 and SPA 2 service areas where City water service is provided.⁷ The draft fees were calculated separately for the two service areas. Tables 17 and 18 summarize draft SPA 1 and SPA 2 water system development impact fees.

Table 17
Draft SPA 1 Water System Development Impact Fees

Meter Size	Service Units	Impact Fee
3/4" and Less	1.00	\$1,393
1"	1.67	2,322
1.5"	3.33	4,644
2"	5.33	7,431
3"	10.00	13,933
4"	16.67	23,222
6"	33.33	46,444
8"	53.33	74,310

⁶ Projected growth in SPA 4 is anticipated to occur within 163rd Avenue Roadway Development Impact Fee Service Area.

⁷ Areas of SPAs 1 and 2 served by other water providers will be governed by fees and charges assessed by those providers and not subject to the City's current or draft water system or water resource development impact fees.

Table 18
Draft SPA 2 Water System Development Impact Fees

Meter Size	Service Units	Impact Fee
3/4" and Less	1.00	\$1,544
1"	1.67	2,574
1.5"	3.33	5,148
2"	5.33	8,237
3"	10.00	15,445
4"	16.67	25,742
6"	33.33	51,483
8"	53.33	82,373

Water System development impact fees are assessed by meter size and increased for 1-inch and higher meter sizes based on the AWWA meter capacity relationships. Draft fees are proposed to be effective August 1, 2014.

The Water development impact fees for each service area were calculated using the hybrid approach that considers:

- Replacement value of constructed and eligible water facilities.
- Current cost of future growth-related IIP projects.
- Increase reflecting NPV of interest of growth-related portion of projected debt issues.
 - o Applies only to the SPA 2 Water System Development Impact Fee.

Appendix C details the calculated Water System development impact fees per service unit for the SPA 1 and SPA 2 service areas. Water System development impact fees reflect two separate unit cost calculations; common to all facilities and SPA specific facilities. Service units reflect existing water EDUs for common to all facilities and current and projected well capacity in millions of gallons per day (MGD) as detailed in the Final IIP Report. An EDU represents the equivalent demand of a single-family residential dwelling unit with a 3/4-inch water meter. The cost per connection and cost per service unit (MGD) is translated into a cost per 3/4-inch water meter or EDU based on the peak day water use per EDU. Water facilities are designed to meet the demands of peak day water use and this use influences the necessary capacity.

The components of the calculated Water System development impact fee and associated cash flow projection is discussed in the following sections.

Eligible Assets Replacement Value

The replacement value of eligible Water System facilities as detailed in the Final IIP Report and segmented for fee recovery as follows:

- Common to all assets of \$1.5 million.
- SPA 1 water facilities of \$58.2 million.

- SPA 2 water facilities of \$7.1 million.

The asset value includes existing water supply, treatment, transmission and storage and excludes distribution facilities of 10-inches and smaller constructed by developers and dedicated to the City. The smaller diameter water lines are excluded as similar facilities will be required to be constructed and dedicated to the City not eligible for development impact fee recovery.

Outstanding Debt

The City does not have outstanding water debt repaid through development impact fees.

Infrastructure Improvements Plan Projects

The total cost of planned IIP eligible facilities over the six-year planning period from FY 2014 through FY 2019 is detailed in the Final IIP Report and summarized in Appendix C. Appendix C details a single growth-related project in SPA 2 and no growth-related facilities required in SPA 1. Based on the timing of the projects, an annual capital project inflation rate of 3%, compounded annually, is applied to project cost estimates and illustrated in the cash flow and supporting worksheet provided in Appendix C.

Cash Flow

A cash flow analysis has been compiled for the separate SPA 1 and SPA 2 service areas that summarize the sources and uses of the Water System development impact fee funds. Appendix C summarizes the results of the cash flow. The sections below outline projects and cash flow uses of IIP projects, developer agreement reimbursements, operating fund loan repayments, debt issuance and reserve requirements, debt service funded through development impact fee revenues, operating fund loans, interest income, and debt proceeds. This section summarizes the assumptions and projections outlined in Appendix C.

The SPA 1 and SPA 2 Water System development impact fee fund have balances of approximately \$3.6 million (SPA 1) and (\$10,505) (SPA 2) as of June 30, 2013.

Debt Proceeds, Issuance Costs and Debt Service

\$16.5 million in debt is projected for the SPA 2 Water System development impact fee fund for the growth-related portion of Water System IIP facilities. There are no debt issues projected in the SPA 1 Water System development impact fee fund. Assumptions regarding the term, interest rate, debt service requirement and issuance expenses are also summarized in Appendix F.

NPV of Future Growth-Related Debt Interest

The NPV of future interest payments associated with future development's portion of debt funded SPA 2 Water System IIP facilities is projected to be approximately \$0.7 million. The NPV interest reflects today's value associated with funding the growth-related facilities and is eligible for inclusion as assessed development impact fees are anticipated to repay the growth-

related debt service. The annual debt service and NPV associated with projected debt issues are detailed in Appendix C.

Revenue Projections

Projected Water System development impact fee revenues are based on the draft SPA 1 and SPA 2 fees per EDU, indexed for inflation, applied to projected EDUs within SPA 1 and SPA 2 over the six-year period. Draft fees are proposed to be effective August 1, 2014 or one month into the fiscal year and retained within the service area. FY 2013-14 revenues projected based on EDU growth by SPA and current SPA 1 and SPA 2 water system development impact fees.

Water System development impact fee revenue projections reflect three types of development impact fee assessments.

- Revenue.
- Reimbursement / Credit.
- Waived.

Fee assessed to specific developments within SPA 1 and SPA 2 may be used to reimburse costs of constructed facilities included in the development impact fee recovery. Within other developments which may be served by private water facilities anticipated to be dedicated to the City, development impact fees are tracked by the City and credited against the cost of facilities which are anticipated to be dedicated to the City. Lastly, development impact fees assessed within Old Towne Surprise are waived. The totals by year are summarized within Appendix D.

Loans From Operations

Within the SPA 2 cash flow, the uses of funds may not directly match projected growth and timing of new development. Debt may be issued to fund a portion of the upfront costs as previously discussed. The timing of the facility requirements and future debt service may create cash shortfalls which are met from loans from the operating funds. These loans are repaid as development impact fee revenue exceeds annual expenditure requirements and may have remaining balances at the end of the study period.

Water Resource Development Impact Fee

The draft Water Resource Development impact fees will be assessed within SPA 1 and SPA 2 service areas where City water service is provided.⁸ The draft fees were calculated separately for the two service areas. Tables 19 and 20 summarize draft SPA 1 and SPA 2 water resource development impact fees.

⁸ Areas of SPAs 1 and 2 served by other water providers will be governed by fees and charges assessed by those providers and not subject to the City's current or draft water system or water resource development impact fees.

Table 19
Draft SPA 1 Water Resource Development Impact Fees

Meter Size	Service Units	Impact Fee
3/4" and Less	1.00	\$714
1"	1.67	1,191
1.5"	3.33	2,381
2"	5.33	3,810
3"	10.00	7,144
4"	16.67	11,906
6"	33.33	23,812
8"	53.33	38,099

Table 20
Draft SPA 2 Water Resource Development Impact Fees

Meter Size	Service Units	Impact Fee
3/4" and Less	1.00	\$873
1"	1.67	1,456
1.5"	3.33	2,911
2"	5.33	4,658
3"	10.00	8,734
4"	16.67	14,556
6"	33.33	29,112
8"	53.33	46,579

Water Resource development impact fees are assessed by meter size and increased for 1-inch and higher meter sizes based on the AWWA meter capacity relationships. Draft fees are proposed to be effective August 1, 2014.

The Water resource impact fees for each service area were calculated using the hybrid approach that considers:

- Replacement value of constructed and eligible backbone water facilities.
- Current cost of future growth-related IIP projects.

Appendix D details the calculated Water Resource development impact fees per service unit for the SPA 1 and SPA 2 service areas. Water Resource development impact fees reflect two separate unit cost calculations; common to all facilities and SPA specific facilities. Service units reflect existing EDUs for common to all facilities and current and projected well capacity in millions of gallons per day (MGD) as detailed in the Final IIP Report. The cost per connection and cost per service unit (MGD) is translated into a cost per 3/4-inch water meter or EDU based on the peak day water use per EDU. An EDU represents the equivalent demand of a single-

family residential dwelling unit with a 3/4-inch water meter. Water facilities are designed to meet the demands of peak day water use and this use influences the necessary capacity.

The components of the calculated Water Resource development impact fee and associated cash flow projection is discussed in the following sections.

Eligible Assets Replacement Value

The replacement value of eligible Water System facilities as detailed in the Final IIP Report and segmented for fee recovery as follows:

- Common to all assets of \$6.6 million.
- SPA 1 water wells of \$13.9 million.
- SPA 2 water wells of \$3.1 million.

The asset values include current Central Arizona Project, recharge, well facility assets and excludes facilities incorporated in the water system development impact fee.

Outstanding Debt

The City does not have outstanding water debt repaid through development impact fees.

Infrastructure Improvements Plan Projects

The total cost of planned IIP eligible facilities over the six-year planning period from FY 2014 through FY 2019 is detailed in the Final IIP Report and summarized in Appendix D. Appendix D details a single growth-related project in SPA 1 and no growth-related facilities required in SPA 2. Based on the timing of the projects, an annual capital project inflation rate of 3%, compounded annually, is applied to project cost estimates and illustrated in the cash flow and supporting worksheet provided in Appendix C.

Cash Flow

A cash flow analysis has been compiled for the separate SPA 1 and SPA 2 service areas that summarize the sources and uses of the Water System development impact fee funds. Appendix D summarizes the results of the cash flow. The sections below outline projects and cash flow uses of IIP projects, developer agreement reimbursements, and operating fund loan repayments funded through development impact fee revenues, operating fund loans, and interest income. This section summarizes the assumptions and projections outlined in Appendix D.

The SPA 1 and SPA 2 Water Resource development impact fee fund have balances of approximately \$3.7 million (SPA 1) and \$350,225 (SPA 2) as of June 30, 2013. Debt is not projected to be required to fund identified SPA 1 and SPA 2 Water Resource Development Impact Fee IIP eligible facilities.

Revenue Projections

Projected Water Resource development impact fee revenues are based on the draft SPA 1 and SPA 2 fees per EDU, indexed for inflation, applied to projected EDUs within SPA 1 and SPA 2 over the six-year period. Draft fees are proposed to be effective August 1, 2014 or one month into the fiscal year. Revenues are retained within the service area. FY 2013-14 revenues projected based on current SPA 1 and SPA 2 water resource development impact fees.

Water Resource development impact fee revenue projections also reflect three types of development impact fee assessments.

- Revenue.
- Reimbursement / Credit.
- Waived.

Fee assessed to specific developments within SPA 1 and SPA 2 may be used to reimburse costs of constructed facilities included in the development impact fee recovery. Within other developments which may be served by private water facilities anticipated to be dedicated to the City, development impact fees are tracked by the City and credited against the cost of facilities which are anticipated to be dedicated to the City. Lastly, development impact fees assessed within Old Towne Surprise are waived. The totals by year are summarized within Appendix D.

Wastewater System Development Impact Fee

The draft Wastewater System development impact fees will be assessed within SPA 1 and SPA 2 service areas where City service is provided. Tables 21 and 22 summarize SPA 1 and SPA 2 wastewater system development impact fees.

Table 21
Draft SPA 1 Wastewater System Development Impact Fees

Meter Size	Service Units	Impact Fee
3/4" and Less	1.00	\$3,265
1"	1.67	5,442
1.5"	3.33	10,884
2"	5.33	17,414
3"	10.00	32,651
4"	16.67	54,418
6"	33.33	108,836
8"	53.33	174,138

Table 22
Draft SPA 2 Total Wastewater System Development Impact Fees

Meter Size	Service Units	Impact Fee
3/4" and Less	1.00	\$3,361
1"	1.67	5,601
1.5"	3.33	11,202
2"	5.33	17,923
3"	10.00	33,606
4"	16.67	56,010
6"	33.33	112,019
8"	53.33	179,231

Within SPA 2, Wastewater System Development Impact Fees outlined in Appendix E are calculated with two separate components. The first component recovers treatment, disposal and other miscellaneous facilities serving development in SPA 2. The second component recovers sewer line facilities serving other developments in SPA 2. Some developments that are served by facilities from both components are assessed the combined fee summarized in Table 22. Other developments may benefit from one of the two fee components and will be assessed one of the two fee components detailed in Appendix E.

Wastewater System development impact fees are assessed by water meter size and increased for 1-inch and higher meter sizes based on the AWWA meter capacity relationships. Draft fees are proposed to be effective August 1, 2014.

The Wastewater System development impact fees for each service area were calculated using the hybrid approach that considers:

- Replacement value of constructed and eligible wastewater facilities.
- Current cost of future growth-related IIP projects.
- Debt adjustments include:
 - Increase reflecting NPV of remaining interest of growth-related portion of outstanding debt issues.

Appendix E details the calculated Wastewater System development impact fees per service unit for SPA 1 and SPA 2 service areas. Wastewater System development impact fees reflect the unit cost of capacity of the current treatment capacity in MGD as detailed in the Final IIP Report and summarized in Appendix E calculations. The cost per service unit (MGD) is translated into a cost per 3/4-inch water meter or EDU based on the EDU gallon per day wastewater design criteria. An EDU represents the equivalent demand of a single-family residential dwelling unit with a 3/4-inch water meter. Wastewater facilities are designed to meet the demands of EDU wastewater influent.

The components of the calculated Wastewater System development impact fee and associated cash flow projection is discussed in the following sections.

Eligible Assets Replacement Value

The replacement value of eligible Wastewater System facilities as detailed in the Final IIP Report and segmented for fee recovery as follows:

- Common to all assets of \$1.5 million.
- SPA 1 eligible facilities of \$225.6 million.
- SPA 2 eligible facilities of \$31.7 million.

The asset value include existing sewer lines greater than 10-inches, lift stations, treatment, administrative and other miscellaneous assets and exclude collection facilities of 10-inches and smaller constructed by developers and dedicated to the City. The smaller diameter sewer lines are excluded as similar facilities will be required to be constructed and dedicated to the City not eligible for development impact fee recovery.

Outstanding Debt

The City has two outstanding SPA 1 wastewater debt issues and debt service repaid through development impact fees as detailed in Appendix E.

Net Present Value of Future Interest Payments

The NPV of future interest payments associated with future development's portion of debt funded SPA 1 Wastewater System facilities is approximately \$22.6 million. The outstanding wastewater debt is allocated fully to development impact fees for repayment. The NPV interest reflects today's value current value associated with funding the growth-related facilities and is eligible for inclusion as assessed development impact fees are anticipated to repay the growth-related debt service. There is no outstanding debt associated with SPA 2 Wastewater System facilities.

Infrastructure Improvements Plan Projects

The total cost of planned IIP eligible facilities over the six-year planning period from FY 2014 through FY 2019 is detailed in the Final IIP Report and summarized Appendix E. Appendix C details two growth-related sewer line projects in SPA 1 totaling \$2.8 million and no growth-related facilities required in SPA 2. Based on the timing of the projects, an annual capital project inflation rate of 3%, compounded annually, is applied to project cost estimates and illustrated in the cash flow and supporting worksheet provided in Appendix E.

Cash Flow

A cash flow analysis has been compiled for the SPA 1 and SPA 2 service areas that summarize the sources and uses of separate Wastewater System development impact fee subfunds.

Appendix E summarizes the results of the cash flow analysis. The sections below outline projects and cash flow uses of IIP projects, growth-related portion of outstanding debt service (SPA 1), and operating subfund loan repayments funded through development impact fee revenues, operating subfund loans, and interest income. This section summarizes the assumptions and projections outlined in Appendix F.

The SPA 1 and SPA 2 Wastewater System development impact fee fund have balances of approximately a deficit of \$0.8 million (SPA 1) and \$316,447 (SPA 2) as of June 30, 2013. Debt is not projected to be required to fund identified SPA 1 and SPA 2 Wastewater System Development Impact Fee IIP eligible facilities.

Revenue Projections

Projected Wastewater System development impact fee revenues are based on the draft fee per EDU by service area, indexed for inflation, applied to projected EDUs over the six-year period. Draft fees are proposed to be effective August 1, 2014 or one month into the fiscal year. Revenues are retained within the SPA specific service area. FY 2013-14 revenues are projected based of EDU growth and current SPA 1 and SPA 2 Wastewater System development impact fees.

Wastewater development impact fee revenue projections also reflect three types of development impact fee assessments.

- Revenue.
- Reimbursement / Credit.
- Waived.

Fee assessed to specific developments within SPA 1 and SPA 2 may be used to reimburse costs of constructed facilities included in the development impact fee recovery. Within other developments which may be served by private water facilities anticipated to be dedicated to the City, development impact fees are tracked by the City and credited against the cost of facilities which are anticipated to be dedicated to the City. Lastly, development impact fees assessed within Old Towne Surprise are waived. The totals by year are summarized within Appendix D.

Loans From Operations

Within the SPA 1 service area, the uses of funds may not directly match projected growth and timing of new development. Debt may be issued to fund a portion of the upfront costs as previously discussed. The timing of the facility requirements and future debt service may create cash shortfalls which are met from loans from the operating funds. These loans are repaid as development impact fee revenue exceeds annual expenditure requirements and may have remaining balances at the end of the study period. No loans are projected to be required in the SPA 2 Wastewater System development impact fee fund.



CITY OF SURPRISE
Regular City Council Meeting

April 15, 2014 @ 6:00:00 PM

[Back](#) [Print](#)

Council Meeting Date:	April 15, 2014	Contact Person:	Dick McKinley, Public Works
Submitting Department:	Public Works	District:	Citywide
Staff Recommendations:	Approve		

Consent	Regular	Public Hearing	x	Report/Discussion
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Agenda Wording:

Consideration and action declaring the City's intent to increase water, wastewater, and sanitation rates and setting a date of May 20, 2014 for a public hearing on the proposed utility rate increases and adoption.

Motion:

I move to declare the City's intent to increase water, wastewater and sanitation rates, and directing the City Manager to post the appropriate notice of intent and to set the public hearing on May 20, 2014 for the proposed City utility rates.

Background:

There are several steps the City must complete as required by state law to consider and adopt changes to its utility rates. As required by Arizona Revised Statutes 9-511.01, the city must adopt a notice of intention to raise utility rates at least 30 days prior to holding a public hearing on those proposed increases. The notice is required to be published one time in a newspaper of general circulation within the boundaries of the municipality not less than 20 days before the public hearing date. After holding the public hearing, Council may adopt the proposed rates which will become effective no earlier than 30 days after adoption of the resolution.

Financial Impact Statement:

There is no fiscal impact related to this action as the item is only for notification to the public of the City's intent to set city utility rates. The proposed rates are designed to allow full cost recovery associated with those services through user fees. The impact to the City and the user will be presented as part of the public hearing.

ATTACHMENTS:

Click to download

- ☐ [Surprise 2014 Report](#)
- ☐ [Surprise Utility Rates](#)
- ☐ [NOTICE](#)

External Attachment Links:

Meeting Requirements:

Powerpoint x Video White Board Other x

Presentation Speaker Names (spelling and titles for TV captions):

Dick McKinley Public Works Director

Bob Wingenroth, Assistant City Manager and CFO

City of Surprise



Report for
**COMPREHENSIVE
WATER, WASTEWATER,
AND SANITATION
UTILITIES RATE STUDY**

March 2014

FCS GROUP

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Redmond, WA 98052
T: 425.867.1802 | F: 425.867.1937

This entire report is made of readily recyclable materials, including the bronze wire binding and the front and back cover, which are made from post-consumer recycled plastic bottles.

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SECTION I: INTRODUCTION

In October of 2014 the City of Surprise (the City) engaged FCS GROUP to complete comprehensive rate studies for the water, wastewater, and sanitation utilities. The results of these studies aim to establish a blueprint for achieving strong financial performance in the future and delivering efficient and effective services to the City's customers. The scope of the project outlined an approach to address the following topics:

- ◆ Fiscal/rate policies and practices.
- ◆ Capital funding strategies that address system infrastructure needs.
- ◆ Multi-year financial plan to create a strong financial foundation from which to proactively address "total" system needs and obligations.
- ◆ Multi-year rate strategy to recover the target revenue levels identified.
- ◆ Rate structures that recover the revenue identified.

The methodology, key factors, conclusions and recommendations for each of the key task areas of the study are summarized in this executive level report. The full technical exhibits for the comprehensive rate studies can be found in the Technical Appendix.

SECTION II: RATE STUDY METHODOLOGY

A. RATE SETTING PRINCIPLES AND METHODOLOGY

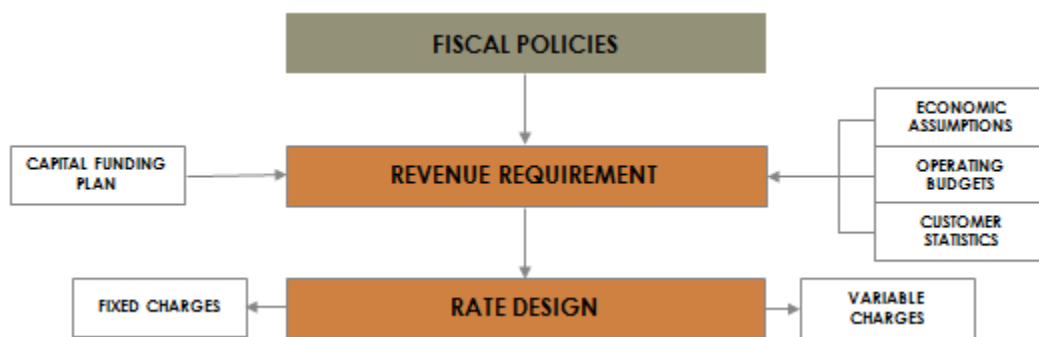
The methods used to establish user rates are based on principles that are generally accepted and widely followed throughout the industry. These principles are designed to produce rates that equitably recover costs from each class of customer by setting the appropriate level of revenue to be collected from ratepayers, and establishing a rate structure to equitably collect those revenues.

The primary tasks of the rate study are listed below:

- ◆ **Revenue Requirement Analysis.** This analysis identifies the total revenue requirement to fully fund each system on a standalone basis, considering operating and maintenance expenditures, capital funding needs, debt requirements and fiscal policy objectives.
- ◆ **Rate Design Analysis.** This analysis includes the development of rates that generate sufficient revenue to meet each system's revenue requirement forecast.

Exhibit 2.1 illustrates the rate study process.

Exhibit 2.1: Overview of the Rate Study Process



B. REVENUE REQUIREMENT

A revenue requirement analysis forms the basis for a long-range financial plan and multi-year rate management strategy for each system. It also enables the City to set utility rate structures which fully recover the total cost of operating each system: capital improvement and replacement, operations, maintenance, general administration, fiscal policy attainment, cash reserve management, and debt repayment. Linking rate levels to a financial plan such as this helps to enable not only sound financial performance for the City's utility enterprise funds, but also a clear and reasonable relationship between the costs imposed on utility customers and the costs incurred to provide the service.

A revenue requirement analysis includes the following core elements to form a complete portrayal of the utility's financial obligations.

- ◆ **Fiscal Policy Analysis.** Identifies formal and informal fiscal policies of the City to ensure that current policies are maintained, including reserve levels, capital/system replacement funding and debt service coverage.
- ◆ **Operating Forecast.** Identifies future annual non-capital costs associated with the operation, maintenance, and administration of the system.
- ◆ **Capital Funding Plan.** Defines a strategy for funding the City’s capital improvement/equipment replacement program, including an analysis of available resources from rate revenues, debt financing, and any special resources that may be readily available (e.g. grants, outside contributions, etc.). Identifies if additional funding sources are needed.
- ◆ **Revenue Sufficiency Testing.** Evaluates the sufficiency of revenues in meeting all financial obligations, including any coverage requirements associated with long-term debt.
- ◆ **Rate Strategy Development.** Designs a forward-looking strategy for adjusting rates to fully fund all financial obligations on an annual basis over the projection period.

B. 1 Special Planning Areas

The City’s General Planning Area (GPA) consists of six separate Special Planning Areas (SPAs). As described in the *Surprise General Plan*¹:

“SPAs 1, 2, and 3 are located within the ‘primary planning area’ that includes lands that are anticipated to be developed over the next 20 years. It also comprises areas where the City of Surprise can work closely with Maricopa County to assist in directing that growth. SPAs 4, 5 and 6 are located within the ‘secondary planning area,’ that is considered the city’s ‘sphere of influence.’ How the sphere of influence develops could positively or negatively impact the City of Surprise’s development patterns.”

Within the SPAs the City provides water, wastewater and sanitation services at different levels. The City provides wastewater services to a majority of customers, provides sanitation to residential customers only, and is one of thirteen drinking water providers for water services. The revenue requirement analysis evaluates each utility on a stand-alone basis for all areas combined and does not differ by SPA.

C. RATE DESIGN

The principal consideration of rate design is for the rate structure to generate sufficient revenues for the system which are reasonably commensurate with the cost of providing service. Most rate designs consist of fixed and variable charges. Fixed costs typically attempt to cover costs of the system that do not vary with demands on the system while variable costs vary with a change in user demand. Although the majority of costs of operating a utility are fixed, in general customers prefer more costs tied to the variable charge since changes in behavior have a direct correlation with a change in their bill. The optimum rate structure is a balance of both fixed and variable charges tied to the unique revenue requirements of each utility.

¹ Specifically described in *Surprise General Plan 2020*

SECTION III: WATER UTILITY

A. INTRODUCTION

The City of Surprise is one of the largest of the thirteen drinking water providers operating within the Surprise Planning Area. Current well production is 6 million gallons per day (MGD) from five water supply facilities and fifteen well sites. This water production currently serves approximately 14,600 customers. The City operates and maintains their own water service area and contracts with American Water for billing services.

B. REVENUE REQUIREMENT

A revenue requirement analysis forms the basis for a long-range financial plan and multi-year rate management strategy. The analysis is developed by completing an operating forecast that identifies future annual operating costs and a capital funding plan that defines a strategy for funding the capital improvement needs of the City.

B.1 Operating Forecast

The purpose of the operating forecast is to determine whether the existing rates and charges are sufficient to recover the costs the City incurs to operate, maintain, and provide water service. A combination of FY 2014 and FY 2015 budget revenues and expenses formed the baseline for the forecast. The operating forecast was developed for the ten-year FY 2015 through FY 2024 time period. This report focuses on the first five-year period of FY 2015 through FY 2019, as this was established as the rate-setting period. The Technical Appendix provides the detail for the full forecast period. The following discussion highlights the key assumptions used to develop the water utility operating forecast.

Reserves

- ◆ **Operating Reserves.** A minimum of 60 days of operating and maintenance (O&M) expenses (\$1.48 million to \$2.19 million, based on existing City target and industry standards).
- ◆ **Capital Contingency Target.** 2.00 percent of plant in service (\$2.21 million to \$2.60 million, per discussion with City staff and industry standards).

Operating Revenue

- ◆ **Retail Rate Revenue.** Consists of FY 2014 budgeted service/collection fee revenue, escalated with customer growth.
- ◆ **Non Rate Revenue.** Water meter installation charges, escalated with customer growth (based on budget provided by City).
- ◆ **Customer Growth.** City staff provided a five-year forecast of new Equivalent Dwelling Units (EDUs) by SPA, ranging from 436 in FY 2015 to 854 FY 2019, with a dip to 174 in FY 2016. Growth beyond the five-year forecast was based on the five-year average.

- ◆ **Interest Earnings.** 0.50 percent in FY 2015 increasing to 1.00 percent by FY 2017 (based on discussion with City staff).

O&M Expenses

- ◆ **General Cost Inflation.** 3.00 percent per year (based on discussion with City staff).
- ◆ **Construction Cost Inflation.** 3.16 percent per year (based on five-year historical Engineering News Record Construction Cost Index data and discussion with City staff).
- ◆ **Labor Cost Inflation.** 3.00 percent per year (based on discussion with City staff).
- ◆ **Benefit Cost Inflation.** 3.00 percent per year (based on discussion with City staff).
- ◆ **Fuel Cost Inflation.** 4.75 percent per year (based on seven-year historical U.S. Energy Information Administration data and discussion with City staff).
- ◆ **Franchise in Lieu Payment.** Calculated based on 2.00 percent of annual rate revenue (based on discussion with City staff).
- ◆ **PILOT Assessments.** Calculated based on capital assets (with a two year lag to match the County Treasurer's calculation), Arizona Revised Statute (ARS) assessed valuation annual percentage adjusted for fiscal year calculation (decreasing from 18.75 percent in FY 2015 to 18.00 percent in FY 2017) and primary property tax rates (projected to match the FY 2014 value of 0.7783 percent, based on discussion with City staff).
- ◆ **Additional O&M Adjustments.** City staff provided planned future annual O&M adjustments for FY 2015 through FY 2019. Some of the more significant planned adjustments included:
 - 100 percent utilization of the Central Arizona Project (CAP) allocation (\$951,000 increase in FY 2015).
 - Increase in electricity (\$1.20 million in FY 2018 – FY 2019) and chemical supplies costs (\$960,000 in FY 2018 – FY 2019) associated with projects, such as treatment upgrades, from the capital improvement program.
 - Additional full time employees (FTEs) and associated supplies (\$309,000 in FY 2016).

Debt Service

- ◆ **Existing Debt.** There is currently no existing debt service associated with the water utility.
- ◆ **New Debt.** Two new debt issues totaling \$47.50 million are anticipated to fund the capital improvement program, including SPA specific projects. New debt assumed using revenue bonds with a 20 year term, 5.25 to 5.50 percent interest, and 1.50 percent issuance cost.
 - \$8.00 million revenue bond in FY 2016 for water capital asset replacement, SPA 1-16 inch water line, and site & security improvements.
 - \$39.50 million revenue bond in FY 2020 for land purchases for multiple Regional WSFs, final phase of SPA 2 Asante WSF, SPA 1 Rancho Gabriela WSF, multiple SPA 1 wells, multiple SPA 2 water lines, and various other projects; although this bond is outside of the five-year focus, it is necessary to consider the effect it will have on rate increases.

System Reinvestment

- ◆ System reinvestment funding policies aim to ensure system integrity through reinvestment in capital infrastructure. There are a variety of funding benchmarks – utilities most commonly use annual depreciation expense to establish an annual funding provision, which for the City's water utility is approximately \$2.95 to \$3.34 million per year during the five-year period.

- ♦ As the water utility is not currently funding system reinvestment, and to minimize customer impacts, the proposed strategy envisions introducing funding at \$700,000 per year in FY 2015 through FY 2019. Annual funding is intended to ultimately equal depreciation at a minimum in the future.

System Development Fees

All new customers connecting to the City's water system are required to pay an impact fee to "buy-in" to the capacity of the existing system. At the time of the completion of the study, the City was recalculating its impact fees to stay in compliance with the requirements of Arizona Revised Statutes 9-463.05, which go into effect August 1, 2014. The study assumed the use of the City's existing fees to estimate the annual level of revenues received.

At the time of the study, the City charged all new customers a SPA specific System Development Fee (SDF) and Replenishment SDF. Each SPA maintained a separate SDF Fund and Replenishment SDF Fund. The analysis assumes that revenues in these funds can only be used to:

- ♦ Pay for SPA specific growth related capital.
- ♦ Reimburse developers for large growth related capital assets constructed for general benefit.
- ♦ Reimburse the Operating Fund if SPA funds are insufficient to cover capital and the Operating Fund covers the deficiency for SPA specific capital projects.

In order to estimate the annual SPA specific impact fee revenues, SPA based growth in EDUs (provided by the City) are multiplied by the associated SDFs and Replenishment SDFs. Once the annual revenues are calculated, estimates for developer reimbursements (provided by the City) are deducted. The net impact fee revenues go into SPA specific funds.

B.2 Capital Funding Plan

The water utility is anticipating \$27.14 million in capital costs in FY 2015 through FY 2019, with costs inflated at 3.16 percent per year to date of construction. Some of the more significant capital projects include water capital asset replacement, combined distribution system for Ashton and Rancho, SPA 1 16-inch water lines, and Resources SPA 1 effluent storage reservoir covers. The proposed capital funding strategy envisions using a mix of cash balances (including interest) from the Operations Fund, impact fees from the SPA Funds, rate funded system reinvestment, and revenue bonds to pay for planned projects. **Exhibit 3.1** provides a summary of the planned capital funding sources for the capital funding expenditures. A detailed capital plan can be found in the Technical Appendix.

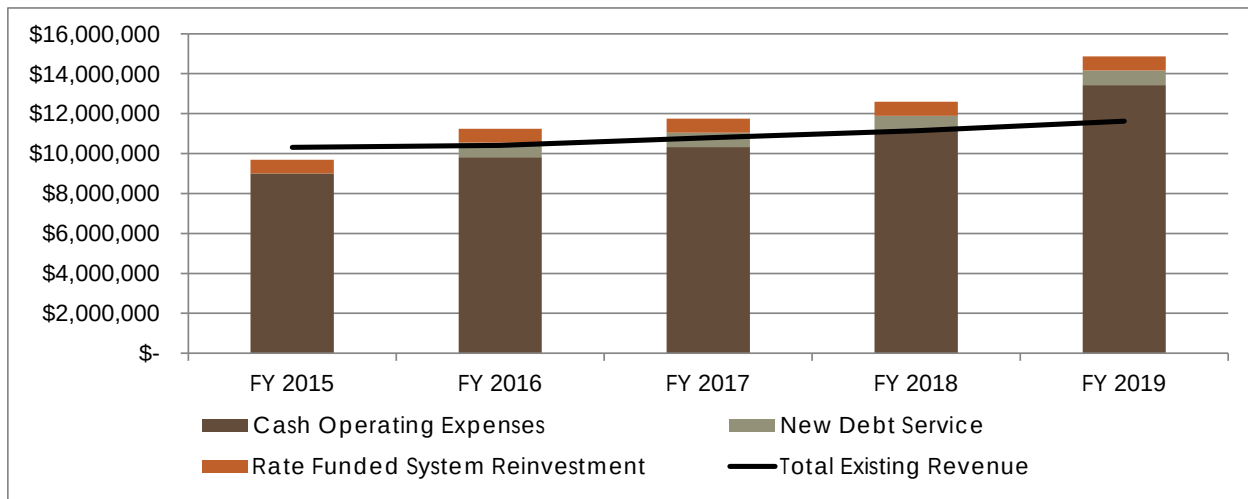
Exhibit 3.1: Water Capital Funding Summary

Funding Summary	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
Capital Costs						
Operations Fund Capital	\$ 2,510,267	\$ 7,046,455	\$ 3,709,936	\$ 1,621,987	\$ 2,773,445	\$17,662,090
SPA Specific Capital	4,998,684	2,185,480	357,928	1,159,856	775,887	9,477,836
Total Capital Costs	\$ 7,508,951	\$ 9,231,935	\$ 4,067,864	\$ 2,781,843	\$ 3,549,332	\$27,139,926
Funding Sources						
Cap. Fund Cash Balances	\$ 1,926,326	\$ -	\$ 3,119,730	\$ 1,812,267	\$ 2,073,445	\$ 8,931,769
SPA Fund Cash Balances	4,882,625	549,164	248,134	269,576	775,887	6,725,386
Rate Funded Capital	700,000	682,771	700,000	700,000	700,000	3,482,771
Revenue Bonds	-	8,000,000	-	-	-	8,000,000
Total Capital Funding	\$ 7,508,951	\$ 9,231,935	\$ 4,067,864	\$ 2,781,843	\$ 3,549,332	\$27,139,926

B.3 Summary of Revenue Requirement

The operating forecast components of O&M expenses, debt service and rate funded system reinvestment come together to form the multi-year revenue requirement. The revenue requirement compares the overall revenue available to the water system to the expenses to evaluate the sufficiency of rates on an annual basis. **Exhibit 3.2** provides a summary of the water system revenue requirement findings. Details can be found in the Technical Appendix.

Exhibit 3.2: Water Utility Revenue Requirement Summary



Summary of water revenue requirement:

- ◆ Beginning in FY 2016, current rate revenue levels are not sufficient to meet existing water annual financial obligations; the annual existing rate deficiency is \$798,000 in FY 2016 increasing to \$3.12 million in FY 2019. Key drivers for the deficiency include:
 - New debt service of \$726,000 beginning in FY 2016.
 - Rate funded system reinvestment is incorporated starting in FY 2015 at \$700,000 and remains at that level through FY 2019.
 - Additional future O&M cost increases.
- ◆ To meet the total projected financial obligations of the water utility, rate increases are proposed at 8.25 percent per year in FY 2015 through FY 2019.
- ◆ With rate increase, water funds remain above or near target levels throughout the forecast period.

C. RATE DESIGN

The principal objective of the rate design stage is to implement water rate structures that collect the appropriate level of revenue. The recommended water rates were determined by applying the aggregate revenue adjustments across-the-board to the existing rate structure (equally to all rate components).

C.1 Existing Water Rates

The existing water rates are composed of a fixed monthly meter charge and a volume charge per 1,000 gallons of water usage. Meter charges are the same for all customer classes and vary by meter size. Volume charges are also the same for all customer classes, but vary based on potable or non-potable water usage.

Exhibit 3.3 provides a summary of the existing monthly water rates.

Exhibit 3.3: Existing Monthly Water Rates

Meter Charge	Existing FY 2014
5/8"	\$ 19.39
3/4"	19.39
1"	25.20
1.5"	63.98
2"	102.75
3"	207.45
4"	329.59
6"	639.87
8"	1,033.49
Volume Charge	FY 2014
Potable	
0 - 10,000 Gallons	\$ 1.60
10,001 - 20,000 Gallons	3.15
Over 20,000 Gallons	3.67
Non-Potable	
0 - 10,000 Gallons	1.28
10,001 - 20,000 Gallons	1.28
Over 20,000 Gallons	1.28

C.2 Proposed Water Rates

No rate structure changes were proposed for the water utility. Across the board adjustments – equal increases to the fixed meter charge and variable consumption charges – were implemented for all customer classes. **Exhibit 3.4** provides a summary of the proposed rates for the five-year rate period.

Exhibit 3.4: Proposed Monthly Water Rates

Meter Charge	Existing	Proposed Monthly Rates				
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
5/8"	\$ 19.39	\$ 20.99	\$ 22.72	\$ 24.59	\$ 26.62	\$ 28.82
3/4"	19.39	20.99	22.72	24.59	26.62	28.82
1"	25.20	27.28	29.53	31.97	34.61	37.47
1.5"	63.98	69.26	74.97	81.16	87.86	95.11
2"	102.75	111.23	120.41	130.34	141.09	152.73
3"	207.45	224.56	243.09	263.14	284.85	308.35
4"	329.59	356.78	386.21	418.07	452.56	489.90
6"	639.87	692.66	749.80	811.66	878.62	951.11
8"	1,033.49	1,118.75	1,211.05	1,310.96	1,419.12	1,536.19
Volume Charge	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Potable						
0 - 10,000 Gallons	\$ 1.60	\$ 1.73	\$ 1.87	\$ 2.02	\$ 2.19	\$ 2.37
10,001 - 20,000 Gallons	3.15	3.41	3.69	3.99	4.32	4.68
Over 20,000 Gallons	3.67	3.97	4.30	4.65	5.03	5.44
Non-Potable						
0 - 10,000 Gallons	1.28	1.39	1.50	1.62	1.75	1.89
10,001 - 20,000 Gallons	1.28	1.39	1.50	1.62	1.75	1.89
Over 20,000 Gallons	1.28	1.39	1.50	1.62	1.75	1.89

D. SUMMARY

The analysis described above concludes the rate study for the water utility. After performing a rate revenue analysis it was identified that the revenues at current levels are not sufficient to fund ongoing water system obligations. The shortfall is due to the planned additional O&M adjustments, increased debt service to fund the planned capital project costs, and the new rate funded system reinvestment funding to balance capital funding from rates and debt. As a result, annual increases of 8.25 percent are proposed in FY 2015 through FY 2019.

We recommend that the City revisit the study findings during the annual budget cycle to check that the assumptions used are still appropriate and no significant changes have occurred that would alter the results of the study. One of the key assumptions the City needs to monitor is assumed new growth connections in EDUs. Since growth assumptions impact the level of ongoing revenues as well as impact fee revenue, if growth assumptions deviate significantly from the figures used in the study, the City should recalibrate the analysis.

The detailed technical exhibits developed as part of the water rate study can be found at the end of this report in the Technical Appendix.

SECTION IV: WASTEWATER UTILITY

A. INTRODUCTION

The City of Surprise is the majority wastewater service provider in the Surprise Planning Area. Currently there are approximately 45,900 wastewater customers and a total wastewater treatment capacity of 18.3 MGD from two water reclamation facilities. The City owns and operates the majority of the wastewater infrastructure within its incorporated boundaries.

B. REVENUE REQUIREMENT

Similar to the water utility, a revenue requirement was completed for the wastewater utility and forms the basis for the long-range financial plan and multi-year financial management strategy.

B.1 Operating Forecast

The purpose of the operating forecast is to determine whether the existing rates and charges are sufficient to recover the costs the City incurs to operate, maintain and provide wastewater service. The FY 2014 and FY 2015 budget revenues and expenses formed the baseline for the forecast. Similar to the water utility, the forecast was developed for the FY 2015 through FY 2024 time period, with the focus of this report on the five-year rate setting period of FY 2015 through FY 2019. The following list highlights some of the key assumptions used in the development of the wastewater utility operating forecast.

Reserves

- ◆ **Operating Reserves.** A minimum of 60 days of O&M expenses (\$1.86 million to \$2.13 million, based on existing City target and industry standards).
- ◆ **Capital Contingency Target.** 2.00 percent of plant in service (\$5.35 to \$5.82 million, per discussion with City staff and industry standards).

Operating Revenue

- ◆ **Retail Rate Revenue.** Based on actual detailed customer accounts and usage statistics from the City's billing system for FY 2013.
- ◆ **Non Rate Revenue.** Non rate revenue is not currently in the forecast (based on budget provided by City).
- ◆ **Customer Growth.** City staff provided a five-year forecast of new EDUs by SPA, ranging from 1,065 in FY 2015 to 2,592 in FY 2019. Growth beyond the five-year forecast was based on the five-year average.
- ◆ **Interest Earnings.** 0.50 percent in FY 2015 increasing to 1.00 percent by FY 2017 (based on discussion with City staff).

O&M Expenses

- ◆ **General Cost Inflation.** 3.00 percent per year (based on discussion with City staff).
- ◆ **Construction Cost Inflation.** 3.16 percent per year (based on five-year historical Engineering News Record Construction Cost Index data and discussion with City staff).
- ◆ **Labor Cost Inflation.** 3.00 percent per year (based on discussion with City staff).
- ◆ **Benefit Cost Inflation.** 3.00 percent per year (based on discussion with City staff).
- ◆ **Fuel Cost Inflation.** 4.75 percent per year (based on seven-year historical U.S. Energy Information Administration data and discussion with City staff).
- ◆ **Franchise in Lieu Payment.** Calculated based on 2.00 percent of annual rate revenue (based on discussion with City staff).
- ◆ **PILOT Assessments.** Calculated based on capital assets (with a two year lag to match the County Treasurer's calculation), ARS assessed valuation annual percentage adjusted for fiscal year calculation (decreasing from 18.75 percent in FY 2015 to 18.00 percent in FY 2017) and primary property tax rates (projected to match the FY 2014 value of 0.7783 percent, based on discussion with City staff).
- ◆ **Additional O&M Adjustments.** City staff provided planned future annual O&M adjustments for FY 2015 through FY 2019. Some of the more significant planned adjustments included:
 - Increase in chemical supplies costs (\$250,000 in FY 2015).
 - Additional full time employees (FTEs) and associated supplies (\$114,000 in FY 2017).

Debt Service

- ◆ **Existing Debt.** The wastewater utility currently has two Municipal Property Corporation (MPC) revenue bonds. The annual average debt service payment is \$3.48 million in FY 2015 through FY 2019, not including the balloon payment in FY 2017 of \$10.13 million due to the shape of the loan amortization schedule. The existing amortization schedule contains additional balloon payments of \$16.41 million in FY 2022 and \$26.23 million in FY 2032.
 - Both debt issues are associated with SPA 1 infrastructure and are being paid out of the SPA 1 fund. If the SPA 1 fund does not have sufficient revenue, the Operating Fund pays for the annual deficiency and gets repaid when revenues are available.
 - The MPC loans have a minimum reserve requirement of \$4.00 million to be maintained up to 2.00 percent of plant in service. The analysis tracks annual asset additions and increases the reserve balance as necessary through additional Operating Fund transfers.
 - MPC revenue bonds contain coverage requirements for senior debt of 1.20 and 1.00 for MPC 2007 issue.
- ◆ **New Debt.** No new debt is assumed in the forecast period.

System Reinvestment

- ◆ System reinvestment funding policies aim to ensure system integrity through reinvestment in capital infrastructure. There are a variety of funding benchmarks – utilities most commonly use annual depreciation expense to establish an annual funding provision, which for the City's wastewater utility is approximately \$7.26 to \$7.73 million per year during the five-year period.

- ◆ Since the wastewater utility is not currently funding system reinvestment, the proposed strategy envisions introducing funding at \$4.60 million in FY 2015 increasing up to \$6.30 million in FY 2019. Annual funding is intended to ultimately equal depreciation at a minimum in the future.

System Development Fees

As discussed in the water utility section, all new customers connecting to the City's wastewater system are required to pay an impact fee to "buy-in" to the capacity of the existing system. At the time of the completion of the study, the City was in the process of reassessing its impact fees to stay in compliance with the requirements of Arizona Revised Statutes 9-463.05, which go into effect August 1, 2014. The study assumed the use of the City's existing fees to estimate the annual level of revenues received.

At the time of the study, the City charged all new customers a SPA specific SDF. Each SPA maintained a separate SDF Fund. The analysis assumes that revenues in the funds can only be used to:

- ◆ Pay for SPA specific growth related capital.
- ◆ Reimburse developers for large growth related capital assets constructed for general benefit.
- ◆ Reimburse the Operating Fund if SPA funds are insufficient to cover capital and debt, and the Operating Fund covers the deficiency.

In order to estimate the annual SPA specific impact fee revenues, SPA based growth in EDUs (provided by the City) is multiplied by the associated SDF. Once the annual revenues are calculated, estimates for developer reimbursements (provided by the City) are deducted. The net impact fee revenues go into SPA specific funds.

It should be noted that the annual growth projections generated approximately three times more impact fee revenues than has been achieved in the last three years. If this growth trend does not materialize, the rate study assumptions should be revisited and recalibrated.

B.2 Capital Funding Plan

The wastewater utility is anticipating \$32.49 million in capital costs in FY 2015 through FY 2019, with costs inflated at 3.16 percent per year to date of construction. In addition to the capital costs, SPA 1 has to fund \$24.06 million in MPC debt. The total combined capital improvement program and MPC debt payment schedule coming out of the Operating and SPA Funds is anticipated to be \$56.55 million in FY 2015 through FY 2019. Some of the more significant capital projects include SPA 1 WRF north entrance gate and block wall, SPA 1 influent line hydraulic rehabilitation, Litchfield Road, and wastewater capital asset replacement. The proposed capital funding strategy envisions using a mix of cash balances (including interest) from the Operating Fund, impact fees from the SPA Funds and rate funded system reinvestment. **Exhibit 4.1** provides a summary of the planned capital funding sources for the capital funding expenditures. A detailed capital plan can be found in the Technical Appendix.

Exhibit 4.1: Wastewater Capital Funding Summary

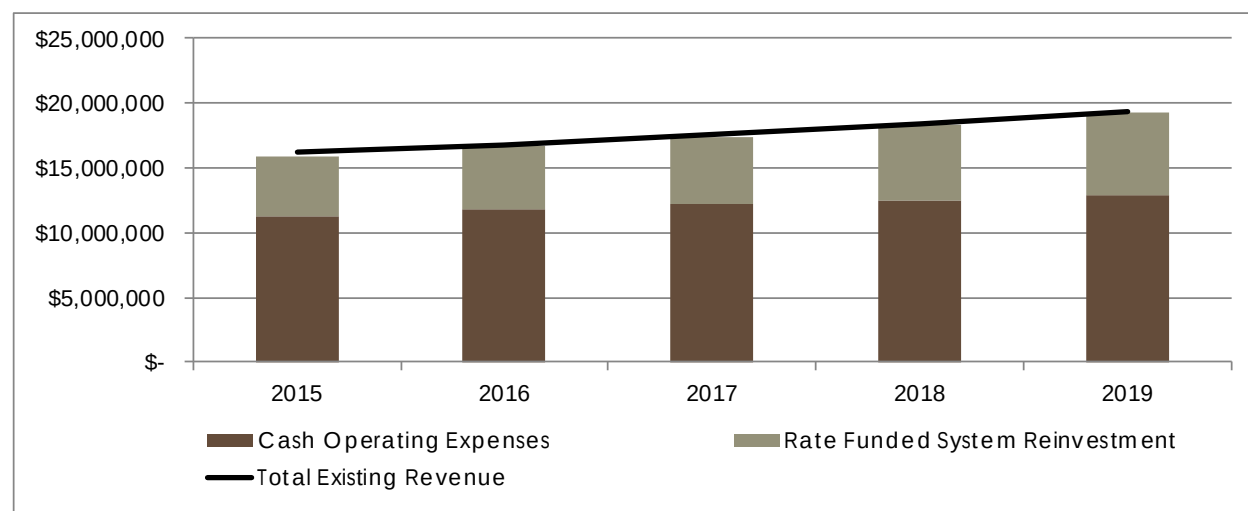
Funding Summary	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
Capital Costs						
Operations Fund Capital	\$ 5,789,226	\$10,570,125	\$ 5,437,124	\$ 523,748	\$ 1,798,796	\$24,119,018
SPA Specific Capital	2,991,742	319,281	-	798,534	4,259,199	8,368,756
Subtotal	\$ 8,780,968	\$10,889,406	\$ 5,437,124	\$ 1,322,282	\$ 6,057,994	\$32,487,774
MPC Bond Payment	3,630,113	3,625,613	10,127,466	3,335,344	3,340,645	24,059,181
Total Capital Costs	\$12,411,080	\$14,515,019	\$15,564,590	\$ 4,657,626	\$ 9,398,640	\$56,546,954
Funding Sources						
Cap. Fund Cash Balances	\$ 4,083,987	\$ 3,837,959	\$ 2,877,925	\$ 3,335,344	\$ 3,340,645	\$17,475,860
SPA Fund Cash Balances	3,727,094	5,877,060	7,486,664	798,534	7,292,648	25,182,000
Rate Funded Capital	4,600,000	4,800,000	5,200,000	523,748	(1,234,653)	13,889,094
Total Capital Funding	\$12,411,080	\$14,515,019	\$15,564,590	\$ 4,657,626	\$ 9,398,640	\$56,546,954

Notes: SPA balances include repayments to the Operating Fund.

B.3 Summary of Revenue Requirement

The operating forecast components of O&M expenses, debt service and rate funded system reinvestment come together to form the multi-year revenue requirement. The revenue requirement compares the overall revenue available to the wastewater system to the expenses to evaluate the sufficiency of rates. **Exhibit 4.2** provides a summary of the wastewater system revenue requirement findings.

Exhibit 4.2: Wastewater Utility Revenue Requirement Summary



Notes: Existing debt is paid for by the SPA 1 Fund.

Summary of wastewater revenue requirement:

- ◆ Current revenue levels are sufficient to meet existing wastewater annual financial obligations throughout the forecast.
- ◆ The wastewater utility is expected to meet its minimum balance and bond coverage requirements in every year of the study period.

C. RATE DESIGN

As discussed in the water utility section, the principal objective of the rate design stage is to implement rate structures that collect the appropriate level of revenue as outlined by the revenue requirement.

C.1 Existing Wastewater Rates

The existing wastewater rates vary by class. All customers pay a monthly base service charge. Commercial customers also pay a volume charge per 1,000 gallons that varies by business type. **Exhibit 4.3** provides a summary of the existing monthly wastewater rates.

Exhibit 4.3: Existing Monthly Wastewater Rates

Class	Existing
	FY 2014
Single Family	\$ 24.78
Multi-Family	21.77
RV Resort	12.47
Commercial	2.63
Volume Charge	FY 2014
Commercial Business Type	
Bakeries	\$ 6.24
Bars w/ Dining	4.98
Bars w/o Dining	3.23
Car wash	2.68
Garage & Service Stations	3.39
Hospitals	3.12
Laundromats	2.90
Medical Offices	3.12
Professional Office	2.74
Restaurants	6.24
Schools	2.79
Other	3.01

Notes: Prepayment discount available.
Strength based rates available for Comm. customers exceeding 150 parts per million of BOD or TSS.

C.2 Proposed Wastewater Rates

No rate structure changes were proposed at this time for the wastewater system. **Exhibit 4.4** provides a summary of monthly wastewater rates for the five-year study period.

Exhibit 4.4: Proposed Monthly Wastewater Rates

Class	Existing	Proposed Monthly Rates				
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Single Family	\$ 24.78	\$ 24.78	\$ 24.78	\$ 24.78	\$ 24.78	\$ 24.78
Multi-Family	21.77	21.77	21.77	21.77	21.77	21.77
RV Resort	12.47	12.47	12.47	12.47	12.47	12.47
Commercial	2.63	2.63	2.63	2.63	2.63	2.63
Volume Charge	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Commercial Business Type						
Bakeries	\$ 6.24	\$ 6.24	\$ 6.24	\$ 6.24	\$ 6.24	\$ 6.24
Bars w/ Dining	4.98	4.98	4.98	4.98	4.98	4.98
Bars w/o Dining	3.23	3.23	3.23	3.23	3.23	3.23
Carwash	2.68	2.68	2.68	2.68	2.68	2.68
Garage & Service Stations	3.39	3.39	3.39	3.39	3.39	3.39
Hospitals	3.12	3.12	3.12	3.12	3.12	3.12
Laundromats	2.90	2.90	2.90	2.90	2.90	2.90
Medical Offices	3.12	3.12	3.12	3.12	3.12	3.12
Professional Office	2.74	2.74	2.74	2.74	2.74	2.74
Restaurants	6.24	6.24	6.24	6.24	6.24	6.24
Schools	2.79	2.79	2.79	2.79	2.79	2.79
Other	3.01	3.01	3.01	3.01	3.01	3.01

Notes: Prepayment discount available.

Strength based rates available for Commercial customers exceeding 150 parts per million of BOD and TSS.

D. SUMMARY

The analysis described above concludes the wastewater utility rate study. After performing a rate revenue analysis it appears that existing rate levels are sufficient to meet total wastewater obligations including operating and capital expenses. The City should monitor key assumptions such as growth in new connections, which impact the increase in existing rate revenues and impact fee revenues on an annual basis. In addition, the City needs to continue accumulating reserve balances to pay for existing debt balloon payments in FY 2022 and FY 2032.

We recommend that the City regularly monitor the financial status of the wastewater utility during the annual budget cycle, adjusting the rate strategy as needed to maintain rates that are adequate to meet the wastewater utility's financial needs. The City needs to complete a pretreatment update, review and incorporate standards for biochemical oxygen demand (BOD) and total suspended solids (TSS) in the next rate study.

The detailed exhibits developed as part of the wastewater rate study can be found in the Technical Appendix at the end of this report.

SECTION V: SANITATION UTILITY

A. INTRODUCTION

The City's sanitation department provides weekly residential curbside garbage and recycling services. Additional services available include household "bulk trash" collection for all residential customers, semi-annual household hazardous waste collection events for all City residents, Christmas tree disposal service, moving box pickup service, and illegal dumping cleanup. There are also four public recycling drop-off locations throughout the City. In 2013, the City won the Voice of the People Award for Excellence in Garbage Collection Services.

B. REVENUE REQUIREMENT

Similar to the other utilities, a revenue requirement was completed for the sanitation utility and forms the basis for the long-range financial plan and multi-year financial management strategy.

B.1 Operating Forecast

The purpose of the operating forecast is to determine whether the existing rates and charges are sufficient to recover the costs the City incurs to operate, maintain, and provide sanitation service. The FY 2014 and FY 2015 budget formed the baseline for this forecast. As discussed in the water and wastewater sections, the forecast was developed for the FY 2015 through FY 2024 time period, with the focus of this report on the five-year rate setting period FY 2015 through FY 2019. The following list highlights some of the key assumptions used in the development of the sanitation operating forecast.

Reserves

- ◆ **Operating Reserves.** A minimum of 60 days of O&M expenses (\$1.09 million to \$1.30 million, based on existing City target).

Operating Revenue

- ◆ **Retail Rate Revenue.** Consists of FY 2014 budgeted service/collection fee revenue, escalated with customer growth (based on budget provided by City).
- ◆ **Non Rate Revenue.** Consists of sanitation roll off fees and sale of recycled material (based on budget provided by City).
- ◆ **Customer Growth.** City staff provided a five-year forecast of new EDUs by SPA, ranging from 1,065 in FY 2015 to 2,592 in FY 2019. Growth beyond the five-year forecast was based on the five-year average.
- ◆ **Interest Earnings.** 0.50 percent in FY 2015 increasing to 1.00 percent by FY 2017 (based on discussion with City staff).

O&M Expenses

- ◆ **General Cost Inflation.** 3.00 percent per year (based on discussion with City staff).
- ◆ **Construction Cost Inflation.** 3.16 percent per year (based on five-year historical Engineering News Record Construction Cost Index data and discussion with City staff).
- ◆ **Labor Cost Inflation.** 3.00 percent per year (based on discussion with City staff).
- ◆ **Benefit Cost Inflation.** 3.00 percent per year (based on discussion with City staff).
- ◆ **Fuel Cost Inflation.** 4.75 percent per year (based on seven-year historical U.S. Energy Information Administration data and discussion with City staff).
- ◆ **Franchise in Lieu Payment.** \$1,000 increase per each new vehicle added (based on discussion with City staff).
- ◆ **PILOT Assessments.** Calculated based on capital assets (with a two year lag to match the County Treasurer's calculation), ARS assessed valuation annual percentage adjusted for fiscal year calculation (decreasing from 18.75 percent in FY 2015 to 18.00 percent in FY 2017) and primary property tax rates (projected to match the FY 2014 value of 0.7783 percent, based on discussion with City staff).
- ◆ **Additional O&M Adjustments.** City staff provided planned future annual O&M adjustments for FY 2015 through FY 2019. Some of the more significant planned adjustments included:
 - New collection and recycling container purchases (\$103,000 in FY 2017).
 - Gas, supplies and truck maintenance from additional truck purchases (\$183,000 in FY 2015 – FY 2019).
 - Additional full time employees (FTEs) and associated supplies (\$349,000 in FY 2015 – FY 2019).

Debt Service

- ◆ **Existing Debt.** The sanitation utility does not currently have any debt service.
- ◆ **New Debt.** No new debt is assumed in the forecast period.

Vehicle and Equipment Funding

- ◆ Similar to the system reinvestment funding concept discussed in the water and wastewater sections annual vehicle and equipment funding policies aim to ensure sufficiency of funds on an annual basis to replace aging vehicles and equipment stocks. By incorporating a level annual target amount to be funded through rates the City can smooth rate impacts during peak replacement years.
- ◆ After reviewing the City's current vehicle and equipment schedule, it appears that the average annual expense is \$2.00 million. The proposed strategy in this study incorporates annual vehicle and equipment replacement funding at \$400,000 in FY 2015 increasing to \$1.30 million by FY 2019. This is intended to ultimately increase to equal the average annual expense of \$2.00 million per year.

B.2 Capital Funding Plan

The sanitation utility is anticipating \$11.36 million in equipment and vehicle replacement as well as capital costs in FY 2015 through FY 2019, with costs inflated 3.16 percent per year to date of construction. Some of the more significant costs include operations vehicle purchases, compressed

natural gas (CNG) fueling station, and sanitation fund's share of the north public works yard. Funding for the capital identified is covered by cash balances (including interest) and capital/equipment reserve funding from rates. No additional funding appears to be necessary. **Exhibit 5.1** provides a summary of the funding sources for the capital/equipment expenditures. A detailed capital plan can be found in the Technical Appendix.

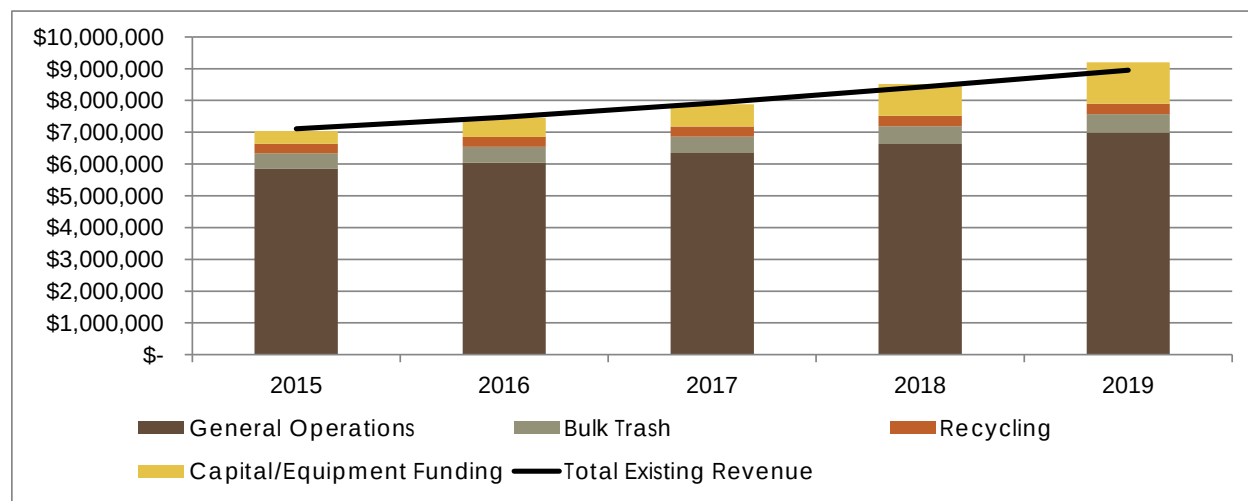
Exhibit 5.1: Sanitation Capital Funding Summary

Funding Summary	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
Total Capital Costs	\$ 2,465,608	\$ 4,750,160	\$ 900,823	\$ 512,840	\$ 2,729,706	\$11,359,136
Funding Sources						
Cash Balances	\$ 2,065,608	\$ 4,150,160	\$ 200,823	\$ -	\$ 1,429,706	\$ 7,846,296
Vehicle/Equip. Funding	400,000	600,000	700,000	512,840	1,300,000	3,512,840
Total Capital Funding	\$ 2,465,608	\$ 4,750,160	\$ 900,823	\$ 512,840	\$ 2,729,706	\$11,359,136

B.3 Summary of Revenue Requirement

The operating forecast for the sanitation utility includes the costs associated with general operations, bulk trash, recycling, and vehicle/equipment funding. All expenses come together to form the multi-year revenue requirement. The revenue requirement compares the overall revenue available to the sanitation utility to the expenses to evaluate the sufficiency of rates on an annual basis. **Exhibit 5.2** provides a summary of the sanitation operation revenue requirement findings. Details can be found in the Technical Appendix.

Exhibit 5.2: Sanitation Revenue Requirement Summary



Summary of sanitation revenue requirement:

- ◆ Revenues at current levels are sufficient to meeting existing obligations through FY 2017.
- ◆ Beginning in FY 2018, current rate revenue levels are not sufficient to meet existing sanitation annual financial obligations; the annual rate deficiency begins at \$92,000 in FY 2018 increasing to \$249,000 in FY 2019. Key drivers for the deficiency include:
 - Vehicle and equipment funding from rates begins in FY 2015 at \$400,000 and increases to \$1.30 million in FY 2019.
 - Additional future O&M cost increases.

- ◆ To meet the total projected financial obligations of the sanitation utility, rate increases are proposed at 2.00 percent in FY 2019.
- ◆ The sanitation operations fund balance remains above or near the 60 day target level during the rate setting period.

C. RATE DESIGN

The sanitation rate design is fairly straightforward. Unlike other operations that charge a combination of fixed and variable charges, all sanitation charges are recovered per garbage can.

C.1 Existing Sanitation Rates

The existing sanitation rates are composed of a fixed monthly charge per garbage can. The City currently has only one customer class for sanitation rates. **Exhibit 5.3** shows the existing monthly sanitation rate.

Exhibit 5.3: Existing Monthly Sanitation Rates

Monthly Base Rate	Existing
	FY 2014
Per Garbage Can	\$ 16.63

Note: Recycling service is included in sanitation rate

C.2 Proposed Sanitation Rates

No rate structure changes were proposed for the sanitation utility. The rate increases are applied equally to each garbage can. **Exhibit 5.4** provides a summary of the proposed rates for the five-year rate period.

Exhibit 5.4: Proposed Monthly Sanitation Rates

Monthly Base Rate	Existing	Proposed Monthly Rates				
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Per Garbage Can	\$ 16.63	\$ 16.63	\$ 16.63	\$ 16.63	\$ 16.63	\$ 16.96

Note: Recycling service is included in sanitation rate

D. SUMMARY

The analysis described above concludes the rate study for the sanitation utility. After performing a rate revenue analysis it was identified that the revenues at current levels are not sufficient to fund ongoing sanitation system obligations. As a result, a rate increase of 2.00 percent is proposed in FY 2019. The City should monitor key assumptions such as growth in new connections, which impacts the increase in existing rate revenues on an annual basis.

We recommend that the City revisit the study findings during the annual budget cycle to check that the assumptions used are still appropriate and no significant changes have occurred that would alter the results of the study. The City should use the study findings as a living document, continuously comparing the study outcomes to actual revenues and expenses. Any significant or unexpected changes will require adjustments to the rate strategy proposed.

The detailed technical exhibits developed as part of the sanitation study can be found in the Technical Appendix.

TECHNICAL APPENDIX: WATER FUND



City of Surprise

Water Utility Rate Study

Summary

Revenue Requirement	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Revenues											
Rate Revenues Under Existing Rates	\$ 10,020,500	\$ 10,262,991	\$ 10,358,476	\$ 10,715,787	\$ 11,068,330	\$ 11,546,697	\$ 11,903,077	\$ 12,259,456	\$ 12,615,835	\$ 12,972,214	\$ 13,328,594
Non-Rate Revenues	66,500	52,832	57,586	71,473	73,844	77,337	82,615	121,750	124,246	126,818	129,448
Total Revenues	\$ 10,087,000	\$ 10,315,823	\$ 10,416,062	\$ 10,787,260	\$ 11,142,175	\$ 11,624,034	\$ 11,985,692	\$ 12,381,206	\$ 12,740,081	\$ 13,099,032	\$ 13,458,042
Expenses											
Cash Operating Expenses	\$ 8,204,000	\$ 8,977,788	\$ 9,788,150	\$ 10,267,802	\$ 11,085,740	\$ 13,322,945	\$ 13,847,615	\$ 14,392,573	\$ 14,983,200	\$ 15,609,956	\$ 16,217,549
Existing Debt Service	-	-	-	-	-	-	-	-	-	-	-
New Debt Service	-	-	726,006	726,006	726,006	726,006	4,393,218	4,393,218	4,393,218	4,393,218	4,393,218
Rate Funded System Reinvestment	-	700,000	700,000	700,000	700,000	700,000	700,000	1,500,000	2,300,000	2,800,000	3,200,000
Total Expenses	\$ 8,204,000	\$ 9,677,788	\$ 11,214,156	\$ 11,693,808	\$ 12,511,746	\$ 14,748,951	\$ 18,940,833	\$ 20,285,791	\$ 21,676,418	\$ 22,803,174	\$ 23,810,767
Net Surplus (Deficiency)	\$ 1,883,000	\$ 638,035	\$ (798,094)	\$ (906,548)	\$ (1,369,571)	\$ (3,124,917)	\$ (6,955,142)	\$ (7,904,585)	\$ (8,936,336)	\$ (9,704,142)	\$ (10,352,725)
Additions to Meet Coverage	-	-	-	-	-	-	-	-	-	-	-
Total Surplus (Deficiency)	\$ 1,883,000	\$ 638,035	\$ (798,094)	\$ (906,548)	\$ (1,369,571)	\$ (3,124,917)	\$ (6,955,142)	\$ (7,904,585)	\$ (8,936,336)	\$ (9,704,142)	\$ (10,352,725)
% of Rate Revenue	0.00%	0.00%	7.70%	8.46%	12.37%	27.06%	58.43%	64.48%	70.83%	74.81%	77.67%
Annual Rate Adjustment	0.00%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	4.00%	4.00%	2.00%	2.00%
Cumulative Annual Rate Adjustment	0.00%	8.25%	17.18%	26.85%	37.31%	48.64%	60.90%	67.34%	74.03%	77.51%	81.06%
Rate Revenues After Rate Increase	\$ 10,020,500	\$ 11,109,687	\$ 12,138,127	\$ 13,592,765	\$ 15,198,255	\$ 17,163,162	\$ 19,152,552	\$ 20,515,021	\$ 21,955,843	\$ 23,027,585	\$ 24,133,415
Additional Taxes from Rate Increase	\$ -	\$ 16,934	\$ 35,593	\$ 57,540	\$ 82,598	\$ 112,329	\$ 144,990	\$ 165,111	\$ 186,800	\$ 201,107	\$ 216,096
Net Cash Flow After Rate Increase	1,883,000	1,467,797	945,964	1,912,890	2,677,755	2,379,219	149,345	185,869	216,871	150,121	236,000
Coverage After Rate Increases	n/a	n/a	4.09	5.70	6.84	6.74	1.45	1.70	1.84	1.94	2.07
Sample Residential Monthly Bill*	\$ 33.79	\$ 36.58	\$ 39.60	\$ 42.87	\$ 46.41	\$ 50.24	\$ 54.38	\$ 56.56	\$ 58.82	\$ 60.00	\$ 61.20
Monthly Average Increase (\$)	\$ -	\$ 2.79	\$ 3.02	\$ 3.27	\$ 3.54	\$ 3.83	\$ 4.14	\$ 2.18	\$ 2.26	\$ 1.18	\$ 1.20

*3/4 Meter, 9,000 Gallons Potable



City of Surprise

Water Utility Rate Study

Summary

Fund Balance	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
WATER OPERATIONS FUND											
Beginning Balance	\$ 2,673,144	\$ 1,348,603	\$ 1,475,801	\$ 1,609,011	\$ 1,687,858	\$ 1,822,313	\$ 2,190,073	\$ 2,276,320	\$ 2,365,902	\$ 2,462,992	\$ 2,566,020
plus: Net Cash Flow after Rate Increase	1,883,000	1,467,797	945,964	1,912,890	2,677,755	2,379,219	149,345	185,869	216,871	150,121	236,000
less: Transfer of Surplus to Capital Fund	(3,207,542)	(1,340,599)	(812,753)	(1,834,043)	(2,543,300)	(2,011,459)	(63,097)	(96,287)	(119,782)	(47,093)	(136,122)
Ending Balance	\$ 1,348,603	\$ 1,475,801	\$ 1,609,011	\$ 1,687,858	\$ 1,822,313	\$ 2,190,073	\$ 2,276,320	\$ 2,365,902	\$ 2,462,992	\$ 2,566,020	\$ 2,665,899
Target Balance	\$ 1,348,603	\$ 1,475,801	\$ 1,609,011	\$ 1,687,858	\$ 1,822,313	\$ 2,190,073	\$ 2,276,320	\$ 2,365,902	\$ 2,462,992	\$ 2,566,020	\$ 2,665,899
Days	60	60	60	60	60	60	60	60	60	60	60
OPERATIONS FUND - CAPITAL PORTION											
Beginning Balance	\$ -	\$ 3,176,947	\$ 2,607,105	\$ 3,456,640	\$ 2,205,520	\$ 2,958,607	\$ 4,166,653	\$ 27,645,373	\$ 255,685	\$ 148,025	\$ 3,532,554
plus: Rate Funded System Reinvestment	-	700,000	700,000	700,000	700,000	700,000	700,000	1,500,000	2,300,000	2,800,000	3,200,000
plus: Transfers from Operating Fund	3,207,542	1,340,599	812,753	1,834,043	2,543,300	2,011,459	63,097	96,287	119,782	47,093	136,122
plus: Grants/ Donations/ CIAC	-	-	-	-	-	-	-	-	-	-	-
plus: Additional Proceeds (Costs)	-	-	-	-	-	-	-	-	-	-	-
plus: Transfers from SPA Funds for Deficit Repayment	-	-	-	-	-	1,240,446	61,276	-	56,266	880,074	880,074
plus: System Development Fee - Dual Water	-	-	-	-	-	-	-	-	-	-	-
plus: Net Debt Proceeds Available for Projects	-	-	8,000,000	-	-	-	39,500,000	-	-	-	-
plus: Interest Earnings	-	15,885	19,553	34,566	22,055	29,586	41,667	276,454	2,557	1,480	35,326
Total Funding Sources	\$ 3,207,542	\$ 5,233,431	\$ 12,139,411	\$ 6,025,250	\$ 5,470,875	\$ 6,940,099	\$ 44,532,693	\$ 29,518,113	\$ 2,734,289	\$ 3,876,672	\$ 7,784,075
less: Capital Expenditures	-	(2,510,267)	(7,046,455)	(3,709,936)	(1,621,987)	(2,773,445)	(6,849,843)	(2,173,822)	(608,117)	(344,118)	(3,939,869)
less: Transfers to SPA Funds	(30,595)	(116,059)	(1,636,316)	(109,794)	(890,280)	-	(10,037,477)	(27,088,606)	(1,978,147)	-	-
Ending Working Capital Balance	\$ 3,176,947	\$ 2,607,105	\$ 3,456,640	\$ 2,205,520	\$ 2,958,607	\$ 4,166,653	\$ 27,645,373	\$ 255,685	\$ 148,025	\$ 3,532,554	\$ 3,844,205
Minimum Target Balance	\$ 2,058,053	\$ 2,208,232	\$ 2,392,871	\$ 2,474,228	\$ 2,529,865	\$ 2,600,851	\$ 3,039,698	\$ 3,700,003	\$ 3,781,803	\$ 3,788,686	\$ 3,867,483
COMBINED BEGINNING BALANCE	\$ 2,673,144	\$ 4,525,549	\$ 4,082,906	\$ 5,065,651	\$ 3,893,378	\$ 4,780,921	\$ 6,356,726	\$ 29,921,693	\$ 2,621,587	\$ 2,611,017	\$ 6,098,574
COMBINED ENDING BALANCE	\$ 4,525,549	\$ 4,082,906	\$ 5,065,651	\$ 3,893,378	\$ 4,780,921	\$ 6,356,726	\$ 29,921,693	\$ 2,621,587	\$ 2,611,017	\$ 6,098,574	\$ 6,510,104



City of Surprise

Water Utility Rate Study

Summary

SPA Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Water System Dev Fee Fund SPA 1											
Beginning Balance	\$ 3,670,905	\$ 3,307,105	\$ 2,623,605	\$ 2,141,751	\$ 2,820,751	\$ 3,288,179	\$ 3,755,405	\$ 2,946,493	\$ 1,679,758	\$ 2,593,122	\$ 4,195,582
Ending Balance	\$ 3,307,105	\$ 2,623,605	\$ 2,141,751	\$ 2,820,751	\$ 3,288,179	\$ 3,755,405	\$ 2,946,493	\$ 1,679,758	\$ 2,593,122	\$ 4,195,582	\$ 5,814,066
Amount Owed to Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water System Dev Fee Fund SPA 2											
Beginning Balance	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount Owed to Capital Fund	\$ 13,463	\$ 129,522	\$ 1,765,838	\$ 1,765,838	\$ 1,806,614	\$ 566,169	\$ 10,603,646	\$ 26,556,072	\$ 28,534,219	\$ 27,710,411	\$ 26,886,602
Water System Dev Fee Fund SPA 3											
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount Owed to Capital Fund	\$ 4,970	\$ 4,970	\$ 4,970	\$ 114,764	\$ 964,268	\$ 964,268	\$ 908,002	\$ 12,044,183	\$ 11,987,918	\$ 11,931,652	\$ 11,875,386
Water System Dev Fee Fund SPA 4											
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount Owed to Capital Fund	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970
Water System Dev Fee Fund SPA 5											
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount Owed to Capital Fund	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970
Water System Dev Fee Fund SPA 6											
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount Owed to Capital Fund	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970
Water Resources System Dev SPA 1											
Beginning Balance	\$ 3,673,893	\$ 4,002,493	\$ 1,309,087	\$ 1,370,268	\$ 2,360,610	\$ 3,148,515	\$ 4,076,758	\$ 3,159,310	\$ 4,040,893	\$ 4,931,291	\$ 5,830,594
Ending Balance	\$ 4,002,493	\$ 1,309,087	\$ 1,370,268	\$ 2,360,610	\$ 3,148,515	\$ 4,076,758	\$ 3,159,310	\$ 4,040,893	\$ 4,931,291	\$ 5,830,594	\$ 6,738,889
Amount Owed to Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Resources System Dev SPA 2											
Beginning Balance	\$ 350,469	\$ 347,069	\$ 401,474	\$ 519,529	\$ 657,888	\$ 871,399	\$ 1,214,090	\$ 1,394,588	\$ 1,576,891	\$ 1,761,017	\$ 1,946,984
Ending Balance	\$ 347,069	\$ 401,474	\$ 519,529	\$ 657,888	\$ 871,399	\$ 1,214,090	\$ 1,394,588	\$ 1,576,891	\$ 1,761,017	\$ 1,946,984	\$ 2,134,811
Amount Owed to Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Resources System Dev SPA 3											
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,489	\$ 18,052	\$ 29,732	\$ 41,528
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,489	\$ 18,052	\$ 29,732	\$ 41,528	\$ 53,442
Amount Owed to Capital Fund	\$ 5,010	\$ 5,010	\$ 5,010	\$ 5,010	\$ 5,010	\$ 5,010	\$ 5,010	\$ -	\$ -	\$ -	\$ -
Water Resources System Dev SPA 4											
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount Owed to Capital Fund	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011



City of Surprise

Water Utility Rate Study

Summary

SPA Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Water Resources System Dev SPA 5											
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount Owed to Capital Fund	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011
Water Resources System Dev SPA 6											
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount Owed to Capital Fund	\$ 4,763	\$ 4,763	\$ 4,763	\$ 4,763	\$ 4,763	\$ 4,763	\$ 4,763	\$ 4,763	\$ 4,763	\$ 4,763	\$ 4,763



City of Surprise

Water Utility Rate Study

Assumptions

July 2013 - June 2014

Economic & Financial Factors		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
1	General Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
2	Construction Cost Inflation	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%
3	Labor Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
4	Benefit Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
5	Customer Growth	0.90%	2.42%	0.93%	3.45%	3.29%	4.32%	3.09%	2.99%	2.91%	2.82%	2.75%
6	General Inflation plus Growth	3.93%	5.49%	3.96%	6.55%	6.39%	7.45%	6.18%	6.08%	5.99%	5.91%	5.83%
7	No Escalation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	PILOT	8.89%	-7.90%	-1.61%	5.83%	8.36%	3.40%	2.25%	2.81%	16.87%	21.72%	2.21%
9	Franchise In Lieu Payment	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
10	Fuel Cost Escalation	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
11	[Extra]	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Fund Earnings	0.25%	0.50%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
	Local / State Tax	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Other Tax	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Accounting Assumptions		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
FISCAL POLICY RESTRICTIONS												
	Min. Op. Fund Balance (days of O&M expense)	60	60	60	60	60	60	60	60	60	60	60
	Max. Op. Fund Balance (days of O&M expense)	60	60	60	60	60	60	60	60	60	60	60
	Minimum Capital Fund Balance Target											
	Select Minimum Capital Fund Balance Target	1	Defined as % of Plant									
	1 - Defined as % of Plant											
	Plant-in-Service in 2013	\$ 101,793,149										
	Minimum Capital Fund Balance - % of plant assets	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
	2 - Amount at Right ==>	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ -
RATE FUNDED SYSTEM REINVESTMENT												
	Select Reinvestment Funding Strategy	3	User Input									
	Amount of Annual Cash Funding from Rates											
	1 - Equal to Annual Depreciation Expense	\$ 2,800,529	\$ 2,950,708	\$ 3,134,878	\$ 3,214,150	\$ 3,269,787	\$ 3,338,717	\$ 3,771,753	\$ 4,432,057	\$ 4,513,858	\$ 4,520,740	\$ 4,599,538
	2 - Equal to Depreciation less Annual Debt Principal Payments	2,800,529	2,950,708	2,873,964	2,939,537	2,980,757	3,034,513	2,194,719	2,769,087	2,760,267	2,671,588	2,649,615
	3 - Equal to Amount at Right ==>	-	700,000	700,000	700,000	700,000	700,000	700,000	1,500,000	2,300,000	2,800,000	3,200,000
	4 - Do Not Fund Depreciation		1,467,797	945,964	1,912,890	2,677,755	2,379,219	149,345	185,869	216,871	150,121	236,000



City of Surprise

Water Utility Rate Study

Assumptions

July 2013 - June 2014

Capital Financing Assumptions		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
System Development Fee (SDF)												
Drinking Water SDF in SPA 1	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895
Drinking Water SDF in SPA 2	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895
Drinking Water SDF in SPA 3	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895	\$ 3,895
Water Replenishment SDF in SPA 1	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100
Water Replenishment SDF in SPA 2	\$ 796	\$ 796	\$ 796	\$ 796	\$ 796	\$ 796	\$ 796	\$ 796	\$ 796	\$ 796	\$ 796	\$ 796
Water Replenishment SDF in SPA 3	\$ 796	\$ 796	\$ 796	\$ 796	\$ 796	\$ 796	\$ 796	\$ 796	\$ 796	\$ 796	\$ 796	\$ 796
Dual Water SDF	\$ 3,923	\$ 3,923	\$ 3,923	\$ 3,923	\$ 3,923	\$ 3,923	\$ 3,923	\$ 3,923	\$ 3,923	\$ 3,923	\$ 3,923	\$ 3,923
Drinking Water SDF - SPA 1												
Total Equivalent Dwelling Units (Estimate)	16,493	16,856	16,880	17,345	17,709	18,136	18,541	18,946	19,350	19,755	20,160	
Additional Equivalent Dwelling Units Per Year	339	363	24	465	364	427	405	405	405	405	405	
Drinking Water SDF - SPA 1 Revenue	\$ 1,320,800	\$ 1,413,816	\$ 95,266	\$ 1,811,434	\$ 1,417,593	\$ 1,663,271	\$ 1,576,528	\$ 1,576,528	\$ 1,576,528	\$ 1,576,528	\$ 1,576,528	\$ 1,576,528
Drinking Water SDF - SPA 1 Revenue to City	\$ 660,400	\$ 706,908	\$ 47,633	\$ 905,717	\$ 708,796	\$ 831,636	\$ 1,576,528	\$ 1,576,528	\$ 1,576,528	\$ 1,576,528	\$ 1,576,528	\$ 1,576,528
Drinking Water SDF - SPA 2												
Total Equivalent Dwelling Units (Estimate)	898	964	1,108	1,276	1,536	1,955	2,167	2,378	2,590	2,801	3,013	
Additional Equivalent Dwelling Units Per Year	-	66	145	167	260	420	212	212	212	212	212	
Drinking Water SDF - SPA 2 Revenue	\$ -	\$ 257,727	\$ 562,934	\$ 651,595	\$ 1,012,566	\$ 1,634,219	\$ 823,808	\$ 823,808	\$ 823,808	\$ 823,808	\$ 823,808	\$ 823,808
Drinking Water SDF - SPA 2 Revenue to City	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,619,041	\$ 823,808	\$ 823,808	\$ 823,808	\$ 823,808	\$ 823,808	\$ 823,808
Drinking Water SDF - SPA 3												
Total Equivalent Dwelling Units (Estimate)	-	-	-	-	-	-	14	29	43	58	72	
Additional Equivalent Dwelling Units Per Year	-	-	-	-	-	-	14	14	14	14	14	
Drinking Water SDF - SPA 3 Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,266	\$ 56,266	\$ 56,266	\$ 56,266	\$ 56,266	\$ 56,266
Water Replenishment SDF - SPA 1												
Total Equivalent Dwelling Units (Estimate)	16,493	16,856	16,880	17,345	17,709	18,136	18,541	18,946	19,350	19,755	20,160	
Additional Equivalent Dwelling Units Per Year	138	363	24	465	364	427	405	405	405	405	405	
Water Replenishment SDF - SPA 1 Revenue	\$ 290,000	\$ 762,263	\$ 51,363	\$ 976,639	\$ 764,299	\$ 896,757	\$ 849,990	\$ 849,990	\$ 849,990	\$ 849,990	\$ 849,990	\$ 849,990
Water Replenishment SDF - SPA 2												
Total Equivalent Dwelling Units (Estimate)	898	964	1,108	1,276	1,536	1,955	2,167	2,378	2,590	2,801	3,013	
Additional Equivalent Dwelling Units Per Year	-	66	145	167	260	420	212	212	212	212	212	
Water Replenishment SDF - SPA 2 Revenue	\$ -	\$ 52,670	\$ 115,044	\$ 133,163	\$ 206,933	\$ 333,976	\$ 168,357	\$ 168,357	\$ 168,357	\$ 168,357	\$ 168,357	\$ 168,357
Water Replenishment SDF - SPA 3												
Total Equivalent Dwelling Units (Estimate)	-	-	-	-	-	-	14	29	43	58	72	
Additional Equivalent Dwelling Units Per Year	-	-	-	-	-	-	14	14	14	14	14	
Water Replenishment SDF - SPA 3 Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,499	\$ 11,499	\$ 11,499	\$ 11,499	\$ 11,499	\$ 11,499
Dual Water SDF												
Total Equivalent Dwelling Units (Estimate)	-	-	-	-	-	-	-	-	-	-	-	
Additional Equivalent Dwelling Units Per Year	-	-	-	-	-	-	-	-	-	-	-	
Dual Water SDF Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total SDF Revenue	\$ 950,400	\$ 1,521,841	\$ 214,040	\$ 2,015,519	\$ 1,680,028	\$ 3,681,411	\$ 3,486,448	\$ 3,486,448	\$ 3,486,448	\$ 3,486,448	\$ 3,486,448	\$ 3,486,448



City of Surprise Water Utility Rate Study Assumptions

July 2013 - June 2014

Capital Financing Assumptions (Cont'd)											
	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
FUNDING SOURCES											
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Proceeds (Costs)											
[Extra line]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
[Extra line]	-	-	-	-	-	-	-	-	-	-	-
[Extra line]	-	-	-	-	-	-	-	-	-	-	-
[Extra line]	-	-	-	-	-	-	-	-	-	-	-
[Extra line]	-	-	-	-	-	-	-	-	-	-	-
Total Additional Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUE BONDS											
Term (years)	20	20	20	20	20	20	20	20	20	20	20
Interest Cost	5.25%	5.25%	5.25%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Issuance Cost	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Revenue Bond Coverage Requirement	1.25										
OTHER LOANS											
Term (years)	20	20	20	20	20	20	20	20	20	20	20
Interest Cost	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
OTHER LOW INTEREST LOANS											
Term (years)	20	20	20	20	20	20	20	20	20	20	20
Interest Cost	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Issuance Cost	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Other Assumptions			FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Customer Growth																
Projected Rate Revenue			10,046,000	10,020,500	10,081,900	10,182,200	10,313,800	10,438,700								
Projected New Equivalent Dwelling Units (EDUs)																
SPA 1					158	363	24	465	364	427						
SPA 2					-	66	145	167	260	420						
SPA 3					-	7	5	6	47	7						
Total New EDUs					158	436	174	638	671	854						
Cumulative EDUs			17,576		17,734	18,170	18,344	18,982	19,653	20,507						
EDU Growth Rate					0.90%	2.46%	0.96%	3.48%	3.53%	4.35%						
Projected New Equivalent Dwelling Units (EDUs)			100.00%	of Original Growth Projections for SPA 1 & 2							Based on previous 4-5 year average growth projections					
SPA 1					158	363	24	465	364	427	405	405	405	405	405	405
SPA 2					-	66	145	167	260	420	212	212	212	212	212	212
SPA 3					-	-	-	-	-	-	14	14	14	14	14	14
Total New EDUs					158	429	169	632	624	847	631	631	631	631	631	631
Cumulative EDUs			17,576		17,734	18,163	18,332	18,964	19,588	20,435	21,066	21,696	22,327	22,958	23,588	23,588
EDU Growth Rate					0.90%	2.42%	0.93%	3.45%	3.29%	4.32%	3.09%	2.99%	2.91%	2.82%	2.82%	2.75%
PILOT Tax Components																
Capital Assets			101,585,037	107,653,232	101,793,149	102,902,649	110,411,600	119,643,535	123,711,399	126,493,242	130,042,574	151,984,903	185,000,133	189,090,167	189,434,286	193,374,155
ARS Assessed Valuation Annual Year Percentage			20.00%		19.50%	19.00%	18.50%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
ARS Assessed Valuation Fiscal Year Percentage					19.75%	19.25%	18.75%	18.25%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
Primary Property Tax Rate					0.7383%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%
Payment in Lieu of Taxes					\$ 148,125	\$ 161,289	\$ 148,548	\$ 146,163	\$ 154,680	\$ 167,613	\$ 173,312	\$ 177,209	\$ 182,182	\$ 212,922	\$ 259,174	\$ 264,904



City of Surprise

Water Utility Rate Study

Assumptions

July 2013 - June 2014

Meter	FY2013	Factor	2013 EDUs	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
5/8"	4,709	1.0	4,709	228	692	235	763	774	916					
3/4"	6,801	1.0	6,801											
1"	2,685	1.3	3,491	61	70	71	90	93	99					
1.5"	157	3.3	518											
2"	298	5.3	1,579	68	74	73	95	93	99					
3"	19	10.7	203	18	21	21	27	28	29					
4"	6	17.0	102											
6"	2	33.0	66											
8"	2	53.3	107											
Total	14,679		17,576	376	857	399	975	987	1,143	-	-	-	-	-
Blank Accounts	60		Weighted EDUs	865	1,400	938	1,672	1,682	1,883	-	-	-	-	-

Notes:

1. Assumes all Single Family are 5/8".
2. Adjusted 3/4" meter factor of 1.5 to 1.0 to keep all SF the same
3. Based on comment in growth projections, MF accounts are assumed to be at 2".
4. Based on comment in growth projections, of the Non Residential figures, 87% are between 1"-2" with 50% being 2". The remaining are assumed at 3".
5. Factor based on Capacity Ratio used in 2006 Drinking Water System Development Fee Study

Meter	FY2013	Factor	2013 EDUs	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
5/8"	4,709	1.0	4,709	4,937	5,629	5,864	6,627	7,401	8,317	8,317	8,317	8,317	8,317	8,317
3/4"	6,801	1.0	6,801	6,801	6,801	6,801	6,801	6,801	6,801	6,801	6,801	6,801	6,801	6,801
1"	2,685	1.3	3,491	3,570	3,661	3,753	3,870	3,991	4,119	4,119	4,119	4,119	4,119	4,119
1.5"	157	3.3	518	518	518	518	518	518	518	518	518	518	518	518
2"	298	5.3	1,579	1,941	2,334	2,719	3,223	3,714	4,237	4,237	4,237	4,237	4,237	4,237
3"	19	10.7	203	399	623	849	1,137	1,434	1,749	1,749	1,749	1,749	1,749	1,749
4"	6	17.0	102	102	102	102	102	102	102	102	102	102	102	102
6"	2	33.0	66	66	66	66	66	66	66	66	66	66	66	66
8"	2	53.3	107	107	107	107	107	107	107	107	107	107	107	107
Total	14,679		17,576	18,441	19,841	20,779	22,451	24,133	26,015	26,015	26,015	26,015	26,015	26,015
Growth				4.92%	7.59%	4.73%	8.05%	7.49%	7.80%	0.00%	0.00%	0.00%	0.00%	0.00%



City of Surprise

Water Utility Rate Study

Operating Revenue and Expenditure Forecast

				Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Revenues		FORECAST BASIS		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Rate Revenues															
31434	Service/Collection Fees	5	Customer Growth	\$ 9,993,507	\$ 10,020,500	\$ 10,262,991	\$ 10,358,476	\$ 10,715,787	\$ 11,068,330	\$ 11,546,697	\$ 11,903,077	\$ 12,259,456	\$ 12,615,835	\$ 12,972,214	\$ 13,328,594
	[Extra]	7	No Escalation	-	-	-	-	-	-	-	-	-	-	-	-
Total Rate Revenue				\$ 9,993,507	\$ 10,020,500	\$ 10,262,991	\$ 10,358,476	\$ 10,715,787	\$ 11,068,330	\$ 11,546,697	\$ 11,903,077	\$ 12,259,456	\$ 12,615,835	\$ 12,972,214	\$ 13,328,594
Non-Rate Revenues															
31456	Water Meter Installation	5	Customer Growth	\$ 42,990	\$ 45,000	\$ 46,089	\$ 46,518	\$ 48,122	\$ 49,706	\$ 51,854	\$ 53,454	\$ 55,055	\$ 56,655	\$ 58,256	\$ 59,856
31461	Revenue Recovery-Utility Bill	7	No Escalation	866	-	-	-	-	-	-	-	-	-	-	-
31543	Federal Grant Revenue	7	No Escalation	38,029	-	-	-	-	-	-	-	-	-	-	-
31813	Interest Income	7	No Escalation	29,701	-	-	-	-	-	-	-	-	-	-	-
31816	Unrealized Gain/Loss	7	No Escalation	(24,304)	-	-	-	-	-	-	-	-	-	-	-
31991	Miscellaneous Revenue	7	No Escalation	(2,551)	-	-	-	-	-	-	-	-	-	-	-
31993	Recovery of Prior Year Exp.	7	No Escalation	38	-	-	-	-	-	-	-	-	-	-	-
31417	Eng. Plan Check Fees	7	No Escalation	7,600	-	-	-	-	-	-	-	-	-	-	-
	[Extra]	7	No Escalation	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Rate Revenues				\$ 92,369	\$ 45,000	\$ 46,089	\$ 46,518	\$ 48,122	\$ 49,706	\$ 51,854	\$ 53,454	\$ 55,055	\$ 56,655	\$ 58,256	\$ 59,856
TOTAL REVENUES				\$ 10,085,877	\$ 10,065,500	\$ 10,309,080	\$ 10,404,994	\$ 10,763,910	\$ 11,118,036	\$ 11,598,551	\$ 11,956,531	\$ 12,314,511	\$ 12,672,490	\$ 13,030,470	\$ 13,388,450

			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
242 Community Development															
213 Economic Development															
Contractual Services															
38994	Developer Reimbursement - Surprise Point	1	General Cost Inflation	25,161	30,000	30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143
641 Water															
111 Administration															
Transfers Out															
34011	Franchise in lieu payment		Calculated	215,771	200,400	200,400	207,170	214,316	221,367	230,934	238,062	245,189	252,317	259,444	266,572
34021	Indirect costs - general fund personnel	1	General Cost Inflation	1,453,900	1,244,100	1,244,100	1,281,423	1,319,866	1,359,462	1,400,246	1,442,253	1,485,520	1,530,086	1,575,989	1,623,268
34031	Payments in lieu of property tax (PILOT)		Calculated	139,895	153,900	153,900	146,163	154,680	167,613	173,312	177,209	182,182	212,922	259,174	264,904
Personnel/Salaries															
36111	Full Time Salaries	3	Labor Cost Inflation	250,817	-	-	-	-	-	-	-	-	-	-	-
36113	Overtime Compensation	3	Labor Cost Inflation	-	1,000	-	-	-	-	-	-	-	-	-	-
36115	Holidays	3	Labor Cost Inflation	3,095	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	3	Labor Cost Inflation	46,193	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	3	Labor Cost Inflation	1,763	-	-	-	-	-	-	-	-	-	-	-
36211	FICA	3	Labor Cost Inflation	24,199	100	-	-	-	-	-	-	-	-	-	-
36231	Medical	4	Benefit Cost Inflation	22,708	-	-	-	-	-	-	-	-	-	-	-
36232	Dental	4	Benefit Cost Inflation	2,209	-	-	-	-	-	-	-	-	-	-	-
36233	Vision	4	Benefit Cost Inflation	361	-	-	-	-	-	-	-	-	-	-	-
36234	Life	4	Benefit Cost Inflation	1,382	-	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	4	Benefit Cost Inflation	35,537	100	-	-	-	-	-	-	-	-	-	-
36255	Post Emp. Health Plan	4	Benefit Cost Inflation	2,693	-	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	4	Benefit Cost Inflation	2,906	-	-	-	-	-	-	-	-	-	-	-
Commodities/Supplies															
37111	Office Supplies	1	General Cost Inflation	327	1,500	-	-	-	-	-	-	-	-	-	-
37112	Computer Supplies	1	General Cost Inflation	518	1,800	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	1	General Cost Inflation	395	-	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	1	General Cost Inflation	189	-	-	-	-	-	-	-	-	-	-	-
37162	Furn, Fixture, & Office Equip <\$10,000	1	General Cost Inflation	499	1,000	-	-	-	-	-	-	-	-	-	-
37192	Awards & Recognition	1	General Cost Inflation	205	-	-	-	-	-	-	-	-	-	-	-
Contractual Services															
38199	Other Prof/Tech Services	1	General Cost Inflation	10,368	11,600	11,600	11,948	12,306	12,676	13,056	13,448	13,851	14,267	14,695	15,135
38217	Postage & Mailings	1	General Cost Inflation	59	100	-	-	-	-	-	-	-	-	-	-
38411	Water Delivery Service Contracts	1	General Cost Inflation	1,338,408	1,330,000	1,330,000	1,369,900	1,410,997	1,453,327	1,496,927	1,541,835	1,588,090	1,635,732	1,684,804	1,735,348
38912	Risk Insurance Premium	1	General Cost Inflation	150,600	150,600	150,600	155,118	159,772	164,565	169,502	174,587	179,824	185,219	190,776	196,499
38922	Travel & Training	1	General Cost Inflation	415	3,500	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	1	General Cost Inflation	383	1,000	-	-	-	-	-	-	-	-	-	-
38999	Outside Services	1	General Cost Inflation	-	200	-	-	-	-	-	-	-	-	-	-
Capital															
39999	Contingency	1	General Cost Inflation	-	-	-	-	-	-	-	-	-	-	-	-



City of Surprise

Water Utility Rate Study

Operating Revenue and Expenditure Forecast

			Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	
Expenses			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
112	General Operations														
	Personnel/Salaries														
36111	Full Time Salaries	3	Labor Cost Inflation	471,563	723,600	728,507	936,750	964,852	993,798	1,023,612	1,054,320	1,085,950	1,118,528	1,152,084	1,186,647
36113	Overtime Compensation	3	Labor Cost Inflation	31,240	20,000	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
36115	Holidays	3	Labor Cost Inflation	24,802	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	3	Labor Cost Inflation	88,399	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	3	Labor Cost Inflation	4,210	4,800	4,800	4,944	5,092	5,245	5,402	5,565	5,731	5,903	6,080	6,263
36211	FICA	3	Labor Cost Inflation	46,727	57,300	55,731	57,403	59,125	60,899	62,726	64,608	66,546	68,542	70,598	72,716
36231	Medical	4	Benefit Cost Inflation	71,614	134,100	90,667	93,387	96,189	99,074	102,047	105,108	108,261	111,509	114,854	118,300
36232	Dental	4	Benefit Cost Inflation	4,618	7,800	5,288	5,447	5,610	5,778	5,952	6,130	6,314	6,504	6,699	6,900
36233	Vision	4	Benefit Cost Inflation	840	1,300	942	970	999	1,029	1,060	1,092	1,125	1,159	1,193	1,229
36234	Life	4	Benefit Cost Inflation	2,759	3,200	3,200	3,296	3,395	3,497	3,602	3,710	3,821	3,936	4,054	4,175
36252	AZ State Retirement	4	Benefit Cost Inflation	64,213	86,400	84,070	86,592	89,190	91,866	94,622	97,460	100,384	103,395	106,497	109,692
36278	Workers Compensation	4	Benefit Cost Inflation	12,628	16,200	21,639	22,288	22,957	23,646	24,355	25,086	25,838	26,613	27,412	28,234
	Commodities/Supplies														
37111	Office Supplies	1	General Cost Inflation	983	900	500	727	749	771	795	818	843	868	894	921
37112	Computer Supplies	1	General Cost Inflation	1,615	500	2,000	2,166	2,231	2,298	2,367	2,438	2,511	2,586	2,664	2,744
37114	Books & Subscriptions	1	General Cost Inflation	1,335	1,500	1,500	1,757	1,810	1,864	1,920	1,978	2,037	2,098	2,161	2,226
37131	Clothing & Uniforms	1	General Cost Inflation	753	900	500	515	530	546	563	580	597	615	633	652
37142	Phone Supplies	1	General Cost Inflation	263	300	300	309	318	328	338	348	358	369	380	391
37161	Operational Supplies	1	General Cost Inflation	17,043	15,300	24,000	30,025	30,925	31,853	32,809	33,793	34,807	35,851	36,926	38,034
37162	Furn, Fixture, & Office Equip <\$10,000	1	General Cost Inflation	4,432	72,500	17,400	23,952	24,670	25,410	26,173	26,958	27,766	28,599	29,457	30,341
37164	Signs and Sign Supplies	1	General Cost Inflation	-	100	200	206	212	219	225	232	239	246	253	261
37165	Mach. & Equipment <\$10,000	1	General Cost Inflation	107,568	74,500	94,500	100,518	103,533	106,639	109,838	113,134	116,528	120,023	123,624	127,333
37192	Awards & Recognition	1	General Cost Inflation	92	500	400	412	424	437	450	464	478	492	507	522
37193	Safety & First Aid Supplies	1	General Cost Inflation	3,019	6,500	3,800	5,474	5,639	5,808	5,982	6,162	6,346	6,537	6,733	6,935
37196	Meeting Supplies	1	General Cost Inflation	234	200	200	206	212	219	225	232	239	246	253	261
37211	Gas & Fuel	10	Fuel Cost Escalation	35,575	28,800	28,800	37,970	39,773	41,662	43,640	45,712	47,883	50,157	52,538	55,033
37212	Auto Parts & Lubricants	1	General Cost Inflation	3,670	6,900	3,000	6,529	6,725	6,927	7,135	7,349	7,569	7,796	8,030	8,271
37221	Repair and Maintenance	1	General Cost Inflation	-	900	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524
37222	Cleaning/Janitorial	1	General Cost Inflation	5	100	100	103	106	109	113	116	119	123	127	130
37223	Agricultural/Grounds Supplies	1	General Cost Inflation	9,311	1,400	3,500	3,605	3,713	3,825	3,939	4,057	4,179	4,305	4,434	4,567
37232	Chemical Supplies	1	General Cost Inflation	148,893	296,000	326,000	335,780	345,853	356,229	366,916	377,903	389,200	400,813	412,744	425,000
37997	Education & Training Supplies	1	General Cost Inflation	-	100	100	103	106	109	113	116	119	123	127	130
37998	Photography Supplies	1	General Cost Inflation	-	100	100	103	106	109	113	116	119	123	127	130
37999	Other Commodity Supplies	1	General Cost Inflation	(12)	-	-	-	-	-	-	-	-	-	-	-
	Contractual Services														
38126	Service Agreements	1	General Cost Inflation	18,114	50,000	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239
38129	Software Licenses	1	General Cost Inflation	13,919	400	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572
38129	Software Licenses - Hansen Version	1	General Cost Inflation	24,262	-	-	-	-	-	-	-	-	-	-	-
38162	Landscape Services	1	General Cost Inflation	14,070	20,000	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095
38191	Pre Employment Services	1	General Cost Inflation	-	1,500	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
38192	Lab Services	1	General Cost Inflation	73,297	86,100	86,100	88,683	91,343	94,084	96,906	99,813	102,808	105,892	109,069	112,341
38199	Other Prof/Tech Services	1	General Cost Inflation	172,140	43,000	95,000	97,850	100,786	103,809	106,923	110,131	113,435	116,838	120,343	123,953
38199	Other Prof/Tech Services - SPA 2	1	General Cost Inflation	-	37,500	-	-	-	-	-	-	-	-	-	-
38211	Water	1	General Cost Inflation	55,439	61,100	61,100	62,933	64,821	66,766	68,769	70,832	72,957	75,145	77,400	79,722
38212	Electricity	1	General Cost Inflation	892,607	915,600	955,600	993,268	1,028,066	1,308,908	2,298,175	2,367,121	2,438,134	2,511,278	2,586,617	2,664,215
38214	Telephone	1	General Cost Inflation	15,564	16,700	18,000	18,540	19,096	19,669	20,259	20,867	21,493	22,138	22,802	23,486
38216	Sanitary/Landfill	1	General Cost Inflation	34,529	25,000	30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143
38217	Postage & Mailings	1	General Cost Inflation	353	500	500	515	530	546	563	580	597	615	633	652
38221	Cell Phone/Pagers	1	General Cost Inflation	4,775	4,200	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524
38311	Building Maintenance	1	General Cost Inflation	228	2,500	2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167	3,262
38324	Machinery & Equip. Maint.	1	General Cost Inflation	562,046	112,800	104,000	157,120	161,834	216,689	413,189	425,585	438,352	451,503	465,048	479,000
38331	Vehicle Maintenance	1	General Cost Inflation	1,401	4,400	3,800	5,999	6,179	6,364	6,555	6,752	6,954	7,163	7,378	7,599
38351	Wells/Sewer/Lins/Etc.	1	General Cost Inflation	133,143	108,000	100,000	103,000	106,090	109,273	112,551	115,927	119,405	122,987	126,677	130,477
38372	Pest Control Services	1	General Cost Inflation	-	-	300	309	318	328	338	348	358	369	380	391
38411	Water Delivery Service Contracts	1	General Cost Inflation	556	5,000	-	-	-	-	-	-	-	-	-	-
38521	Equipment Rental	1	General Cost Inflation	1,843	1,300	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
38591	Other Rental/Leases	1	General Cost Inflation	-	4,000	1,300	1,339	1,379	1,421	1,463	1,507	1,552	1,599	1,647	1,696
38921	Tuition Reimbursement	1	General Cost Inflation	-	10,800	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
38922	Travel & Training	1	General Cost Inflation	9,394	1,000	7,000	8,801	9,065	9,337	9,617	9,906	10,203	10,509	10,825	11,149
38924	Dues & Memberships	1	General Cost Inflation	1,200	100	2,000	3,121	3,215	3,311	3,410	3,513	3,618	3,727	3,838	3,953
38925	Federal Mileage Allowance	1	General Cost Inflation	-	1,000	100	103	106	109	113	116	119	123	127	130
38927	EE Certification & Licensing	1	General Cost Inflation	87	-	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305



City of Surprise

Water Utility Rate Study

Operating Revenue and Expenditure Forecast

			Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	
Expenses			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
38931	Advertising	1	General Cost Inflation	578	-	-	-	-	-	-	-	-	-	-	-
38951	Printing	1	General Cost Inflation	0	500	500	515	530	546	563	580	597	615	633	652
38991	Uniform/Laundry Services	1	General Cost Inflation	4,027	5,200	4,000	4,738	4,880	5,027	5,177	5,333	5,493	5,657	5,827	6,002
Capital															
39211	Building & Structure Purchases	1	General Cost Inflation	-	-	-	-	-	-	-	-	-	-	-	-
39223	Infrastructure Purchases	1	General Cost Inflation	8,026	-	-	-	-	-	-	-	-	-	-	-
39224	Infrastructure Improvements	1	General Cost Inflation	-	-	-	-	-	-	-	-	-	-	-	-
39311	Imp.'s Other Than Bldg. & Land	1	General Cost Inflation	285,772	-	-	-	-	-	-	-	-	-	-	-
39411	Furn., Fixtures & Ofc Equipment	1	General Cost Inflation	34,361	-	-	-	-	-	-	-	-	-	-	-
39872	Inv Adj	1	General Cost Inflation	3,762	-	-	-	-	-	-	-	-	-	-	-
39891	Prepds	1	General Cost Inflation	7,991	-	-	-	-	-	-	-	-	-	-	-
115 Project Management															
Personnel/Salaries															
36111	Full Time Salaries	3	Labor Cost Inflation	57,442	76,800	76,759	79,062	81,434	83,877	86,393	88,985	91,654	94,404	97,236	100,153
36115	Holidays	3	Labor Cost Inflation	354	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	3	Labor Cost Inflation	6,904	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	3	Labor Cost Inflation	720	700	720	742	764	787	810	835	860	886	912	939
36211	FICA	3	Labor Cost Inflation	5,669	5,900	5,872	6,048	6,230	6,416	6,609	6,807	7,011	7,222	7,438	7,662
36231	Medical	4	Benefit Cost Inflation	1,200	1,200	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520	1,566
36232	Dental	4	Benefit Cost Inflation	842	800	842	867	893	920	948	976	1,005	1,036	1,067	1,099
36233	Vision	4	Benefit Cost Inflation	121	100	120	124	127	131	135	139	143	148	152	157
36234	Life	4	Benefit Cost Inflation	337	300	300	309	318	328	338	348	358	369	380	391
36252	AZ State Retirement	4	Benefit Cost Inflation	8,219	8,900	8,858	9,124	9,397	9,679	9,970	10,269	10,577	10,894	11,221	11,558
36278	Workers Compensation	4	Benefit Cost Inflation	884	1,000	1,317	1,357	1,397	1,439	1,482	1,527	1,573	1,620	1,668	1,718
Commodities/Supplies															
37111	Office Supplies	1	General Cost Inflation	-	200	300	309	318	328	338	348	358	369	380	391
37112	Computer Supplies	1	General Cost Inflation	-	400	400	412	424	437	450	464	478	492	507	522
37114	Books & Subscriptions	1	General Cost Inflation	-	100	600	618	637	656	675	696	716	738	760	783
37131	Clothing & Uniforms	1	General Cost Inflation	166	400	500	515	530	546	563	580	597	615	633	652
37161	Operational Supplies	1	General Cost Inflation	-	200	100	103	106	109	113	116	119	123	127	130
37193	Safety & First Aid Supplies	1	General Cost Inflation	413	600	900	927	955	983	1,013	1,043	1,075	1,107	1,140	1,174
37211	Gas & Fuel	10	Fuel Cost Escalation	840	700	700	733	768	805	843	883	925	969	1,015	1,063
37212	Auto Parts & Lubricants	1	General Cost Inflation	137	-	-	-	-	-	-	-	-	-	-	-
Contractual Services															
38126	Service Agreements	1	General Cost Inflation	6,570	6,600	6,600	6,798	7,002	7,212	7,428	7,651	7,881	8,117	8,361	8,612
38199	Other Prof/Tech Services	1	General Cost Inflation	20,000	20,000	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095
38217	Postage & Mailings	1	General Cost Inflation	46	100	100	103	106	109	113	116	119	123	127	130
38331	Vehicle Maintenacne	1	General Cost Inflation	184	-	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	1	General Cost Inflation	569	3,000	6,100	6,283	6,471	6,666	6,866	7,072	7,284	7,502	7,727	7,959
38924	Dues & Memberships	1	General Cost Inflation	200	600	3,200	3,296	3,395	3,497	3,602	3,710	3,821	3,936	4,054	4,175
38925	Federal Mileage Allowance	1	General Cost Inflation	5	-	-	-	-	-	-	-	-	-	-	-
38951	Printing	1	General Cost Inflation	51	-	-	-	-	-	-	-	-	-	-	-
38999	Outside Services	1	General Cost Inflation	-	100	-	-	-	-	-	-	-	-	-	-
Capital															
39891	Prepds	1	General Cost Inflation	75	-	-	-	-	-	-	-	-	-	-	-
117 Customer Service															
Personnel/Salaries															
36111	Full Time Salaries	3	Labor Cost Inflation	54,532	121,200	120,016	123,616	127,325	131,145	135,079	139,131	143,305	147,605	152,033	156,594
36113	Overtime Compensation	3	Labor Cost Inflation	4,471	2,000	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
36115	Holidays	3	Labor Cost Inflation	3,405	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	3	Labor Cost Inflation	9,240	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	3	Labor Cost Inflation	1,127	700	720	742	764	787	810	835	860	886	912	939
36211	FICA	3	Labor Cost Inflation	7,242	9,500	9,181	9,456	9,740	10,032	10,333	10,643	10,963	11,291	11,630	11,979
36231	Medical	4	Benefit Cost Inflation	20,812	43,400	14,481	14,915	15,363	15,824	16,298	16,787	17,291	17,810	18,344	18,894
36232	Dental	4	Benefit Cost Inflation	1,277	2,500	842	867	893	920	948	976	1,005	1,036	1,067	1,099
36233	Vision	4	Benefit Cost Inflation	188	400	120	124	127	131	135	139	143	148	152	157
36234	Life	4	Benefit Cost Inflation	373	500	500	515	530	546	563	580	597	615	633	652
36252	AZ State Retirement	4	Benefit Cost Inflation	10,925	14,300	13,850	14,266	14,693	15,134	15,588	16,056	16,538	17,034	17,545	18,071
36278	Workers Compensation	4	Benefit Cost Inflation	2,184	3,100	4,129	4,253	4,380	4,512	4,647	4,787	4,930	5,078	5,230	5,387
Commodities/Supplies															
37111	Office Supplies	1	General Cost Inflation	337	200	200	206	212	219	225	232	239	246	253	261
37112	Computer Supplies	1	General Cost Inflation	17	-	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	1	General Cost Inflation	-	300	300	309	318	328	338	348	358	369	380	391



City of Surprise

Water Utility Rate Study

Operating Revenue and Expenditure Forecast

				Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
37131	Clothing & Uniforms	1	General Cost Inflation	983	1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
37161	Operational Supplies	1	General Cost Inflation	454	800	800	824	849	874	900	927	955	984	1,013	1,044
37164	Signs and Sign Supplies	1	General Cost Inflation	50	-	-	-	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <\$10,000	1	General Cost Inflation	48,081	76,700	76,700	254,001	436,621	449,720	463,211	477,108	491,421	506,163	521,348	536,989
37193	Safety & First Aid Supplies	1	General Cost Inflation	346	800	800	824	849	874	900	927	955	984	1,013	1,044
37211	Gas & Fuel	10	Fuel Cost Escalation	4,670	5,200	5,200	5,447	5,706	5,977	6,260	6,558	6,869	7,195	7,537	7,895
37212	Auto Parts & Lubricants	1	General Cost Inflation	2,318	2,100	2,100	2,163	2,228	2,295	2,364	2,434	2,508	2,583	2,660	2,740
37221	Repairment	1	General Cost Inflation	223	-	-	-	-	-	-	-	-	-	-	-
Contractual Services															
38126	Service Agreements	1	General Cost Inflation	416	3,000	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
38217	Postage & Mailings	1	General Cost Inflation	8	100	100	103	106	109	113	116	119	123	127	130
38221	Cell Phone/Pagers	1	General Cost Inflation	1,440	1,300	1,300	1,339	1,379	1,421	1,463	1,507	1,552	1,599	1,647	1,696
38324	Machinery & Equip. Maint.	1	General Cost Inflation	1,207	3,100	3,100	3,193	3,289	3,387	3,489	3,594	3,702	3,813	3,927	4,045
38331	Vehicle Maintenance	1	General Cost Inflation	28	1,500	900	927	955	983	1,013	1,043	1,075	1,107	1,140	1,174
38372	Pest Control Services	1	General Cost Inflation	762	600	600	618	637	656	675	696	716	738	760	783
38922	Travel & Training	1	General Cost Inflation	1,276	4,500	4,500	4,635	4,774	4,917	5,065	5,217	5,373	5,534	5,700	5,871
38924	Dues & Memberships	1	General Cost Inflation	360	300	300	309	318	328	338	348	358	369	380	391
38931	Advertising	1	General Cost Inflation	916	1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
38951	Printing	1	General Cost Inflation	39	-	-	-	-	-	-	-	-	-	-	-
Capital															
39891	Prepds	1	General Cost Inflation	150	-	-	-	-	-	-	-	-	-	-	-
118	Sustainability														
Personnel/Salaries															
36111	Fulltime	3	Labor Cost Inflation	140,175	143,100	-	-	-	-	-	-	-	-	-	-
36115	Holidays	3	Labor Cost Inflation	673	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	3	Labor Cost Inflation	10,958	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	3	Labor Cost Inflation	1,220	1,200	-	-	-	-	-	-	-	-	-	-
36211	FICA	3	Labor Cost Inflation	10,782	11,000	-	-	-	-	-	-	-	-	-	-
36231	Medical	4	Benefit Cost Inflation	23,665	24,900	-	-	-	-	-	-	-	-	-	-
36232	Dental	4	Benefit Cost Inflation	1,425	1,400	-	-	-	-	-	-	-	-	-	-
36233	Vision	4	Benefit Cost Inflation	244	200	-	-	-	-	-	-	-	-	-	-
36234	Life	4	Benefit Cost Inflation	656	600	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	4	Benefit Cost Inflation	16,096	16,600	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	4	Benefit Cost Inflation	1,054	1,100	-	-	-	-	-	-	-	-	-	-
Commodities/Supplies															
37111	Office Supplies	1	General Cost Inflation	91	200	-	-	-	-	-	-	-	-	-	-
37112	Computer Supplies	1	General Cost Inflation	379	-	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	1	General Cost Inflation	-	1,000	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	1	General Cost Inflation	309	400	-	-	-	-	-	-	-	-	-	-
37164	Signs and Sign Supplies	1	General Cost Inflation	8	-	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	1	General Cost Inflation	437	600	-	-	-	-	-	-	-	-	-	-
37194	Community Relations Supplies	1	General Cost Inflation	971	3,000	-	-	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	1	General Cost Inflation	11	-	-	-	-	-	-	-	-	-	-	-
37997	Education & Training Supplies	1	General Cost Inflation	-	2,000	-	-	-	-	-	-	-	-	-	-
Contractual Services															
38162	Landscape Services	1	General Cost Inflation	-	500	-	-	-	-	-	-	-	-	-	-
38199	Other Prof/Tech Services	1	General Cost Inflation	4,800	2,000	-	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	1	General Cost Inflation	44	100	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	1	General Cost Inflation	2,437	6,200	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	1	General Cost Inflation	5,548	5,600	-	-	-	-	-	-	-	-	-	-
38925	Federal Mileage Allowance	1	General Cost Inflation	-	100	-	-	-	-	-	-	-	-	-	-
38927	EE Certification & Licensing	1	General Cost Inflation	-	200	-	-	-	-	-	-	-	-	-	-
38931	Advertising	1	General Cost Inflation	1,000	1,500	-	-	-	-	-	-	-	-	-	-
38951	Printing	1	General Cost Inflation	1,614	2,700	-	-	-	-	-	-	-	-	-	-
604	Utility Locating														
Personnel/Salaries															
36111	Full Time Salaries	3	Labor Cost Inflation	136,488	164,800	169,028	174,099	179,322	184,701	190,243	195,950	201,828	207,883	214,120	220,543
36113	Overtime Compensation	3	Labor Cost Inflation	1,160	3,100	-	-	-	-	-	-	-	-	-	-
36115	Holidays	3	Labor Cost Inflation	5,392	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	3	Labor Cost Inflation	13,830	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	3	Labor Cost Inflation	720	700	720	742	764	787	810	835	860	886	912	939
36211	FICA	3	Labor Cost Inflation	11,801	12,900	12,931	13,319	13,718	14,130	14,554	14,991	15,440	15,903	16,381	16,872
36231	Medical	4	Benefit Cost Inflation	20,272	22,300	22,279	22,947	23,636	24,345	25,075	25,827	26,602	27,400	28,222	29,069



City of Surprise

Water Utility Rate Study

Operating Revenue and Expenditure Forecast

			Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	
Expenses			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
36232	Dental	4	Benefit Cost Inflation	1,094	1,100	1,142	1,176	1,212	1,248	1,285	1,324	1,364	1,405	1,447	1,490
36233	Vision	4	Benefit Cost Inflation	231	200	240	247	255	262	270	278	287	295	304	313
36234	Life	4	Benefit Cost Inflation	717	700	700	721	743	765	788	811	836	861	887	913
36252	AZ State Retirement	4	Benefit Cost Inflation	17,481	19,500	19,506	20,091	20,694	21,315	21,954	22,613	23,291	23,990	24,710	25,451
36278	Workers Compensation	4	Benefit Cost Inflation	2,973	3,500	4,624	4,763	4,906	5,053	5,204	5,360	5,521	5,687	5,858	6,033
Commodities/Supplies															
37111	Office Supplies	1	General Cost Inflation	210	300	300	309	318	328	338	348	358	369	380	391
37112	Computer Supplies	1	General Cost Inflation	748	500	500	515	530	546	563	580	597	615	633	652
37114	Books & Subscriptions	1	General Cost Inflation	-	200	200	206	212	219	225	232	239	246	253	261
37131	Clothing & Uniforms	1	General Cost Inflation	819	1,500	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
37142	Phone Supplies	1	General Cost Inflation	-	300	150	155	159	164	169	174	179	184	190	196
37161	Operational Supplies	1	General Cost Inflation	1,204	1,600	1,600	1,648	1,697	1,748	1,801	1,855	1,910	1,968	2,027	2,088
37162	Furn, Fixture, & Office Equip <\$10,000	1	General Cost Inflation	-	1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
37164	Signs and Sign Supplies	1	General Cost Inflation	17	-	-	-	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <\$10,000	1	General Cost Inflation	999	1,600	1,300	1,339	1,379	1,421	1,463	1,507	1,552	1,599	1,647	1,696
37193	Safety & First Aid Supplies	1	General Cost Inflation	1,022	800	800	824	849	874	900	927	955	984	1,013	1,044
37211	Gas & Fuel	10	Fuel Cost Escalation	8,067	7,000	7,000	7,332	7,681	8,045	8,427	8,828	9,247	9,686	10,146	10,628
37212	Auto Parts & Lubricants	1	General Cost Inflation	870	1,300	1,300	1,339	1,379	1,421	1,463	1,507	1,552	1,599	1,647	1,696
37998	Photography Supplies	1	General Cost Inflation	-	400	200	206	212	219	225	232	239	246	253	261
Contractual Services															
38128	Recording, License & Permit Fees	1	General Cost Inflation	2,717	3,000	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
38129	Software Licenses	1	General Cost Inflation	-	600	600	618	637	656	675	696	716	738	760	783
38192	Lab Services	1	General Cost Inflation	120	500	500	515	530	546	563	580	597	615	633	652
38221	Cell Phone/Pagers	1	General Cost Inflation	1,352	1,500	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
38324	Machinery & Equip. Maint.	1	General Cost Inflation	-	300	300	309	318	328	338	348	358	369	380	391
38331	Vehicle Maintenance	1	General Cost Inflation	374	800	800	824	849	874	900	927	955	984	1,013	1,044
38922	Travel & Training	1	General Cost Inflation	3,139	6,600	6,600	6,798	7,002	7,212	7,428	7,651	7,881	8,117	8,361	8,612
38924	Dues & Memberships	1	General Cost Inflation	247	700	700	721	743	765	788	811	836	861	887	913
38927	EE Certification & Licensing	1	General Cost Inflation	645	-	-	-	-	-	-	-	-	-	-	-
38999	Outside Services	1	General Cost Inflation	-	100	-	-	-	-	-	-	-	-	-	-
Capital															
39891	Prepds	1	General Cost Inflation	0	-	-	-	-	-	-	-	-	-	-	-
605	Environmental														
Personnel/Salaries															
36111	Full Time Salaries	3	Labor Cost Inflation	92,613	127,100	127,047	223,043	229,735	236,627	243,726	251,037	258,568	266,325	274,315	282,545
36113	Overtime Compensation	3	Labor Cost Inflation	1,071	1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
36115	Holidays	3	Labor Cost Inflation	3,156	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	3	Labor Cost Inflation	13,786	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	3	Labor Cost Inflation	480	500	480	494	509	525	540	556	573	590	608	626
36211	FICA	3	Labor Cost Inflation	9,326	9,800	9,719	10,011	10,311	10,620	10,939	11,267	11,605	11,953	12,312	12,681
36231	Medical	4	Benefit Cost Inflation	13,588	15,700	15,681	16,151	16,636	17,135	17,649	18,179	18,724	19,286	19,864	20,460
36232	Dental	4	Benefit Cost Inflation	842	800	842	867	893	920	948	976	1,005	1,036	1,067	1,099
36233	Vision	4	Benefit Cost Inflation	121	100	120	124	127	131	135	139	143	148	152	157
36234	Life	4	Benefit Cost Inflation	551	600	600	618	637	656	675	696	716	738	760	783
36252	AZ State Retirement	4	Benefit Cost Inflation	14,017	14,800	14,661	15,101	15,554	16,020	16,501	16,996	17,506	18,031	18,572	19,129
36278	Workers Compensation	4	Benefit Cost Inflation	2,690	2,900	3,747	3,859	3,975	4,094	4,217	4,344	4,474	4,608	4,747	4,889
Commodities/Supplies															
37111	Office Supplies	1	General Cost Inflation	21	700	700	927	955	983	1,013	1,043	1,075	1,107	1,140	1,174
37112	Computer Supplies	1	General Cost Inflation	760	100	100	206	212	219	225	232	239	246	253	261
37113	Postage	1	General Cost Inflation	28	-	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	1	General Cost Inflation	321	1,600	1,600	2,163	2,228	2,295	2,364	2,434	2,508	2,583	2,660	2,740
37131	Clothing & Uniforms	1	General Cost Inflation	361	400	400	618	637	656	675	696	716	738	760	783
37161	Operational Supplies	1	General Cost Inflation	786	2,500	2,500	3,605	3,713	3,825	3,939	4,057	4,179	4,305	4,434	4,567
37165	Mach. & Equipment <\$10,000	1	General Cost Inflation	190	2,000	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
37192	Awards & Recognition	1	General Cost Inflation	-	100	100	103	106	109	113	116	119	123	127	130
37193	Safety & First Aid Supplies	1	General Cost Inflation	234	800	800	1,133	1,167	1,202	1,238	1,275	1,313	1,353	1,393	1,435
37194	Community Relations Supplies	1	General Cost Inflation	126	2,500	5,500	5,665	5,835	6,010	6,190	6,376	6,567	6,764	6,967	7,176
37211	Gas & Fuel	10	Fuel Cost Escalation	629	2,400	2,400	2,514	2,633	2,758	2,889	3,027	3,170	3,321	3,479	3,644
37212	Auto Parts & Lubricants	1	General Cost Inflation	105	1,300	800	824	849	874	900	927	955	984	1,013	1,044
37232	Chemical Supplies	1	General Cost Inflation	-	600	-	-	-	-	-	-	-	-	-	-
37997	Education & Training Supplies	1	General Cost Inflation	1,389	3,000	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524
Contractual Services															
38128	Recording, License & Permit Fees	1	General Cost Inflation	20,450	20,300	28,400	29,252	30,130	31,033	31,964	32,923	33,911	34,928	35,976	37,056



City of Surprise

Water Utility Rate Study

Operating Revenue and Expenditure Forecast

			Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	
Expenses			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
38129	Software Licenses	1	General Cost Inflation	2,483	3,000	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
38162	Landscape Services	1	General Cost Inflation	-	-	500	515	530	546	563	580	597	615	633	652
38199	Other Prof/Tech Services	1	General Cost Inflation	19,068	21,500	103,500	106,605	109,803	113,097	116,490	119,985	123,584	127,292	131,111	135,044
38211	Water	1	General Cost Inflation	679,900	750,000	1,701,400	1,752,442	1,805,015	1,859,166	1,914,941	1,972,389	2,031,561	2,092,508	2,155,283	2,219,941
38217	Postage & Mailings	1	General Cost Inflation	1,471	7,700	7,800	8,034	8,275	8,523	8,779	9,042	9,314	9,593	9,881	10,177
38221	Cell Phone/Pagers	1	General Cost Inflation	480	1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
38324	Machinery & Equip. Maint.	1	General Cost Inflation	23,284	25,000	55,500	57,165	58,880	60,646	62,466	64,340	66,270	68,258	70,306	72,415
38331	Vehicle Maintenance	1	General Cost Inflation	70	800	400	412	424	437	450	464	478	492	507	522
38351	Wells/Sewer/Lins/Etc.	1	General Cost Inflation	-	45,000	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	1	General Cost Inflation	3,294	5,300	5,300	7,004	7,214	7,431	7,653	7,883	8,120	8,363	8,614	8,872
38924	Dues & Memberships	1	General Cost Inflation	4,632	6,500	6,500	8,755	9,018	9,288	9,567	9,854	10,149	10,454	10,768	11,091
38925	Federal Mileage Allowance	1	General Cost Inflation	-	100	100	103	106	109	113	116	119	123	127	130
38927	EE Certifications & Licensing	1	General Cost Inflation	-	-	200	206	212	219	225	232	239	246	253	261
38931	Advertising	1	General Cost Inflation	-	-	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
38951	Printing	1	General Cost Inflation	1,265	200	2,900	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
38999	Outside Services	1	General Cost Inflation	-	100	100	103	106	109	113	116	119	123	127	130
Capital															
39871	Wtrstorinv	1	General Cost Inflation	(474,737)	-	-	-	-	-	-	-	-	-	-	-
39891	Prepds	1	General Cost Inflation	(2,943)	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous															
	Future Additional O&M Expenses	1	General Cost Inflation	-	-	-	-	-	-	-	125,000	257,500	397,838	546,364	703,443
Other															
	Add'l O&M from CIP		From CIP	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash O&M Expenditures				\$ 8,449,855	\$ 8,204,000	\$ 8,977,788	\$ 9,788,150	\$ 10,267,802	\$ 11,085,740	\$ 13,322,945	\$ 13,847,615	\$ 14,392,573	\$ 14,983,200	\$ 15,609,956	\$ 16,217,549
Depreciation Expense in FY2013				\$ 2,778,339											
Depreciation Expense				Last year's plus annual add'l from CIP											
				\$ 2,778,339	\$ 2,800,529	\$ 2,950,708	\$ 3,134,878	\$ 3,214,150	\$ 3,269,787	\$ 3,338,717	\$ 3,771,753	\$ 4,432,057	\$ 4,513,858	\$ 4,520,740	\$ 4,599,538
				\$ -	\$ -	\$ -	\$ (260,915)	\$ (274,613)	\$ (289,030)	\$ (304,204)	\$ (1,577,034)	\$ (1,662,970)	\$ (1,753,591)	\$ (1,849,152)	\$ (1,949,922)
				\$ 2,778,339	\$ 2,800,529	\$ 2,950,708	\$ 2,873,964	\$ 2,939,537	\$ 2,980,757	\$ 3,034,513	\$ 2,194,719	\$ 2,769,087	\$ 2,760,267	\$ 2,671,588	\$ 2,649,615
TOTAL EXPENSES				\$ 11,228,194	\$ 11,004,529	\$ 11,928,496	\$ 12,923,029	\$ 13,481,952	\$ 14,355,526	\$ 16,661,661	\$ 17,619,368	\$ 18,824,630	\$ 19,497,058	\$ 20,130,697	\$ 20,817,087
Capital Outlays				\$ 743,376	\$ 296,000	\$ 337,400	\$ 575,705	\$ 767,976	\$ 841,015	\$ 1,056,246	\$ 1,087,933	\$ 1,120,571	\$ 1,154,188	\$ 1,188,814	\$ 1,224,478



City of Surprise

Water Utility Rate Study

Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Revenues		FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Rate Revenues												
31434	Service/Collection Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	[Extra]	-	-	-	-	-	-	-	-	-	-	-
Total Rate Revenue		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Rate Revenues												
31456	Water Meter Installation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31461	Revenue Recovery-Utility Bill	-	-	-	-	-	-	-	-	-	-	-
31543	Federal Grant Revenue	-	-	-	-	-	-	-	-	-	-	-
31813	Interest Income	-	-	-	-	-	-	-	-	-	-	-
31816	Unrealized Gain/Loss	-	-	-	-	-	-	-	-	-	-	-
31991	Miscellaneous Revenue	-	-	-	-	-	-	-	-	-	-	-
31993	Recovery of Prior Year Exp.	-	-	-	-	-	-	-	-	-	-	-
31417	Eng. Plan Check Fees	-	-	-	-	-	-	-	-	-	-	-
	[Extra]	-	-	-	-	-	-	-	-	-	-	-
Total Non-Rate Revenues		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Expenses		FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
242 Community Development												
213 Economic Development												
Contractual Services												
38994	Developer Reimbursement - Surprise Point	30,000	-	-	-	-	-	-	-	-	-	-
641 Water												
111 Administration												
Transfers Out												
34011	Franchise in lieu payment	200,400	-	-	-	-	-	-	-	-	-	-
34021	Indirect costs - general fund personnel	1,244,100	-	-	-	-	-	-	-	-	-	-
34031	Payments in lieu of property tax (PILOT)	153,900	-	-	-	-	-	-	-	-	-	-
Personnel/Salaries												
36111	Full Time Salaries	-	-	-	-	-	-	-	-	-	-	-
36113	Overtime Compensation	-	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	-	-	-	-	-	-	-	-	-	-	-
36211	FICA	-	-	-	-	-	-	-	-	-	-	-
36231	Medical	-	-	-	-	-	-	-	-	-	-	-
36232	Dental	-	-	-	-	-	-	-	-	-	-	-
36233	Vision	-	-	-	-	-	-	-	-	-	-	-
36234	Life	-	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	-	-	-	-	-	-	-	-	-	-	-
36255	Post Emp. Health Plan	-	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	-	-	-	-	-	-	-	-	-	-	-
Commodities/Supplies												
37111	Office Supplies	-	-	-	-	-	-	-	-	-	-	-
37112	Computer Supplies	-	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	-	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	-	-	-	-	-	-	-	-	-	-	-
37162	Furn, Fixture, & Office Equip <\$10,000	-	-	-	-	-	-	-	-	-	-	-
37192	Awards & Recognition	-	-	-	-	-	-	-	-	-	-	-
Contractual Services												
38199	Other Prof/Tech Services	11,600	-	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	-	-	-	-	-	-	-	-	-	-	-
38411	Water Delivery Service Contracts	1,330,000	-	-	-	-	-	-	-	-	-	-
38912	Risk Insurance Premium	150,600	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	-	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	-	-	-	-	-	-	-	-	-	-	-



City of Surprise

Water Utility Rate Study

Additional O&M Adjustments

Expenses	Budget FY15 Budget	Projection FY2015	Projection FY2016	Projection FY2017	Projection FY2018	Projection FY2019	Projection FY2020	Projection FY2021	Projection FY2022	Projection FY2023	Projection FY2024
38999 Outside Services	-	-	-	-	-	-	-	-	-	-	-
Capital											
39999 Contingency	-	-	-	-	-	-	-	-	-	-	-
112 General Operations											
Personnel/Salaries											
36111 Full Time Salaries	728,507	-	186,388	-	-	-	-	-	-	-	-
36113 Overtime Compensation	2,000	-	-	-	-	-	-	-	-	-	-
36115 Holidays	-	-	-	-	-	-	-	-	-	-	-
36116 Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151 Stipend	4,800	-	-	-	-	-	-	-	-	-	-
36211 FICA	55,731	-	-	-	-	-	-	-	-	-	-
36231 Medical	90,667	-	-	-	-	-	-	-	-	-	-
36232 Dental	5,288	-	-	-	-	-	-	-	-	-	-
36233 Vision	942	-	-	-	-	-	-	-	-	-	-
36234 Life	3,200	-	-	-	-	-	-	-	-	-	-
36252 AZ State Retirement	84,070	-	-	-	-	-	-	-	-	-	-
36278 Workers Compensation	21,639	-	-	-	-	-	-	-	-	-	-
Commodities/Supplies											
37111 Office Supplies	500	-	212	-	-	-	-	-	-	-	-
37112 Computer Supplies	2,000	-	106	-	-	-	-	-	-	-	-
37114 Books & Subscriptions	1,500	-	212	-	-	-	-	-	-	-	-
37131 Clothing & Uniforms	500	-	-	-	-	-	-	-	-	-	-
37142 Phone Supplies	300	-	-	-	-	-	-	-	-	-	-
37161 Operational Supplies	24,000	-	5,305	-	-	-	-	-	-	-	-
37162 Furn, Fixture, & Office Equip <\$10,000	17,400	-	6,030	-	-	-	-	-	-	-	-
37164 Signs and Sign Supplies	200	-	-	-	-	-	-	-	-	-	-
37165 Mach. & Equipment <\$10,000	94,500	-	3,183	-	-	-	-	-	-	-	-
37192 Awards & Recognition	400	-	-	-	-	-	-	-	-	-	-
37193 Safety & First Aid Supplies	3,800	-	1,560	-	-	-	-	-	-	-	-
37196 Meetsup	200	-	-	-	-	-	-	-	-	-	-
37211 Gas & Fuel	28,800	-	7,802	-	-	-	-	-	-	-	-
37212 Auto Parts & Lubricants	3,000	-	3,439	-	-	-	-	-	-	-	-
37221 Repair and Maintenance	5,000	-	-	-	-	-	-	-	-	-	-
37222 Cleaning/Janitorial	100	-	-	-	-	-	-	-	-	-	-
37223 Agricultural/Grounds Supplies	3,500	-	-	-	-	-	-	-	-	-	-
37232 Chemical Supplies	326,000	-	-	-	200,000	760,000	-	-	-	-	-
37997 Education & Training Supplies	100	-	-	-	-	-	-	-	-	-	-
37998 Photography Supplies	100	-	-	-	-	-	-	-	-	-	-
37999 Other Commodity Supplies	-	-	-	-	-	-	-	-	-	-	-
Contractual Services											
38126 Service Agreements	50,000	-	-	-	-	-	-	-	-	-	-
38129 Software Licenses	15,000	-	-	-	-	-	-	-	-	-	-
38129 Software Licenses - Hansen Version	-	-	-	-	-	-	-	-	-	-	-
38162 Landscape Services	20,000	-	-	-	-	-	-	-	-	-	-
38191 Pre Employment Services	1,500	-	-	-	-	-	-	-	-	-	-
38192 Lab Services	86,100	-	-	-	-	-	-	-	-	-	-
38199 Other Prof/Tech Services	30,000	65,000	-	-	-	-	-	-	-	-	-
38199 Other Prof/Tech Services - SPA 2	-	-	-	-	-	-	-	-	-	-	-
38211 Water	61,100	-	-	-	-	-	-	-	-	-	-
38212 Electricity	915,600	40,000	9,000	5,000	250,000	950,000	-	-	-	-	-
38214 Telephone	18,000	-	-	-	-	-	-	-	-	-	-
38216 Sanitary/Landfill	30,000	-	-	-	-	-	-	-	-	-	-
38217 Postage & Mailings	500	-	-	-	-	-	-	-	-	-	-
38221 Cell Phone/Pagers	5,000	-	-	-	-	-	-	-	-	-	-
38311 Building Maintenance	2,500	-	-	-	-	-	-	-	-	-	-
38324 Machinery & Equip. Maint.	104,000	-	50,000	-	50,000	190,000	-	-	-	-	-
38331 Vehicle Maintenance	3,800	-	2,085	-	-	-	-	-	-	-	-
38351 Wells/Sewer/Lins/Etc.	100,000	-	-	-	-	-	-	-	-	-	-
38372 Pest Control Services	300	-	-	-	-	-	-	-	-	-	-



City of Surprise

Water Utility Rate Study

Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	
Expenses		FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
38411	Water Delivery Service Contracts	-	-	-	-	-	-	-	-	-	-	-
38521	Equipment Rental	2,000	-	-	-	-	-	-	-	-	-	-
38591	Other Rental/Leases	1,300	-	-	-	-	-	-	-	-	-	-
38921	Tuition Reimbursement	3,000	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	7,000	-	1,591	-	-	-	-	-	-	-	-
38924	Dues & Memberships	2,000	-	1,061	-	-	-	-	-	-	-	-
38925	Federal Mileage Allowance	100	-	-	-	-	-	-	-	-	-	-
38927	EE Certification & Licensing	1,000	-	-	-	-	-	-	-	-	-	-
38931	Advertising	-	-	-	-	-	-	-	-	-	-	-
38951	Printing	500	-	-	-	-	-	-	-	-	-	-
38991	Uniform/Laundry Services	4,000	-	618	-	-	-	-	-	-	-	-
Capital												
39211	Building & Structure Purchases	-	-	-	-	-	-	-	-	-	-	-
39223	Infrastructure Purchases	-	-	-	-	-	-	-	-	-	-	-
39224	Infrastructure Improvements	-	-	-	-	-	-	-	-	-	-	-
39311	Imp.'s Other Than Bldg. & Land	-	-	-	-	-	-	-	-	-	-	-
39411	Furn., Fixtures & Ofc Equipment	-	-	-	-	-	-	-	-	-	-	-
39872	Inv Adj	-	-	-	-	-	-	-	-	-	-	-
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
115	Project Management											
Personnel/Salaries												
36111	Full Time Salaries	76,759	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	720	-	-	-	-	-	-	-	-	-	-
36211	FICA	5,872	-	-	-	-	-	-	-	-	-	-
36231	Medical	1,200	-	-	-	-	-	-	-	-	-	-
36232	Dental	842	-	-	-	-	-	-	-	-	-	-
36233	Vision	120	-	-	-	-	-	-	-	-	-	-
36234	Life	300	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	8,858	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	1,317	-	-	-	-	-	-	-	-	-	-
Commodities/Supplies												
37111	Office Supplies	300	-	-	-	-	-	-	-	-	-	-
37112	Computer Supplies	400	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	600	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	500	-	-	-	-	-	-	-	-	-	-
37161	Operational Supplies	100	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	900	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	700	-	-	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	-	-	-	-	-	-	-	-	-	-	-
Contractual Services												
38126	Service Agreements	6,600	-	-	-	-	-	-	-	-	-	-
38199	Other Prof/Tech Services	20,000	-	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	100	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenacne	-	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	6,100	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	3,200	-	-	-	-	-	-	-	-	-	-
38925	Federal Mileage Allowance	-	-	-	-	-	-	-	-	-	-	-
38951	Printing	-	-	-	-	-	-	-	-	-	-	-
38999	Outside Services	-	-	-	-	-	-	-	-	-	-	-
Capital												
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
117	Customer Service											
Personnel/Salaries												
36111	Full Time Salaries	120,016	-	-	-	-	-	-	-	-	-	-
36113	Overtime Compensation	3,000	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-



City of Surprise

Water Utility Rate Study

Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	
Expenses		FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	720	-	-	-	-	-	-	-	-	-	-
36211	FICA	9,181	-	-	-	-	-	-	-	-	-	-
36231	Medical	14,481	-	-	-	-	-	-	-	-	-	-
36232	Dental	842	-	-	-	-	-	-	-	-	-	-
36233	Vision	120	-	-	-	-	-	-	-	-	-	-
36234	Life	500	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	13,850	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	4,129	-	-	-	-	-	-	-	-	-	-
Commodities/Supplies												
37111	Office Supplies	200	-	-	-	-	-	-	-	-	-	-
37112	Computer Supplies	-	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	300	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	1,000	-	-	-	-	-	-	-	-	-	-
37161	Operational Supplies	800	-	-	-	-	-	-	-	-	-	-
37164	Signs and Sign Supplies	-	-	-	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <\$10,000	76,700	-	175,000	175,000	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	800	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	5,200	-	-	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	2,100	-	-	-	-	-	-	-	-	-	-
37221	Repairment	-	-	-	-	-	-	-	-	-	-	-
Contractual Services												
38126	Service Agreements	3,000	-	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	100	-	-	-	-	-	-	-	-	-	-
38221	Cell Phone/Pagers	1,300	-	-	-	-	-	-	-	-	-	-
38324	Machinery & Equip. Maint.	3,100	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	900	-	-	-	-	-	-	-	-	-	-
38372	Pest Control Services	600	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	4,500	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	300	-	-	-	-	-	-	-	-	-	-
38931	Advertising	1,000	-	-	-	-	-	-	-	-	-	-
38951	Printing	-	-	-	-	-	-	-	-	-	-	-
Capital												
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
118	Sustainability											
Personnel/Salaries												
36111	Fulltime	-	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	-	-	-	-	-	-	-	-	-	-	-
36211	FICA	-	-	-	-	-	-	-	-	-	-	-
36231	Medical	-	-	-	-	-	-	-	-	-	-	-
36232	Dental	-	-	-	-	-	-	-	-	-	-	-
36233	Vision	-	-	-	-	-	-	-	-	-	-	-
36234	Life	-	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	-	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	-	-	-	-	-	-	-	-	-	-	-
Commodities/Supplies												
37111	Office Supplies	-	-	-	-	-	-	-	-	-	-	-
37112	Computer Supplies	-	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	-	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	-	-	-	-	-	-	-	-	-	-	-
37164	Signs and Sign Supplies	-	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	-	-	-	-	-	-	-	-	-	-	-
37194	Community Relations Supplies	-	-	-	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	-	-	-	-	-	-	-	-	-	-	-
37997	Education & Training Supplies	-	-	-	-	-	-	-	-	-	-	-
Contractual Services												
38162	Landscape Services	-	-	-	-	-	-	-	-	-	-	-



City of Surprise

Water Utility Rate Study

Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	
Expenses		FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
38199	Other Prof/Tech Services	-	-	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	-	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	-	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	-	-	-	-	-	-	-	-	-	-	-
38925	Federal Mileage Allowance	-	-	-	-	-	-	-	-	-	-	-
38927	EE Certification & Licensing	-	-	-	-	-	-	-	-	-	-	-
38931	Advertising	-	-	-	-	-	-	-	-	-	-	-
38951	Printing	-	-	-	-	-	-	-	-	-	-	-
604	Utility Locating											
Personnel/Salaries												
36111	Full Time Salaries	169,028	-	-	-	-	-	-	-	-	-	-
36113	Overtime Compensation	-	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	720	-	-	-	-	-	-	-	-	-	-
36211	FICA	12,931	-	-	-	-	-	-	-	-	-	-
36231	Medical	22,279	-	-	-	-	-	-	-	-	-	-
36232	Dental	1,142	-	-	-	-	-	-	-	-	-	-
36233	Vision	240	-	-	-	-	-	-	-	-	-	-
36234	Life	700	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	19,506	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	4,624	-	-	-	-	-	-	-	-	-	-
Commodities/Supplies												
37111	Office Supplies	300	-	-	-	-	-	-	-	-	-	-
37112	Computer Supplies	500	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	200	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	1,500	-	-	-	-	-	-	-	-	-	-
37142	Phone Supplies	150	-	-	-	-	-	-	-	-	-	-
37161	Operational Supplies	1,600	-	-	-	-	-	-	-	-	-	-
37162	Furn, Fixture, & Office Equip <\$10,000	1,000	-	-	-	-	-	-	-	-	-	-
37164	Signs and Sign Supplies	-	-	-	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <\$10,000	1,300	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	800	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	7,000	-	-	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	1,300	-	-	-	-	-	-	-	-	-	-
37998	Photography Supplies	200	-	-	-	-	-	-	-	-	-	-
Contractual Services												
38128	Recording, License & Permit Fees	3,000	-	-	-	-	-	-	-	-	-	-
38129	Software Licenses	600	-	-	-	-	-	-	-	-	-	-
38192	Lab Services	500	-	-	-	-	-	-	-	-	-	-
38221	Cell Phone/Pagers	1,500	-	-	-	-	-	-	-	-	-	-
38324	Machinery & Equip. Maint.	300	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	800	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	6,600	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	700	-	-	-	-	-	-	-	-	-	-
38927	EE Certification & Licensing	-	-	-	-	-	-	-	-	-	-	-
38999	Outside Services	-	-	-	-	-	-	-	-	-	-	-
Capital												
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
605	Environmental											
Personnel/Salaries												
36111	Full Time Salaries	127,047	-	92,185	-	-	-	-	-	-	-	-
36113	Overtime Compensation	1,000	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	480	-	-	-	-	-	-	-	-	-	-
36211	FICA	9,719	-	-	-	-	-	-	-	-	-	-
36231	Medical	15,681	-	-	-	-	-	-	-	-	-	-



City of Surprise

Water Utility Rate Study

Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses		FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
36232	Dental	842	-	-	-	-	-	-	-	-	-	-
36233	Vision	120	-	-	-	-	-	-	-	-	-	-
36234	Life	600	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	14,661	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	3,747	-	-	-	-	-	-	-	-	-	-
Commodities/Supplies												
37111	Office Supplies	700	-	206	-	-	-	-	-	-	-	-
37112	Computer Supplies	100	-	103	-	-	-	-	-	-	-	-
37113	Postage	-	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	1,600	-	515	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	400	-	206	-	-	-	-	-	-	-	-
37161	Operational Supplies	2,500	-	1,030	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <\$10,000	2,000	-	-	-	-	-	-	-	-	-	-
37192	Awards & Recognition	100	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	800	-	309	-	-	-	-	-	-	-	-
37194	Community Relations Supplies	5,500	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	2,400	-	-	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	800	-	-	-	-	-	-	-	-	-	-
37232	Chemical Supplies	-	-	-	-	-	-	-	-	-	-	-
37997	Education & Training Supplies	5,000	-	-	-	-	-	-	-	-	-	-
Contractual Services												
38128	Recording, License & Permit Fees	28,400	-	-	-	-	-	-	-	-	-	-
38129	Software Licenses	3,000	-	-	-	-	-	-	-	-	-	-
38162	Landscape Services	500	-	-	-	-	-	-	-	-	-	-
38199	Other Prof/Tech Services	28,500	75,000	-	-	-	-	-	-	-	-	-
38211	Water	750,000	1,701,400	1,752,442	1,805,015	1,859,166	1,914,941	-	-	-	-	-
38217	Postage & Mailings	7,800	-	-	-	-	-	-	-	-	-	-
38221	Cell Phone/Pagers	1,000	-	-	-	-	-	-	-	-	-	-
38324	Machinery & Equip. Maint.	55,500	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	400	-	-	-	-	-	-	-	-	-	-
38351	Wells/Sewer/Lins/Etc.	-	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	5,300	-	1,545	-	-	-	-	-	-	-	-
38924	Dues & Memberships	6,500	-	2,060	-	-	-	-	-	-	-	-
38925	Federal Mileage Allowance	100	-	-	-	-	-	-	-	-	-	-
38927	EE Certifications & Licensing	200	-	-	-	-	-	-	-	-	-	-
38931	Advertising	1,500	-	-	-	-	-	-	-	-	-	-
38951	Printing	2,900	-	103	-	-	-	-	-	-	-	-
38999	Outside Services	100	-	-	-	-	-	-	-	-	-	-
Capital												
39871	Wtrstorinv	-	-	-	-	-	-	-	-	-	-	-
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous												
	Future Additional O&M Expenses	-	-	-	-	-	-	125,000	128,750	132,613	136,591	140,689
Other												
	Add'l O&M from CIP	-	-	-	-	-	-	-	-	-	-	-
Total Cash O&M Expenditures		\$ 7,846,388	\$ 1,881,400	\$ 2,304,296	\$ 1,985,015	\$ 2,359,166	\$ 3,814,941	\$ 125,000	\$ 128,750	\$ 132,613	\$ 136,591	\$ 140,689
TOTAL EXPENSES		\$ 7,846,388	\$ 1,881,400	\$ 2,304,296	\$ 1,985,015	\$ 2,359,166	\$ 3,814,941	\$ 125,000	\$ 128,750	\$ 132,613	\$ 136,591	\$ 140,689



City of Surprise
Water Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year: **2014**

2014

No	Description	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	General Capital Fund
1	Budget												100%
2	Water CIP Project Management (Previously Sustainability)		109,840										100%
3	SPA 1 Impact Fee Studies	3,400											0%
4	SPA 2 Impact Fee Studies	3,400											0%
5	SPA 3 Impact Fee Studies	3,400											0%
6	SPA 4 Impact Fee Studies	3,400											0%
7	SPA 5 Impact Fee Studies	3,400											0%
8	SPA 6 Impact Fee Studies	3,400											0%
9	Resources SPA 1 Impact Fee Studies	3,400											0%
10	Resources SPA 2 Impact Fee Studies	3,400											0%
11	Resources SPA 3 Impact Fee Studies	3,400											0%
12	Resources SPA 4 Impact Fee Studies	3,400											0%
13	Resources SPA 5 Impact Fee Studies	3,400											0%
14	Resources SPA 6 Impact Fee Studies	3,400											0%
15													100%
16	Enterprise CIP 22511 - Water Operations Fund												100%
17	Cactus Road - South Side (Tracks to Litchfield)		70,000	210,000	90,000								100%
18	SPA 2 Desert Oasis WSF - Arsenic Treatment (non-growth)		37,500	512,500									100%
19	Site & Security Improvements - Water		295,000	475,000									100%
20	Ashton Ranch Water Storage Reservoir Coating		340,000										100%
21	Rancho Gabriela WSF Nitrate Treatment											2,100,000	100%
22	SPA1 Rancho Gabriela Nitrate Treatment							1,000,000					100%
23	Combined Distribution System for Ashton and Rancho			625,000	625,000	500,000	1,750,000	1,750,000					100%
24	SPA 1 Ashton Ranch WSF - Chlorine Upgrade							100,000	1,000,000				100%
25	SPA 1 16-in Reclaimed Line Civic Center Drive (Bell to Paradise)				600,000								100%
26	SPA 1 16-in Water Line (Civic Center Drive/Tierra Buena Lane)			1,500,000									100%
27	SPA 1 3 Distribution System Monitoring Stations				200,000	250,000							100%
28	SPA 1 Rancho Gabriela WSF - Arsenic Treatment						200,000	2,000,000					100%
29	Well Transmission Line Hydraulic Transient Protection			150,000	150,000	150,000							100%
30	Water Capital Asset Replacement			2,578,400	1,477,000	387,000	160,500	481,300	748,000	474,000	260,000	785,500	100%
31	Summit Well Modifications							110,000					100%
32	Reclaimed Water HOA Conversion			120,000			120,000						100%
33	City Hall Reclaim Connections		230,000										100%
34	SPA 1 VFD for Plant 4 & 5 Non-Potable Pumps		492,000										100%
35	Enterprise CIP 22512 - Water System Dev Fee Fund SPA 1												0%
36	SPA 1 Mountain Vista Well #2	914,700	1,158,800										0%
37	CAP Allocation (M&I Subcontract)	154,000	205,000	216,000	226,000	238,000	250,000						0%
38	SPA 1 Rancho Gabriela Ag Well Conversion							140,000	530,000	530,000			0%
39	SPA 1 Mountain Gate/Kenly Well							90,000	1,780,000				0%
40	SPA 1 Ashton Ranch Subdivision Well #2						90,000	1,780,000					0%
41	IWMP Existing Water System Deficiencies			300,000									0%
42	Enterprise CIP 22513 - Water System Dev Fee Fund SPA 2												0%
43	SPA 2 Desert Oasis WSF - Arsenic Treatment		112,500	1,537,500									0%
44	16-in Water line Happy Valley (N 163rd Ave to N 155th Ave)							180,000	1,620,000				0%
45	16-in Water line N 155th Ave (W Jomax Rd to W Pin. Peak)							180,000	1,620,000				0%
46	16-in Water line N 177th Ave (W Patton Rd to W Jomax Rd)							110,000	1,690,000				0%
47	16-in Water line N Cotton Ln (W Patton Rd to W Hedgehog)					36,000	324,000						0%
48	16-in Water line W Jomax Rd (N 163rd Ave to N 155th Ave)							180,000	1,620,000				0%
49	16-in Water line W Jomax Rd (N 177th Ave to N 175th Ln)							70,000	630,000				0%
50	16-in Water line W Patton Rd (N 177th Ave to N Cotton Ln)							110,000	1,690,000				0%
51	16-in Water line W Pinnacle Peak Rd (N 163rd to N 155th)							180,000	1,620,000				0%



City of Surprise
Water Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year: **2014**

2014

No	Description	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	General Capital Fund
52	Final Phase of Asante WSF (Design and Construction)							1,000,000	2,000,000	2,184,000			0%
53	Asante Wells Equipment							1,000,000	1,000,000				0%
54	SPA 2 Regional WSF - (Land Purchase)							6,000,000					0%
55	Enterprise CIP 22514 - Water System Dev Fee Fund SPA 3												0%
56	SPA 3 Regional WSF - (Land Purchase)								9,000,000				0%
57	SPA 3 Initial Water System				100,000	750,000							0%
58	Enterprise CIP 22522 - Water Resources Sys Dev Fee SPA 1												0%
59	SPA 1 16-in Reclaimed Line - Parkview Pl and Greenway Rd							1,500,000					0%
60	Greenway Road Improvements - Reclaimed Line		769,100										0%
61	Resources SPA 1 Effluent Storage Reservoir Covers		2,600,000										0%
62													100%
63	Enterprise Vehicles												100%
64	Customer Service						25,000	60,000					100%
65	Environmental							50,000					100%
66	Operations			22,000	95,000		63,000	131,000					100%
67	Utility Locating				67,000		30,000						100%
68													100%
69	One-time Future O&M Costs												100%
70	Permanent Well Service Level Sensors		25,000	25,000	25,000								100%
71	Water System Asset Replacement		105,950										100%
72	Eval on Connecting Ashton and Rancho Production Wells			50,000									100%
73	Assess and partially abandon two agricultural wells		80,000										100%
74	Electronic Document Control/Retrieval System			25,000									100%
75	Develop Emergency Response Plan			150,000									100%
76	Water OSHA LOTO Follow Through			25,000	25,000								100%
77	Water System Asset Replacement		453,000										100%
78	Lead Water Mechanic (Senior M&O Tech) Light Vehicle			25,750									100%
79	Desert Oasis WSF Restroom Construction			50,000									100%
80	Water Sampler (M&O Tech) Light Vehicle			26,523									100%
81	Water Mechanic (M&O Tech) Light Vehicle			25,750									100%
82	Integrated Water Master Plan Update		150,000			120,000							100%
83	Permanent Drinking Water Sample Stations		45,000	25,000	25,000	25,000	25,000						100%
84													100%
Total Capital Projects		\$ 1,109,500	\$ 7,278,690	\$ 8,674,423	\$ 3,705,000	\$ 2,456,000	\$ 3,037,500	\$ 18,202,300	\$ 26,548,000	\$ 3,188,000	\$ 260,000	\$ 2,885,500	35%
Projects by Grants / Developer Donations													
Projects by Enterprise Fund													
General Capital Fund		-	2,433,290	6,620,923	3,379,000	1,432,000	2,373,500	5,682,300	1,748,000	474,000	260,000	2,885,500	
System Dev Fee SPA 1		1,072,100	1,363,800	516,000	226,000	238,000	340,000	2,010,000	2,310,000	530,000	-	-	
System Dev Fee SPA 2		3,400	112,500	1,537,500	-	36,000	324,000	9,010,000	13,490,000	2,184,000	-	-	
System Dev Fee SPA 3		3,400	-	-	100,000	750,000	-	-	9,000,000	-	-	-	
System Dev Fee SPA 4		3,400	-	-	-	-	-	-	-	-	-	-	
System Dev Fee SPA 5		3,400	-	-	-	-	-	-	-	-	-	-	
System Dev Fee SPA 6		3,400	-	-	-	-	-	-	-	-	-	-	
Resources System Dev SPA 1		3,400	3,369,100	-	-	-	-	1,500,000	-	-	-	-	
Resources System Dev SPA 2		3,400	-	-	-	-	-	-	-	-	-	-	
Resources System Dev SPA 3		3,400	-	-	-	-	-	-	-	-	-	-	
Resources System Dev SPA 4		3,400	-	-	-	-	-	-	-	-	-	-	
Resources System Dev SPA 5		3,400	-	-	-	-	-	-	-	-	-	-	
Resources System Dev SPA 6		3,400	-	-	-	-	-	-	-	-	-	-	



City of Surprise
Water Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year:

No	Description	System Dev SPA 1	System Dev SPA 2	System Dev SPA 3	System Dev SPA 4	System Dev SPA 5	System Dev SPA 6	Resources System Dev SPA 1	Resources System Dev SPA 2	Resources System Dev SPA 3	Resources System Dev SPA 4	Resources System Dev SPA 5	Resources System Dev SPA 6	Specific Funding Source 1-Balances, 2-CIAC
1	Budget													1 Balances
2	Water CIP Project Management (Previously Sustainability)													1 Balances
3	SPA 1 Impact Fee Studies	100%												1 Balances
4	SPA 2 Impact Fee Studies		100%											1 Balances
5	SPA 3 Impact Fee Studies			100%										1 Balances
6	SPA 4 Impact Fee Studies				100%									1 Balances
7	SPA 5 Impact Fee Studies					100%								1 Balances
8	SPA 6 Impact Fee Studies						100%							1 Balances
9	Resources SPA 1 Impact Fee Studies							100%						1 Balances
10	Resources SPA 2 Impact Fee Studies								100%					1 Balances
11	Resources SPA 3 Impact Fee Studies									100%				1 Balances
12	Resources SPA 4 Impact Fee Studies										100%			1 Balances
13	Resources SPA 5 Impact Fee Studies											100%		1 Balances
14	Resources SPA 6 Impact Fee Studies												100%	1 Balances
15														1 Balances
16	Enterprise CIP 22511 - Water Operations Fund													1 Balances
17	Cactus Road - South Side (Tracks to Litchfield)													1 Balances
18	SPA 2 Desert Oasis WSF - Arsenic Treatment (non-growth)													1 Balances
19	Site & Security Improvements - Water													1 Balances
20	Ashton Ranch Water Storage Reservoir Coating													1 Balances
21	Rancho Gabriela WSF Nitrate Treatment													1 Balances
22	SPA1 Rancho Gabriela Nitrate Treatment													1 Balances
23	Combined Distribution System for Ashton and Rancho													1 Balances
24	SPA 1 Ashton Ranch WSF - Chlorine Upgrade													1 Balances
25	SPA 1 16-in Reclaimed Line Civic Center Drive (Bell to Paradise)													1 Balances
26	SPA 1 16-in Water Line (Civic Center Drive/Tierra Buena Lane)													1 Balances
27	SPA 1 3 Distribution System Monitoring Stations													1 Balances
28	SPA 1 Rancho Gabriela WSF - Arsenic Treatment													1 Balances
29	Well Transmission Line Hydraulic Transient Protection													1 Balances
30	Water Capital Asset Replacement													1 Balances
31	Summit Well Modifications													1 Balances
32	Reclaimed Water HOA Conversion													1 Balances
33	City Hall Reclaim Connections													1 Balances
34	SPA 1 VFD for Plant 4 & 5 Non-Potable Pumps													1 Balances
35	Enterprise CIP 22512 - Water System Dev Fee Fund SPA 1	100%												1 Balances
36	SPA 1 Mountain Vista Well #2	100%												1 Balances
37	CAP Allocation (M&I Subcontract)	100%												1 Balances
38	SPA 1 Rancho Gabriela Ag Well Conversion	100%												1 Balances
39	SPA 1 Mountain Gate/Kenly Well	100%												1 Balances
40	SPA 1 Ashton Ranch Subdivision Well #2	100%												1 Balances
41	IWMP Existing Water System Deficiencies	100%												1 Balances
42	Enterprise CIP 22513 - Water System Dev Fee Fund SPA 2		100%											1 Balances
43	SPA 2 Desert Oasis WSF - Arsenic Treatment		100%											1 Balances
44	16-in Water line Happy Valley (N 163rd Ave to N 155th Ave)		100%											1 Balances
45	16-in Water line N 155th Ave (W Jomax Rd to W Pin. Peak)		100%											1 Balances
46	16-in Water line N 177th Ave (W Patton Rd to W Jomax Rd)		100%											1 Balances
47	16-in Water line N Cotton Ln (W Patton Rd to W Hedgehog)		100%											1 Balances
48	16-in Water line W Jomax Rd (N 163rd Ave to N 155th Ave)		100%											1 Balances
49	16-in Water line W Jomax Rd (N 177th Ave to N 175th Ln)		100%											1 Balances
50	16-in Water line W Patton Rd (N 177th Ave to N Cotton Ln)		100%											1 Balances
51	16-in Water line W Pinnacle Peak Rd (N 163rd to N 155th)		100%											1 Balances



City of Surprise
Water Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year:

No	Description	System Dev SPA 1	System Dev SPA 2	System Dev SPA 3	System Dev SPA 4	System Dev SPA 5	System Dev SPA 6	Resources System Dev SPA 1	Resources System Dev SPA 2	Resources System Dev SPA 3	Resources System Dev SPA 4	Resources System Dev SPA 5	Resources System Dev SPA 6	Specific Funding Source 1-Balances, 2-CIAC	
52	Final Phase of Asante WSF (Design and Construction)		100%											1	Balances
53	Asante Wells Equipment		100%											1	Balances
54	SPA 2 Regional WSF - (Land Purchase)		100%											1	Balances
55	Enterprise CIP 22514 - Water System Dev Fee Fund SPA 3			100%										1	Balances
56	SPA 3 Regional WSF - (Land Purchase)			100%										1	Balances
57	SPA 3 Initial Water System			100%										1	Balances
58	Enterprise CIP 22522 - Water Resources Sys Dev Fee SPA 1							100%						1	Balances
59	SPA 1 16-in Reclaimed Line - Parkview Pl and Greenway Rd							100%						1	Balances
60	Greenway Road Improvements - Reclaimed Line							100%						1	Balances
61	Resources SPA 1 Effluent Storage Reservoir Covers							100%						1	Balances
62														1	Balances
63	Enterprise Vehicles													1	Balances
64	Customer Service													1	Balances
65	Environmental													1	Balances
66	Operations													1	Balances
67	Utility Locating													1	Balances
68														1	Balances
69	One-time Future O&M Costs													1	Balances
70	Permanent Well Service Level Sensors													1	Balances
71	Water System Asset Replacement													1	Balances
72	Eval on Connecting Ashton and Rancho Production Wells													1	Balances
73	Assess and partially abandon two agricultural wells													1	Balances
74	Electronic Document Control/Retrieval System													1	Balances
75	Develop Emergency Response Plan													1	Balances
76	Water OSHA LOTO Follow Through													1	Balances
77	Water System Asset Replacement													1	Balances
78	Lead Water Mechanic (Senior M&O Tech) Light Vehicle													1	Balances
79	Desert Oasis WSF Restroom Construction													1	Balances
80	Water Sampler (M&O Tech) Light Vehicle													1	Balances
81	Water Mechanic (M&O Tech) Light Vehicle													1	Balances
82	Integrated Water Master Plan Update													1	Balances
83	Permanent Drinking Water Sample Stations													1	Balances
84														1	Balances
Total Capital Projects		11%	35%	13%	0%	0%	0%	6%	0%	0%	0%	0%	0%		
Projects by Grants / Developer Donations															
Projects by Enterprise Fund															
General Capital Fund															
System Dev Fee SPA 1															
System Dev Fee SPA 2															
System Dev Fee SPA 3															
System Dev Fee SPA 4															
System Dev Fee SPA 5															
System Dev Fee SPA 6															
Resources System Dev SPA 1															
Resources System Dev SPA 2															
Resources System Dev SPA 3															
Resources System Dev SPA 4															
Resources System Dev SPA 5															
Resources System Dev SPA 6															



City of Surprise
Water Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year: **2014**

TOTAL FORECASTED PROJECT COSTS

No	Description	TOTAL ESCALATED COSTS	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
1	Budget	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Water CIP Project Management (Previously Sustainability)	113,315	-	113,315	-	-	-	-	-	-	-	-	-
3	SPA 1 Impact Fee Studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
4	SPA 2 Impact Fee Studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
5	SPA 3 Impact Fee Studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
6	SPA 4 Impact Fee Studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
7	SPA 5 Impact Fee Studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
8	SPA 6 Impact Fee Studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
9	Resources SPA 1 Impact Fee Studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
10	Resources SPA 2 Impact Fee Studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
11	Resources SPA 3 Impact Fee Studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
12	Resources SPA 4 Impact Fee Studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
13	Resources SPA 5 Impact Fee Studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
14	Resources SPA 6 Impact Fee Studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
15	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Enterprise CIP 22511 - Water Operations Fund	-	-	-	-	-	-	-	-	-	-	-	-
17	Cactus Road - South Side (Tracks to Litchfield)	394,526	-	72,214	223,497	98,815	-	-	-	-	-	-	-
18	SPA 2 Desert Oasis WSF - Arsenic Treatment (non-growth)	584,125	-	38,686	545,439	-	-	-	-	-	-	-	-
19	Site & Security Improvements - Water	809,861	-	304,332	505,529	-	-	-	-	-	-	-	-
20	Ashton Ranch Water Storage Reservoir Coating	350,756	-	350,756	-	-	-	-	-	-	-	-	-
21	Rancho Gabriela WSF Nitrate Treatment	2,867,346	-	-	-	-	-	-	-	-	-	-	2,867,346
22	SPA1 Rancho Gabriela Nitrate Treatment	1,205,470	-	-	-	-	-	-	1,205,470	-	-	-	-
23	Combined Distribution System for Ashton and Rancho	6,072,173	-	-	665,169	686,212	566,336	2,044,883	2,109,573	-	-	-	-
24	SPA 1 Ashton Ranch WSF - Chlorine Upgrade	1,364,152	-	-	-	-	-	-	120,547	1,243,605	-	-	-
25	SPA 1 16-in Reclaimed Line Civic Center Drive (Bell to Paradise)	658,763	-	-	-	658,763	-	-	-	-	658,763	-	-
26	SPA 1 16-in Water Line (Civic Center Drive/Tierra Buena Lane)	1,596,406	-	-	1,596,406	-	-	-	-	-	-	-	-
27	SPA 1 3 Distribution System Monitoring Stations	502,756	-	-	-	219,588	283,168	-	-	-	-	-	-
28	SPA 1 Rancho Gabriela WSF - Arsenic Treatment	2,644,641	-	-	-	-	-	233,701	2,410,940	-	-	-	-
29	Well Transmission Line Hydraulic Transient Protection	494,232	-	-	159,641	164,691	169,901	-	-	-	-	-	-
30	Water Capital Asset Replacement	8,526,829	-	-	2,744,116	1,621,656	438,344	187,545	580,193	930,217	608,117	344,118	1,072,524
31	Summit Well Modifications	132,602	-	-	-	-	-	-	132,602	-	-	-	-
32	Reclaimed Water HOA Conversion	267,933	-	-	127,712	-	-	140,221	-	-	-	-	-
33	City Hall Reclaim Connections	237,276	-	237,276	-	-	-	-	-	-	-	-	-
34	SPA 1 VFD for Plant 4 & 5 Non-Potable Pumps	507,564	-	507,564	-	-	-	-	-	-	-	-	-
35	Enterprise CIP 22512 - Water System Dev Fee Fund SPA 1	-	-	-	-	-	-	-	-	-	-	-	-
36	SPA 1 Mountain Vista Well #2	2,110,159	914,700	1,195,459	-	-	-	-	-	-	-	-	-
37	CAP Allocation (M&I Subcontract)	1,405,204	154,000	211,485	229,882	248,134	269,576	292,126	-	-	-	-	-
38	SPA 1 Rancho Gabriela Ag Well Conversion	1,507,838	-	-	-	-	-	-	168,766	659,111	679,962	-	-
39	SPA 1 Mountain Gate/Kenly Well	2,322,110	-	-	-	-	-	-	108,492	2,213,617	-	-	-
40	SPA 1 Ashton Ranch Subdivision Well #2	2,250,902	-	-	-	-	-	105,165	2,145,737	-	-	-	-
41	IWMP Existing Water System Deficiencies	319,281	-	-	319,281	-	-	-	-	-	-	-	-
42	Enterprise CIP 22513 - Water System Dev Fee Fund SPA 2	-	-	-	-	-	-	-	-	-	-	-	-
43	SPA 2 Desert Oasis WSF - Arsenic Treatment	1,752,375	-	116,059	1,636,316	-	-	-	-	-	-	-	-
44	16-in Water line Happy Valley (N 163rd Ave to N 155th Ave)	2,231,625	-	-	-	-	-	-	216,985	2,014,640	-	-	-
45	16-in Water line N 155th Ave (W Jomax Rd to W Pin. Peak)	2,231,625	-	-	-	-	-	-	216,985	2,014,640	-	-	-
46	16-in Water line N 177th Ave (W Patton Rd to W Jomax Rd)	2,234,294	-	-	-	-	-	-	132,602	2,101,693	-	-	-
47	16-in Water line N Cotton Ln (W Patton Rd to W Hedgehog)	419,372	-	-	-	-	40,776	378,595	-	-	-	-	-
48	16-in Water line W Jomax Rd (N 163rd Ave to N 155th Ave)	2,231,625	-	-	-	-	-	-	216,985	2,014,640	-	-	-
49	16-in Water line W Jomax Rd (N 177th Ave to N 175th Ln)	867,854	-	-	-	-	-	-	84,383	783,471	-	-	-
50	16-in Water line W Patton Rd (N 177th Ave to N Cotton Ln)	2,234,294	-	-	-	-	-	-	132,602	2,101,693	-	-	-
51	16-in Water line W Pinnacle Peak Rd (N 163rd to N 155th)	2,231,625	-	-	-	-	-	-	216,985	2,014,640	-	-	-



City of Surprise
Water Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year: **2014**

TOTAL FORECASTED PROJECT COSTS

No	Description	TOTAL ESCALATED COSTS	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
52	Final Phase of Asante WSF (Design and Construction)	6,494,636	-	-	-	-	-	-	1,205,470	2,487,210	2,801,955	-	-
53	Asante Wells Equipment	2,449,075	-	-	-	-	-	-	1,205,470	1,243,605	-	-	-
54	SPA 2 Regional WSF - (Land Purchase)	7,232,821	-	-	-	-	-	-	7,232,821	-	-	-	-
55	Enterprise CIP 22514 - Water System Dev Fee Fund SPA 3	-	-	-	-	-	-	-	-	-	-	-	-
56	SPA 3 Regional WSF - (Land Purchase)	11,192,447	-	-	-	-	-	-	-	11,192,447	-	-	-
57	SPA 3 Initial Water System	959,298	-	-	-	109,794	849,504	-	-	-	-	-	-
58	Enterprise CIP 22522 - Water Resources Sys Dev Fee SPA 1	-	-	-	-	-	-	-	-	-	-	-	-
59	SPA 1 16-in Reclaimed Line - Parkview Pl and Greenway Rd	1,808,205	-	-	-	-	-	-	1,808,205	-	-	-	-
60	Greenway Road Improvements - Reclaimed Line	793,430	-	793,430	-	-	-	-	-	-	-	-	-
61	Resources SPA 1 Effluent Storage Reservoir Covers	2,682,251	-	2,682,251	-	-	-	-	-	-	-	-	-
62		-	-	-	-	-	-	-	-	-	-	-	-
63	Enterprise Vehicles	-	-	-	-	-	-	-	-	-	-	-	-
64	Customer Service	101,541	-	-	-	-	-	29,213	72,328	-	-	-	-
65	Environmental	60,274	-	-	-	-	-	-	60,274	-	-	-	-
66	Operations	359,251	-	-	23,414	104,304	-	73,616	157,917	-	-	-	-
67	Utility Locating	108,617	-	-	-	73,562	-	35,055	-	-	-	-	-
68		-	-	-	-	-	-	-	-	-	-	-	-
69	One-time Future O&M Costs	-	-	-	-	-	-	-	-	-	-	-	-
70	Permanent Well Service Level Sensors	79,846	-	25,791	26,607	27,448	-	-	-	-	-	-	-
71	Water System Asset Replacement	109,302	-	109,302	-	-	-	-	-	-	-	-	-
72	Eval on Connecting Ashton and Rancho Production Wells	53,214	-	-	53,214	-	-	-	-	-	-	-	-
73	Assess and partially abandon two agricultural wells	82,531	-	82,531	-	-	-	-	-	-	-	-	-
74	Electronic Document Control/Retrieval System	26,607	-	-	26,607	-	-	-	-	-	-	-	-
75	Develop Emergency Response Plan	159,641	-	-	159,641	-	-	-	-	-	-	-	-
76	Water OSHA LOTO Follow Through	54,055	-	-	26,607	27,448	-	-	-	-	-	-	-
77	Water System Asset Replacement	467,331	-	467,331	-	-	-	-	-	-	-	-	-
78	Lead Water Mechanic (Senior M&O Tech) Light Vehicle	27,405	-	-	27,405	-	-	-	-	-	-	-	-
79	Desert Oasis WSF Restroom Construction	53,214	-	-	53,214	-	-	-	-	-	-	-	-
80	Water Sampler (M&O Tech) Light Vehicle	28,227	-	-	28,227	-	-	-	-	-	-	-	-
81	Water Mechanic (M&O Tech) Light Vehicle	27,405	-	-	27,405	-	-	-	-	-	-	-	-
82	Integrated Water Master Plan Update	290,666	-	154,745	-	-	135,921	-	-	-	-	-	-
83	Permanent Drinking Water Sample Stations	158,008	-	46,424	26,607	27,448	28,317	29,213	-	-	-	-	-
84		-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Projects		\$ 91,581,006	\$ 1,109,500	\$ 7,508,951	\$ 9,231,935	\$ 4,067,864	\$ 2,781,843	\$ 3,549,332	\$ 21,942,329	\$ 33,015,230	\$ 4,090,034	\$ 344,118	\$ 3,939,869
Projects by Grants / Developer Donations		-	-	-	-	-	-	-	-	-	-	-	-
Projects by Enterprise Fund		91,581,006	1,109,500	7,508,951	9,231,935	4,067,864	2,781,843	3,549,332	21,942,329	33,015,230	4,090,034	344,118	3,939,869
General Capital Fund		31,577,859	-	2,510,267	7,046,455	3,709,936	1,621,987	2,773,445	6,849,843	2,173,822	608,117	344,118	3,939,869
System Dev Fee SPA 1		9,918,894	1,072,100	1,406,944	549,164	248,134	269,576	397,292	2,422,995	2,872,728	679,962	-	-
System Dev Fee SPA 2		32,614,622	3,400	116,059	1,636,316	-	40,776	378,595	10,861,286	16,776,234	2,801,955	-	-
System Dev Fee SPA 3		12,155,145	3,400	-	-	109,794	849,504	-	-	11,192,447	-	-	-
System Dev Fee SPA 4		3,400	3,400	-	-	-	-	-	-	-	-	-	-
System Dev Fee SPA 5		3,400	3,400	-	-	-	-	-	-	-	-	-	-
System Dev Fee SPA 6		3,400	3,400	-	-	-	-	-	-	-	-	-	-
Resources System Dev SPA 1		5,287,287	3,400	3,475,682	-	-	-	-	1,808,205	-	-	-	-
Resources System Dev SPA 2		3,400	3,400	-	-	-	-	-	-	-	-	-	-
Resources System Dev SPA 3		3,400	3,400	-	-	-	-	-	-	-	-	-	-
Resources System Dev SPA 4		3,400	3,400	-	-	-	-	-	-	-	-	-	-
Resources System Dev SPA 5		3,400	3,400	-	-	-	-	-	-	-	-	-	-
Resources System Dev SPA 6		3,400	3,400	-	-	-	-	-	-	-	-	-	-



City of Surprise

Water Utility Rate Study

Revenue Requirements Analysis

Cash Flow Sufficiency Test	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
EXPENSES											
Cash Operating Expenses	\$ 8,204,000	\$ 8,977,788	\$ 9,788,150	\$ 10,267,802	\$ 11,085,740	\$ 13,322,945	\$ 13,847,615	\$ 14,392,573	\$ 14,983,200	\$ 15,609,956	\$ 16,217,549
Existing Debt Service	-	-	-	-	-	-	-	-	-	-	-
New Debt Service	-	-	726,006	726,006	726,006	726,006	4,393,218	4,393,218	4,393,218	4,393,218	4,393,218
Rate Funded System Reinvestment	-	700,000	700,000	700,000	700,000	700,000	700,000	1,500,000	2,300,000	2,800,000	3,200,000
Total Expenses	\$ 8,204,000	\$ 9,677,788	\$ 11,214,156	\$ 11,693,808	\$ 12,511,746	\$ 14,748,951	\$ 18,940,833	\$ 20,285,791	\$ 21,676,418	\$ 22,803,174	\$ 23,810,767
REVENUES											
Rate Revenue	\$ 10,020,500	\$ 10,262,991	\$ 10,358,476	\$ 10,715,787	\$ 11,068,330	\$ 11,546,697	\$ 11,903,077	\$ 12,259,456	\$ 12,615,835	\$ 12,972,214	\$ 13,328,594
Non Rate Revenue	45,000	46,089	46,518	48,122	49,706	51,854	53,454	55,055	56,655	58,256	59,856
Operating Fund & Debt Reserve Fund Interest Earnings	21,500	6,743	11,069	23,350	24,139	25,483	29,161	66,695	67,591	68,562	69,592
Total Revenue	\$ 10,087,000	\$ 10,315,823	\$ 10,416,062	\$ 10,787,260	\$ 11,142,175	\$ 11,624,034	\$ 11,985,692	\$ 12,381,206	\$ 12,740,081	\$ 13,099,032	\$ 13,458,042
NET CASH FLOW (DEFICIENCY)	\$ 1,883,000	\$ 638,035	\$ (798,094)	\$ (906,548)	\$ (1,369,571)	\$ (3,124,917)	\$ (6,955,142)	\$ (7,904,585)	\$ (8,936,336)	\$ (9,704,142)	\$ (10,352,725)
% of Rate Revenue	-18.79%	-6.22%	7.70%	8.46%	12.37%	27.06%	58.43%	64.48%	70.83%	74.81%	77.67%

Coverage Sufficiency Test	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
EXPENSES											
Total Cash Operating Expenses (less Capital Outlays)	\$ 7,908,000	\$ 8,640,388	\$ 9,212,445	\$ 9,499,826	\$ 10,244,724	\$ 12,266,699	\$ 12,759,682	\$ 13,272,002	\$ 13,829,012	\$ 14,421,143	\$ 14,993,071
Revenue Bond Debt Service	-	-	726,006	726,006	726,006	726,006	4,393,218	4,393,218	4,393,218	4,393,218	4,393,218
Revenue Bond Coverage Requirement at 1.25	-	-	181,502	181,502	181,502	181,502	1,098,304	1,098,304	1,098,304	1,098,304	1,098,304
Total Expenses	\$ 7,908,000	\$ 8,640,388	\$ 10,119,953	\$ 10,407,334	\$ 11,152,232	\$ 13,174,207	\$ 18,251,205	\$ 18,763,524	\$ 19,320,534	\$ 19,912,665	\$ 20,484,593
ALLOWABLE REVENUES											
Rate Revenue	\$ 10,020,500	\$ 10,262,991	\$ 10,358,476	\$ 10,715,787	\$ 11,068,330	\$ 11,546,697	\$ 11,903,077	\$ 12,259,456	\$ 12,615,835	\$ 12,972,214	\$ 13,328,594
Other Revenue	45,000	46,089	46,518	48,122	49,706	51,854	53,454	55,055	56,655	58,256	59,856
Interest Earnings - All Funds	21,500	22,628	30,622	57,917	46,194	55,069	70,827	343,149	70,148	70,042	104,918
Total Revenue	\$ 10,087,000	\$ 10,331,707	\$ 10,435,615	\$ 10,821,826	\$ 11,164,230	\$ 11,653,620	\$ 12,027,358	\$ 12,657,660	\$ 12,742,638	\$ 13,100,512	\$ 13,493,368
Coverage Realized	n/a	n/a	1.68	1.82	1.27	-0.84	-0.17	-0.14	-0.25	-0.30	-0.34
COVERAGE SURPLUS (DEFICIENCY)	\$ 2,179,000	\$ 1,691,319	\$ 315,662	\$ 414,492	\$ 11,998	\$ (1,520,586)	\$ (6,223,847)	\$ (6,105,865)	\$ (6,577,896)	\$ (6,812,153)	\$ (6,991,226)

Maximum Revenue Deficiency	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Sufficiency Test Driving the Deficiency	None	None	Cash	Cash	Cash	Cash	Cash	Cash	Cash	Cash	Cash
Maximum Deficiency From Tests	\$ -	\$ -	\$ 798,094	\$ 906,548	\$ 1,369,571	\$ 3,124,917	\$ 6,955,142	\$ 7,904,585	\$ 8,936,336	\$ 9,704,142	\$ 10,352,725
less: Net Revenue From Prior Rate Increases	-	-	(837,483)	(1,804,218)	(2,912,196)	(4,222,250)	(5,674,016)	(7,317,195)	(8,325,641)	(9,411,773)	(10,124,985)
Revenue Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,281,125	\$ 587,390	\$ 610,695	\$ 292,370	\$ 227,740
Plus: Adjustment for State Excise Tax	-	-	-	-	-	-	26,145	11,988	12,463	5,967	4,648
Total Revenue Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,307,271	\$ 599,377	\$ 623,158	\$ 298,336	\$ 232,388



City of Surprise

Water Utility Rate Study

Revenue Requirements Analysis

Rate Increases	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Rate Revenue with no Increase	\$ 10,020,500	\$ 10,262,991	\$ 10,358,476	\$ 10,715,787	\$ 11,068,330	\$ 11,546,697	\$ 11,903,077	\$ 12,259,456	\$ 12,615,835	\$ 12,972,214	\$ 13,328,594
Revenues from Prior Rate Increases	-	-	854,574	1,841,039	2,971,628	4,308,418	5,789,812	7,466,526	8,495,552	9,603,850	10,331,617
Rate Revenue Before Rate Increase (Incl. previous increases)	10,020,500	10,262,991	11,213,050	12,556,826	14,039,959	15,855,115	17,692,889	19,725,982	21,111,387	22,576,064	23,660,211
Required Annual Rate Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.39%	3.04%	2.95%	1.32%	0.98%
Number of Months New Rates Will Be In Effect	12	12	12	12	12	12	12	12	12	12	12
Info: Percentage Increase to Generate Required Revenue	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.39%	3.04%	2.95%	1.32%	0.98%
Policy Induced Rate Increases	0.00%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	4.00%	4.00%	2.00%	2.00%
ANNUAL RATE INCREASE	0.00%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	4.00%	4.00%	2.00%	2.00%
CUMULATIVE RATE INCREASE	0.00%	8.25%	17.18%	26.85%	37.31%	48.64%	60.90%	67.34%	74.03%	77.51%	81.06%

Impacts of Rate Increases	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Rate Revenues After Rate Increase	\$ 10,020,500	\$ 11,109,687	\$ 12,138,127	\$ 13,592,765	\$ 15,198,255	\$ 17,163,162	\$ 19,152,552	\$ 20,515,021	\$ 21,955,843	\$ 23,027,585	\$ 24,133,415
Full Year Rate Revenues After Rate Increase	10,020,500	11,109,687	12,138,127	13,592,765	15,198,255	17,163,162	19,152,552	20,515,021	21,955,843	23,027,585	24,133,415
Additional Taxes Due to Rate Increases	-	16,934	35,593	57,540	82,598	112,329	144,990	165,111	186,800	201,107	216,096
Net Cash Flow After Rate Increase	1,883,000	1,467,797	945,964	1,912,890	2,677,755	2,379,219	149,345	185,869	216,871	150,121	236,000
Coverage After Rate Increase	n/a	n/a	4.09	5.70	6.84	6.74	1.45	1.70	1.84	1.94	2.07



City of Surprise

Water Utility Rate Study

Fund Activity

Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
WATER OPERATIONS FUND (22511)											
Beginning Balance	\$ 2,673,144	\$ 1,348,603	\$ 1,475,801	\$ 1,609,011	\$ 1,687,858	\$ 1,822,313	\$ 2,190,073	\$ 2,276,320	\$ 2,365,902	\$ 2,462,992	\$ 2,566,020
plus: Net Cash Flow After Rate Increase	1,883,000	1,467,797	945,964	1,912,890	2,677,755	2,379,219	149,345	185,869	216,871	150,121	236,000
less: Transfer of Surplus to Capital Fund	(3,207,542)	(1,340,599)	(812,753)	(1,834,043)	(2,543,300)	(2,011,459)	(63,097)	(96,287)	(119,782)	(47,093)	(136,122)
Ending Balance	\$ 1,348,603	\$ 1,475,801	\$ 1,609,011	\$ 1,687,858	\$ 1,822,313	\$ 2,190,073	\$ 2,276,320	\$ 2,365,902	\$ 2,462,992	\$ 2,566,020	\$ 2,665,899
Minimum Target Balance	\$ 1,348,603	\$ 1,475,801	\$ 1,609,011	\$ 1,687,858	\$ 1,822,313	\$ 2,190,073	\$ 2,276,320	\$ 2,365,902	\$ 2,462,992	\$ 2,566,020	\$ 2,665,899
Maximum Funds to be Kept as Operating Reserves	\$ 1,348,603	\$ 1,475,801	\$ 1,609,011	\$ 1,687,858	\$ 1,822,313	\$ 2,190,073	\$ 2,276,320	\$ 2,365,902	\$ 2,462,992	\$ 2,566,020	\$ 2,665,899
Info: No of Days of Cash Operating Expenses	60	60	60	60	60	60	60	60	60	60	60
OPERATIONS FUND - CAPITAL PORTION											
Beginning Balance	\$ -	\$ 3,176,947	\$ 2,607,105	\$ 3,456,640	\$ 2,205,520	\$ 2,958,607	\$ 4,166,653	\$ 27,645,373	\$ 255,685	\$ 148,025	\$ 3,532,554
plus: Rate Funded System Reinvestment	-	700,000	700,000	700,000	700,000	700,000	700,000	1,500,000	2,300,000	2,800,000	3,200,000
plus: Transfers from Operating Fund	3,207,542	1,340,599	812,753	1,834,043	2,543,300	2,011,459	63,097	96,287	119,782	47,093	136,122
plus: Grants/ Donations/ CIAC	-	-	-	-	-	-	-	-	-	-	-
plus: Additional Proceeds (Costs)	-	-	-	-	-	-	-	-	-	-	-
plus: Transfers from SPA Funds for Deficit Repayment	-	-	-	-	-	1,240,446	61,276	-	56,266	880,074	880,074
plus: System Development Fee - Dual Water	-	-	-	-	-	-	-	-	-	-	-
plus: Revenue Bond Proceeds	-	-	8,000,000	-	-	-	39,500,000	-	-	-	-
plus: Other Loan Proceeds	-	-	-	-	-	-	-	-	-	-	-
plus: Other Low Interest Loan Proceeds	-	-	-	-	-	-	-	-	-	-	-
plus: Interest Earnings	-	15,885	19,553	34,566	22,055	29,586	41,667	276,454	2,557	1,480	35,326
Total Funding Sources	\$ 3,207,542	\$ 5,233,431	\$ 12,139,411	\$ 6,025,250	\$ 5,470,875	\$ 6,940,099	\$ 44,532,693	\$ 29,518,113	\$ 2,734,289	\$ 3,876,672	\$ 7,784,075
less: Capital Expenditures	-	(2,510,267)	(7,046,455)	(3,709,936)	(1,621,987)	(2,773,445)	(6,849,843)	(2,173,822)	(608,117)	(344,118)	(3,939,869)
less: Transfers to SPA Funds	(30,595)	(116,059)	(1,636,316)	(109,794)	(890,280)	-	(10,037,477)	(27,088,606)	(1,978,147)	-	-
Ending Capital Fund Balance (Red = Below Target)	\$ 3,176,947	\$ 2,607,105	\$ 3,456,640	\$ 2,205,520	\$ 2,958,607	\$ 4,166,653	\$ 27,645,373	\$ 255,685	\$ 148,025	\$ 3,532,554	\$ 3,844,205
Minimum Target Balance	\$ 2,058,053	\$ 2,208,232	\$ 2,392,871	\$ 2,474,228	\$ 2,529,865	\$ 2,600,851	\$ 3,039,698	\$ 3,700,003	\$ 3,781,803	\$ 3,788,686	\$ 3,867,483
DEBT RESERVE											
Beginning Balance	\$ -	\$ -	\$ -	\$ 726,006	\$ 726,006	\$ 726,006	\$ 726,006	\$ 4,393,218	\$ 4,393,218	\$ 4,393,218	\$ 4,393,218
plus: Reserve Funding from New Debt	-	-	726,006	-	-	-	3,667,212	-	-	-	-
less: Use of Reserves for Debt Service	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	\$ -	\$ -	\$ 726,006	\$ 726,006	\$ 726,006	\$ 726,006	\$ 4,393,218	\$ 4,393,218	\$ 4,393,218	\$ 4,393,218	\$ 4,393,218
Minimum Target Balance	\$ -	\$ -	\$ 726,006	\$ 726,006	\$ 726,006	\$ 726,006	\$ 4,393,218	\$ 4,393,218	\$ 4,393,218	\$ 4,393,218	\$ 4,393,218



City of Surprise
Water Utility Rate Study
Fund Activity

SPA Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Water System Dev Fee Fund SPA 1 (22512)											
Beginning Balance	\$ 3,670,905	\$ 3,307,105	\$ 2,623,605	\$ 2,141,751	\$ 2,820,751	\$ 3,288,179	\$ 3,755,405	\$ 2,946,493	\$ 1,679,758	\$ 2,593,122	\$ 4,195,582
plus: System Development Fee	660,400	706,908	47,633	905,717	708,796	831,636	1,576,528	1,576,528	1,576,528	1,576,528	1,576,528
plus: Interest Earnings	47,900	16,536	19,677	21,418	28,208	32,882	37,554	29,465	16,798	25,931	41,956
Total Funding Sources	\$ 4,379,205	\$ 4,030,549	\$ 2,690,915	\$ 3,068,885	\$ 3,557,755	\$ 4,152,697	\$ 5,369,488	\$ 4,552,486	\$ 3,273,084	\$ 4,195,582	\$ 5,814,066
less: Capital Expenditures	(1,072,100)	(1,406,944)	(549,164)	(248,134)	(269,576)	(397,292)	(2,422,995)	(2,872,728)	(679,962)	-	-
Remaining Funding Sources (Deficit)	\$ 3,307,105	\$ 2,623,605	\$ 2,141,751	\$ 2,820,751	\$ 3,288,179	\$ 3,755,405	\$ 2,946,493	\$ 1,679,758	\$ 2,593,122	\$ 4,195,582	\$ 5,814,066
plus: Transfer from Capital Fund	-	-	-	-	-	-	-	-	-	-	-
less: Repayment to Capital Fund	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	\$ 3,307,105	\$ 2,623,605	\$ 2,141,751	\$ 2,820,751	\$ 3,288,179	\$ 3,755,405	\$ 2,946,493	\$ 1,679,758	\$ 2,593,122	\$ 4,195,582	\$ 5,814,066
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Deficit	-	-	-	-	-	-	-	-	-	-	-
Ending Fund Deficit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water System Dev Fee Fund SPA 2 (22513)											
Beginning Balance	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
plus: System Development Fee	-	-	-	-	-	1,619,041	823,808	823,808	823,808	823,808	823,808
plus: Interest Earnings	-	-	-	-	-	-	-	-	-	-	-
Total Funding Sources	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ 1,619,041	\$ 823,808	\$ 823,808	\$ 823,808	\$ 823,808	\$ 823,808
less: Capital Expenditures	(3,400)	(116,059)	(1,636,316)	-	(40,776)	(378,595)	(10,861,286)	(16,776,234)	(2,801,955)	-	-
Remaining Funding Sources (Deficit)	\$ (3,395)	\$ (116,059)	\$ (1,636,316)	\$ -	\$ (40,776)	\$ 1,240,446	\$ (10,037,477)	\$ (15,952,426)	\$ (1,978,147)	\$ 823,808	\$ 823,808
plus: Transfer from Capital Fund	3,395	116,059	1,636,316	-	40,776	-	10,037,477	15,952,426	1,978,147	-	-
less: Repayment to Capital Fund	-	-	-	-	-	(1,240,446)	-	-	-	(823,808)	(823,808)
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	\$ 10,068	\$ 13,463	\$ 129,522	\$ 1,765,838	\$ 1,765,838	\$ 1,806,614	\$ 566,169	\$ 10,603,646	\$ 26,556,072	\$ 28,534,219	\$ 27,710,411
Change in Deficit	3,395	116,059	1,636,316	-	40,776	(1,240,446)	10,037,477	15,952,426	1,978,147	(823,808)	(823,808)
Ending Fund Deficit	\$ 13,463	\$ 129,522	\$ 1,765,838	\$ 1,765,838	\$ 1,806,614	\$ 566,169	\$ 10,603,646	\$ 26,556,072	\$ 28,534,219	\$ 27,710,411	\$ 26,886,602
Water System Dev Fee Fund SPA 3 (22514)											
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
plus: System Development Fee	-	-	-	-	-	-	56,266	56,266	56,266	56,266	56,266
plus: Interest Earnings	-	-	-	-	-	-	-	-	-	-	-
Total Funding Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,266	\$ 56,266	\$ 56,266	\$ 56,266	\$ 56,266
less: Capital Expenditures	(3,400)	-	-	(109,794)	(849,504)	-	-	(11,192,447)	-	-	-
Remaining Funding Sources (Deficit)	\$ (3,400)	\$ -	\$ -	\$ (109,794)	\$ (849,504)	\$ -	\$ 56,266	\$ (11,136,181)	\$ 56,266	\$ 56,266	\$ 56,266
plus: Transfer from Capital Fund	3,400	-	-	109,794	849,504	-	-	11,136,181	-	-	-
less: Repayment to Capital Fund	-	-	-	-	-	-	(56,266)	-	(56,266)	(56,266)	(56,266)
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	\$ 1,570	\$ 4,970	\$ 4,970	\$ 4,970	\$ 114,764	\$ 964,268	\$ 964,268	\$ 908,002	\$ 12,044,183	\$ 11,987,918	\$ 11,931,652
Change in Deficit	3,400	-	-	109,794	849,504	-	(56,266)	11,136,181	(56,266)	(56,266)	(56,266)
Ending Fund Deficit	\$ 4,970	\$ 4,970	\$ 4,970	\$ 114,764	\$ 964,268	\$ 964,268	\$ 908,002	\$ 12,044,183	\$ 11,987,918	\$ 11,931,652	\$ 11,875,386



City of Surprise
Water Utility Rate Study
Fund Activity

SPA Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Water System Dev Fee Fund SPA 4 (22515)											
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	\$ 1,570	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970
Change in Deficit	3,400	-	-	-	-	-	-	-	-	-	-
Ending Fund Deficit	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970
Water System Dev Fee Fund SPA 5 (22516)											
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	\$ 1,570	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970
Change in Deficit	3,400	-	-	-	-	-	-	-	-	-	-
Ending Fund Deficit	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970
Water System Dev Fee Fund SPA 6 (22517)											
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	\$ 1,570	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970
Change in Deficit	3,400	-	-	-	-	-	-	-	-	-	-
Ending Fund Deficit	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970



City of Surprise
Water Utility Rate Study
Fund Activity

SPA Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Water Resources System Dev SPA 1 (22522)											
Beginning Balance	\$ 3,673,893	\$ 4,002,493	\$ 1,309,087	\$ 1,370,268	\$ 2,360,610	\$ 3,148,515	\$ 4,076,758	\$ 3,159,310	\$ 4,040,893	\$ 4,931,291	\$ 5,830,594
plus: System Development Fee	290,000	762,263	51,363	976,639	764,299	896,757	849,990	849,990	849,990	849,990	849,990
plus: Interest Earnings	42,000	20,012	9,818	13,703	23,606	31,485	40,768	31,593	40,409	49,313	58,306
Total Funding Sources	\$ 4,005,893	\$ 4,784,769	\$ 1,370,268	\$ 2,360,610	\$ 3,148,515	\$ 4,076,758	\$ 4,967,515	\$ 4,040,893	\$ 4,931,291	\$ 5,830,594	\$ 6,738,889
less: Capital Expenditures	(3,400)	(3,475,682)	-	-	-	-	(1,808,205)	-	-	-	-
Remaining Funding Sources (Deficit)	\$ 4,002,493	\$ 1,309,087	\$ 1,370,268	\$ 2,360,610	\$ 3,148,515	\$ 4,076,758	\$ 3,159,310	\$ 4,040,893	\$ 4,931,291	\$ 5,830,594	\$ 6,738,889
plus: Transfer from Capital Fund	-	-	-	-	-	-	-	-	-	-	-
less: Repayment to Capital Fund	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	\$ 4,002,493	\$ 1,309,087	\$ 1,370,268	\$ 2,360,610	\$ 3,148,515	\$ 4,076,758	\$ 3,159,310	\$ 4,040,893	\$ 4,931,291	\$ 5,830,594	\$ 6,738,889
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Deficit	-	-	-	-	-	-	-	-	-	-	-
Ending Fund Deficit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Resources System Dev SPA 2 (22523)											
Beginning Balance	\$ 350,469	\$ 347,069	\$ 401,474	\$ 519,529	\$ 657,888	\$ 871,399	\$ 1,214,090	\$ 1,394,588	\$ 1,576,891	\$ 1,761,017	\$ 1,946,984
plus: System Development Fee	-	52,670	115,044	133,163	206,933	333,976	168,357	168,357	168,357	168,357	168,357
plus: Interest Earnings	-	1,735	3,011	5,195	6,579	8,714	12,141	13,946	15,769	17,610	19,470
Total Funding Sources	\$ 350,469	\$ 401,474	\$ 519,529	\$ 657,888	\$ 871,399	\$ 1,214,090	\$ 1,394,588	\$ 1,576,891	\$ 1,761,017	\$ 1,946,984	\$ 2,134,811
less: Capital Expenditures	(3,400)	-	-	-	-	-	-	-	-	-	-
Remaining Funding Sources (Deficit)	\$ 347,069	\$ 401,474	\$ 519,529	\$ 657,888	\$ 871,399	\$ 1,214,090	\$ 1,394,588	\$ 1,576,891	\$ 1,761,017	\$ 1,946,984	\$ 2,134,811
plus: Transfer from Capital Fund	-	-	-	-	-	-	-	-	-	-	-
less: Repayment to Capital Fund	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	\$ 347,069	\$ 401,474	\$ 519,529	\$ 657,888	\$ 871,399	\$ 1,214,090	\$ 1,394,588	\$ 1,576,891	\$ 1,761,017	\$ 1,946,984	\$ 2,134,811
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Deficit	-	-	-	-	-	-	-	-	-	-	-
Ending Fund Deficit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Resources System Dev SPA 3 (22524)											
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,489	\$ 18,052	\$ 29,732	\$ 41,528
plus: System Development Fee	-	-	-	-	-	-	11,499	11,499	11,499	11,499	11,499
plus: Interest Earnings	-	-	-	-	-	-	-	65	181	297	415
Total Funding Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,499	\$ 18,052	\$ 29,732	\$ 41,528	\$ 53,442
less: Capital Expenditures	(3,400)	-	-	-	-	-	-	-	-	-	-
Remaining Funding Sources (Deficit)	\$ (3,400)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,499	\$ 18,052	\$ 29,732	\$ 41,528	\$ 53,442
plus: Transfer from Capital Fund	3,400	-	-	-	-	-	-	-	-	-	-
less: Repayment to Capital Fund	-	-	-	-	-	-	(5,010)	-	-	-	-
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,489	\$ 18,052	\$ 29,732	\$ 41,528	\$ 53,442
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	\$ 1,610	\$ 5,010	\$ 5,010	\$ 5,010	\$ 5,010	\$ 5,010	\$ 5,010	\$ -	\$ -	\$ -	\$ -
Change in Deficit	3,400	-	-	-	-	-	(5,010)	-	-	-	-
Ending Fund Deficit	\$ 5,010	\$ 5,010	\$ 5,010	\$ 5,010	\$ 5,010	\$ 5,010	\$ -	\$ -	\$ -	\$ -	\$ -



City of Surprise
Water Utility Rate Study
Fund Activity

SPA Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Water Resources System Dev SPA 4 (22525)											
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	\$ 1,611	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011
Change in Deficit	3,400	-	-	-	-	-	-	-	-	-	-
Ending Fund Deficit	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011
Water Resources System Dev SPA 5 (22526)											
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	\$ 1,611	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011
Change in Deficit	3,400	-	-	-	-	-	-	-	-	-	-
Ending Fund Deficit	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011	\$ 5,011
Water Resources System Dev SPA 6 (22527)											
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	\$ 1,363	\$ 4,763	\$ 4,763	\$ 4,763	\$ 4,763	\$ 4,763	\$ 4,763	\$ 4,763	\$ 4,763	\$ 4,763	\$ 4,763
Change in Deficit	3,400	-	-	-	-	-	-	-	-	-	-
Ending Fund Deficit	\$ 4,763	\$ 4,763	\$ 4,763	\$ 4,763	\$ 4,763	\$ 4,763	\$ 4,763	\$ 4,763	\$ 4,763	\$ 4,763	\$ 4,763

TECHNICAL APPENDIX: WASTEWATER FUND



City of Surprise

Wastewater Utility Rate Study

Summary

Revenue Requirement	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Revenues											
Rate Revenues Under Existing Rates	\$ 15,785,300	\$ 16,156,517	\$ 16,763,361	\$ 17,558,429	\$ 18,438,893	\$ 19,342,363	\$ 20,053,775	\$ 20,765,188	\$ 21,476,600	\$ 22,188,013	\$ 22,899,425
Non-Rate Revenues	261,600	8,581	13,944	19,502	20,090	20,622	21,313	22,173	23,222	24,413	25,158
Total Revenues	\$ 16,046,900	\$ 16,165,098	\$ 16,777,305	\$ 17,577,930	\$ 18,458,983	\$ 19,362,985	\$ 20,075,088	\$ 20,787,360	\$ 21,499,822	\$ 22,212,425	\$ 22,924,583
Expenses											
Cash Operating Expenses	\$ 10,440,300	\$ 11,309,905	\$ 11,863,534	\$ 12,221,461	\$ 12,545,294	\$ 12,965,508	\$ 13,488,322	\$ 14,126,542	\$ 14,851,001	\$ 15,304,700	\$ 15,966,778
Existing Debt Service	-	-	-	-	-	-	-	-	-	-	-
New Debt Service	-	-	-	-	-	-	-	-	-	-	-
Rate Funded System Reinvestment	4,600,000	4,600,000	4,800,000	5,200,000	5,800,000	6,300,000	6,500,000	6,500,000	6,500,000	6,800,000	6,800,000
Total Expenses	\$ 15,040,300	\$ 15,909,905	\$ 16,663,534	\$ 17,421,461	\$ 18,345,294	\$ 19,265,508	\$ 19,988,322	\$ 20,626,542	\$ 21,351,001	\$ 22,104,700	\$ 22,766,778
Net Surplus (Deficiency)	\$ 1,006,600	\$ 255,193	\$ 113,771	\$ 156,469	\$ 113,689	\$ 97,476	\$ 86,766	\$ 160,818	\$ 148,820	\$ 107,726	\$ 157,806
Additions to Meet Coverage	-	-	-	-	-	-	-	-	-	-	-
Total Surplus (Deficiency)	\$ 1,006,600	\$ 255,193	\$ 113,771	\$ 156,469	\$ 113,689	\$ 97,476	\$ 86,766	\$ 160,818	\$ 148,820	\$ 107,726	\$ 157,806
% of Rate Revenue	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Annual Rate Adjustment	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cumulative Annual Rate Adjustment	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Rate Revenues After Rate Increase	\$ 15,785,300	\$ 16,156,517	\$ 16,763,361	\$ 17,558,429	\$ 18,438,893	\$ 19,342,363	\$ 20,053,775	\$ 20,765,188	\$ 21,476,600	\$ 22,188,013	\$ 22,899,425
Additional Taxes from Rate Increase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash Flow After Rate Increase	1,006,600	255,193	113,771	156,469	113,689	97,476	86,766	160,818	148,820	107,726	157,806
Coverage After Rate Increases	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sample Residential Monthly Bill	\$ 24.78	\$ 24.78	\$ 24.78	\$ 24.78	\$ 24.78	\$ 24.78	\$ 24.78	\$ 24.78	\$ 24.78	\$ 24.78	\$ 24.78
Monthly Average Increase (\$)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



City of Surprise

Wastewater Utility Rate Study

Summary

Fund Balance	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
SEWER OPERATIONS FUND											
Beginning Balance	\$ 19,097,517	\$ 1,716,214	\$ 1,859,162	\$ 1,950,170	\$ 2,009,007	\$ 2,062,240	\$ 2,131,316	\$ 2,217,258	\$ 2,322,171	\$ 2,441,260	\$ 2,515,841
plus: Net Cash Flow after Rate Increase	1,006,600	255,193	113,771	156,469	113,689	97,476	86,766	160,818	148,820	107,726	157,806
less: Transfer of Surplus to Capital Fund	(18,387,903)	(112,244)	(22,764)	(97,632)	(60,456)	(28,400)	(824)	(55,905)	(29,731)	(33,145)	(48,971)
Ending Balance	\$ 1,716,214	\$ 1,859,162	\$ 1,950,170	\$ 2,009,007	\$ 2,062,240	\$ 2,131,316	\$ 2,217,258	\$ 2,322,171	\$ 2,441,260	\$ 2,515,841	\$ 2,624,676
Target Balance	\$ 1,716,214	\$ 1,859,162	\$ 1,950,170	\$ 2,009,007	\$ 2,062,240	\$ 2,131,316	\$ 2,217,258	\$ 2,322,171	\$ 2,441,260	\$ 2,515,841	\$ 2,624,676
Days	60	60	60	60	60	60	60	60	60	60	60
OPERATIONS FUND - CAPITAL PORTION											
Beginning Balance	\$ -	\$ 16,409,159	\$ 12,519,463	\$ 8,798,164	\$ 6,105,852	\$ 15,593,405	\$ 19,971,747	\$ 27,472,369	\$ 31,201,632	\$ 16,271,382	\$ 27,979,109
plus: Rate Funded System Reinvestment	4,600,000	4,600,000	4,800,000	5,200,000	5,800,000	6,300,000	6,500,000	6,500,000	6,500,000	6,800,000	6,800,000
plus: Transfers from Operating Fund	18,387,903	112,244	22,764	97,632	60,456	28,400	824	55,905	29,731	33,145	48,971
plus: Grants/ Donations/ CIAC	-	-	-	-	-	-	-	-	-	-	-
plus: Additional Proceeds (Costs)	-	-	-	-	-	-	-	-	-	-	-
plus: Transfers from SPA Funds for Deficit Repayment	-	-	1,932,166	-	4,102,247	-	2,752,942	1,251,501	-	5,230,958	5,230,958
plus: Net Debt Proceeds Available for Projects	-	-	-	-	-	-	-	-	-	-	-
plus: Interest Earnings	-	82,046	93,896	87,982	61,059	155,934	199,717	274,724	312,016	162,714	279,791
Total Funding Sources	\$ 22,987,903	\$ 21,203,450	\$ 19,368,288	\$ 14,183,777	\$ 16,129,614	\$ 22,077,739	\$ 29,425,231	\$ 35,554,499	\$ 38,043,380	\$ 28,498,199	\$ 40,338,829
less: Capital Expenditures	(397,800)	(5,789,226)	(10,570,125)	(5,437,124)	(523,748)	(1,798,796)	(1,952,862)	(4,352,867)	(5,919,901)	(519,090)	(235,122)
less: Transfers to SPA Funds	(6,180,943)	(2,894,761)	-	(2,640,801)	(12,461)	(307,196)	-	-	(15,852,097)	-	-
Ending Working Capital Balance	\$ 16,409,159	\$ 12,519,463	\$ 8,798,164	\$ 6,105,852	\$ 15,593,405	\$ 19,971,747	\$ 27,472,369	\$ 31,201,632	\$ 16,271,382	\$ 27,979,109	\$ 40,103,707
Minimum Target Balance	\$ 5,170,183	\$ 5,345,802	\$ 5,563,590	\$ 5,672,333	\$ 5,698,778	\$ 5,819,938	\$ 5,866,228	\$ 5,990,594	\$ 6,227,023	\$ 6,237,405	\$ 6,242,107
COMBINED BEGINNING BALANCE	\$ 19,097,517	\$ 18,125,373	\$ 14,378,625	\$ 10,748,334	\$ 8,114,859	\$ 17,655,645	\$ 22,103,064	\$ 29,689,628	\$ 33,523,803	\$ 18,712,643	\$ 30,494,951
COMBINED ENDING BALANCE	\$ 18,125,373	\$ 14,378,625	\$ 10,748,334	\$ 8,114,859	\$ 17,655,645	\$ 22,103,064	\$ 29,689,628	\$ 33,523,803	\$ 18,712,643	\$ 30,494,951	\$ 42,728,383
DEBT RESERVE											
New Debt											
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2003 MPC Reserve											
Beginning Balance	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230
Ending Balance	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230
2007 MPC Reserve											
Beginning Balance	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810
Ending Balance	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810
REPAIR AND REPLACEMENT FUND (2007 MPC)											
Beginning Balance	\$ 5,317,196	\$ 5,330,489	\$ 5,357,141	\$ 5,563,590	\$ 5,672,333	\$ 5,729,056	\$ 5,819,938	\$ 5,878,138	\$ 5,990,594	\$ 6,227,023	\$ 6,289,293
Ending Balance	\$ 5,330,489	\$ 5,357,141	\$ 5,563,590	\$ 5,672,333	\$ 5,729,056	\$ 5,819,938	\$ 5,878,138	\$ 5,990,594	\$ 6,227,023	\$ 6,289,293	\$ 6,352,186



City of Surprise

Wastewater Utility Rate Study

Summary

SPA Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Sewer System Dev Fee SPA 1											
Beginning Balance	\$ 7,816	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount Owed to Capital Fund	\$ 25,100,783	\$ 27,995,544	\$ 26,063,378	\$ 28,704,179	\$ 24,601,932	\$ 24,909,128	\$ 22,156,186	\$ 20,904,685	\$ 30,855,227	\$ 25,624,269	\$ 20,393,311
Sewer System Dev Fee SPA 2											
Beginning Balance	\$ 317,517	\$ 316,917	\$ 318,502	\$ 320,890	\$ 324,099	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ 316,917	\$ 318,502	\$ 320,890	\$ 324,099	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount Owed to Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ 12,461	\$ 12,461	\$ 12,461	\$ 12,461	\$ 5,914,016	\$ 5,914,016	\$ 5,914,016
Sewer System Dev Fee SPA 3											
Beginning Balance	\$ 49,407	\$ 46,607	\$ 46,840	\$ 47,192	\$ 47,664	\$ 48,140	\$ 48,622	\$ 49,108	\$ 49,599	\$ 50,095	\$ 50,596
Ending Balance	\$ 46,607	\$ 46,840	\$ 47,192	\$ 47,664	\$ 48,140	\$ 48,622	\$ 49,108	\$ 49,599	\$ 50,095	\$ 50,596	\$ 51,102
Amount Owed to Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer System Dev Fee SPA 4											
Beginning Balance	\$ 1,393	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount Owed to Capital Fund	\$ 2,007	\$ 2,007	\$ 2,007	\$ 2,007	\$ 2,007	\$ 2,007	\$ 2,007	\$ 2,007	\$ 2,007	\$ 2,007	\$ 2,007
Sewer System Dev Fee SPA 5											
Beginning Balance	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount Owed to Capital Fund	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970
Sewer System Dev Fee SPA 6											
Beginning Balance	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount Owed to Capital Fund	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970



City of Surprise Wastewater Utility Rate Study Assumptions

July 2013 - June 2014

Economic & Financial Factors		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
1	General Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
2	Construction Cost Inflation	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%
3	Labor Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
4	Benefit Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
5	Customer Growth	1.37%	2.35%	3.76%	4.74%	5.01%	4.90%	3.68%	3.55%	3.43%	3.31%	3.21%
6	General Inflation plus Growth	4.42%	5.42%	6.87%	7.89%	8.16%	8.05%	6.79%	6.65%	6.53%	6.41%	6.30%
7	No Escalation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	PILOT	5.30%	-4.24%	-2.50%	1.98%	4.07%	1.95%	0.47%	2.13%	0.80%	2.12%	3.95%
9	Franchise In Lieu Payment	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
10	Fuel Cost Escalation	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
11	[Extra]	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Fund Earnings	0.25%	0.50%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Accounting Assumptions		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
FISCAL POLICY RESTRICTIONS												
Min. Op. Fund Balance (days of O&M expense)		60	60	60	60	60	60	60	60	60	60	60
Max. Op. Fund Balance (days of O&M expense)		60	60	60	60	60	60	60	60	60	60	60
Minimum Capital Fund Balance Target												
Select Minimum Capital Fund Balance Target	1	Defined as % of Plant										
1 - Defined as % of Plant												
Plant-in-Service in 2013	\$ 258,065,943											
Minimum Capital Fund Balance - % of plant assets		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
2 - Amount at Right ==>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RATE FUNDED SYSTEM REINVESTMENT												
Select Reinvestment Funding Strategy	3	User Input										
Amount of Annual Cash Funding from Rates												
1 - Equal to Annual Depreciation Expense		\$ 7,096,453	\$ 7,262,086	\$ 7,479,874	\$ 7,588,617	\$ 7,615,062	\$ 7,732,717	\$ 7,779,007	\$ 7,903,372	\$ 8,139,801	\$ 8,150,183	\$ 8,154,886
2 - Equal to Depreciation less Annual Debt Principal Payments		7,096,453	7,262,086	7,479,874	7,588,617	7,615,062	7,732,717	7,779,007	7,903,372	8,139,801	8,150,183	8,154,886
3 - Equal to Amount at Right ==>		4,600,000	4,600,000	4,800,000	5,200,000	5,800,000	6,300,000	6,500,000	6,500,000	6,500,000	6,800,000	6,800,000
4 - Do Not Fund Depreciation		1,006,600	255,193	113,771	156,469	113,689	97,476	86,766	160,818	148,820	107,726	157,806



City of Surprise Wastewater Utility Rate Study Assumptions

July 2013 - June 2014

Capital Financing Assumptions		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
System Development Fee (SDF)												
SDF in SPA 1	\$ 3,853	\$ 3,853	\$ 3,853	\$ 3,853	\$ 3,853	\$ 3,853	\$ 3,853	\$ 3,853	\$ 3,853	\$ 3,853	\$ 3,853	\$ 3,853
SDF in SPA 2	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039
SDF in SPA 3	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039
SDF in SPA 4	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039
SDF in SPA 5	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039
SDF in SPA 6	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039
Special Planning Area (SPA) 1												
Total Residential Customer Equivalents (Estimate)	43,894	44,861	46,386	48,329	50,379	52,271	53,947	55,623	57,298	58,974	60,649	
Additional Equivalent Units Per Year	611	967	1,525	1,943	2,049	1,893	1,676	1,676	1,676	1,676	1,676	
SPA 1 SDF Revenue	\$ 2,352,700	\$ 3,727,094	\$ 5,877,060	\$ 7,486,664	\$ 7,896,324	\$ 7,292,648	\$ 6,455,958	\$ 6,455,958	\$ 6,455,958	\$ 6,455,958	\$ 6,455,958	\$ 6,455,958
Special Planning Area (SPA) 2												
Total Residential Customer Equivalents (Estimate)	780	846	990	1,157	1,417	1,837	2,049	2,260	2,472	2,683	2,895	
Additional Equivalent Units Per Year	11	66	145	167	260	420	212	212	212	212	212	
SPA 2 SDF Revenue	\$ -	\$ 201,086	\$ 439,219	\$ 508,394	\$ 790,036	\$ 1,275,068	\$ 642,761	\$ 642,761	\$ 642,761	\$ 642,761	\$ 642,761	\$ 642,761
SPA 2 SDF Revenue to City	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Planning Area (SPA) 3												
Total Residential Customer Equivalents (Estimate)	-	32	103	273	490	770	924	1,078	1,231	1,385	1,539	
Additional Equivalent Units Per Year	-	32	71	171	217	280	154	154	154	154	154	
SPA 3 SDF Revenue	\$ -	\$ 95,755	\$ 216,231	\$ 518,562	\$ 658,363	\$ 850,045	\$ 467,791	\$ 467,791	\$ 467,791	\$ 467,791	\$ 467,791	\$ 467,791
SPA 3 SDF Revenue to City	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Planning Area (SPA) 4												
Total Residential Customer Equivalents (Estimate)	-	-	-	-	-	-	-	-	-	-	-	-
Additional Equivalent Units Per Year	-	-	-	-	-	-	-	-	-	-	-	-
SPA 4 SDF Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Planning Area (SPA) 5												
Total Residential Customer Equivalents (Estimate)	-	-	-	-	-	-	-	-	-	-	-	-
Additional Equivalent Units Per Year	-	-	-	-	-	-	-	-	-	-	-	-
SPA 5 SDF Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Planning Area (SPA) 6												
Total Residential Customer Equivalents (Estimate)	-	-	-	-	-	-	-	-	-	-	-	-
Additional Equivalent Units Per Year	-	-	-	-	-	-	-	-	-	-	-	-
SPA 6 SDF Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total System Development Fee Revenue to City		\$ 2,352,700	\$ 3,727,094	\$ 5,877,060	\$ 7,486,664	\$ 7,896,324	\$ 7,292,648	\$ 6,455,958	\$ 6,455,958	\$ 6,455,958	\$ 6,455,958	\$ 6,455,958



City of Surprise Wastewater Utility Rate Study Assumptions

July 2013 - June 2014

Capital Financing Assumptions (Cont'd)			FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	
FUNDING SOURCES														
Grants			\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Additional Proceeds (Costs)														
[Extra line]			\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
[Extra line]				-		-		-		-		-		-
[Extra line]				-		-		-		-		-		-
[Extra line]				-		-		-		-		-		-
[Extra line]				-		-		-		-		-		-
Total Additional Proceeds			\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
REVENUE BONDS														
Term (years)			20	20	20	20	20	20	20	20	20	20	20	20
Interest Cost			5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Issuance Cost			1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Revenue Bond Coverage Requirement			1.20											
MPC 2007 Bond Coverage Requirement			1.00											
OTHER LOANS														
Term (years)			20	20	20	20	20	20	20	20	20	20	20	20
Interest Cost			1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
OTHER LOW COST LOANS														
Term (years)			20	20	20	20	20	20	20	20	20	20	20	20
Interest Cost			0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Issuance Cost			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Other Assumptions												
	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Customer Growth												
Projected Rate Revenue	15,613,000 15,713,500 15,887,600 16,172,400 16,545,400 16,958,500											
Projected New Equivalent Dwelling Units (EDUs)												
SPA 1			614	967	1,525	1,943	2,049	1,893				
SPA 2			-	66	145	167	260	420				
SPA 3			-	32	71	171	217	280				
Total New EDUs			614	1,065	1,741	2,281	2,526	2,592				
Cumulative EDUs		44,673	45,287	46,352	48,093	50,374	52,900	55,492				
EDU Growth Rate			1.37%	2.35%	3.76%	4.74%	5.01%	4.90%				
Projected New Equivalent Dwelling Units (EDUs)	100.00%	of Original Growth Projections							Based on previous 5 year average growth projections			
SPA 1			614	967	1,525	1,943	2,049	1,893	1,676	1,676	1,676	1,676
SPA 2			-	66	145	167	260	420	212	212	212	212
SPA 3			-	32	71	171	217	280	154	154	154	154
Total New EDUs			614	1,065	1,741	2,281	2,526	2,592	2,041	2,041	2,041	2,041
Cumulative EDUs		44,673	45,287	46,352	48,093	50,374	52,900	55,492	57,533	59,574	61,615	63,656
EDU Growth Rate			1.37%	2.35%	3.76%	4.74%	5.01%	4.90%	3.68%	3.55%	3.43%	3.31%
PILOT Tax Components												
Capital Assets	256,121,873	262,493,122	258,065,943	258,509,143	267,290,111	278,179,517	283,616,641	284,938,923	290,996,917	293,311,420	299,529,694	311,351,150
ARS Assessed Valuation Annual Year Percentage	20.00%	19.50%	19.00%	18.50%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
ARS Assessed Valuation Fiscal Year Percentage		19.75%	19.25%	18.75%	18.25%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
Primary Property Tax Rate		0.7383%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%
Payment in Lieu of Taxes		\$ 373,462	\$ 393,274	\$ 376,599	\$ 367,186	\$ 374,457	\$ 389,713	\$ 397,330	\$ 399,182	\$ 407,669	\$ 410,912	\$ 419,623
												\$ 436,184



City of Surprise

Wastewater Utility Rate Study

Operating Revenue and Expenditure Forecast

			Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	
Revenues			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	
Rate Revenues																
31434	Service/Collection Fees	5	Customer Growth	\$ 15,677,893	\$ 15,713,500	\$ 16,083,029	\$ 16,687,113	\$ 17,478,563	\$ 18,355,023	\$ 19,254,383	\$ 19,962,560	\$ 20,670,736	\$ 21,378,913	\$ 22,087,090	\$ 22,795,266	
31434	Service/Collection Fees - Onsite Improvements	5	Customer Growth	76,289	71,800	73,488	76,249	79,865	83,870	87,979	91,215	94,451	97,687	100,923	104,159	
31434	Service/Collection Fees - Hydro-Vac Truck Reimb.	5	Customer Growth	45,850	-	-	-	-	-	-	-	-	-	-	-	
	[Extra]	7	No Escalation	-	-	-	-	-	-	-	-	-	-	-	-	
Total Rate Revenue				\$ 15,800,032	\$ 15,785,300	\$ 16,156,517	\$ 16,763,361	\$ 17,558,429	\$ 18,438,893	\$ 19,342,363	\$ 20,053,775	\$ 20,765,188	\$ 21,476,600	\$ 22,188,013	\$ 22,899,425	
Non-Rate Revenues																
31813	Interest Income	7	No Escalation	\$ 287,519	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
31543	Federal Grant Revenue - SPA 1	7	No Escalation	157,979	-	-	-	-	-	-	-	-	-	-	-	
31432	Line Extension Fees	7	No Escalation	52,312	-	-	-	-	-	-	-	-	-	-	-	
31461	Revenue Recovery-Utility Bill	7	No Escalation	1,066	-	-	-	-	-	-	-	-	-	-	-	
31816	Unrealized Gain/Loss	7	No Escalation	(207,965)	-	-	-	-	-	-	-	-	-	-	-	
	[Extra]	7	No Escalation	-	-	-	-	-	-	-	-	-	-	-	-	
Total Non-Rate Revenues				\$ 290,911	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES				\$ 16,090,943	\$ 15,785,300	\$ 16,156,517	\$ 16,763,361	\$ 17,558,429	\$ 18,438,893	\$ 19,342,363	\$ 20,053,775	\$ 20,765,188	\$ 21,476,600	\$ 22,188,013	\$ 22,899,425	

Expenses			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
242	Community Development														
213	Economic Development														
Contractual Services															
38994	Developer Reimbursement - Surprise Point	1	General Cost Inflation	6,523	10,000	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048
38994	Developer Reimbursement - Prasada	1	General Cost Inflation	228,296	241,000	241,000	248,230	255,677	263,347	271,248	279,385	287,767	296,400	305,292	314,450
643	Sewer														
111	Administration														
Personnel/Salaries															
36111	Full Time Salaries	3	Labor Cost Inflation	150,130	172,500	172,529	177,705	183,036	188,527	194,183	200,008	206,009	212,189	218,555	225,111
36115	Holidays	4	Benefit Cost Inflation	5,137	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	4	Benefit Cost Inflation	43,604	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	4	Benefit Cost Inflation	980	1,300	1,260	1,298	1,337	1,377	1,418	1,461	1,505	1,550	1,596	1,644
36211	FICA	4	Benefit Cost Inflation	16,790	12,200	12,228	12,595	12,973	13,362	13,763	14,176	14,601	15,039	15,490	15,955
36231	Medical	4	Benefit Cost Inflation	27,946	16,400	16,442	16,935	17,443	17,967	18,506	19,061	19,633	20,222	20,828	21,453
36232	Dental	4	Benefit Cost Inflation	1,884	1,100	1,142	1,176	1,212	1,248	1,285	1,324	1,364	1,405	1,447	1,490
36233	Vision	4	Benefit Cost Inflation	334	200	240	247	255	262	270	278	287	295	304	313
36234	Life	4	Benefit Cost Inflation	995	800	800	824	849	874	900	927	955	984	1,013	1,044
36252	AZ State Retirement	4	Benefit Cost Inflation	24,914	20,100	19,910	20,507	21,123	21,756	22,409	23,081	23,774	24,487	25,221	25,978
36255	Post Emp. Health Plan	4	Benefit Cost Inflation	3,301	-	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	4	Benefit Cost Inflation	1,663	300	400	412	424	437	450	464	478	492	507	522
Commodities/Supplies															
37111	Office Supplies	1	General Cost Inflation	1,187	2,200	2,200	2,266	2,334	2,404	2,476	2,550	2,627	2,706	2,787	2,871
37112	Computer Supplies	1	General Cost Inflation	548	1,800	1,800	1,854	1,910	1,967	2,026	2,087	2,149	2,214	2,280	2,349
37114	Books & Subscriptions	1	General Cost Inflation	368	100	100	103	106	109	113	116	119	123	127	130
37131	Clothing & Uniforms	1	General Cost Inflation	89	-	-	-	-	-	-	-	-	-	-	-
37162	Furn, Fixture, & Office Equip <\$10,000	1	General Cost Inflation	-	200	200	206	212	219	225	232	239	246	253	261
37165	Mach. & Equipment <\$10,000	1	General Cost Inflation	18,453	-	-	-	-	-	-	-	-	-	-	-
37192	Awards & Recognition	1	General Cost Inflation	284	-	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	1	General Cost Inflation	-	100	100	103	106	109	113	116	119	123	127	130
37196	Meeting Supplies	1	General Cost Inflation	228	100	100	103	106	109	113	116	119	123	127	130
37211	Gas & Fuel	1	General Cost Inflation	340	400	400	412	424	437	450	464	478	492	507	522
37212	Auto Parts & Lubricants	1	General Cost Inflation	42	700	700	721	743	765	788	811	836	861	887	913
Contractual Services															
38131	Collection Fees Delinq. Accounts	1	General Cost Inflation	10	500	500	515	530	546	563	580	597	615	633	652
38199	Other Prof/Tech Services	1	General Cost Inflation	61,642	115,000	40,000	41,200	42,436	43,709	45,020	46,371	47,762	49,195	50,671	52,191
38217	Postage & Mailings	1	General Cost Inflation	80	100	100	103	106	109	113	116	119	123	127	130
38331	Vehicle Maintenance	1	General Cost Inflation	14	400	400	412	424	437	450	464	478	492	507	522
38412	Utility Billing Service Contract	1	General Cost Inflation	530,560	520,000	520,000	535,600	551,668	568,218	585,265	602,823	620,907	639,534	658,720	678,482
38521	Equipment Rental	1	General Cost Inflation	2,129	4,500	4,500	4,635	4,774	4,917	5,065	5,217	5,373	5,534	5,700	5,871
38912	Risk Insurance Premium	1	General Cost Inflation	419,800	419,800	419,800	432,394	445,366	458,727	472,489	486,663	501,263	516,301	531,790	547,744
38922	Travel & Training	1	General Cost Inflation	616	3,000	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
38924	Dues & Memberships	1	General Cost Inflation	360	600	600	618	637	656	675	696	716	738	760	783
38931	Advertising	1	General Cost Inflation	200	-	-	-	-	-	-	-	-	-	-	-
Capital															
39999	Contingency	1	General Cost Inflation	-	-	-	-	-	-	-	-	-	-	-	-
112	General Operation														
Transfers Out															
34012	Franchise in lieu payment		Calculated	315,472	314,300	314,300	333,742	349,571	367,100	385,088	399,251	413,415	427,578	441,742	455,905



City of Surprise

Wastewater Utility Rate Study

Operating Revenue and Expenditure Forecast

			Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	
Expenses		FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	
34022	Indirect costs - general fund personnel	1	General Cost Inflation	1,349,000	1,552,400	1,552,400	1,598,972	1,646,941	1,696,349	1,747,240	1,799,657	1,853,647	1,909,256	1,966,534	2,025,530
34032	Payments in lieu of property tax (PILOT)	Calculated	364,654	388,200	388,200	367,186	374,457	389,713	397,330	399,182	407,669	410,912	419,623	436,184	
Personnel/Salaries															
36111	Full Time Salaries	3	Labor Cost Inflation	1,072,056	1,286,400	1,293,844	1,332,659	1,372,639	1,413,818	1,456,233	1,499,920	1,544,917	1,591,265	1,639,003	1,688,173
36112	Part Time Employees	3	Labor Cost Inflation	4,414	-	-	-	-	-	-	-	-	-	-	-
36113	Overtime Compensation	3	Labor Cost Inflation	38,473	26,000	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829
36115	Holidays	4	Benefit Cost Inflation	48,881	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	4	Benefit Cost Inflation	114,765	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	4	Benefit Cost Inflation	8,249	7,700	8,880	9,146	9,421	9,703	9,995	10,294	10,603	10,921	11,249	11,586
36211	FICA	4	Benefit Cost Inflation	92,862	100,700	98,671	101,631	104,680	107,820	111,055	114,387	117,818	121,353	124,993	128,743
36231	Medical	4	Benefit Cost Inflation	156,695	216,900	159,053	163,825	168,739	173,802	179,016	184,386	189,918	195,615	201,484	207,528
36232	Dental	4	Benefit Cost Inflation	10,264	13,300	9,904	10,201	10,507	10,822	11,147	11,481	11,826	12,181	12,546	12,922
36233	Vision	4	Benefit Cost Inflation	1,643	2,000	1,536	1,582	1,630	1,678	1,729	1,781	1,834	1,889	1,946	2,004
36234	Life	4	Benefit Cost Inflation	4,953	5,700	5,700	5,871	6,047	6,229	6,415	6,608	6,806	7,010	7,221	7,437
36252	AZ State Retirement	4	Benefit Cost Inflation	136,912	152,400	149,310	153,789	158,403	163,155	168,050	173,091	178,284	183,632	189,141	194,816
36278	Workers Compensation	4	Benefit Cost Inflation	28,588	33,100	43,945	45,263	46,621	48,020	49,460	50,944	52,473	54,047	55,668	57,338
Commodities/Supplies															
37111	Office Supplies	1	General Cost Inflation	2,468	2,300	2,300	2,369	2,440	2,513	2,589	2,666	2,746	2,829	2,914	3,001
37112	Computer Supplies	1	General Cost Inflation	1,587	1,500	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
37114	Books & Subscriptions	1	General Cost Inflation	1,800	1,800	1,800	1,854	1,910	1,967	2,026	2,087	2,149	2,214	2,280	2,349
37131	Clothing & Uniforms	1	General Cost Inflation	1,315	1,700	1,700	1,751	1,804	1,858	1,913	1,971	2,030	2,091	2,154	2,218
37142	Phone Supplies	1	General Cost Inflation	245	300	300	309	318	328	338	348	358	369	380	391
37161	Operational Supplies	1	General Cost Inflation	114,664	163,200	181,800	187,254	192,872	198,658	204,618	210,756	217,079	223,591	230,299	237,208
37162	Furn, Fixture, & Office Equip <\$10,000	1	General Cost Inflation	19,960	13,200	15,700	16,171	16,656	17,156	17,670	18,201	18,747	19,309	19,888	20,485
37164	Signs and Sign Supplies	1	General Cost Inflation	1,800	1,100	1,100	1,133	1,167	1,202	1,238	1,275	1,313	1,353	1,393	1,435
37165	Mach. & Equipment <\$10,000	1	General Cost Inflation	293,367	376,700	447,500	460,925	474,753	488,995	503,665	518,775	534,338	550,369	566,880	583,886
37192	Awards & Recognition	1	General Cost Inflation	85	600	600	618	637	656	675	696	716	738	760	783
37193	Safety & First Aid Supplies	1	General Cost Inflation	6,948	13,800	18,820	19,385	19,966	20,565	21,182	21,818	22,472	23,146	23,841	24,556
37196	Meeting Supplies	1	General Cost Inflation	137	-	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	10	Fuel Cost Escalation	18,954	21,900	21,900	22,940	24,029	25,170	26,366	27,618	28,929	30,303	31,742	33,249
37212	Auto Parts & Lubricants	1	General Cost Inflation	5,471	12,100	11,400	11,742	12,094	12,457	12,831	13,216	13,612	14,021	14,441	14,874
37221	Repair and Maintenance	1	General Cost Inflation	361	2,600	2,600	2,678	2,758	2,841	2,926	3,014	3,105	3,198	3,294	3,392
37222	Cleaning/Janitorial	1	General Cost Inflation	133	1,600	1,600	1,648	1,697	1,748	1,801	1,855	1,910	1,968	2,027	2,088
37223	Agricultural/ Grounds Supplies	1	General Cost Inflation	12,158	44,000	44,000	45,320	46,680	48,080	49,522	51,008	52,538	54,114	55,738	57,410
37232	Chemical Supplies	1	General Cost Inflation	605,919	551,000	835,900	888,977	915,646	943,116	971,409	1,000,551	1,030,568	1,061,485	1,093,330	1,126,129
37233	Street Repair Supplies	1	General Cost Inflation	2,436	2,400	2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131
Contractual Services															
38126	Service Agreements	1	General Cost Inflation	22,801	43,900	43,900	45,217	46,574	47,971	49,410	50,892	52,419	53,991	55,611	57,280
38128	Recording, License & Permit Fees	1	General Cost Inflation	9,108	-	-	-	-	-	-	-	-	-	-	-
38129	Software Licenses	1	General Cost Inflation	4,068	1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
38129	SOFTWARE - Hansen Version	1	General Cost Inflation	20,469	-	-	-	-	-	-	-	-	-	-	-
38191	Pre-Employment Services	1	General Cost Inflation	-	500	500	515	530	546	563	580	597	615	633	652
38192	Lab Services - SPA 1	1	General Cost Inflation	24	-	-	-	-	-	-	-	-	-	-	-
38192	Lab Services	1	General Cost Inflation	46,884	63,200	63,200	65,096	67,049	69,060	71,132	73,266	75,464	77,728	80,060	82,462
38199	Other Prof/Tech Services - SPA 1	1	General Cost Inflation	379,926	-	-	-	-	-	-	-	-	-	-	-
38199	Other Prof/Tech Services	1	General Cost Inflation	135,007	76,500	106,500	109,695	112,986	116,375	119,867	123,463	127,167	130,982	134,911	138,958
38199	Other Prof/Tech Services - Well abandonmt	1	General Cost Inflation	-	9,500	-	-	-	-	-	-	-	-	-	-
38211	Water	1	General Cost Inflation	122,299	103,900	103,900	107,017	110,228	113,534	116,940	120,449	124,062	127,784	131,617	135,566
38212	Electricity	1	General Cost Inflation	923,771	969,200	1,004,200	1,069,326	1,101,406	1,134,448	1,174,981	1,210,231	1,246,538	1,283,934	1,322,452	1,362,125
38213	Propane/Natural Gas	1	General Cost Inflation	-	600	600	618	637	656	675	696	716	738	760	783
38214	Telephone	1	General Cost Inflation	2,492	3,900	3,900	4,017	4,138	4,262	4,389	4,521	4,657	4,797	4,940	5,089
38216	Sanitary/Landfill	1	General Cost Inflation	261,669	234,000	234,000	241,020	248,251	255,698	263,369	271,270	279,408	287,790	296,424	305,317
38217	Postage & Mailings	1	General Cost Inflation	583	1,100	1,100	1,133	1,167	1,202	1,238	1,275	1,313	1,353	1,393	1,435
38221	Cell Phone/Pagers	1	General Cost Inflation	3,613	3,400	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219
38311	Building Maintenance	1	General Cost Inflation	5,988	3,000	9,500	9,785	10,079	10,381	10,692	11,013	11,343	11,684	12,034	12,395
38312	Streets Maintenance	1	General Cost Inflation	24,209	45,000	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619
38321	Radio Equip. Maint.	1	General Cost Inflation	3,658	2,500	2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167	3,262
38324	Machinery & Equip. Maint.	1	General Cost Inflation	447,767	353,000	665,800	692,774	713,557	734,964	757,013	779,723	803,115	827,208	852,025	877,585
38324	Machinery & Equip. Maint. - W. wet well	1	General Cost Inflation	-	72,800	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	1	General Cost Inflation	4,384	4,900	4,900	5,047	5,198	5,354	5,515	5,680	5,851	6,026	6,207	6,393
38351	Wells/Sewer/Lins/Etc.	1	General Cost Inflation	231,006	348,000	388,000	399,640	411,629	423,978	436,697	449,798	463,292	477,191	491,507	506,252
38351	Wells/Sewer/Lins/Etc. - drainage reservoir	1	General Cost Inflation	-	10,000	-	-	-	-	-	-	-	-	-	-
38371	Janitorial Services	1	General Cost Inflation	17,600	19,700	26,700	27,501	28,326	29,176	30,051	30,953	31,881	32,838	33,823	34,837
38372	Pest Control Services	1	General Cost Inflation	1,475	2,100	2,100	2,163	2,228	2,295	2,364	2,434	2,508	2,583	2,660	2,740
38381	Grounds Maintenance	1	General Cost Inflation	26,268	28,000	28,000	28,840	29,705	30,596	31,514	32,460	33,433	34,436	35,470	36,534
38521	Equipment Rental	1	General Cost Inflation	43,773	42,200	42,200	43,466	44,770	46,113	47,496	48,921	50,389	51,901	53,458	55,061
38591	Other Rental/Leases	1	General Cost Inflation	(237)	-	-	-	-	-	-	-	-	-	-	-
38921	Tuition Reimbursement	1	General Cost Inflation	-	5,000	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524



City of Surprise

Wastewater Utility Rate Study

Operating Revenue and Expenditure Forecast

				Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses		FORECAST BASIS		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
38922	Travel & Training	1	General Cost Inflation	16,904	47,400	47,400	48,822	50,287	51,795	53,349	54,950	56,598	58,296	60,045	61,846
38924	Dues & Memberships	1	General Cost Inflation	1,194	1,300	1,300	1,339	1,379	1,421	1,463	1,507	1,552	1,599	1,647	1,696
38927	EE Certification & Licensing	1	General Cost Inflation	327	1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
38931	Advertising	1	General Cost Inflation	799	-	-	-	-	-	-	-	-	-	-	-
38951	Printing	1	General Cost Inflation	-	1,200	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520	1,566
38991	Uniform/Laundry Services	1	General Cost Inflation	10,683	11,600	11,600	11,948	12,306	12,676	13,056	13,448	13,851	14,267	14,695	15,135
38999	Other Professional Services	1	General Cost Inflation	-	100	100	103	106	109	113	116	119	123	127	130
Capital															
39211	Building & Structure Purchases	1	General Cost Inflation	650,448	-	-	-	-	-	-	-	-	-	-	-
39212	Improvements to Buildings	1	General Cost Inflation	31,625	-	-	-	-	-	-	-	-	-	-	-
39223	Infrastructure Purchases	1	General Cost Inflation	23,373	-	-	-	-	-	-	-	-	-	-	-
39224	Infrastructure Improvements	1	General Cost Inflation	-	-	-	-	-	-	-	-	-	-	-	-
39411	Furn., Fixtures & Ofc Equipment	1	General Cost Inflation	31,156	-	-	-	-	-	-	-	-	-	-	-
39421	Vehicles	1	General Cost Inflation	44,324	-	-	-	-	-	-	-	-	-	-	-
39872	Invdj	1	General Cost Inflation	(96,996)	-	-	-	-	-	-	-	-	-	-	-
39891	Prepds	1	General Cost Inflation	(2,847)	-	-	-	-	-	-	-	-	-	-	-
115 Project Management															
Personnel/Salaries															
36111	Full Time Salaries	3	Labor Cost Inflation	157,621	156,100	156,104	160,787	165,611	170,579	175,696	180,967	186,396	191,988	197,748	203,680
36115	Holidays	4	Benefit Cost Inflation	1,006	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	4	Benefit Cost Inflation	14,319	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	4	Benefit Cost Inflation	1,452	1,200	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520	1,566
36211	FICA	4	Benefit Cost Inflation	14,756	12,000	11,942	12,300	12,669	13,049	13,441	13,844	14,259	14,687	15,128	15,582
36231	Medical	4	Benefit Cost Inflation	25,335	24,900	10,383	10,694	11,015	11,346	11,686	12,037	12,398	12,770	13,153	13,547
36232	Dental	4	Benefit Cost Inflation	1,521	1,400	571	588	606	624	643	662	682	702	723	745
36233	Vision	4	Benefit Cost Inflation	197	200	57	59	60	62	64	66	68	70	72	74
36234	Life	4	Benefit Cost Inflation	812	700	700	721	743	765	788	811	836	861	887	913
36252	AZ State Retirement	4	Benefit Cost Inflation	22,115	18,200	18,014	18,554	19,111	19,684	20,275	20,883	21,510	22,155	22,820	23,504
36278	Workers Compensation	4	Benefit Cost Inflation	1,464	2,000	2,732	2,814	2,898	2,985	3,075	3,167	3,262	3,360	3,461	3,565
Commodities/Supplies															
37111	Office Supplies	1	General Cost Inflation	-	300	300	309	318	328	338	348	358	369	380	391
37112	Computer Supplies	1	General Cost Inflation	1,395	300	300	309	318	328	338	348	358	369	380	391
37114	Books & Subscriptions	1	General Cost Inflation	-	300	300	309	318	328	338	348	358	369	380	391
37131	Clothing & Uniforms	1	General Cost Inflation	484	600	600	618	637	656	675	696	716	738	760	783
37161	Operational Supplies	1	General Cost Inflation	-	300	300	309	318	328	338	348	358	369	380	391
37164	Signs and Sign Supplies	1	General Cost Inflation	22	-	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	1	General Cost Inflation	284	900	900	927	955	983	1,013	1,043	1,075	1,107	1,140	1,174
37211	Gas & Fuel	10	Fuel Cost Escalation	676	1,000	1,000	1,047	1,097	1,149	1,204	1,261	1,321	1,384	1,449	1,518
37212	Auto Parts & Lubricants	1	General Cost Inflation	111	1,300	1,300	1,339	1,379	1,421	1,463	1,507	1,552	1,599	1,647	1,696
Contractual Services															
38126	Service Agreements	1	General Cost Inflation	6,570	-	-	-	-	-	-	-	-	-	-	-
38129	Software Licenses	1	General Cost Inflation	-	6,600	6,600	6,798	7,002	7,212	7,428	7,651	7,881	8,117	8,361	8,612
38199	Other Prof/Tech Services	1	General Cost Inflation	-	17,000	17,000	17,510	18,035	18,576	19,134	19,708	20,299	20,908	21,535	22,181
38331	Vehicle Maintenance	1	General Cost Inflation	36	800	800	824	849	874	900	927	955	984	1,013	1,044
38922	Travel & Training	1	General Cost Inflation	2,187	9,300	9,300	9,579	9,866	10,162	10,467	10,781	11,105	11,438	11,781	12,134
38924	Dues & Memberships	1	General Cost Inflation	573	800	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
Capital															
39891	Prepds	1	General Cost Inflation	0	-	-	-	-	-	-	-	-	-	-	-
117 Customer Service															
Personnel/Salaries															
36111	Full Time Salaries	3	Labor Cost Inflation	35,343	40,200	40,971	42,200	43,466	44,770	46,113	47,497	48,922	50,389	51,901	53,458
36113	Overtime Compensation	3	Labor Cost Inflation	285	700	-	-	-	-	-	-	-	-	-	-
36115	Holidays	4	Benefit Cost Inflation	2,040	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	4	Benefit Cost Inflation	2,947	-	-	-	-	-	-	-	-	-	-	-
36211	FICA	4	Benefit Cost Inflation	2,677	3,100	3,134	3,228	3,325	3,425	3,527	3,633	3,742	3,854	3,970	4,089
36231	Medical	4	Benefit Cost Inflation	13,663	14,500	14,481	14,915	15,363	15,824	16,298	16,787	17,291	17,810	18,344	18,894
36232	Dental	4	Benefit Cost Inflation	842	800	842	867	893	920	948	976	1,005	1,036	1,067	1,099
36233	Vision	4	Benefit Cost Inflation	121	100	120	124	127	131	135	139	143	148	152	157
36234	Life	4	Benefit Cost Inflation	178	200	200	206	212	219	225	232	239	246	253	261
36252	AZ State Retirement	4	Benefit Cost Inflation	4,374	4,700	4,728	4,870	5,016	5,166	5,321	5,481	5,645	5,815	5,989	6,169
36278	Workers Compensation	4	Benefit Cost Inflation	64	100	95	98	101	104	107	110	113	117	120	124
Commodities/Supplies															
37111	Office Supplies	1	General Cost Inflation	7	-	200	206	212	219	225	232	239	246	253	261
37131	Clothing & Uniforms	1	General Cost Inflation	22	100	100	103	106	109	113	116	119	123	127	130
37142	Phone Supplies	1	General Cost Inflation	260	100	100	103	106	109	113	116	119	123	127	130
37161	Operational Supplies	1	General Cost Inflation	35	-	-	-	-	-	-	-	-	-	-	-
Contractual Services															



City of Surprise

Wastewater Utility Rate Study

Operating Revenue and Expenditure Forecast

				Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	
Expenses				FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
38126	Service Agreements	1	General Cost Inflation	-	4,400	4,400	4,532	4,668	4,808	4,952	5,101	5,254	5,411	5,574	5,741	
38372	Pest Control Services	1	General Cost Inflation	75	-	-	-	-	-	-	-	-	-	-	-	
38922	Travel & Training	1	General Cost Inflation	-	400	400	412	424	437	450	464	478	492	507	522	
601 Collections WW																
Personnel/Salaries																
36111	Full Time Salaries	3	Labor Cost Inflation	118,887	151,500	219,530	226,116	232,899	239,886	247,083	254,495	262,130	269,994	278,094	286,436	
36113	Overtime Compensation	3	Labor Cost Inflation	4,257	2,400	2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131	
36115	Holidays	4	Benefit Cost Inflation	4,321	-	-	-	-	-	-	-	-	-	-	-	
36116	Paid Time Off	4	Benefit Cost Inflation	15,374	-	-	-	-	-	-	-	-	-	-	-	
36151	Stipend	4	Benefit Cost Inflation	1,100	1,000	1,512	1,558	1,604	1,653	1,702	1,753	1,806	1,860	1,916	1,973	
36211	FICA	4	Benefit Cost Inflation	10,416	11,800	16,794	17,298	17,817	18,352	18,902	19,469	20,053	20,655	21,275	21,913	
36231	Medical	4	Benefit Cost Inflation	30,220	43,400	40,407	41,619	42,868	44,154	45,479	46,843	48,248	49,696	51,187	52,722	
36232	Dental	4	Benefit Cost Inflation	1,944	2,500	2,334	2,404	2,477	2,551	2,627	2,706	2,787	2,871	2,957	3,046	
36233	Vision	4	Benefit Cost Inflation	282	400	350	361	372	383	394	406	418	431	444	457	
36234	Life	4	Benefit Cost Inflation	560	700	976	1,005	1,036	1,067	1,099	1,132	1,166	1,201	1,237	1,274	
36252	AZ State Retirement	4	Benefit Cost Inflation	15,505	17,900	25,334	26,094	26,877	27,683	28,514	29,369	30,250	31,158	32,092	33,055	
36278	Workers Compensation	4	Benefit Cost Inflation	3,401	3,900	5,863	6,039	6,220	6,407	6,599	6,797	7,001	7,211	7,428	7,650	
Commodities/Supplies																
37111	Office Supplies	1	General Cost Inflation	178	300	400	412	424	437	450	464	478	492	507	522	
37112	Computer Supplies	1	General Cost Inflation	615	300	300	309	318	328	338	348	358	369	380	391	
37114	Books & Subscriptions	1	General Cost Inflation	-	-	1,775	1,828	1,883	1,940	1,998	2,058	2,119	2,183	2,249	2,316	
37131	Clothing & Uniforms	1	General Cost Inflation	41	500	700	721	743	765	788	811	836	861	887	913	
37142	Phone Supplies	1	General Cost Inflation	91	100	100	103	106	109	113	116	119	123	127	130	
37161	Operational Supplies	1	General Cost Inflation	2,002	8,300	8,300	8,549	8,805	9,070	9,342	9,622	9,911	10,208	10,514	10,830	
37162	Furn, Fixture, & Office Equip <\$10,000	1	General Cost Inflation	-	2,000	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914	
37165	Mach. & Equipment <\$10,000	1	General Cost Inflation	15,467	14,600	14,600	15,038	15,489	15,954	16,432	16,925	17,433	17,956	18,495	19,050	
37192	Awards & Recognition	1	General Cost Inflation	35	100	100	103	106	109	113	116	119	123	127	130	
37193	Safety & First Aid Supplies	1	General Cost Inflation	3,981	3,800	4,100	4,223	4,350	4,480	4,615	4,753	4,896	5,042	5,194	5,350	
37211	Gas & Fuel	10	Fuel Cost Escalation	15,066	15,300	15,300	16,027	16,788	17,585	18,420	19,294	20,211	21,170	22,176	23,229	
37212	Auto Parts & Lubricants	1	General Cost Inflation	4,314	12,900	13,800	14,214	14,640	15,080	15,532	15,998	16,478	16,972	17,481	18,006	
37221	Repair and Maintenance	1	General Cost Inflation	28	1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	
37232	Chemical Supplies	1	General Cost Inflation	2,276	3,400	3,400	3,502	3,607	3,715	3,827	3,942	4,060	4,182	4,307	4,436	
37233	Street Repair Supplies	1	General Cost Inflation	125	-	-	-	-	-	-	-	-	-	-	-	
37998	Photography Supplies	1	General Cost Inflation	-	100	100	103	106	109	113	116	119	123	127	130	
Contractual Services																
38126	Service Agreements	1	General Cost Inflation	110	200	200	206	212	219	225	232	239	246	253	261	
38162	Landscape Services	1	General Cost Inflation	750	1,900	1,900	1,957	2,016	2,076	2,138	2,203	2,269	2,337	2,407	2,479	
38191	Pre Employment Services	1	General Cost Inflation	-	500	500	515	530	546	563	580	597	615	633	652	
38199	Other Prof/Tech Services	1	General Cost Inflation	-	1,500	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957	
38211	Water	1	General Cost Inflation	2,818	2,200	2,200	2,266	2,334	2,404	2,476	2,550	2,627	2,706	2,787	2,871	
38212	Electricity	1	General Cost Inflation	15,539	18,600	18,600	19,158	19,733	20,325	20,934	21,562	22,209	22,876	23,562	24,269	
38213	Propane/Natural Gas	1	General Cost Inflation	623	800	800	824	849	874	900	927	955	984	1,013	1,044	
38214	Telephone	1	General Cost Inflation	-	1,600	1,600	1,648	1,697	1,748	1,801	1,855	1,910	1,968	2,027	2,088	
38216	Sanitary/Landfill	1	General Cost Inflation	944	6,000	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	
38217	Postage & Mailings	1	General Cost Inflation	-	100	100	103	106	109	113	116	119	123	127	130	
38221	Cell Phone/Pagers	1	General Cost Inflation	497	500	500	515	530	546	563	580	597	615	633	652	
38324	Machinery & Equip. Maint.	1	General Cost Inflation	3,357	8,000	8,000	8,240	8,487	8,742	9,004	9,274	9,552	9,839	10,134	10,438	
38331	Vehicle Maintenance	1	General Cost Inflation	15,790	3,600	3,600	3,708	3,819	3,934	4,052	4,173	4,299	4,428	4,560	4,697	
38351	Wells/Sewer/Lins/Etc.	1	General Cost Inflation	42,909	26,100	48,100	49,543	51,029	52,560	54,137	55,761	57,434	59,157	60,932	62,760	
38351	Wells/Sewer/Lins/Etc. - Citrus & Peoria	1	General Cost Inflation	-	22,000	-	-	-	-	-	-	-	-	-	-	
38372	Pest Control Services	1	General Cost Inflation	69,772	75,100	75,100	77,353	79,674	82,064	84,526	87,061	89,673	92,364	95,134	97,988	
38521	Equipment Rental	1	General Cost Inflation	52	2,000	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610	
38922	Travel & Training	1	General Cost Inflation	2,448	4,400	7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786	
38924	Dues & Memberships	1	General Cost Inflation	45	-	2,800	2,884	2,971	3,060	3,151	3,246	3,343	3,444	3,547	3,653	
38925	Federal Mileage Allowance	1	General Cost Inflation	-	-	100	103	106	109	113	116	119	123	127	130	
38927	EE Certification & Licensing	1	General Cost Inflation	174	600	600	618	637	656	675	696	716	738	760	783	
38931	Advertising	1	General Cost Inflation	599	-	-	-	-	-	-	-	-	-	-	-	
38951	Printing	1	General Cost Inflation	119	300	300	309	318	328	338	348	358	369	380	391	
38991	Uniform/Laundry Services	1	General Cost Inflation	914	3,300	3,300	3,399	3,501	3,606	3,714	3,826	3,940	4,059	4,180	4,306	
Capital																
39891	Prepds	1	General Cost Inflation	0	-	-	-	-	-	-	-	-	-	-	-	
604 Utility Locating																
Personnel/Salaries																
36111	Full Time Salaries	3	Labor Cost Inflation	55,495	58,900	58,947	60,715	62,537	64,413	66,345	68,336	70,386	72,497	74,672	76,912	
36113	Overtime Compensation	3	Labor Cost Inflation	173	200	-	-	-	-	-	-	-	-	-	-	
36115	Holidays	4	Benefit Cost Inflation	2,916	-	-	-	-	-	-	-	-	-	-	-	
36116	Paid Time Off	4	Benefit Cost Inflation	5,439	-	-	-	-	-	-	-	-	-	-	-	



City of Surprise

Wastewater Utility Rate Study

Operating Revenue and Expenditure Forecast

			Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	
Expenses			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
36151	Stipend	4	Benefit Cost Inflation	720	700	720	742	764	787	810	835	860	886	912	939
36211	FICA	4	Benefit Cost Inflation	4,607	4,600	4,509	4,644	4,784	4,927	5,075	5,227	5,384	5,546	5,712	5,883
36231	Medical	4	Benefit Cost Inflation	10,092	10,700	10,696	11,017	11,347	11,688	12,038	12,400	12,772	13,155	13,549	13,956
36232	Dental	4	Benefit Cost Inflation	571	600	571	588	606	624	643	662	682	702	723	745
36233	Vision	4	Benefit Cost Inflation	121	100	120	124	127	131	135	139	143	148	152	157
36234	Life	4	Benefit Cost Inflation	246	300	300	309	318	328	338	348	358	369	380	391
36252	AZ State Retirement	4	Benefit Cost Inflation	6,996	6,900	6,803	7,007	7,217	7,434	7,657	7,887	8,123	8,367	8,618	8,876
36278	Workers Compensation	4	Benefit Cost Inflation	1,467	1,500	1,950	2,009	2,069	2,131	2,195	2,261	2,328	2,398	2,470	2,544
Commodities/Supplies															
37111	Office Supplies	1	General Cost Inflation	-	300	300	309	318	328	338	348	358	369	380	391
37112	Computer Supplies	1	General Cost Inflation	675	500	500	515	530	546	563	580	597	615	633	652
37131	Clothing & Uniforms	1	General Cost Inflation	330	500	500	515	530	546	563	580	597	615	633	652
37161	Operational Supplies	1	General Cost Inflation	1,587	1,700	1,700	1,751	1,804	1,858	1,913	1,971	2,030	2,091	2,154	2,218
37162	Furn, Fixture, & Office Equip <\$10,000	1	General Cost Inflation	-	300	300	309	318	328	338	348	358	369	380	391
37165	Mach. & Equipment <\$10,000	1	General Cost Inflation	1,534	200	200	206	212	219	225	232	239	246	253	261
37193	Safety & First Aid Supplies	1	General Cost Inflation	397	300	300	309	318	328	338	348	358	369	380	391
37211	Gas & Fuel	10	Fuel Cost Escalation	3,644	2,300	2,300	2,409	2,524	2,643	2,769	2,900	3,038	3,182	3,334	3,492
37212	Auto Parts & Lubricants	1	General Cost Inflation	1,433	700	700	721	743	765	788	811	836	861	887	913
Contractual Services															
38128	Recording, License & Permit Fees	1	General Cost Inflation	5,443	6,000	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829
38217	Postage & Mailings	1	General Cost Inflation	12	100	100	103	106	109	113	116	119	123	127	130
38221	Cell Phone/Pagers	1	General Cost Inflation	1,362	1,400	1,400	1,442	1,485	1,530	1,576	1,623	1,672	1,722	1,773	1,827
38324	Machinery & Equip. Maint.	1	General Cost Inflation	-	200	200	206	212	219	225	232	239	246	253	261
38331	Vehicle Maintenance	1	General Cost Inflation	510	400	400	412	424	437	450	464	478	492	507	522
38922	Travel & Training	1	General Cost Inflation	457	1,900	1,900	1,957	2,016	2,076	2,138	2,203	2,269	2,337	2,407	2,479
38924	Dues & Memberships	1	General Cost Inflation	-	300	300	309	318	328	338	348	358	369	380	391
38927	EE Certification & Licensing	1	General Cost Inflation	645	-	-	-	-	-	-	-	-	-	-	-
Capital															
39891	Prepds	1	General Cost Inflation	0	-	-	-	-	-	-	-	-	-	-	-
605 Environmental															
Personnel/Salaries															
36111	Full Time Salaries	3	Labor Cost Inflation	101,203	70,500	170,269	175,377	278,437	286,791	295,394	304,256	313,384	322,785	332,469	342,443
36115	Holidays	4	Benefit Cost Inflation	444	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	4	Benefit Cost Inflation	7,448	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	4	Benefit Cost Inflation	180	-	720	742	764	787	810	835	860	886	912	939
36211	FICA	4	Benefit Cost Inflation	6,958	5,400	13,026	13,417	13,819	14,234	14,661	15,101	15,554	16,020	16,501	16,996
36231	Medical	4	Benefit Cost Inflation	1,575	1,200	2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131
36232	Dental	4	Benefit Cost Inflation	535	300	1,166	1,201	1,237	1,274	1,312	1,352	1,392	1,434	1,477	1,521
36233	Vision	4	Benefit Cost Inflation	151	100	240	247	255	262	270	278	287	295	304	313
36234	Life	4	Benefit Cost Inflation	423	300	300	309	318	328	338	348	358	369	380	391
36252	AZ State Retirement	4	Benefit Cost Inflation	10,301	8,100	19,649	20,238	20,846	21,471	22,115	22,779	23,462	24,166	24,891	25,637
36278	Workers Compensation	4	Benefit Cost Inflation	1,669	1,800	2,654	2,734	2,816	2,900	2,987	3,077	3,169	3,264	3,362	3,463
Commodities/Supplies															
37111	Office Supplies	1	General Cost Inflation	159	-	400	412	643	662	682	703	724	745	768	791
37112	Computer Supplies	1	General Cost Inflation	-	-	900	927	1,064	1,096	1,129	1,163	1,198	1,234	1,271	1,309
37114	Books & Subscriptions	1	General Cost Inflation	177	-	-	-	219	225	232	239	246	253	261	269
37161	Operational Supplies	1	General Cost Inflation	36	3,000	3,000	3,090	8,646	8,906	9,173	9,448	9,732	10,023	10,324	10,634
37162	Furn, Fixture, & Office Equip <\$10,000	1	General Cost Inflation	695	-	-	-	1,967	2,026	2,087	2,149	2,214	2,280	2,349	2,419
37165	Mach. & Equipment <\$10,000	1	General Cost Inflation	979	-	-	-	3,278	3,377	3,478	3,582	3,690	3,800	3,914	4,032
37192	Awards & Recognition	1	General Cost Inflation	-	100	100	103	106	109	113	116	119	123	127	130
37193	Safety & First Aid Supplies	1	General Cost Inflation	73	500	500	515	1,077	1,109	1,142	1,177	1,212	1,248	1,286	1,324
37211	Gas & Fuel	10	Fuel Cost Escalation	-	-	-	-	2,732	2,862	2,997	3,140	3,289	3,445	3,609	3,780
37212	Auto Parts & Lubricants	1	General Cost Inflation	-	-	-	-	1,421	1,463	1,507	1,552	1,599	1,647	1,696	1,747
37997	Education & Training Supplies	1	General Cost Inflation	156	300	300	309	318	328	338	348	358	369	380	391
Contractual Services															
38128	Recording, License & Permit Fees	1	General Cost Inflation	30,744	50,000	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239
38129	Software Licenses	1	General Cost Inflation	2,483	3,000	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
38199	Other Prof/Tech Services	1	General Cost Inflation	11,458	17,700	125,200	128,956	132,825	136,809	140,914	145,141	149,495	153,980	158,600	163,358
38217	Postage & Mailings	1	General Cost Inflation	250	1,200	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520	1,566
38331	Vehicle Maintenance	1	General Cost Inflation	-	-	1,000	1,030	1,935	1,993	2,053	2,115	2,178	2,243	2,311	2,380
38922	Travel & Training	1	General Cost Inflation	4,936	5,500	6,500	6,695	8,535	8,791	9,055	9,326	9,606	9,894	10,191	10,497
38924	Dues & Memberships	1	General Cost Inflation	265	600	600	618	1,729	1,781	1,835	1,890	1,946	2,005	2,065	2,127
38925	Federal Mileage Allowance	1	General Cost Inflation	67	100	100	103	106	109	113	116	119	123	127	130
38927	EE Certification & Licensing	1	General Cost Inflation	87	-	200	206	212	219	225	232	239	246	253	261
38951	Printing	1	General Cost Inflation	-	100	100	103	106	109	113	116	119	123	127	130
Capital															
39891	Prepds	1	General Cost Inflation	(5,274)	-	-	-	-	-	-	-	-	-	-	-



City of Surprise

Wastewater Utility Rate Study

Operating Revenue and Expenditure Forecast

		Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses		FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Miscellaneous														
Future Additional O&M Expenses	3	Labor Cost Inflation	-	-	-	-	-	-	-	175,000	360,500	556,973	764,909	984,820
Other														
Add'l O&M from CIP		From CIP	-	-	-	-	-	-	-	-	-	-	-	-
Debt Reserve Transfer		From Funds	-	-	-	166,270	53,107	-	33,592	-	53,675	176,523	-	-
Total Cash O&M Expenditures			\$ 10,845,597	\$ 10,440,300	\$ 11,309,905	\$ 11,863,534	\$ 12,221,461	\$ 12,545,294	\$ 12,965,508	\$ 13,488,322	\$ 14,126,542	\$ 14,851,001	\$ 15,304,700	\$ 15,966,778
Depreciation Expense in FY2013		\$ 7,087,589												
Depreciation Expense		Last year's plus annual add'l from CIP	\$ 7,087,589	\$ 7,096,453	\$ 7,262,086	\$ 7,479,874	\$ 7,588,617	\$ 7,615,062	\$ 7,732,717	\$ 7,779,007	\$ 7,903,372	\$ 8,139,801	\$ 8,150,183	\$ 8,154,886
		debt principal payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		System Reinvestment Funding	\$ 7,087,589	\$ 7,096,453	\$ 7,262,086	\$ 7,479,874	\$ 7,588,617	\$ 7,615,062	\$ 7,732,717	\$ 7,779,007	\$ 7,903,372	\$ 8,139,801	\$ 8,150,183	\$ 8,154,886
TOTAL EXPENSES			\$ 17,933,186	\$ 17,536,753	\$ 18,571,991	\$ 19,343,408	\$ 19,810,078	\$ 20,160,357	\$ 20,698,225	\$ 21,267,329	\$ 22,029,915	\$ 22,990,803	\$ 23,454,883	\$ 24,121,663
		Capital Outlays	\$ 780,924	\$ 825,500	\$ 1,136,300	\$ 1,177,389	\$ 1,215,989	\$ 1,252,469	\$ 1,290,043	\$ 1,328,744	\$ 1,368,606	\$ 1,409,664	\$ 1,451,954	\$ 1,495,513



City of Surprise

Wastewater Utility Rate Study

Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Revenues		FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Rate Revenues												
31434	Service/Collection Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31434	Service/Collection Fees - Onsite Improvements	-	-	-	-	-	-	-	-	-	-	-
31434	Service/Collection Fees - Hydro-Vac Truck Reimb.	-	-	-	-	-	-	-	-	-	-	-
	[Extra]	-	-	-	-	-	-	-	-	-	-	-
Total Rate Revenue		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Rate Revenues												
31813	Interest Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31543	Federal Grant Revenue - SPA 1	-	-	-	-	-	-	-	-	-	-	-
31432	Line Extension Fees	-	-	-	-	-	-	-	-	-	-	-
31461	Revenue Recovery-Utility Bill	-	-	-	-	-	-	-	-	-	-	-
31816	Unrealized Gain/Loss	-	-	-	-	-	-	-	-	-	-	-
	[Extra]	-	-	-	-	-	-	-	-	-	-	-
Total Non-Rate Revenues		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

		FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Expenses												
242 Community Development												
213 Economic Development												
Contractual Services												
38994	Developer Reimbursement - Surprise Point	10,000	-	-	-	-	-	-	-	-	-	-
38994	Developer Reimbursement - Prasad a	241,000	-	-	-	-	-	-	-	-	-	-
643 Sewer												
111 Administration												
Personnel/Salaries												
36111	Full Time Salaries	172,529	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	1,260	-	-	-	-	-	-	-	-	-	-
36211	FICA	12,228	-	-	-	-	-	-	-	-	-	-
36231	Medical	16,442	-	-	-	-	-	-	-	-	-	-
36232	Dental	1,142	-	-	-	-	-	-	-	-	-	-
36233	Vision	240	-	-	-	-	-	-	-	-	-	-
36234	Life	800	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	19,910	-	-	-	-	-	-	-	-	-	-
36255	Post Emp. Health Plan	-	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	400	-	-	-	-	-	-	-	-	-	-
Commodities/Supplies												
37111	Office Supplies	2,200	-	-	-	-	-	-	-	-	-	-
37112	Computer Supplies	1,800	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	100	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	-	-	-	-	-	-	-	-	-	-	-
37162	Furn, Fixture, & Office Equip <\$10,000	200	-	-	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <\$10,000	-	-	-	-	-	-	-	-	-	-	-
37192	Awards & Recognition	-	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	100	-	-	-	-	-	-	-	-	-	-
37196	Meetsup	100	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	400	-	-	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	700	-	-	-	-	-	-	-	-	-	-
Contractual Services												
38131	Collection Fees Delinq. Accounts	500	-	-	-	-	-	-	-	-	-	-
38199	Other Prof/Tech Services	40,000	-	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	100	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	400	-	-	-	-	-	-	-	-	-	-
38412	Utility Billing Service Contract	520,000	-	-	-	-	-	-	-	-	-	-
38521	Equipment Rental	4,500	-	-	-	-	-	-	-	-	-	-



City of Surprise

Wastewater Utility Rate Study

Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses		FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
38912	Risk Insurance Premium	419,800	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	3,000	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	600	-	-	-	-	-	-	-	-	-	-
38931	Advertising	-	-	-	-	-	-	-	-	-	-	-
	Capital											
39999	Contingency	-	-	-	-	-	-	-	-	-	-	-
112	General Operation											
	Transfers Out											
34022	Indirect costs - general fund personnel	1,552,400	-	-	-	-	-	-	-	-	-	-
34032	Payments in lieu of property tax (PILOT)	388,200	-	-	-	-	-	-	-	-	-	-
	Personnel/Salaries											
36111	Full Time Salaries	1,293,844	-	-	-	-	-	-	-	-	-	-
36112	Part Time Employees	-	-	-	-	-	-	-	-	-	-	-
36113	Overtime Compensation	6,000	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	8,880	-	-	-	-	-	-	-	-	-	-
36211	FICA	98,671	-	-	-	-	-	-	-	-	-	-
36231	Medical	159,053	-	-	-	-	-	-	-	-	-	-
36232	Dental	9,904	-	-	-	-	-	-	-	-	-	-
36233	Vision	1,536	-	-	-	-	-	-	-	-	-	-
36234	Life	5,700	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	149,310	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	43,945	-	-	-	-	-	-	-	-	-	-
	Commodities/Supplies											
37111	Office Supplies	2,300	-	-	-	-	-	-	-	-	-	-
37112	Computer Supplies	3,000	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	1,800	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	1,700	-	-	-	-	-	-	-	-	-	-
37142	Phone Supplies	300	-	-	-	-	-	-	-	-	-	-
37161	Operational Supplies	181,800	-	-	-	-	-	-	-	-	-	-
37162	Furn, Fixture, & Office Equip <\$10,000	15,700	-	-	-	-	-	-	-	-	-	-
37164	Signs and Sign Supplies	1,100	-	-	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <\$10,000	447,500	-	-	-	-	-	-	-	-	-	-
37192	Awards & Recognition	600	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	18,820	-	-	-	-	-	-	-	-	-	-
37196	Meetsup	-	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	21,900	-	-	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	11,400	-	-	-	-	-	-	-	-	-	-
37221	Repair and Maintenance	2,600	-	-	-	-	-	-	-	-	-	-
37222	Cleaning/Janitorial	1,600	-	-	-	-	-	-	-	-	-	-
37223	Agricultural/Grounds Supplies	44,000	-	-	-	-	-	-	-	-	-	-
37232	Chemical Supplies	585,900	250,000	28,000	-	-	-	-	-	-	-	-
37233	Street Repair Supplies	2,400	-	-	-	-	-	-	-	-	-	-
	Contractual Services											
38126	Service Agreements	43,900	-	-	-	-	-	-	-	-	-	-
38128	Recording, License & Permit Fees	-	-	-	-	-	-	-	-	-	-	-
38129	Software Licenses	1,000	-	-	-	-	-	-	-	-	-	-
38129	SOFTWARE - Hansen Version	-	-	-	-	-	-	-	-	-	-	-
38191	Pre-Employment Services	500	-	-	-	-	-	-	-	-	-	-
38192	Lab Services - SPA 1	-	-	-	-	-	-	-	-	-	-	-
38192	Lab Services	63,200	-	-	-	-	-	-	-	-	-	-
38199	Other Prof/Tech Services - SPA 1	-	-	-	-	-	-	-	-	-	-	-
38199	Other Prof/Tech Services	66,500	40,000	-	-	-	-	-	-	-	-	-
38199	Other Prof/Tech Services - Well abandonment	-	-	-	-	-	-	-	-	-	-	-
38211	Water	103,900	-	-	-	-	-	-	-	-	-	-
38212	Electricity	969,200	35,000	35,000	-	-	6,500	-	-	-	-	-
38213	Propane/Natural Gas	600	-	-	-	-	-	-	-	-	-	-
38214	Telephone	3,900	-	-	-	-	-	-	-	-	-	-



City of Surprise

Wastewater Utility Rate Study

Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses		FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
38216	Sanitary/Landfill	234,000	-	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	1,100	-	-	-	-	-	-	-	-	-	-
38221	Cell Phone/Pagers	4,000	-	-	-	-	-	-	-	-	-	-
38311	Building Maintenance	9,500	-	-	-	-	-	-	-	-	-	-
38312	Streets Maintenance	25,000	-	-	-	-	-	-	-	-	-	-
38321	Radio Equip. Maint.	2,500	-	-	-	-	-	-	-	-	-	-
38324	Machinery & Equip. Maint.	665,800	-	7,000	-	-	-	-	-	-	-	-
38324	Machinery & Equip. Maint. - W. wet well	-	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	4,900	-	-	-	-	-	-	-	-	-	-
38351	Wells/Sewer/Lins/Etc.	388,000	-	-	-	-	-	-	-	-	-	-
38351	Wells/Sewer/Lins/Etc. - drainage reservoir	-	-	-	-	-	-	-	-	-	-	-
38371	Janitorial Services	19,700	7,000	-	-	-	-	-	-	-	-	-
38372	Pest Control Services	2,100	-	-	-	-	-	-	-	-	-	-
38381	Grounds Maintenance	28,000	-	-	-	-	-	-	-	-	-	-
38521	Equipment Rental	42,200	-	-	-	-	-	-	-	-	-	-
38591	Other Rental/Leases	-	-	-	-	-	-	-	-	-	-	-
38921	Tuition Reimbursement	5,000	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	47,400	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	1,300	-	-	-	-	-	-	-	-	-	-
38927	EE Certification & Licensing	1,000	-	-	-	-	-	-	-	-	-	-
38931	Advertising	-	-	-	-	-	-	-	-	-	-	-
38951	Printing	1,200	-	-	-	-	-	-	-	-	-	-
38991	Uniform/Laundry Services	11,600	-	-	-	-	-	-	-	-	-	-
38999	Other Professional Services	100	-	-	-	-	-	-	-	-	-	-
Capital												
39211	Building & Structure Purchases	-	-	-	-	-	-	-	-	-	-	-
39212	Improvements to Buildings	-	-	-	-	-	-	-	-	-	-	-
39223	Infrastructure Purchases	-	-	-	-	-	-	-	-	-	-	-
39224	Infrastructure Improvements	-	-	-	-	-	-	-	-	-	-	-
39411	Furn., Fixtures & Ofc Equipment	-	-	-	-	-	-	-	-	-	-	-
39421	Vehicles	-	-	-	-	-	-	-	-	-	-	-
39872	Invadj	-	-	-	-	-	-	-	-	-	-	-
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
115	Project Management											
Personnel/Salaries												
36111	Full Time Salaries	156,104	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	1,200	-	-	-	-	-	-	-	-	-	-
36211	FICA	11,942	-	-	-	-	-	-	-	-	-	-
36231	Medical	10,383	-	-	-	-	-	-	-	-	-	-
36232	Dental	571	-	-	-	-	-	-	-	-	-	-
36233	Vision	57	-	-	-	-	-	-	-	-	-	-
36234	Life	700	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	18,014	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	2,732	-	-	-	-	-	-	-	-	-	-
Commodities/Supplies												
37111	Office Supplies	300	-	-	-	-	-	-	-	-	-	-
37112	Computer Supplies	300	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	300	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	600	-	-	-	-	-	-	-	-	-	-
37161	Operational Supplies	300	-	-	-	-	-	-	-	-	-	-
37164	Signs and Sign Supplies	-	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	900	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	1,000	-	-	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	1,300	-	-	-	-	-	-	-	-	-	-
Contractual Services												
38126	Service Agreements	-	-	-	-	-	-	-	-	-	-	-
38129	Software Licenses	6,600	-	-	-	-	-	-	-	-	-	-



City of Surprise

Wastewater Utility Rate Study

Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses		FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
38199	Other Prof/Tech Services	17,000	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	800	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	9,300	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	1,000	-	-	-	-	-	-	-	-	-	-
Capital												
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
117	Customer Service											
Personnel/Salaries												
36111	Full Time Salaries	40,971	-	-	-	-	-	-	-	-	-	-
36113	Overtime Compensation	-	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36211	FICA	3,134	-	-	-	-	-	-	-	-	-	-
36231	Medical	14,481	-	-	-	-	-	-	-	-	-	-
36232	Dental	842	-	-	-	-	-	-	-	-	-	-
36233	Vision	120	-	-	-	-	-	-	-	-	-	-
36234	Life	200	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	4,728	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	95	-	-	-	-	-	-	-	-	-	-
Commodities/Supplies												
37111	Office Supplies	200	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	100	-	-	-	-	-	-	-	-	-	-
37142	Phone Supplies	100	-	-	-	-	-	-	-	-	-	-
37161	Operational Supplies	-	-	-	-	-	-	-	-	-	-	-
Contractual Services												
38126	Service Agreements	4,400	-	-	-	-	-	-	-	-	-	-
38372	Pest Control Services	-	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	400	-	-	-	-	-	-	-	-	-	-
601	Collections WW											
Personnel/Salaries												
36111	Full Time Salaries	219,530	-	-	-	-	-	-	-	-	-	-
36113	Overtime Compensation	2,400	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	1,512	-	-	-	-	-	-	-	-	-	-
36211	FICA	16,794	-	-	-	-	-	-	-	-	-	-
36231	Medical	40,407	-	-	-	-	-	-	-	-	-	-
36232	Dental	2,334	-	-	-	-	-	-	-	-	-	-
36233	Vision	350	-	-	-	-	-	-	-	-	-	-
36234	Life	976	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	25,334	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	5,863	-	-	-	-	-	-	-	-	-	-
Commodities/Supplies												
37111	Office Supplies	400	-	-	-	-	-	-	-	-	-	-
37112	Computer Supplies	300	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	1,775	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	700	-	-	-	-	-	-	-	-	-	-
37142	Phone Supplies	100	-	-	-	-	-	-	-	-	-	-
37161	Operational Supplies	8,300	-	-	-	-	-	-	-	-	-	-
37162	Furn, Fixture, & Office Equip <\$10,000	3,000	-	-	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <\$10,000	14,600	-	-	-	-	-	-	-	-	-	-
37192	Awards & Recognition	100	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	4,100	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	15,300	-	-	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	13,800	-	-	-	-	-	-	-	-	-	-
37221	Repair and Maintenance	1,000	-	-	-	-	-	-	-	-	-	-
37232	Chemical Supplies	3,400	-	-	-	-	-	-	-	-	-	-
37233	Street Repair Supplies	-	-	-	-	-	-	-	-	-	-	-



City of Surprise

Wastewater Utility Rate Study

Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses		FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
37998	Photography Supplies	100	-	-	-	-	-	-	-	-	-	-
	Contractual Services											
38126	Service Agreements	200	-	-	-	-	-	-	-	-	-	-
38162	Landscape Services	1,900	-	-	-	-	-	-	-	-	-	-
38191	Pre Employment Services	500	-	-	-	-	-	-	-	-	-	-
38199	Other Prof/Tech Services	1,500	-	-	-	-	-	-	-	-	-	-
38211	Water	2,200	-	-	-	-	-	-	-	-	-	-
38212	Electricity	18,600	-	-	-	-	-	-	-	-	-	-
38213	Propane/Natural Gas	800	-	-	-	-	-	-	-	-	-	-
38214	Telephone	1,600	-	-	-	-	-	-	-	-	-	-
38216	Sanitary/Landfill	6,000	-	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	100	-	-	-	-	-	-	-	-	-	-
38221	Cell Phone/Pagers	500	-	-	-	-	-	-	-	-	-	-
38324	Machinery & Equip. Maint.	8,000	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	3,600	-	-	-	-	-	-	-	-	-	-
38351	Wells/Sewer/Lins/Etc.	48,100	-	-	-	-	-	-	-	-	-	-
38351	Wells/Sewer/Lins/Etc. - Citrus & Peoria	-	-	-	-	-	-	-	-	-	-	-
38372	Pest Control Services	75,100	-	-	-	-	-	-	-	-	-	-
38521	Equipment Rental	2,000	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	7,500	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	2,800	-	-	-	-	-	-	-	-	-	-
38925	Federal Mileage Allowance	100	-	-	-	-	-	-	-	-	-	-
38927	EE Certification & Licensing	600	-	-	-	-	-	-	-	-	-	-
38931	Advertising	-	-	-	-	-	-	-	-	-	-	-
38951	Printing	300	-	-	-	-	-	-	-	-	-	-
38991	Uniform/Laundry Services	3,300	-	-	-	-	-	-	-	-	-	-
	Capital											
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
604	Utility Locating											
	Personnel/Salaries											
36111	Full Time Salaries	58,947	-	-	-	-	-	-	-	-	-	-
36113	Overtime Compensation	-	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	720	-	-	-	-	-	-	-	-	-	-
36211	FICA	4,509	-	-	-	-	-	-	-	-	-	-
36231	Medical	10,696	-	-	-	-	-	-	-	-	-	-
36232	Dental	571	-	-	-	-	-	-	-	-	-	-
36233	Vision	120	-	-	-	-	-	-	-	-	-	-
36234	Life	300	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	6,803	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	1,950	-	-	-	-	-	-	-	-	-	-
	Commodities/Supplies											
37111	Office Supplies	300	-	-	-	-	-	-	-	-	-	-
37112	Computer Supplies	500	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	500	-	-	-	-	-	-	-	-	-	-
37161	Operational Supplies	1,700	-	-	-	-	-	-	-	-	-	-
37162	Furn, Fixture, & Office Equip <\$10,000	300	-	-	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <\$10,000	200	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	300	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	2,300	-	-	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	700	-	-	-	-	-	-	-	-	-	-
	Contractual Services											
38128	Recording, License & Permit Fees	6,000	-	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	100	-	-	-	-	-	-	-	-	-	-
38221	Cell Phone/Pagers	1,400	-	-	-	-	-	-	-	-	-	-
38324	Machinery & Equip. Maint.	200	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	400	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	1,900	-	-	-	-	-	-	-	-	-	-



City of Surprise

Wastewater Utility Rate Study

Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses		FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
38924	Dues & Memberships	300	-	-	-	-	-	-	-	-	-	-
38927	EE Certification & Licensing	-	-	-	-	-	-	-	-	-	-	-
Capital												
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
605 Environmental												
Personnel/Salaries												
36111	Full Time Salaries	170,269	-	-	97,799	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	720	-	-	-	-	-	-	-	-	-	-
36211	FICA	13,026	-	-	-	-	-	-	-	-	-	-
36231	Medical	2,400	-	-	-	-	-	-	-	-	-	-
36232	Dental	1,166	-	-	-	-	-	-	-	-	-	-
36233	Vision	240	-	-	-	-	-	-	-	-	-	-
36234	Life	300	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	19,649	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	2,654	-	-	-	-	-	-	-	-	-	-
Commodities/Supplies												
37111	Office Supplies	400	-	-	219	-	-	-	-	-	-	-
37112	Computer Supplies	900	-	-	109	-	-	-	-	-	-	-
37114	Books & Subscriptions	-	-	-	219	-	-	-	-	-	-	-
37161	Operational Supplies	3,000	-	-	5,464	-	-	-	-	-	-	-
37162	Furn, Fixture, & Office Equip <\$10,000	-	-	-	1,967	-	-	-	-	-	-	-
37165	Mach. & Equipment <\$10,000	-	-	-	3,278	-	-	-	-	-	-	-
37192	Awards & Recognition	100	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	500	-	-	546	-	-	-	-	-	-	-
37211	Gas & Fuel	-	-	-	2,732	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	-	-	-	1,421	-	-	-	-	-	-	-
37997	Education & Training Supplies	300	-	-	-	-	-	-	-	-	-	-
Contractual Services												
38128	Recording, License & Permit Fees	50,000	-	-	-	-	-	-	-	-	-	-
38129	Software Licenses	3,000	-	-	-	-	-	-	-	-	-	-
38199	Other Prof/Tech Services	100,200	25,000	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	1,200	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	1,000	-	-	874	-	-	-	-	-	-	-
38922	Travel & Training	6,500	-	-	1,639	-	-	-	-	-	-	-
38924	Dues & Memberships	600	-	-	1,093	-	-	-	-	-	-	-
38925	Federal Mileage Allowance	100	-	-	-	-	-	-	-	-	-	-
38927	EE Certification & Licensing	200	-	-	-	-	-	-	-	-	-	-
38951	Printing	100	-	-	-	-	-	-	-	-	-	-
Capital												
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous												
Future Additional O&M Expenses		-	-	-	-	-	-	175,000	180,250	185,658	191,227	196,964
Total Cash O&M Expenditures		\$ 10,952,905	\$ 357,000	\$ 70,000	\$ 117,359	\$ -	\$ 6,500	\$ 175,000	\$ 180,250	\$ 185,658	\$ 191,227	\$ 196,964
TOTAL EXPENSES		\$ 10,952,905	\$ 357,000	\$ 70,000	\$ 117,359	\$ -	\$ 6,500	\$ 175,000	\$ 180,250	\$ 185,658	\$ 191,227	\$ 196,964



City of Surprise
Wastewater Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year:

2014

No	Description	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
1	Budget											
2	Vehicles		\$ 388,000									
3	SPA 1 Cortessa/Citrus and Northern - Devlpr Reimbursement	25,000										
4	SPA 1 Impact fee studies	3,400										
5	SPA 2 Impact fee studies	3,400										
6	SPA 3 Impact fee studies	3,400										
7	SPA 4 Impact fee studies	3,400										
8	SPA 5 Impact fee studies	3,400										
9	SPA 6 Impact fee studies	3,400										
10												
11	Enterprise CIP 22531 - Sewer Operations Fund											
12	Cactus Road - South Side (Tracks to Litchfield)		245,000	735,000	315,000							
13	Litchfield Road - East Side (Cactus Rd to Desert Cove Rd)		300,000	937,500								
14	Litchfield Road (Sweetwater Road to Cactus Road)		189,000	2,000,000								
15	Site & Security Improvements - Sewer		157,700	415,500								
16	SPA 2 WRF Overhead Crane for Membrane Removal	35,800	4,200									
17	SPA 2 WRF Plant Water System	93,100	94,600									
18	Disinfection Byproduct Reduction	41,100	865,700									
19	SPA1 WRF Sludge Gate/ Wet Well Repairs		325,000									
20	SPA1 WRF North Entrance Gate and Block Wall		150,000	1,500,000	1,500,000							
21	SPA 1 Recharge Basin Expansion @ South Plant							360,000	3,240,000			
22	Cover Disk Filter Area				792,000							
23	Cortessa Wet Well Re-Coating					100,000						
24	SPA1 Influent Line Hydraulic Rehabilitation		300,000	2,200,000	500,000							
25	Wastewater SCADA Upgrade		250,000									
26	Greenway Road Lift Station Rehabilitation		325,000									
27	SPA2 WRF Block Wall						1,000,000					
28	Line Installation at the SPA1 WRF		400,000									
29	Wastewater Capital Asset Replacement			578,800	413,800	352,400	287,400	1,078,000	245,200	4,609,300	392,200	172,200
30	Install Influent Pipeline between SPA2 SBR and MBR Plants							100,000				
31	Solar BioSolids Dryer		200,000	1,000,000								
32	SPA 1 16-in Sewer Line Civic Center Drive (Bell to Paradise)				600,000							
33	SPA 1 South WRF Stabilization, Dust Control & Landscape	25,000	219,900									
34	Additional Chlorine Generation Unit	202,800	647,200									
35	Enterprise CIP 22532 - Sewer System Development Fee											
36	18-in Sewer Line N Citrus Rd (Waddell Rd to Cactus Rd)					60,000	540,000					
37	18-in Sewer Line Sarival Rd (W Cactus Rd to W Peoria Ave)					120,000	1,080,000					
38	21-in Sewer Line Cotton Rd (W Cactus Rd to W Peoria Ave)					140,000	1,260,000					
39	Cactus Rd Sewer Line – Sarival to Reems					85,000	765,000					
40	Greenway Road Improvements - Sewer Line		1,000,000									



City of Surprise
Wastewater Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year: **2014**

No	Description	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
41	IWMP Existing Sewer System Deficiencies			300,000								
42	Mountain View Boulevard (West of Grand) - Sewer Line		300,000									
43	SPA 1 Recharge Wells @ South Plant							300,000	1,500,000			
44	SPA 1 Installation of 2nd Centrifuge		1,600,000									
45	Enterprise CIP 22533 - Sewer System Dev Fee SPA 2											
46	SPA 2 WRF - (Land Purchase)					300,000						
47	SPA 2 WRF Expansion - 4 MGD									4,600,000		
48												
49	Sewer Vehicles											
50	Administration											
51	Collections				445,000							
52	Operations			294,000	81,000			32,000				
53	Project Management				53,000							
54	Sewer Equipment											
55	Collections						20,000					
56	Operations			46,000		10,000	82,000	50,000	15,000	5,000		
57												
58	One-time Future O&M Costs											
59	Sewer System Asset Replacement		66,400									
60	Sludge Drying Pilot			75,000								
61	Wastewater OSHA LOTO Follow Through			25,000	25,000							
62	Develop SCADA Design and Programming Standards				50,000							
63	Prep Plant #2 for Wastewater Operations						150,000					
64	SCADA Programming Evaluation		25,000									
65	Sewer System Asset Replacement		446,000									
66	Install Covered Parking at SPA2 WRF		13,000									
67	New Fork Truck to assist in solids handling			125,000								
68	Wastewater Master Plan Updates				150,000							
69	Pretreatment Coordinator (Coordinator) Light Vehicle				27,318							
70												
Total Capital Projects		\$ 443,200	\$ 8,511,700	\$ 10,231,800	\$ 4,952,118	\$ 1,167,400	\$ 5,184,400	\$ 1,920,000	\$ 5,000,200	\$ 9,214,300	\$ 392,200	\$ 172,200
General Capital Fund		397,800	5,611,700	9,931,800	4,952,118	462,400	1,539,400	1,620,000	3,500,200	4,614,300	392,200	172,200
SPA 1		28,400	2,900,000	300,000	-	405,000	3,645,000	300,000	1,500,000	-	-	-
SPA 2		3,400	-	-	-	300,000	-	-	-	4,600,000	-	-
SPA 3		3,400	-	-	-	-	-	-	-	-	-	-
SPA 4		3,400	-	-	-	-	-	-	-	-	-	-
SPA 5		3,400	-	-	-	-	-	-	-	-	-	-
SPA 6		3,400	-	-	-	-	-	-	-	-	-	-



City of Surprise
Wastewater Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year: **2014**

No	Description	General Capital Fund	SPA 1	SPA 2	SPA 3	SPA 4	SPA 5	SPA 6	Specific Funding Source 1-Balances, 2-CIAC	
1	Budget	100%							1	Balances
2	Vehicles	100%							1	Balances
3	SPA 1 Cortessa/Citrus and Northern - Devlpr Reimbursement	0%	100%						1	Balances
4	SPA 1 Impact fee studies	0%	100%						1	Balances
5	SPA 2 Impact fee studies	0%		100%					1	Balances
6	SPA 3 Impact fee studies	0%			100%				1	Balances
7	SPA 4 Impact fee studies	0%				100%			1	Balances
8	SPA 5 Impact fee studies	0%					100%		1	Balances
9	SPA 6 Impact fee studies	0%						100%	1	Balances
10		100%							1	Balances
11	Enterprise CIP 22531 - Sewer Operations Fund	100%							1	Balances
12	Cactus Road - South Side (Tracks to Litchfield)	100%							1	Balances
13	Litchfield Road - East Side (Cactus Rd to Desert Cove Rd)	100%							1	Balances
14	Litchfield Road (Sweetwater Road to Cactus Road)	100%							1	Balances
15	Site & Security Improvements - Sewer	100%							1	Balances
16	SPA 2 WRF Overhead Crane for Membrane Removal	100%							1	Balances
17	SPA 2 WRF Plant Water System	100%							1	Balances
18	Disinfection Byproduct Reduction	100%							1	Balances
19	SPA1 WRF Sludge Gate/ Wet Well Repairs	100%							1	Balances
20	SPA1 WRF North Entrance Gate and Block Wall	100%							1	Balances
21	SPA 1 Recharge Basin Expansion @ South Plant	100%							1	Balances
22	Cover Disk Filter Area	100%							1	Balances
23	Cortessa Wet Well Re-Coating	100%							1	Balances
24	SPA1 Influent Line Hydraulic Rehabilitation	100%							1	Balances
25	Wastewater SCADA Upgrade	100%							1	Balances
26	Greenway Road Lift Station Rehabilitation	100%							1	Balances
27	SPA2 WRF Block Wall	100%							1	Balances
28	Line Installation at the SPA1 WRF	100%							1	Balances
29	Wastewater Capital Asset Replacement	100%							1	Balances
30	Install Influent Pipeline between SPA2 SBR and MBR Plants	100%							1	Balances
31	Solar BioSolids Dryer	100%							1	Balances
32	SPA 1 16-in Sewer Line Civic Center Drive (Bell to Paradise)	100%							1	Balances
33	SPA 1 South WRF Stabilization, Dust Control & Landscape	100%							1	Balances
34	Additional Chlorine Generation Unit	100%							1	Balances
35	Enterprise CIP 22532 - Sewer System Development Fee	0%	100%						1	Balances
36	18-in Sewer Line N Citrus Rd (Waddell Rd to Cactus Rd)	0%	100%						1	Balances
37	18-in Sewer Line Sarival Rd (W Cactus Rd to W Peoria Ave)	0%	100%						1	Balances
38	21-in Sewer Line Cotton Rd (W Cactus Rd to W Peoria Ave)	0%	100%						1	Balances
39	Cactus Rd Sewer Line – Sarival to Reems	0%	100%						1	Balances
40	Greenway Road Improvements - Sewer Line	0%	100%						1	Balances



City of Surprise
Wastewater Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year: **2014**

No	Description	General Capital Fund	SPA 1	SPA 2	SPA 3	SPA 4	SPA 5	SPA 6	Specific Funding Source 1-Balances, 2-CIAC	
41	IWMP Existing Sewer System Deficiencies	0%	100%						1	Balances
42	Mountain View Boulevard (West of Grand) - Sewer Line	0%	100%						1	Balances
43	SPA 1 Recharge Wells @ South Plant	0%	100%						1	Balances
44	SPA 1 Installation of 2nd Centrifuge	0%	100%						1	Balances
45	Enterprise CIP 22533 - Sewer System Dev Fee SPA 2	0%		100%					1	Balances
46	SPA 2 WRF - (Land Purchase)	0%		100%					1	Balances
47	SPA 2 WRF Expansion - 4 MGD	0%		100%					1	Balances
48		100%							1	Balances
49	Sewer Vehicles	100%							1	Balances
50	Administration	100%							1	Balances
51	Collections	100%							1	Balances
52	Operations	100%							1	Balances
53	Project Management	100%							1	Balances
54	Sewer Equipment	100%							1	Balances
55	Collections	100%							1	Balances
56	Operations	100%							1	Balances
57		100%							1	Balances
58	One-time Future O&M Costs	100%							1	Balances
59	Sewer System Asset Replacement	100%							1	Balances
60	Sludge Drying Pilot	100%							1	Balances
61	Wastewater OSHA LOTO Follow Through	100%							1	Balances
62	Develop SCADA Design and Programming Standards	100%							1	Balances
63	Prep Plant #2 for Wastewater Operations	100%							1	Balances
64	SCADA Programming Evaluation	100%							1	Balances
65	Sewer System Asset Replacement	100%							1	Balances
66	Install Covered Parking at SPA2 WRF	100%							1	Balances
67	New Fork Truck to assist in solids handling	100%							1	Balances
68	Wastewater Master Plan Updates	100%							1	Balances
69	Pretreatment Coordinator (Coordinator) Light Vehicle	100%							1	Balances
70		100%							1	Balances
Total Capital Projects		70%	19%	10%	0%	0%	0%	0%		
General Capital Fund										
SPA 1										
SPA 2										
SPA 3										
SPA 4										
SPA 5										
SPA 6										



City of Surprise
Wastewater Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year:

2014

TOTAL FORECASTED PROJECT COSTS

No	Description	TOTAL ESCALATED COSTS	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
1	Budget	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Vehicles	400,274	-	400,274	-	-	-	-	-	-	-	-	-
3	SPA 1 Cortessa/Citrus and Northern - Devlpr Reimbursement	25,000	25,000	-	-	-	-	-	-	-	-	-	-
4	SPA 1 Impact fee studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
5	SPA 2 Impact fee studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
6	SPA 3 Impact fee studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
7	SPA 4 Impact fee studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
8	SPA 5 Impact fee studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
9	SPA 6 Impact fee studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
10		-	-	-	-	-	-	-	-	-	-	-	-
11	Enterprise CIP 22531 - Sewer Operations Fund	-	-	-	-	-	-	-	-	-	-	-	-
12	Cactus Road - South Side (Tracks to Litchfield)	1,380,840	-	252,751	782,239	345,851	-	-	-	-	-	-	-
13	Litchfield Road - East Side (Cactus Rd to Desert Cove Rd)	1,307,244	-	309,491	997,754	-	-	-	-	-	-	-	-
14	Litchfield Road (Sweetwater Road to Cactus Road)	2,323,521	-	194,979	2,128,542	-	-	-	-	-	-	-	-
15	Site & Security Improvements - Sewer	604,893	-	162,689	442,205	-	-	-	-	-	-	-	-
16	SPA 2 WRF Overhead Crane for Membrane Removal	40,133	35,800	4,333	-	-	-	-	-	-	-	-	-
17	SPA 2 WRF Plant Water System	190,693	93,100	97,593	-	-	-	-	-	-	-	-	-
18	Disinfection Byproduct Reduction	934,186	41,100	893,086	-	-	-	-	-	-	-	-	-
19	SPA1 WRF Sludge Gate/ Wet Well Repairs	335,281	-	335,281	-	-	-	-	-	-	-	-	-
20	SPA1 WRF North Entrance Gate and Block Wall	3,398,060	-	154,745	1,596,406	1,646,909	-	-	-	-	-	-	-
21	SPA 1 Recharge Basin Expansion @ South Plant	4,463,250	-	-	-	-	-	-	433,969	4,029,281	-	-	-
22	Cover Disk Filter Area	869,568	-	-	-	869,568	-	-	-	-	-	-	-
23	Cortessa Wet Well Re-Coating	113,267	-	-	-	-	113,267	-	-	-	-	-	-
24	SPA1 Influent Line Hydraulic Rehabilitation	3,199,856	-	309,491	2,341,396	548,970	-	-	-	-	-	-	-
25	Wastewater SCADA Upgrade	257,909	-	257,909	-	-	-	-	-	-	-	-	-
26	Greenway Road Lift Station Rehabilitation	335,281	-	335,281	-	-	-	-	-	-	-	-	-
27	SPA2 WRF Block Wall	1,168,504	-	-	-	-	-	1,168,504	-	-	-	-	-
28	Line Installation at the SPA1 WRF	412,654	-	412,654	-	-	-	-	-	-	-	-	-
29	Wastewater Capital Asset Replacement	10,077,436	-	-	616,000	454,327	399,154	335,828	1,299,497	304,932	5,913,486	519,090	235,122
30	Install Influent Pipeline between SPA2 SBR and MBR Plants	120,547	-	-	-	-	-	-	120,547	-	-	-	-
31	Solar BioSolids Dryer	1,270,598	-	206,327	1,064,271	-	-	-	-	-	-	-	-
32	SPA 1 16-in Sewer Line Civic Center Drive (Bell to Paradise)	658,763	-	-	-	658,763	-	-	-	-	-	-	-
33	SPA 1 South WRF Stabilization, Dust Control & Landscape	251,857	25,000	226,857	-	-	-	-	-	-	-	-	-
34	Additional Chlorine Generation Unit	870,474	202,800	667,674	-	-	-	-	-	-	-	-	-
35	Enterprise CIP 22532 - Sewer System Development Fee	-	-	-	-	-	-	-	-	-	-	-	-
36	18-in Sewer Line N Citrus Rd (Waddell Rd to Cactus Rd)	698,953	-	-	-	-	67,960	630,992	-	-	-	-	-
37	18-in Sewer Line Sarival Rd (W Cactus Rd to W Peoria Ave)	1,397,905	-	-	-	-	135,921	1,261,985	-	-	-	-	-
38	21-in Sewer Line Cotton Rd (W Cactus Rd to W Peoria Ave)	1,630,890	-	-	-	-	158,574	1,472,316	-	-	-	-	-
39	Cactus Rd Sewer Line – Sarival to Reems	990,183	-	-	-	-	96,277	893,906	-	-	-	-	-
40	Greenway Road Improvements - Sewer Line	1,031,635	-	1,031,635	-	-	-	-	-	-	-	-	-



City of Surprise
Wastewater Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year: **2014**

TOTAL FORECASTED PROJECT COSTS

No	Description	TOTAL ESCALATED COSTS	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
41	IWMP Existing Sewer System Deficiencies	319,281	-	-	319,281	-	-	-	-	-	-	-	-
42	Mountain View Boulevard (West of Grand) - Sewer Line	309,491	-	309,491	-	-	-	-	-	-	-	-	-
43	SPA 1 Recharge Wells @ South Plant	2,227,049	-	-	-	-	-	-	361,641	1,865,408	-	-	-
44	SPA 1 Installation of 2nd Centrifuge	1,650,616	-	1,650,616	-	-	-	-	-	-	-	-	-
45	Enterprise CIP 22533 - Sewer System Dev Fee SPA 2	-	-	-	-	-	-	-	-	-	-	-	-
46	SPA 2 WRF - (Land Purchase)	339,802	-	-	-	-	339,802	-	-	-	-	-	-
47	SPA 2 WRF Expansion - 4 MGD	5,901,555	-	-	-	-	-	-	-	-	5,901,555	-	-
48		-	-	-	-	-	-	-	-	-	-	-	-
49	Sewer Vehicles	-	-	-	-	-	-	-	-	-	-	-	-
50	Administration	-	-	-	-	-	-	-	-	-	-	-	-
51	Collections	527,158	-	-	-	488,583	-	-	38,575	-	-	-	-
52	Operations	401,829	-	-	312,896	88,933	-	-	-	-	-	-	-
53	Project Management	58,191	-	-	-	58,191	-	-	-	-	-	-	-
54	Sewer Equipment	-	-	-	-	-	-	-	-	-	-	-	-
55	Collections	23,370	-	-	-	-	-	23,370	-	-	-	-	-
56	Operations	241,443	-	-	48,956	-	11,327	95,817	60,274	18,654	6,415	-	-
57		-	-	-	-	-	-	-	-	-	-	-	-
58	One-time Future O&M Costs	-	-	-	-	-	-	-	-	-	-	-	-
59	Sewer System Asset Replacement	68,501	-	68,501	-	-	-	-	-	-	-	-	-
60	Sludge Drying Pilot	79,820	-	-	79,820	-	-	-	-	-	-	-	-
61	Wastewater OSHA LOTO Follow Through	54,055	-	-	26,607	27,448	-	-	-	-	-	-	-
62	Develop SCADA Design and Programming Standards	54,897	-	-	-	54,897	-	-	-	-	-	-	-
63	Prep Plant #2 for Wastewater Operations	175,276	-	-	-	-	-	175,276	-	-	-	-	-
64	SCADA Programming Evaluation	25,791	-	25,791	-	-	-	-	-	-	-	-	-
65	Sewer System Asset Replacement	460,109	-	460,109	-	-	-	-	-	-	-	-	-
66	Install Covered Parking at SPA2 WRF	13,411	-	13,411	-	-	-	-	-	-	-	-	-
67	New Fork Truck to assist in solids handling	133,034	-	-	133,034	-	-	-	-	-	-	-	-
68	Wastewater Master Plan Updates	164,691	-	-	-	164,691	-	-	-	-	-	-	-
69	Pretreatment Coordinator (Coordinator) Light Vehicle	29,994	-	-	-	29,994	-	-	-	-	-	-	-
70		-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Projects		\$ 54,039,418	\$ 443,200	\$ 8,780,968	\$ 10,889,406	\$ 5,437,124	\$ 1,322,282	\$ 6,057,994	\$ 2,314,503	\$ 6,218,275	\$ 11,821,455	\$ 519,090	\$ 235,122
General Capital Fund		37,496,659	397,800	5,789,226	10,570,125	5,437,124	523,748	1,798,796	1,952,862	4,352,867	5,919,901	519,090	235,122
SPA 1		10,284,403	28,400	2,991,742	319,281	-	458,732	4,259,199	361,641	1,865,408	-	-	-
SPA 2		6,244,756	3,400	-	-	-	339,802	-	-	-	5,901,555	-	-
SPA 3		3,400	3,400	-	-	-	-	-	-	-	-	-	-
SPA 4		3,400	3,400	-	-	-	-	-	-	-	-	-	-
SPA 5		3,400	3,400	-	-	-	-	-	-	-	-	-	-
SPA 6		3,400	3,400	-	-	-	-	-	-	-	-	-	-



City of Surprise

Wastewater Utility Rate Study

Revenue Requirements Analysis

Cash Flow Sufficiency Test	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
EXPENSES											
Cash Operating Expenses	\$ 10,440,300	\$ 11,309,905	\$ 11,863,534	\$ 12,221,461	\$ 12,545,294	\$ 12,965,508	\$ 13,488,322	\$ 14,126,542	\$ 14,851,001	\$ 15,304,700	\$ 15,966,778
Existing Debt Service	-	-	-	-	-	-	-	-	-	-	-
New Debt Service	-	-	-	-	-	-	-	-	-	-	-
Rate Funded System Reinvestment	4,600,000	4,600,000	4,800,000	5,200,000	5,800,000	6,300,000	6,500,000	6,500,000	6,500,000	6,800,000	6,800,000
Total Expenses	\$ 15,040,300	\$ 15,909,905	\$ 16,663,534	\$ 17,421,461	\$ 18,345,294	\$ 19,265,508	\$ 19,988,322	\$ 20,626,542	\$ 21,351,001	\$ 22,104,700	\$ 22,766,778
REVENUES											
Rate Revenue	\$ 15,785,300	\$ 16,156,517	\$ 16,763,361	\$ 17,558,429	\$ 18,438,893	\$ 19,342,363	\$ 20,053,775	\$ 20,765,188	\$ 21,476,600	\$ 22,188,013	\$ 22,899,425
Non Rate Revenue	-	-	-	-	-	-	-	-	-	-	-
System Development Fee Revenue Towards Debt	-	-	-	-	-	-	-	-	-	-	-
Operating Fund & Debt Reserve Fund Interest Earnings	261,600	8,581	13,944	19,502	20,090	20,622	21,313	22,173	23,222	24,413	25,158
Total Revenue	\$ 16,046,900	\$ 16,165,098	\$ 16,777,305	\$ 17,577,930	\$ 18,458,983	\$ 19,362,985	\$ 20,075,088	\$ 20,787,360	\$ 21,499,822	\$ 22,212,425	\$ 22,924,583
NET CASH FLOW (DEFICIENCY)	\$ 1,006,600	\$ 255,193	\$ 113,771	\$ 156,469	\$ 113,689	\$ 97,476	\$ 86,766	\$ 160,818	\$ 148,820	\$ 107,726	\$ 157,806
% of Rate Revenue	-6.38%	-1.58%	-0.68%	-0.89%	-0.62%	-0.50%	-0.43%	-0.77%	-0.69%	-0.49%	-0.69%

Coverage Sufficiency Test - Revenue Bonds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
EXPENSES											
Total Cash Operating Expenses (less Capital Outlays)	\$ 9,614,800	\$ 10,173,605	\$ 10,686,145	\$ 11,005,472	\$ 11,292,826	\$ 11,675,466	\$ 12,159,578	\$ 12,757,936	\$ 13,441,337	\$ 13,852,745	\$ 14,471,265
Revenue Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-
Revenue Bond Coverage Requirement at 1.2	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	\$ 9,614,800	\$ 10,173,605	\$ 10,686,145	\$ 11,005,472	\$ 11,292,826	\$ 11,675,466	\$ 12,159,578	\$ 12,757,936	\$ 13,441,337	\$ 13,852,745	\$ 14,471,265
ALLOWABLE REVENUES											
Rate Revenue	\$ 15,785,300	\$ 16,156,517	\$ 16,763,361	\$ 17,558,429	\$ 18,438,893	\$ 19,342,363	\$ 20,053,775	\$ 20,765,188	\$ 21,476,600	\$ 22,188,013	\$ 22,899,425
Other Revenue	-	-	-	-	-	-	-	-	-	-	-
Interest Earnings - All Funds	261,600	90,627	107,840	107,483	81,149	176,556	221,031	296,896	335,238	187,126	304,950
Total Revenue	\$ 16,046,900	\$ 16,247,144	\$ 16,871,201	\$ 17,665,912	\$ 18,520,042	\$ 19,518,919	\$ 20,274,806	\$ 21,062,084	\$ 21,811,838	\$ 22,375,139	\$ 23,204,375
Coverage Realized	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
COVERAGE SURPLUS (DEFICIENCY)	\$ 6,432,100	\$ 6,073,539	\$ 6,185,056	\$ 6,660,440	\$ 7,227,216	\$ 7,843,453	\$ 8,115,227	\$ 8,304,148	\$ 8,370,501	\$ 8,522,394	\$ 8,733,110

Coverage Sufficiency Test - 2007 MPC Bond	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
EXPENSES											
Total Cash Operating Expenses (less Capital Outlays)	\$ 9,614,800	\$ 10,173,605	\$ 10,686,145	\$ 11,005,472	\$ 11,292,826	\$ 11,675,466	\$ 12,159,578	\$ 12,757,936	\$ 13,441,337	\$ 13,852,745	\$ 14,471,265
MPC 2007 Bond Debt Service	7,072,688	2,199,000	2,199,000	8,699,000	1,906,500	1,906,500	1,906,500	1,906,500	16,406,500	1,225,000	1,225,000
MPC 2007 Bond Coverage Requirement at 1	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	\$ 9,614,800	\$ 10,173,605	\$ 10,686,145	\$ 11,005,472	\$ 11,292,826	\$ 11,675,466	\$ 12,159,578	\$ 12,757,936	\$ 13,441,337	\$ 13,852,745	\$ 14,471,265
ALLOWABLE REVENUES											
Rate Revenue	\$ 15,785,300	\$ 16,156,517	\$ 16,763,361	\$ 17,558,429	\$ 18,438,893	\$ 19,342,363	\$ 20,053,775	\$ 20,765,188	\$ 21,476,600	\$ 22,188,013	\$ 22,899,425
Other Revenue	-	-	-	-	-	-	-	-	-	-	-
SPA 1 System Development Fee Revenue	2,352,700	3,727,094	5,877,060	7,486,664	7,896,324	7,292,648	6,455,958	6,455,958	6,455,958	6,455,958	6,455,958
Interest Earnings - All Funds	261,600	90,627	107,840	107,483	81,149	176,556	221,031	296,896	335,238	187,126	304,950
Total Revenue	\$ 18,399,600	\$ 19,974,238	\$ 22,748,261	\$ 25,152,576	\$ 26,416,365	\$ 26,811,567	\$ 26,730,764	\$ 27,518,042	\$ 28,267,796	\$ 28,831,097	\$ 29,660,332
Coverage Realized	1.24	4.46	5.49	1.63	7.93	7.94	7.64	7.74	0.90	12.23	12.40
COVERAGE SURPLUS (DEFICIENCY)	\$ 8,784,800	\$ 9,800,633	\$ 12,062,116	\$ 14,147,104	\$ 15,123,540	\$ 15,136,101	\$ 14,571,185	\$ 14,760,106	\$ 14,826,459	\$ 14,978,352	\$ 15,189,068



City of Surprise

Wastewater Utility Rate Study

Revenue Requirements Analysis

Maximum Revenue Deficiency	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Sufficiency Test Driving the Deficiency	None	None	None	None	None	None	None	None	None	None	None
Maximum Deficiency From Tests	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
less: Net Revenue From Prior Rate Increases	-	-	-	-	-	-	-	-	-	-	-
Revenue Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plus: Adjustment for State Excise Tax	-	-	-	-	-	-	-	-	-	-	-
Total Revenue Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Rate Increases	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Rate Revenue with no Increase	\$ 15,785,300	\$ 16,156,517	\$ 16,763,361	\$ 17,558,429	\$ 18,438,893	\$ 19,342,363	\$ 20,053,775	\$ 20,765,188	\$ 21,476,600	\$ 22,188,013	\$ 22,899,425
Revenues from Prior Rate Increases	-	-	-	-	-	-	-	-	-	-	-
Rate Revenue Before Rate Increase (Incl. previous increases)	15,785,300	16,156,517	16,763,361	17,558,429	18,438,893	19,342,363	20,053,775	20,765,188	21,476,600	22,188,013	22,899,425
Required Annual Rate Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Number of Months New Rates Will Be In Effect	12	12	12	12	12	12	12	12	12	12	12
Info: Percentage Increase to Generate Required Revenue	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Policy Induced Rate Increases	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ANNUAL RATE INCREASE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUMULATIVE RATE INCREASE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Impacts of Rate Increases	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Rate Revenues After Rate Increase	\$ 15,785,300	\$ 16,156,517	\$ 16,763,361	\$ 17,558,429	\$ 18,438,893	\$ 19,342,363	\$ 20,053,775	\$ 20,765,188	\$ 21,476,600	\$ 22,188,013	\$ 22,899,425
Full Year Rate Revenues After Rate Increase	15,785,300	16,156,517	16,763,361	17,558,429	18,438,893	19,342,363	20,053,775	20,765,188	21,476,600	22,188,013	22,899,425
Additional State Taxes Due to Rate Increases	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow After Rate Increase	1,006,600	255,193	113,771	156,469	113,689	97,476	86,766	160,818	148,820	107,726	157,806
Coverage After Rate Increase	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a



City of Surprise

Wastewater Utility Rate Study

Fund Activity

Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
SEWER OPERATIONS FUND (22531)											
Beginning Balance	\$ 19,097,517	\$ 1,716,214	\$ 1,859,162	\$ 1,950,170	\$ 2,009,007	\$ 2,062,240	\$ 2,131,316	\$ 2,217,258	\$ 2,322,171	\$ 2,441,260	\$ 2,515,841
plus: Net Cash Flow after Rate Increase	1,006,600	255,193	113,771	156,469	113,689	97,476	86,766	160,818	148,820	107,726	157,806
less: Transfer of Surplus to Capital Fund	(18,387,903)	(112,244)	(22,764)	(97,632)	(60,456)	(28,400)	(824)	(55,905)	(29,731)	(33,145)	(48,971)
Ending Balance	\$ 1,716,214	\$ 1,859,162	\$ 1,950,170	\$ 2,009,007	\$ 2,062,240	\$ 2,131,316	\$ 2,217,258	\$ 2,322,171	\$ 2,441,260	\$ 2,515,841	\$ 2,624,676
Minimum Target Balance	\$ 1,716,214	\$ 1,859,162	\$ 1,950,170	\$ 2,009,007	\$ 2,062,240	\$ 2,131,316	\$ 2,217,258	\$ 2,322,171	\$ 2,441,260	\$ 2,515,841	\$ 2,624,676
Maximum Funds to be Kept as Operating Reserves	\$ 1,716,214	\$ 1,859,162	\$ 1,950,170	\$ 2,009,007	\$ 2,062,240	\$ 2,131,316	\$ 2,217,258	\$ 2,322,171	\$ 2,441,260	\$ 2,515,841	\$ 2,624,676
Info: No of Days of Cash Operating Expenses	60	60	60	60	60	60	60	60	60	60	60
OPERATIONS FUND - CAPITAL PORTION											
Beginning Balance	\$ -	\$ 16,409,159	\$ 12,519,463	\$ 8,798,164	\$ 6,105,852	\$ 15,593,405	\$ 19,971,747	\$ 27,472,369	\$ 31,201,632	\$ 16,271,382	\$ 27,979,109
plus: Rate Funded System Reinvestment	4,600,000	4,600,000	4,800,000	5,200,000	5,800,000	6,300,000	6,500,000	6,500,000	6,500,000	6,800,000	6,800,000
plus: Transfers from Operating Fund	18,387,903	112,244	22,764	97,632	60,456	28,400	824	55,905	29,731	33,145	48,971
plus: Grants/ Donations/ CIAC	-	-	-	-	-	-	-	-	-	-	-
plus: Additional Proceeds (Costs)	-	-	-	-	-	-	-	-	-	-	-
plus: Transfers from SPA Funds for Deficit Repayment	-	-	1,932,166	-	4,102,247	-	2,752,942	1,251,501	-	5,230,958	5,230,958
plus: Revenue Bond Proceeds	-	-	-	-	-	-	-	-	-	-	-
plus: Other Loans	-	-	-	-	-	-	-	-	-	-	-
plus: Other Low Interest Loan Proceeds	-	-	-	-	-	-	-	-	-	-	-
plus: Interest Earnings	-	82,046	93,896	87,982	61,059	155,934	199,717	274,724	312,016	162,714	279,791
Total Funding Sources	\$ 22,987,903	\$ 21,203,450	\$ 19,368,288	\$ 14,183,777	\$ 16,129,614	\$ 22,077,739	\$ 29,425,231	\$ 35,554,499	\$ 38,043,380	\$ 28,498,199	\$ 40,338,829
less: Capital Expenditures	(397,800)	(5,789,226)	(10,570,125)	(5,437,124)	(523,748)	(1,798,796)	(1,952,862)	(4,352,867)	(5,919,901)	(519,090)	(235,122)
less: Transfers to SPA Funds	(6,180,943)	(2,894,761)	-	(2,640,801)	(12,461)	(307,196)	-	-	(15,852,097)	-	-
Ending Capital Fund Balance	\$ 16,409,159	\$ 12,519,463	\$ 8,798,164	\$ 6,105,852	\$ 15,593,405	\$ 19,971,747	\$ 27,472,369	\$ 31,201,632	\$ 16,271,382	\$ 27,979,109	\$ 40,103,707
Minimum Target Balance	\$ 5,170,183	\$ 5,345,802	\$ 5,563,590	\$ 5,672,333	\$ 5,698,778	\$ 5,819,938	\$ 5,866,228	\$ 5,990,594	\$ 6,227,023	\$ 6,237,405	\$ 6,242,107
DEBT RESERVE											
New Debt											
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
plus: Reserve Funding from New Debt	-	-	-	-	-	-	-	-	-	-	-
less: Use of Reserves for Debt Service	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Minimum Target Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2003 MPC Reserve (31404)											
Beginning Balance	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230
less: Use of Reserves for Debt Service	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230	\$ 1,550,230
2007 MPC Reserve (31304)											
Beginning Balance	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810
less: Use of Reserves for Debt Service	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810	\$ 5,068,810



City of Surprise
Wastewater Utility Rate Study
Fund Activity

Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
REPAIR AND REPLACEMENT FUND (2007 MPC REQUIREMENT)											
Beginning Balance	\$ 5,317,196	\$ 5,330,489	\$ 5,357,141	\$ 5,563,590	\$ 5,672,333	\$ 5,729,056	\$ 5,819,938	\$ 5,878,138	\$ 5,990,594	\$ 6,227,023	\$ 6,289,293
plus: Interest Earnings	13,293	26,652	40,179	55,636	56,723	57,291	58,199	58,781	59,906	62,270	62,893
Total Funding Sources	\$ 5,330,489	\$ 5,357,141	\$ 5,397,320	\$ 5,619,226	\$ 5,729,056	\$ 5,786,347	\$ 5,878,138	\$ 5,936,919	\$ 6,050,500	\$ 6,289,293	\$ 6,352,186
plus: Transfers In	-	-	166,270	53,107	-	33,592	-	53,675	176,523	-	-
Total Funding Sources	\$ 5,330,489	\$ 5,357,141	\$ 5,563,590	\$ 5,672,333	\$ 5,729,056	\$ 5,819,938	\$ 5,878,138	\$ 5,990,594	\$ 6,227,023	\$ 6,289,293	\$ 6,352,186
less: Use of Funds	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	\$ 5,330,489	\$ 5,357,141	\$ 5,563,590	\$ 5,672,333	\$ 5,729,056	\$ 5,819,938	\$ 5,878,138	\$ 5,990,594	\$ 6,227,023	\$ 6,289,293	\$ 6,352,186
<i>Max. Annual Fund Deposit (2% of Preceeding FY Rev.)</i>	\$ 321,819	\$ 315,706	\$ 323,130	\$ 335,267	\$ 351,169	\$ 368,778	\$ 386,847	\$ 401,076	\$ 415,304	\$ 429,532	\$ 443,760
<i>Minimum Fund Balance</i>	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
Estimated Capital Assets	\$ 258,509,143	\$ 267,290,111	\$ 278,179,517	\$ 283,616,641	\$ 284,938,923	\$ 290,996,917	\$ 293,311,420	\$ 299,529,694	\$ 311,351,150	\$ 311,870,239	\$ 312,105,361
<i>Maximum Fund Balance (2% of Capital Assets)</i>	\$ 5,170,183	\$ 5,345,802	\$ 5,563,590	\$ 5,672,333	\$ 5,698,778	\$ 5,819,938	\$ 5,866,228	\$ 5,990,594	\$ 6,227,023	\$ 6,237,405	\$ 6,242,107



City of Surprise

Wastewater Utility Rate Study

Fund Activity

SPA Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Sewer System Dev Fee SPA 1 (22532)											
Beginning Balance	\$ 7,816	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
plus: System Development Fee	2,352,700	3,727,094	5,877,060	7,486,664	7,896,324	7,292,648	6,455,958	6,455,958	6,455,958	6,455,958	6,455,958
plus: Interest Earnings	-	-	-	-	-	-	-	-	-	-	-
Total Funding Sources	\$ 2,360,516	\$ 3,727,094	\$ 5,877,060	\$ 7,486,664	\$ 7,896,324	\$ 7,292,648	\$ 6,455,958	\$ 6,455,958	\$ 6,455,958	\$ 6,455,958	\$ 6,455,958
less: Debt Service Payment	(8,504,254)	(3,630,113)	(3,625,613)	(10,127,466)	(3,335,344)	(3,340,645)	(3,341,375)	(3,339,049)	(16,406,500)	(1,225,000)	(1,225,000)
less: Capital Expenditures	(28,400)	(2,991,742)	(319,281)	-	(458,732)	(4,259,199)	(361,641)	(1,865,408)	-	-	-
Remaining Funding Sources (Deficit)	\$ (6,172,138)	\$ (2,894,761)	\$ 1,932,166	\$ (2,640,801)	\$ 4,102,247	\$ (307,196)	\$ 2,752,942	\$ 1,251,501	\$ (9,950,542)	\$ 5,230,958	\$ 5,230,958
plus: Transfer from Capital Fund	6,172,138	2,894,761	-	2,640,801	-	307,196	-	-	9,950,542	-	-
less: Repayment to Capital Fund	-	-	(1,932,166)	-	(4,102,247)	-	(2,752,942)	(1,251,501)	-	(5,230,958)	(5,230,958)
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	\$ 18,928,645	\$ 25,100,783	\$ 27,995,544	\$ 26,063,378	\$ 28,704,179	\$ 24,601,932	\$ 24,909,128	\$ 22,156,186	\$ 20,904,685	\$ 30,855,227	\$ 25,624,269
Change in Deficit	6,172,138	2,894,761	(1,932,166)	2,640,801	(4,102,247)	307,196	(2,752,942)	(1,251,501)	9,950,542	(5,230,958)	(5,230,958)
Ending Fund Deficit	\$ 25,100,783	\$ 27,995,544	\$ 26,063,378	\$ 28,704,179	\$ 24,601,932	\$ 24,909,128	\$ 22,156,186	\$ 20,904,685	\$ 30,855,227	\$ 25,624,269	\$ 20,393,311
Sewer System Dev Fee SPA 2 (22533)											
Beginning Balance	\$ 317,517	\$ 316,917	\$ 318,502	\$ 320,890	\$ 324,099	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
plus: System Development Fee	-	-	-	-	-	-	-	-	-	-	-
plus: Interest Earnings	2,800	1,585	2,389	3,209	3,241	-	-	-	-	-	-
Total Funding Sources	\$ 320,317	\$ 318,502	\$ 320,890	\$ 324,099	\$ 327,340	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
less: Capital Expenditures	(3,400)	-	-	-	(339,802)	-	-	-	(5,901,555)	-	-
Remaining Funding Sources (Deficit)	\$ 316,917	\$ 318,502	\$ 320,890	\$ 324,099	\$ (12,461)	\$ -	\$ -	\$ -	\$ (5,901,555)	\$ -	\$ -
plus: Transfer from Capital Fund	-	-	-	-	12,461	-	-	-	5,901,555	-	-
less: Repayment to Capital Fund	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	\$ 316,917	\$ 318,502	\$ 320,890	\$ 324,099	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,461	\$ 12,461	\$ 12,461	\$ 12,461	\$ 5,914,016	\$ 5,914,016
Change in Deficit	-	-	-	-	12,461	-	-	-	5,901,555	-	-
Ending Fund Deficit	\$ -	\$ -	\$ -	\$ -	\$ 12,461	\$ 12,461	\$ 12,461	\$ 12,461	\$ 5,914,016	\$ 5,914,016	\$ 5,914,016
Sewer System Dev Fee SPA 3 (22534)											
Beginning Balance	\$ 49,407	\$ 46,607	\$ 46,840	\$ 47,192	\$ 47,664	\$ 48,140	\$ 48,622	\$ 49,108	\$ 49,599	\$ 50,095	\$ 50,596
plus: System Development Fee	-	-	-	-	-	-	-	-	-	-	-
plus: Interest Earnings	600	233	351	472	477	481	486	491	496	501	506
Total Funding Sources	\$ 50,007	\$ 46,840	\$ 47,192	\$ 47,664	\$ 48,140	\$ 48,622	\$ 49,108	\$ 49,599	\$ 50,095	\$ 50,596	\$ 51,102
less: Capital Expenditures	(3,400)	-	-	-	-	-	-	-	-	-	-
Remaining Funding Sources (Deficit)	\$ 46,607	\$ 46,840	\$ 47,192	\$ 47,664	\$ 48,140	\$ 48,622	\$ 49,108	\$ 49,599	\$ 50,095	\$ 50,596	\$ 51,102
plus: Transfer from Capital Fund	-	-	-	-	-	-	-	-	-	-	-
less: Repayment to Capital Fund	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	\$ 46,607	\$ 46,840	\$ 47,192	\$ 47,664	\$ 48,140	\$ 48,622	\$ 49,108	\$ 49,599	\$ 50,095	\$ 50,596	\$ 51,102
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Deficit	-	-	-	-	-	-	-	-	-	-	-
Ending Fund Deficit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



City of Surprise
Wastewater Utility Rate Study
Fund Activity

SPA Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Sewer System Dev Fee SPA 4 (22535)											
Beginning Balance	\$ 1,393	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
plus: System Development Fee	-	-	-	-	-	-	-	-	-	-	-
plus: Interest Earnings	-	-	-	-	-	-	-	-	-	-	-
Total Funding Sources	\$ 1,393	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
less: Capital Expenditures	(3,400)	-	-	-	-	-	-	-	-	-	-
Remaining Funding Sources (Deficit)	\$ (2,007)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
plus: Transfer from Capital Fund	2,007	-	-	-	-	-	-	-	-	-	-
less: Repayment to Capital Fund	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	\$ -	\$ 2,007	\$ 2,007	\$ 2,007	\$ 2,007	\$ 2,007	\$ 2,007	\$ 2,007	\$ 2,007	\$ 2,007	\$ 2,007
Change in Deficit	2,007	-	-	-	-	-	-	-	-	-	-
Ending Fund Deficit	\$ 2,007	\$ 2,007	\$ 2,007	\$ 2,007	\$ 2,007	\$ 2,007	\$ 2,007	\$ 2,007	\$ 2,007	\$ 2,007	\$ 2,007
Sewer System Dev Fee SPA 5 (22536)											
Beginning Balance	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
plus: System Development Fee	-	-	-	-	-	-	-	-	-	-	-
plus: Interest Earnings	-	-	-	-	-	-	-	-	-	-	-
Total Funding Sources	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
less: Capital Expenditures	(3,400)	-	-	-	-	-	-	-	-	-	-
Remaining Funding Sources (Deficit)	\$ (3,399)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
plus: Transfer from Capital Fund	3,399	-	-	-	-	-	-	-	-	-	-
less: Repayment to Capital Fund	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	\$ 1,571	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970
Change in Deficit	3,399	-	-	-	-	-	-	-	-	-	-
Ending Fund Deficit	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970
Sewer System Dev Fee SPA 6 (22537)											
Beginning Balance	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
plus: System Development Fee	-	-	-	-	-	-	-	-	-	-	-
plus: Interest Earnings	-	-	-	-	-	-	-	-	-	-	-
Total Funding Sources	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
less: Capital Expenditures	(3,400)	-	-	-	-	-	-	-	-	-	-
Remaining Funding Sources (Deficit)	\$ (3,399)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
plus: Transfer from Capital Fund	3,399	-	-	-	-	-	-	-	-	-	-
less: Repayment to Capital Fund	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	\$ 1,571	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970
Change in Deficit	3,399	-	-	-	-	-	-	-	-	-	-
Ending Fund Deficit	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970	\$ 4,970



City of Surprise

Wastewater Utility Rate Study

Fund Activity

Existing Debt Service - MPC Revenue Bonds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
MPC 2003 - Sewer Portion 30.25%											
Annual Interest Payment	\$ 419,704	\$ 367,825	\$ 313,413	\$ 256,278	\$ 196,156	\$ 139,445	\$ 85,725	\$ 28,949	\$ -	\$ -	\$ -
Annual Principal Payment	<u>1,011,863</u>	<u>1,063,288</u>	<u>1,113,200</u>	<u>1,172,188</u>	<u>1,232,688</u>	<u>1,294,700</u>	<u>1,349,150</u>	<u>1,403,600</u>	-	-	-
Total Annual Payment	\$ 1,431,566	\$ 1,431,113	\$ 1,426,613	\$ 1,428,466	\$ 1,428,844	\$ 1,434,145	\$ 1,434,875	\$ 1,432,549	\$ -	\$ -	\$ -
Use of Debt Reserve for Debt Service	-	-	-	-	-	-	-	-	-	-	-
MPC 2007											
Annual Interest Payment	\$ 2,397,688	\$ 2,199,000	\$ 2,199,000	\$ 2,199,000	\$ 1,906,500	\$ 1,906,500	\$ 1,906,500	\$ 1,906,500	\$ 1,906,500	\$ 1,225,000	\$ 1,225,000
Annual Principal Payment	<u>4,675,000</u>	-	-	<u>6,500,000</u>	-	-	-	-	<u>14,500,000</u>	-	-
Total Annual Payment	\$ 7,072,688	\$ 2,199,000	\$ 2,199,000	\$ 8,699,000	\$ 1,906,500	\$ 1,906,500	\$ 1,906,500	\$ 1,906,500	\$ 16,406,500	\$ 1,225,000	\$ 1,225,000
Use of Debt Reserve for Debt Service	-	-	-	-	-	-	-	-	-	-	-
TOTAL MPC REVENUE BONDS											
Annual Interest Payment	\$ 2,817,392	\$ 2,566,825	\$ 2,512,413	\$ 2,455,278	\$ 2,102,656	\$ 2,045,945	\$ 1,992,225	\$ 1,935,449	\$ 1,906,500	\$ 1,225,000	\$ 1,225,000
Annual Principal Payment	<u>5,686,863</u>	<u>1,063,288</u>	<u>1,113,200</u>	<u>7,672,188</u>	<u>1,232,688</u>	<u>1,294,700</u>	<u>1,349,150</u>	<u>1,403,600</u>	<u>14,500,000</u>	-	-
Total Annual Payment	\$ 8,504,254	\$ 3,630,113	\$ 3,625,613	\$ 10,127,466	\$ 3,335,344	\$ 3,340,645	\$ 3,341,375	\$ 3,339,049	\$ 16,406,500	\$ 1,225,000	\$ 1,225,000
Use of Debt Reserve for Debt Service	-	-	-	-	-	-	-	-	-	-	-
Annual Debt Reserve Target on Existing Revenue Bonds	26,225,000	26,225,000	26,225,000	26,225,000	26,225,000	26,225,000	26,225,000	26,225,000	26,225,000	26,225,000	26,225,000

TECHNICAL APPENDIX: SANITATION FUND



City of Surprise

Sanitation Utility Rate Study

Summary

Revenue Requirement	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Revenues											
Rate Revenues Under Existing Rates	\$ 6,482,000	\$ 6,689,944	\$ 7,029,878	\$ 7,475,248	\$ 7,968,455	\$ 8,474,549	\$ 8,873,059	\$ 9,271,569	\$ 9,670,079	\$ 10,068,588	\$ 10,467,098
Non-Rate Revenues	476,100	419,547	441,720	436,037	455,137	475,539	483,472	500,400	516,931	534,289	547,498
Total Revenues	\$ 6,958,100	\$ 7,109,490	\$ 7,471,598	\$ 7,911,286	\$ 8,423,592	\$ 8,950,088	\$ 9,356,531	\$ 9,771,969	\$ 10,187,009	\$ 10,602,878	\$ 11,014,596
Expenses											
General Operations	\$ 5,686,400	\$ 5,862,661	\$ 6,048,367	\$ 6,349,532	\$ 6,629,387	\$ 6,985,611	\$ 7,306,511	\$ 7,757,665	\$ 8,105,938	\$ 8,473,766	\$ 8,854,532
Bulk Trash	434,700	479,490	495,170	511,383	561,123	579,840	599,207	619,250	639,991	661,458	683,676
Recycling	315,600	297,602	306,617	315,908	325,481	335,346	345,511	355,987	366,782	377,906	389,370
Vehicle/Equipment Funding	-	400,000	600,000	700,000	1,000,000	1,300,000	1,600,000	1,800,000	2,000,000	2,000,000	2,000,000
Total Expenses	\$ 6,436,700	\$ 7,039,753	\$ 7,450,154	\$ 7,876,822	\$ 8,515,991	\$ 9,200,797	\$ 9,851,230	\$ 10,532,902	\$ 11,112,711	\$ 11,513,130	\$ 11,927,578
Net Surplus (Deficiency)	\$ 521,400	\$ 69,737	\$ 21,443	\$ 34,463	\$ (92,399)	\$ (250,708)	\$ (494,699)	\$ (760,933)	\$ (925,701)	\$ (910,252)	\$ (912,982)
Additions to Meet Coverage	-	-	-	-	-	-	-	-	-	-	-
Total Surplus (Deficiency)	\$ 521,400	\$ 69,737	\$ 21,443	\$ 34,463	\$ (92,399)	\$ (250,708)	\$ (494,699)	\$ (760,933)	\$ (925,701)	\$ (910,252)	\$ (912,982)
% of Rate Revenue	0.00%	0.00%	0.00%	0.00%	1.16%	2.96%	5.58%	8.21%	9.57%	9.04%	8.72%
Annual Rate Adjustment	0.00%	0.00%	0.00%	0.00%	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Cumulative Annual Rate Adjustment	0.00%	0.00%	0.00%	0.00%	0.00%	2.00%	4.04%	6.12%	8.24%	10.41%	12.62%
Rate Revenues After Rate Increase	\$ 6,482,000	\$ 6,689,944	\$ 7,029,878	\$ 7,475,248	\$ 7,968,455	\$ 8,644,040	\$ 9,231,530	\$ 9,839,063	\$ 10,467,204	\$ 11,116,535	\$ 11,787,653
Additional Taxes from Rate Increase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash Flow After Rate Increase	521,400	69,737	21,443	34,463	(92,399)	(81,217)	(136,227)	(193,439)	(128,576)	137,695	407,572
Coverage After Rate Increases	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sample Residential Monthly Bill*	\$ 16.63	\$ 16.63	\$ 16.63	\$ 16.63	\$ 16.63	\$ 16.96	\$ 17.30	\$ 17.65	\$ 18.00	\$ 18.36	\$ 18.73
Monthly Average Increase (\$)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.33	\$ 0.34	\$ 0.35	\$ 0.35	\$ 0.36	\$ 0.37

*Per Customer



City of Surprise

Sanitation Utility Rate Study

Summary

Fund Balance	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
OPERATIONS FUND											
Beginning Balance	\$ 9,712,295	\$ 8,593,695	\$ 6,597,825	\$ 2,469,108	\$ 2,302,749	\$ 2,210,350	\$ 1,191,458	\$ 1,055,231	\$ 861,792	\$ 733,216	\$ 171,101
plus: Net Cash Flow after Rate Increase	521,400	69,737	21,443	34,463	(92,399)	(81,217)	(136,227)	(193,439)	(128,576)	137,695	407,572
less: Transfer of Surplus to Capital Fund	(1,640,000)	(2,065,608)	(4,150,160)	(200,823)	-	(937,674)	-	-	-	(699,810)	-
Ending Balance	\$ 8,593,695	\$ 6,597,825	\$ 2,469,108	\$ 2,302,749	\$ 2,210,350	\$ 1,191,458	\$ 1,055,231	\$ 861,792	\$ 733,216	\$ 171,101	\$ 578,674
Target Balance	\$ 1,058,088	\$ 1,091,466	\$ 1,126,053	\$ 1,179,752	\$ 1,235,505	\$ 1,298,761	\$ 1,356,367	\$ 1,435,546	\$ 1,497,980	\$ 1,563,802	\$ 1,631,931
Days	487	363	132	117	107	55	47	36	29	7	21
OPERATIONS FUND - CAPITAL/EQUIPMENT RESERVE											
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 487,160	\$ -	\$ 1,561,425	\$ 910,597	\$ 283,248	\$ -
plus: Capital/Equipment Reserve Funding	-	400,000	600,000	700,000	1,000,000	1,300,000	1,600,000	1,800,000	2,000,000	2,000,000	2,000,000
plus: Transfers from Operating Fund	1,640,000	2,065,608	4,150,160	200,823	-	937,674	-	-	-	699,810	-
plus: Grants/ Donations/ CIAC	-	-	-	-	-	-	-	-	-	-	-
plus: Additional Proceeds (Costs)	-	-	-	-	-	-	-	-	-	-	-
plus: Net Debt Proceeds Available for Projects	-	-	-	-	-	-	-	-	-	-	-
plus: Interest Earnings	-	-	-	-	-	4,872	-	15,614	9,106	2,832	-
Total Funding Sources	\$ 1,640,000	\$ 2,465,608	\$ 4,750,160	\$ 900,823	\$ 1,000,000	\$ 2,729,706	\$ 1,600,000	\$ 3,377,039	\$ 2,919,703	\$ 2,985,890	\$ 2,000,000
less: Capital Expenditures	(1,640,000)	(2,465,608)	(4,750,160)	(900,823)	(512,840)	(2,729,706)	(38,575)	(2,466,442)	(2,636,455)	(2,985,890)	(1,161,230)
Ending Working Capital Balance	\$ -	\$ -	\$ -	\$ -	\$ 487,160	\$ -	\$ 1,561,425	\$ 910,597	\$ 283,248	\$ -	\$ 838,770
COMBINED BEGINNING BALANCE	\$ 9,712,295	\$ 8,593,695	\$ 6,597,825	\$ 2,469,108	\$ 2,302,749	\$ 2,697,510	\$ 1,191,458	\$ 2,616,656	\$ 1,772,389	\$ 1,016,464	\$ 171,101
COMBINED ENDING BALANCE	\$ 8,593,695	\$ 6,597,825	\$ 2,469,108	\$ 2,302,749	\$ 2,697,510	\$ 1,191,458	\$ 2,616,656	\$ 1,772,389	\$ 1,016,464	\$ 171,101	\$ 1,417,444

Notes:

Additional Proceeds (Costs) Consist of the following:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Transfer from PW Development Fee Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



City of Surprise Sanitation Utility Rate Study Assumptions

July 2013 - June 2014

Economic & Financial Factors		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
1	General Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
2	Construction Cost Inflation	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%
3	Labor Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
4	Benefit Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
5	Customer Growth	1.88%	3.21%	5.08%	6.34%	6.60%	6.35%	4.70%	4.49%	4.30%	4.12%	3.96%
6	General Inflation plus Growth	4.94%	6.30%	8.23%	9.53%	9.80%	9.54%	7.84%	7.63%	7.43%	7.24%	7.08%
7	No Escalation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	PILOT	33.74%	-9.25%	26.86%	33.15%	49.95%	6.32%	3.38%	17.42%	0.21%	13.37%	12.61%
9	Franchise In Lieu Payment	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Fuel Cost Escalation	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
11	[Extra]	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fund Earnings		0.25%	0.50%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Accounting Assumptions		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
FISCAL POLICY RESTRICTIONS												
Min. Op. Fund Balance (days of O&M expense)		60	60	60	60	60	60	60	60	60	60	60
Max. Op. Fund Balance (days of O&M expense)		60	60	60	60	60	60	60	60	60	60	60
Minimum Capital Fund Balance Target												
Select Minimum Capital Fund Balance Target	1	Defined as % of Plant										
1 - Defined as % of Plant												
Plant-in-Service in 2013		\$ 5,405,329										
Minimum Capital Fund Balance - % of plant assets		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
2 - Amount at Right ==>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAPITAL/EQUIPMENT RESERVE FUNDING												
Select Reinvestment Funding Strategy	3	User Input										
Amount of Annual Cash Funding from Rates												
1 - Equal to Annual Depreciation Expense		\$ 565,335	\$ 614,647	\$ 709,650	\$ 727,667	\$ 737,924	\$ 792,518	\$ 793,289	\$ 842,618	\$ 895,347	\$ 955,065	\$ 978,290
2 - Equal to Depreciation less Annual Debt Principal Payments		565,335	614,647	709,650	727,667	737,924	792,518	793,289	842,618	895,347	955,065	978,290
3 - Equal to Amount at Right ==>		-	400,000	600,000	700,000	1,000,000	1,300,000	1,600,000	1,800,000	2,000,000	2,000,000	2,000,000
4 - Do Not Fund Depreciation			69,737	21,443	34,463	(92,399)	(81,217)	(136,227)	(193,439)	(128,576)	137,695	407,572



City of Surprise Sanitation Utility Rate Study Assumptions

July 2013 - June 2014

Capital Financing Assumptions		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
FUNDING SOURCES												
Grants		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Proceeds (Costs)												
Transfer from PW Development Fee Fund		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
[Extra line]		-	-	-	-	-	-	-	-	-	-	-
[Extra line]		-	-	-	-	-	-	-	-	-	-	-
[Extra line]		-	-	-	-	-	-	-	-	-	-	-
[Extra line]		-	-	-	-	-	-	-	-	-	-	-
Total Additional Proceeds		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUE BONDS												
Term (years)		20	20	20	20	20	20	20	20	20	20	20
Interest Cost		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Issuance Cost		1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Revenue Bond Coverage Requirement	1.20											
OTHER LOANS												
Term (years)		20	20	20	20	20	20	20	20	20	20	20
Interest Cost		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
OTHER LOW COST LOANS												
Term (years)		20	20	20	20	20	20	20	20	20	20	20
Interest Cost		0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Issuance Cost		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Other Assumptions		FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Customer Growth															
Projected Rate Revenue			6,420,000	6,482,000	6,649,000	6,928,000	7,323,000	7,304,700							
Projected New Equivalent Dwelling Units (EDUs)															
SPA 1				614	967	1,525	1,943	2,049	1,893						
SPA 2				-	66	145	167	260	420						
SPA 3				-	32	71	171	217	280						
Total New EDUs				614	1,065	1,741	2,281	2,526	2,592						
Projected New Equivalent Dwelling Units (EDUs)			32,584	33,198	34,263	36,004	38,285	40,811	43,403						
EDU Growth Rate				1.88%	3.21%	5.08%	6.34%	6.60%	6.35%						
Projected New Equivalent Dwelling Units (EDUs)			100.00%	of Original Growth Projections						Based on previous 5 year average growth projections					
SPA 1				614	967	1,525	1,943	2,049	1,893	1,676	1,676	1,676	1,676	1,676	1,676
SPA 2				-	66	145	167	260	420	212	212	212	212	212	212
SPA 3				-	32	71	171	217	280	154	154	154	154	154	154
Total New EDUs				614	1,065	1,741	2,281	2,526	2,592	2,041	2,041	2,041	2,041	2,041	2,041
Projected New Equivalent Dwelling Units (EDUs)			32,584	33,198	34,263	36,004	38,285	40,811	43,403	45,444	47,485	49,526	51,567	53,608	55,649
EDU Growth Rate				1.88%	3.21%	5.08%	6.34%	6.60%	6.35%	4.70%	4.49%	4.30%	4.12%	3.96%	3.80%
New Trucks															
					-	2	-	1	1	2	-	-	2	-	1
PILOT Tax Components															
Capital Assets	4,457,030	5,801,676	5,405,329	7,045,329	9,510,937	14,261,097	15,161,919	15,674,760	18,404,465	18,443,040	20,909,483	23,545,938	26,531,828	27,693,058	
ARS Assessed Valuation Annual Year Percentage	20.00%	19.50%	19.00%	18.50%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
ARS Assessed Valuation Fiscal Year Percentage		19.75%	19.25%	18.75%	18.25%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
Primary Property Tax Rate		0.7383%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%
Payment in Lieu of Taxes		\$ 6,499	\$ 8,692	\$ 7,888	\$ 10,007	\$ 13,324	\$ 19,979	\$ 21,241	\$ 21,959	\$ 25,784	\$ 25,838	\$ 29,293	\$ 32,986	\$ 36,739	\$ 39,490



City of Surprise

Sanitation Utility Rate Study

Operating Revenue and Expenditure Forecast

			Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	
Revenues			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Rate Revenues															
31434	Service/Collection Fees	5	Customer Growth	\$ 6,444,247	\$ 6,482,000	\$ 6,689,944	\$ 7,029,878	\$ 7,475,248	\$ 7,968,455	\$ 8,474,549	\$ 8,873,059	\$ 9,271,569	\$ 9,670,079	\$ 10,068,588	\$ 10,467,098
	[Extra]	7	No Escalation	-	-	-	-	-	-	-	-	-	-	-	-
	[Extra]	7	No Escalation	-	-	-	-	-	-	-	-	-	-	-	-
Total Rate Revenue				\$ 6,444,247	\$ 6,482,000	\$ 6,689,944	\$ 7,029,878	\$ 7,475,248	\$ 7,968,455	\$ 8,474,549	\$ 8,873,059	\$ 9,271,569	\$ 9,670,079	\$ 10,068,588	\$ 10,467,098
Non-Rate Revenues															
31961	Sale of Recycled Material	1	General Cost Inflation	\$ 160,556	\$ 162,200	\$ 167,066	\$ 172,078	\$ 177,240	\$ 182,558	\$ 188,034	\$ 193,675	\$ 199,486	\$ 205,470	\$ 211,634	\$ 217,983
31461	Revenue Recovery-Utility Bill	7	No Escalation	954	-	-	-	-	-	-	-	-	-	-	-
31813	Interest Income	7	No Escalation	117,229	-	-	-	-	-	-	-	-	-	-	-
31816	Unrealized Gain/Loss	7	No Escalation	(83,838)	-	-	-	-	-	-	-	-	-	-	-
	Transfer from PW Development Fee Fund	1	General Cost Inflation	-	-	-	-	-	-	-	-	-	-	-	-
31458	Sanitation Roll Off Fees	5	Customer Growth	205,466	203,000	209,512	220,158	234,106	249,552	265,402	277,882	290,362	302,843	315,323	327,803
Total Non-Rate Revenues				\$ 400,368	\$ 365,200	\$ 376,578	\$ 392,236	\$ 411,346	\$ 432,110	\$ 453,436	\$ 471,557	\$ 489,848	\$ 508,313	\$ 526,957	\$ 545,787
TOTAL REVENUES				\$ 6,844,615	\$ 6,847,200	\$ 7,066,522	\$ 7,422,114	\$ 7,886,594	\$ 8,400,565	\$ 8,927,985	\$ 9,344,616	\$ 9,761,417	\$ 10,178,391	\$ 10,595,545	\$ 11,012,885

Expenses			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
542	Vehicle Maintenance														
112	General Operations														
	Capital														
39421	Vehicles	1	General Cost Inflation	-	-	-	-	-	-	-	-	-	-	-	-
644	Sanitation														
112	General Operations														
Transfers Out															
34013	Franchise in lieu payment	9	Franchise In Lieu Payment	24,000	24,000	24,000	26,000	26,000	27,000	28,000	30,000	30,000	30,000	32,000	32,000
34023	Indirect costs - general fund personnel	1	General Cost Inflation	857,800	1,886,400	1,886,400	1,942,992	2,001,282	2,061,320	2,123,160	2,186,855	2,252,460	2,320,034	2,389,635	2,461,324
34033	Payments in lieu of property tax (PILOT)		Calculated	6,581	8,600	8,600	10,007	13,324	19,979	21,241	21,959	25,784	25,838	29,293	32,986
Personnel/Salaries															
36111	Full Time Salaries	3	Labor Cost Inflation	1,036,272	1,071,200	1,212,637	1,249,016	1,356,967	1,470,272	1,589,153	1,636,828	1,685,933	1,736,511	1,788,606	1,842,264
36113	Overtime Compensation	3	Labor Cost Inflation	18,271	25,300	25,300	26,059	26,841	27,646	28,475	29,330	30,210	31,116	32,049	33,011
36115	Holidays	4	Benefit Cost Inflation	46,968	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	4	Benefit Cost Inflation	146,898	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	4	Benefit Cost Inflation	1,428	-	720	742	764	787	810	835	860	886	912	939
36211	FICA	4	Benefit Cost Inflation	89,461	83,900	82,883	85,369	87,931	90,568	93,286	96,084	98,967	101,936	104,994	108,144
36231	Medical	4	Benefit Cost Inflation	238,633	247,600	217,441	223,964	230,683	237,604	244,732	252,074	259,636	267,425	275,448	283,711
36232	Dental	4	Benefit Cost Inflation	13,893	14,100	11,535	11,881	12,237	12,605	12,983	13,372	13,773	14,187	14,612	15,051
36233	Vision	4	Benefit Cost Inflation	2,243	2,200	1,833	1,888	1,945	2,003	2,063	2,125	2,189	2,254	2,322	2,392
36234	Life	4	Benefit Cost Inflation	5,353	4,700	4,700	4,841	4,986	5,136	5,290	5,449	5,612	5,780	5,954	6,132
36252	AZ State Retirement	4	Benefit Cost Inflation	138,130	126,500	125,029	128,780	132,643	136,623	140,721	144,943	149,291	153,770	158,383	163,134
36255	Post Emp. Health Plan	4	Benefit Cost Inflation	2,693	-	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	4	Benefit Cost Inflation	43,928	46,400	60,483	62,297	64,166	66,091	68,074	70,116	72,220	74,386	76,618	78,917
Commodities/Supplies															
37111	Office Supplies	1	General Cost Inflation	1,611	1,500	2,300	2,369	2,440	2,513	2,589	2,666	2,746	2,829	2,914	3,001
37112	Computer Supplies	1	General Cost Inflation	2,873	1,200	1,700	1,751	1,804	1,858	1,913	1,971	2,030	2,091	2,154	2,218
37114	Books & Subscriptions	1	General Cost Inflation	-	100	100	103	106	109	113	116	119	123	127	130
37131	Clothing & Uniforms	1	General Cost Inflation	2,955	2,700	5,600	5,768	6,050	6,344	6,651	6,850	7,056	7,267	7,485	7,710
37141	Radio Supplies	1	General Cost Inflation	-	300	8,000	8,240	8,487	8,742	9,004	9,274	9,552	9,839	10,134	10,438
37142	Phone Supplies	1	General Cost Inflation	292	-	-	-	-	-	-	-	-	-	-	-
37161	Operational Supplies	1	General Cost Inflation	4,723	1,500	8,800	9,064	9,336	9,616	9,904	10,202	10,508	10,823	11,148	11,482
37162	Furn, Fixture, & Office Equip <\$10,000	1	General Cost Inflation	61,546	39,400	39,400	40,582	41,799	43,053	44,345	45,675	47,046	48,457	49,911	51,408
37164	Signs and Sign Supplies	1	General Cost Inflation	641	-	-	-	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <\$10,000	1	General Cost Inflation	9,094	1,000	7,700	7,931	8,169	8,414	8,666	8,926	9,194	9,470	9,754	10,047
37191	Food	1	General Cost Inflation	-	800	800	824	849	874	900	927	955	984	1,013	1,044
37192	Awards & Recognition	1	General Cost Inflation	161	-	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	1	General Cost Inflation	4,166	6,800	8,200	8,446	9,027	9,636	10,273	10,581	10,898	11,225	11,562	11,909
37196	Meeting Supplies	1	General Cost Inflation	44	800	800	824	849	874	900	927	955	984	1,013	1,044
37211	Gas & Fuel	10	Fuel Cost Escalation	398,813	385,600	423,000	443,087	485,982	509,059	577,053	604,455	633,159	663,225	694,719	727,709
37212	Auto Parts & Lubricants	1	General Cost Inflation	266,975	303,700	281,000	289,430	310,652	319,971	349,537	360,023	370,824	381,948	393,407	405,209
37222	Cleaning/Janitorial	1	General Cost Inflation	351	-	-	-	-	-	-	-	-	-	-	-
37232	Chemical Supplies	1	General Cost Inflation	-	13,200	13,200	13,596	14,004	14,424	14,857	15,302	15,761	16,234	16,721	17,223
37997	Education & Training Supplies	1	General Cost Inflation	221	-	-	-	-	-	-	-	-	-	-	-
37999	Other Commodity Supplies	1	General Cost Inflation	503	-	-	-	-	-	-	-	-	-	-	-
Contractual Services															
38126	Service Agreements	1	General Cost Inflation	5,171	9,100	10,500	10,815	11,139	11,474	11,818	12,172	12,538	12,914	13,301	13,700



City of Surprise

Sanitation Utility Rate Study

Operating Revenue and Expenditure Forecast

			Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	
Expenses			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
38128	Recording, License & Permit Fees	1	General Cost Inflation	7,430	6,600	7,100	7,313	7,664	7,893	8,408	8,661	8,921	9,188	9,464	9,748
38129	Software - Hansen Version	1	General Cost Inflation	10,613	-	-	-	-	-	-	-	-	-	-	-
38191	Pre Employment Services	1	General Cost Inflation	-	400	400	412	424	437	450	464	478	492	507	522
38199	Other Prof/Tech Services	1	General Cost Inflation	26,093	-	-	-	-	-	-	-	-	-	-	-
38212	Electricity	1	General Cost Inflation	3,191	6,600	6,600	6,798	7,002	7,212	7,428	7,651	7,881	8,117	8,361	8,612
38216	Sanitary/Landfill	1	General Cost Inflation	720,335	750,000	765,400	788,362	812,013	836,373	861,464	887,308	913,928	941,345	969,586	998,673
38217	Postage & Mailings	1	General Cost Inflation	7	200	200	206	212	219	225	232	239	246	253	261
38221	Cell Phone/Pagers	1	General Cost Inflation	2,307	1,500	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
38321	Radio Equip. Maint.	1	General Cost Inflation	12,357	13,000	13,000	13,390	14,447	15,556	16,718	17,220	17,736	18,269	18,817	19,381
38323	Office Equip. Maint.	1	General Cost Inflation	-	1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
38324	Machinery & Equip. Maint.	1	General Cost Inflation	2,395	5,000	13,800	14,214	14,640	15,080	15,532	15,998	16,478	16,972	17,481	18,006
38331	Vehicle Maintenance	1	General Cost Inflation	114,415	122,500	107,900	111,137	117,447	120,970	131,494	135,439	139,502	143,687	147,998	152,438
38413	Trash Collection Contracts	1	General Cost Inflation	418,662	410,000	415,000	427,450	440,274	453,482	467,086	481,099	495,532	510,398	525,710	541,481
38912	Risk Insurance Premium	1	General Cost Inflation	42,200	42,200	42,200	43,466	44,770	46,113	47,496	48,921	50,389	51,901	53,458	55,061
38922	Travel & Training	1	General Cost Inflation	3,478	8,300	8,300	8,549	9,243	9,970	10,733	11,055	11,386	11,728	12,080	12,442
38924	Dues & Memberships	1	General Cost Inflation	239	1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
38931	Advertising	1	General Cost Inflation	1,891	-	-	-	-	-	-	-	-	-	-	-
38951	Printing	1	General Cost Inflation	433	-	-	-	-	-	-	-	-	-	-	-
38991	Uniform/Laundry Services	1	General Cost Inflation	5,910	9,500	6,600	6,798	7,220	7,662	8,124	8,368	8,619	8,877	9,144	9,418
Capital															
39431	Mach. & Equipment	1	General Cost Inflation	-	-	-	-	-	-	-	-	-	-	-	-
39872	Invadj	1	General Cost Inflation	(98,004)	-	-	-	-	-	-	-	-	-	-	-
39891	Prepds - Hansen Version	1	General Cost Inflation	(574)	-	-	-	-	-	-	-	-	-	-	-
39891	Prepds	1	General Cost Inflation	197	-	-	-	-	-	-	-	-	-	-	-
39999	Contingency	1	General Cost Inflation	-	-	-	-	-	-	-	-	-	-	-	-
602	Bulk Trash														
Personnel/Salaries															
36111	Full Time Salaries	3	Labor Cost Inflation	156,573	182,500	182,649	188,128	193,772	199,585	205,573	211,740	218,092	224,635	231,374	238,316
36113	Overtime Compensation	3	Labor Cost Inflation	6,935	11,300	-	-	-	-	-	-	-	-	-	-
36115	Holidays	4	Benefit Cost Inflation	6,448	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	4	Benefit Cost Inflation	24,168	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	4	Benefit Cost Inflation	104	-	600	618	637	656	675	696	716	738	760	783
36211	FICA	4	Benefit Cost Inflation	13,959	14,800	13,973	14,392	14,824	15,269	15,727	16,199	16,684	17,185	17,701	18,232
36231	Medical	4	Benefit Cost Inflation	26,057	27,600	27,611	28,439	29,293	30,171	31,076	32,009	32,969	33,958	34,977	36,026
36232	Dental	4	Benefit Cost Inflation	1,561	1,500	1,490	1,535	1,581	1,628	1,677	1,727	1,779	1,833	1,887	1,944
36233	Vision	4	Benefit Cost Inflation	309	300	297	306	315	325	334	344	355	365	376	388
36234	Life	4	Benefit Cost Inflation	817	800	800	824	849	874	900	927	955	984	1,013	1,044
36252	AZ State Retirement	4	Benefit Cost Inflation	21,311	22,400	21,078	21,710	22,362	23,032	23,723	24,435	25,168	25,923	26,701	27,502
36278	Workers Compensation	4	Benefit Cost Inflation	6,598	9,000	11,192	11,528	11,874	12,230	12,597	12,975	13,364	13,765	14,178	14,603
Commodities/Supplies															
37111	Office Supplies	1	General Cost Inflation	-	700	900	927	955	983	1,013	1,043	1,075	1,107	1,140	1,174
37112	Computer Supplies	1	General Cost Inflation	22	100	100	103	106	109	113	116	119	123	127	130
37131	Clothing & Uniforms	1	General Cost Inflation	716	600	600	618	637	656	675	696	716	738	760	783
37142	Phone Supplies	1	General Cost Inflation	247	200	200	206	212	219	225	232	239	246	253	261
37161	Operational Supplies	1	General Cost Inflation	14,832	11,100	13,600	14,008	14,428	14,861	15,307	15,766	16,239	16,726	17,228	17,745
37162	Furn, Fixture, & Office Equip <\$10,000	1	General Cost Inflation	11,290	200	200	206	212	219	225	232	239	246	253	261
37165	Mach. & Equipment <\$10,000	1	General Cost Inflation	1,289	1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
37193	Safety & First Aid Supplies	1	General Cost Inflation	1,345	2,200	2,100	2,163	2,228	2,295	2,364	2,434	2,508	2,583	2,660	2,740
37196	Meeting Supplies	1	General Cost Inflation	49	300	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	10	Fuel Cost Escalation	57,126	74,100	74,100	77,619	81,305	107,676	112,789	118,145	123,755	129,632	135,787	142,235
37212	Auto Parts & Lubricants	1	General Cost Inflation	18,549	28,600	40,100	41,303	42,542	51,697	53,248	54,845	56,491	58,185	59,931	61,729
Contractual Services															
38126	Service Agreements	1	General Cost Inflation	1,032	5,400	41,000	42,230	43,497	44,802	46,146	47,530	48,956	50,425	51,938	53,496
38128	Recording, License & Permit Fees	1	General Cost Inflation	-	400	400	412	424	437	450	464	478	492	507	522
38191	Pre Employment Services	1	General Cost Inflation	-	400	400	412	424	437	450	464	478	492	507	522
38216	Sanitary/Landfill	1	General Cost Inflation	20,222	22,200	27,500	28,325	29,175	30,050	30,951	31,880	32,836	33,822	34,836	35,881
38217	Postage & Mailings	1	General Cost Inflation	68	100	100	103	106	109	113	116	119	123	127	130
38221	Cell Phone/Pagers	1	General Cost Inflation	528	800	800	824	849	874	900	927	955	984	1,013	1,044
38331	Vehicle Maintenance	1	General Cost Inflation	22,942	10,600	11,000	11,330	11,670	14,496	14,931	15,379	15,840	16,316	16,805	17,309
38922	Travel & Training	1	General Cost Inflation	241	3,800	3,800	3,914	4,031	4,152	4,277	4,405	4,537	4,674	4,814	4,958
38924	Dues & Memberships	1	General Cost Inflation	-	600	600	618	637	656	675	696	716	738	760	783
38931	Advertising	1	General Cost Inflation	200	-	-	-	-	-	-	-	-	-	-	-
38991	Uniform/Laundry Services	1	General Cost Inflation	1,045	1,100	1,300	1,339	1,379	1,421	1,463	1,507	1,552	1,599	1,647	1,696
Capital															
39891	Prepds	1	General Cost Inflation	0	-	-	-	-	-	-	-	-	-	-	-



City of Surprise

Sanitation Utility Rate Study

Operating Revenue and Expenditure Forecast

			Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection		
Expenses			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	
603	Recycling															
	Personnel/Salaries															
36111	Full Time Salaries	3	Labor Cost Inflation	89,405	127,100	123,913	127,630	131,459	135,403	139,465	143,649	147,959	152,397	156,969	161,678	
36113	Overtime Compensation	3	Labor Cost Inflation	1,235	2,800	2,800	2,884	2,971	3,060	3,151	3,246	3,343	3,444	3,547	3,653	
36115	Holidays	4	Benefit Cost Inflation	5,488	-	-	-	-	-	-	-	-	-	-	-	
36116	Paid Time Off	4	Benefit Cost Inflation	13,914	-	-	-	-	-	-	-	-	-	-	-	
36151	Stipend	4	Benefit Cost Inflation	-	-	600	618	637	656	675	696	716	738	760	783	
36211	FICA	4	Benefit Cost Inflation	9,055	9,900	9,479	9,763	10,056	10,358	10,669	10,989	11,318	11,658	12,008	12,368	
36231	Medical	4	Benefit Cost Inflation	17,613	43,400	28,962	29,831	30,726	31,648	32,597	33,575	34,582	35,620	36,688	37,789	
36232	Dental	4	Benefit Cost Inflation	1,276	2,500	1,684	1,735	1,787	1,840	1,895	1,952	2,011	2,071	2,133	2,197	
36233	Vision	4	Benefit Cost Inflation	183	400	240	247	255	262	270	278	287	295	304	313	
36234	Life	4	Benefit Cost Inflation	467	600	600	618	637	656	675	696	716	738	760	783	
36252	AZ State Retirement	4	Benefit Cost Inflation	12,326	15,000	14,300	14,729	15,171	15,626	16,095	16,578	17,075	17,587	18,115	18,658	
36278	Workers Compensation	4	Benefit Cost Inflation	4,349	6,000	7,524	7,750	7,982	8,222	8,468	8,722	8,984	9,254	9,531	9,817	
36999	Labor Dist	3	Labor Cost Inflation	672	-	-	-	-	-	-	-	-	-	-	-	
	Commodities/Supplies															
37111	Office Supplies	1	General Cost Inflation	352	700	700	721	743	765	788	811	836	861	887	913	
37131	Clothing & Uniforms	1	General Cost Inflation	229	400	400	412	424	437	450	464	478	492	507	522	
37142	Phone Supplies	1	General Cost Inflation	22	-	-	-	-	-	-	-	-	-	-	-	
37161	Operational Supplies	1	General Cost Inflation	2,650	5,900	5,900	6,077	6,259	6,447	6,641	6,840	7,045	7,256	7,474	7,698	
37162	Furn, Fixture, & Office Equip <\$10,000	1	General Cost Inflation	437	-	-	-	-	-	-	-	-	-	-	-	
37164	Signs and Sign Supplies	1	General Cost Inflation	49	-	-	-	-	-	-	-	-	-	-	-	
37165	Mach. & Equipment <\$10,000	1	General Cost Inflation	2,361	200	200	206	212	219	225	232	239	246	253	261	
37193	Safety & First Aid Supplies	1	General Cost Inflation	1,461	1,400	1,400	1,442	1,485	1,530	1,576	1,623	1,672	1,722	1,773	1,827	
37211	Gas & Fuel	10	Fuel Cost Escalation	3,363	5,000	5,000	5,237	5,486	5,747	6,020	6,305	6,605	6,918	7,247	7,591	
37212	Auto Parts & Lubricants	1	General Cost Inflation	560	2,600	1,700	1,751	1,804	1,858	1,913	1,971	2,030	2,091	2,154	2,218	
	Contractual Services															
38126	Service Agreements	1	General Cost Inflation	75,696	61,400	61,400	63,242	65,139	67,093	69,106	71,179	73,315	75,514	77,780	80,113	
38216	Sanitary/Landfill	1	General Cost Inflation	-	1,100	1,100	1,133	1,167	1,202	1,238	1,275	1,313	1,353	1,393	1,435	
38217	Postage & Mailings	1	General Cost Inflation	8	400	700	721	743	765	788	811	836	861	887	913	
38221	Cell Phone/Pagers	1	General Cost Inflation	921	1,700	200	206	212	219	225	232	239	246	253	261	
38331	Vehicle Maintenance	1	General Cost Inflation	2,400	1,500	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520	1,566	
38521	Equipment Rental	1	General Cost Inflation	131	-	-	-	-	-	-	-	-	-	-	-	
38922	Travel & Training	1	General Cost Inflation	1,000	600	600	618	637	656	675	696	716	738	760	783	
38924	Dues & Memberships	1	General Cost Inflation	239	1,600	1,600	1,648	1,697	1,748	1,801	1,855	1,910	1,968	2,027	2,088	
38931	Advertising	1	General Cost Inflation	17,410	13,000	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572	
38951	Printing	1	General Cost Inflation	3,435	10,000	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	
38991	Uniform/Laundry Services	1	General Cost Inflation	832	400	400	412	424	437	450	464	478	492	507	522	
	Capital															
39891	Prepds	1	General Cost Inflation	0	-	-	-	-	-	-	-	-	-	-	-	
644	Sanitation															
112	General Operations															
	Commodities/Supplies															
37165	New Collection & Recycle Containers	1	General Cost Inflation	-	-	-	-	-	-	-	116,123	119,607	123,195	126,891		
	Miscellaneous															
	Future Additional O&M Expenses	1	General Cost Inflation	-	-	-	-	-	-	-	100,000	206,000	318,270	437,091	562,754	
	Other															
	Add'l O&M from CIP		From CIP	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash O&M Expenditures				\$ 5,392,386	\$ 6,436,700	\$ 6,639,753	\$ 6,850,154	\$ 7,176,822	\$ 7,515,991	\$ 7,900,797	\$ 8,251,230	\$ 8,732,902	\$ 9,112,711	\$ 9,513,130	\$ 9,927,578	
Depreciation Expense in FY2013				\$ 532,535												
Depreciation Expense				Last year's plus annual add'l from CIP	\$ 532,535	\$ 565,335	\$ 614,647	\$ 709,650	\$ 727,667	\$ 737,924	\$ 792,518	\$ 793,289	\$ 842,618	\$ 895,347	\$ 955,065	\$ 978,290
				debt principal payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				System Reinvestment Funding	\$ 532,535	\$ 565,335	\$ 614,647	\$ 709,650	\$ 727,667	\$ 737,924	\$ 792,518	\$ 793,289	\$ 842,618	\$ 895,347	\$ 955,065	\$ 978,290
TOTAL EXPENSES				\$ 5,924,921	\$ 7,002,035	\$ 7,254,400	\$ 7,559,805	\$ 7,904,489	\$ 8,253,915	\$ 8,693,315	\$ 9,044,519	\$ 9,575,520	\$ 10,008,058	\$ 10,468,195	\$ 10,905,867	
Capital Outlays				\$ 15,139	\$ 7,200	\$ 22,700	\$ 23,381	\$ 24,082	\$ 24,805	\$ 25,549	\$ 26,316	\$ 143,228	\$ 147,525	\$ 151,951	\$ 156,510	



City of Surprise

Sanitation Utility Rate Study

Additional O&M Adjustments

	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Revenues	FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Rate Revenues											
31434 Service/Collection Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31458 Sanitation Roll Off Fees	-	-	-	-	-	-	-	-	-	-	-
[Extra]	-	-	-	-	-	-	-	-	-	-	-
Total Rate Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Rate Revenues											
31961 Sale of Recycled Material	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31461 Revenue Recovery-Utility Bill	-	-	-	-	-	-	-	-	-	-	-
31813 Interest Income	-	-	-	-	-	-	-	-	-	-	-
31816 Unrealized Gain/Loss	-	-	-	-	-	-	-	-	-	-	-
[Extra]	-	-	-	-	-	-	-	-	-	-	-
Total Non-Rate Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Expenses											
542 Vehicle Maintenance											
112 General Operations											
Capital											
39421 Vehicles	-	-	-	-	-	-	-	-	-	-	-
644 Sanitation											
112 General Operations											
Transfers Out											
34013 Franchise in lieu payment	24,000	-	2,000	-	1,000	1,000	2,000	-	-	2,000	-
34023 Indirect costs - general fund personnel	1,886,400	-	-	-	-	-	-	-	-	-	-
34033 Payments in lieu of property tax (PILOT)	8,600	-	-	-	-	-	-	-	-	-	-
Personnel/Salaries											
36111 Full Time Salaries	1,083,437	129,200	-	70,481	72,595	74,773	-	-	-	-	-
36113 Overtime Compensation	25,300	-	-	-	-	-	-	-	-	-	-
36115 Holidays	-	-	-	-	-	-	-	-	-	-	-
36116 Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151 Stipend	720	-	-	-	-	-	-	-	-	-	-
36211 FICA	82,883	-	-	-	-	-	-	-	-	-	-
36231 Medical	217,441	-	-	-	-	-	-	-	-	-	-
36232 Dental	11,535	-	-	-	-	-	-	-	-	-	-
36233 Vision	1,833	-	-	-	-	-	-	-	-	-	-
36234 Life	4,700	-	-	-	-	-	-	-	-	-	-
36252 AZ State Retirement	125,029	-	-	-	-	-	-	-	-	-	-
36255 Post Emp. Health Plan	-	-	-	-	-	-	-	-	-	-	-
36278 Workers Compensation	60,483	-	-	-	-	-	-	-	-	-	-
Commodities/Supplies											
37111 OFC SUPS	2,300	-	-	-	-	-	-	-	-	-	-
37112 CPTR SUPP	1,700	-	-	-	-	-	-	-	-	-	-
37114 BOOKS & SUBSCRIPTIONS	100	-	-	-	-	-	-	-	-	-	-
37131 UNIFORMS	5,400	200	-	109	113	116	-	-	-	-	-
37141 Workers Compensation	8,000	-	-	-	-	-	-	-	-	-	-
37142 Office Supplies	-	-	-	-	-	-	-	-	-	-	-
37161 Computer Supplies	8,800	-	-	-	-	-	-	-	-	-	-
37162 Books & Subscriptions	39,400	-	-	-	-	-	-	-	-	-	-
37164 Clothing & Uniforms	-	-	-	-	-	-	-	-	-	-	-
37165 Radio Supplies	7,700	-	-	-	-	-	-	-	-	-	-



City of Surprise

Sanitation Utility Rate Study

Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	
Expenses		FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
37191	Food	800	-	-	-	-	-	-	-	-	-	-
37192	Awards & Recognition	-	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	7,600	600	-	328	338	348	-	-	-	-	-
37196	Meetsup	800	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	385,600	37,400	-	21,855	-	43,821	-	-	-	-	-
37212	Auto Parts & Lubricants	264,000	17,000	-	12,539	-	19,967	-	-	-	-	-
37222	Cleaning/Janitorial	-	-	-	-	-	-	-	-	-	-	-
37232	Chemical Supplies	13,200	-	-	-	-	-	-	-	-	-	-
37997	Education & Training Supplies	-	-	-	-	-	-	-	-	-	-	-
37999	Other Commodity Supplies	-	-	-	-	-	-	-	-	-	-	-
Contractual Services												
38126	Service Agreements	10,500	-	-	-	-	-	-	-	-	-	-
38128	Recording, License & Permit Fees	6,700	400	-	131	-	278	-	-	-	-	-
38129	Software - Hansen Version	-	-	-	-	-	-	-	-	-	-	-
38191	Pre Employment Services	400	-	-	-	-	-	-	-	-	-	-
38199	Other Prof/Tech Services	-	-	-	-	-	-	-	-	-	-	-
38212	Electricity	6,600	-	-	-	-	-	-	-	-	-	-
38216	Sanitary/Landfill	765,400	-	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	200	-	-	-	-	-	-	-	-	-	-
38221	Cell Phone/Pagers	1,500	-	-	-	-	-	-	-	-	-	-
38321	Radio Equip. Maint.	13,000	-	-	656	675	696	-	-	-	-	-
38323	Office Equip. Maint.	1,000	-	-	-	-	-	-	-	-	-	-
38324	Machinery & Equip. Maint.	13,800	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	102,500	5,400	-	2,976	-	6,895	-	-	-	-	-
38413	Trash Collection Contracts	415,000	-	-	-	-	-	-	-	-	-	-
38912	Risk Insurance Premium	42,200	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	8,300	-	-	437	450	464	-	-	-	-	-
38924	Dues & Memberships	1,000	-	-	-	-	-	-	-	-	-	-
38931	Advertising	-	-	-	-	-	-	-	-	-	-	-
38951	Printing	-	-	-	-	-	-	-	-	-	-	-
38991	Uniform/Laundry Services	6,000	600	-	219	225	232	-	-	-	-	-
Capital												
39431	Mach. & Equipment	-	-	-	-	-	-	-	-	-	-	-
39872	Invadj	-	-	-	-	-	-	-	-	-	-	-
39891	Prepds - Hansen Version	-	-	-	-	-	-	-	-	-	-	-
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
39999	Contingency	-	-	-	-	-	-	-	-	-	-	-
602	Bulk Trash											
Personnel/Salaries												
36111	Full Time Salaries	182,649	-	-	-	-	-	-	-	-	-	-
36113	Overtime Compensation	-	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	600	-	-	-	-	-	-	-	-	-	-
36211	FICA	13,973	-	-	-	-	-	-	-	-	-	-
36231	Medical	27,611	-	-	-	-	-	-	-	-	-	-
36232	Dental	1,490	-	-	-	-	-	-	-	-	-	-
36233	Vision	297	-	-	-	-	-	-	-	-	-	-
36234	Life	800	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	21,078	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	11,192	-	-	-	-	-	-	-	-	-	-
Commodities/Supplies												
37111	Office Supplies	900	-	-	-	-	-	-	-	-	-	-



City of Surprise

Sanitation Utility Rate Study

Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	
Expenses		FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
37112	Computer Supplies	100	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	600	-	-	-	-	-	-	-	-	-	-
37142	Phone Supplies	200	-	-	-	-	-	-	-	-	-	-
37161	Operational Supplies	13,600	-	-	-	-	-	-	-	-	-	-
37162	Furn, Fixture, & Office Equip <\$10,000	200	-	-	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <\$10,000	1,000	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	2,100	-	-	-	-	-	-	-	-	-	-
37196	Meetsup	-	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	74,100	-	-	-	22,510	-	-	-	-	-	-
37212	Auto Parts & Lubricants	40,100	-	-	-	7,879	-	-	-	-	-	-
Contractual Services												
38126	Service Agreements	41,000	-	-	-	-	-	-	-	-	-	-
38128	Recording, License & Permit Fees	400	-	-	-	113	-	-	-	-	-	-
38191	Pre Employment Services	400	-	-	-	-	-	-	-	-	-	-
38216	Sanitary/Landfill	27,500	-	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	100	-	-	-	-	-	-	-	-	-	-
38221	Cell Phone/Pagers	800	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	11,000	-	-	-	2,476	-	-	-	-	-	-
38922	Travel & Training	3,800	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	600	-	-	-	-	-	-	-	-	-	-
38931	Advertising	-	-	-	-	-	-	-	-	-	-	-
38991	Uniform/Laundry Services	1,300	-	-	-	-	-	-	-	-	-	-
Capital												
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
603 Recycling												
Personnel/Salaries												
36111	Full Time Salaries	123,913	-	-	-	-	-	-	-	-	-	-
36113	Overtime Compensation	2,800	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	600	-	-	-	-	-	-	-	-	-	-
36211	FICA	9,479	-	-	-	-	-	-	-	-	-	-
36231	Medical	28,962	-	-	-	-	-	-	-	-	-	-
36232	Dental	1,684	-	-	-	-	-	-	-	-	-	-
36233	Vision	240	-	-	-	-	-	-	-	-	-	-
36234	Life	600	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	14,300	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	7,524	-	-	-	-	-	-	-	-	-	-
36999	Labor Dist	-	-	-	-	-	-	-	-	-	-	-
Commodities/Supplies												
37111	Office Supplies	700	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	400	-	-	-	-	-	-	-	-	-	-
37142	Phone Supplies	-	-	-	-	-	-	-	-	-	-	-
37161	Operational Supplies	5,900	-	-	-	-	-	-	-	-	-	-
37162	Furn, Fixture, & Office Equip <\$10,000	-	-	-	-	-	-	-	-	-	-	-
37164	Signs and Sign Supplies	-	-	-	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <\$10,000	200	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	1,400	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	5,000	-	-	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	1,700	-	-	-	-	-	-	-	-	-	-
Contractual Services												
38126	Service Agreements	61,400	-	-	-	-	-	-	-	-	-	-
38216	Sanitary/Landfill	1,100	-	-	-	-	-	-	-	-	-	-



City of Surprise

Sanitation Utility Rate Study

Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses		FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
38217	Postage & Mailings	700	-	-	-	-	-	-	-	-	-	-
38221	Cell Phone/Pagers	200	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	1,200	-	-	-	-	-	-	-	-	-	-
38521	Equipment Rental	-	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	600	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	1,600	-	-	-	-	-	-	-	-	-	-
38931	Advertising	15,000	-	-	-	-	-	-	-	-	-	-
38951	Printing	10,000	-	-	-	-	-	-	-	-	-	-
38991	Uniform/Laundry Services	400	-	-	-	-	-	-	-	-	-	-
Capital												
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
644	Sanitation											
112	General Operations											
	Commodities/Supplies											
37165	New Collection & Recycle Containers	-	-	-	103,174	-	-	-	-	-	-	-
Miscellaneous												
	Future Additional O&M Expenses	-	-	-	-	-	-	100,000	103,000	106,090	109,273	112,551
Other												
	Add'l O&M from CIP	-	-	-	-	-	-	-	-	-	-	-
Total Cash O&M Expenditures		\$ 6,448,953	\$ 190,800	\$ 2,000	\$ 212,904	\$ 108,374	\$ 148,588	\$ 102,000	\$ 103,000	\$ 106,090	\$ 111,273	\$ 112,551
TOTAL EXPENSES		\$ 6,448,953	\$ 190,800	\$ 2,000	\$ 212,904	\$ 108,374	\$ 148,588	\$ 102,000	\$ 103,000	\$ 106,090	\$ 111,273	\$ 112,551



City of Surprise
Sanitation Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year: **2014**

No	Description	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Specific Funding Source 1-Balances, 2-CIAC	
1	Budget												1	Balances
2	22541-542-112-39421 Purchase of 6 solid waste trucks	1,620,000	1,600,000										1	Balances
3	22541-644-112-39431 DEF storage and dispensing unit	20,000											1	Balances
4													1	Balances
5	Enterprise CIP 22541 - Sanitation Operations Fund												1	Balances
6	Public Works Yard - North		150,000	900,000									1	Balances
7	Compressed Natural Gas (CNG) Fueling Station			1,000,000									1	Balances
8													1	Balances
9	Enterprise Vehicles												1	Balances
10	Bulk			408,000	175,000	32,000		32,000		175,000	310,000	175,000	1	Balances
11	Operations			1,962,000	310,000	22,000	1,550,000		1,860,000	1,240,000	1,930,000	310,000	1	Balances
12	Recycling					22,000							1	Balances
13	Enterprise Equipment												1	Balances
14	Roll Off Dumpster 16 Yard			91,300					91,300				1	Balances
15	Roll Off Dumpster 20 Yard			16,000					16,000				1	Balances
16	Case Tractor			70,000									1	Balances
17	Hydroblaster Power Washer #3			8,000					8,000				1	Balances
18	Hydroblaster Power Washer #2			8,000					8,000				1	Balances
19	Roll Off					40,000							1	Balances
20	Roll Off 16 Yard					16,000					16,000		1	Balances
21	20 Yard Recycle Container						35,000						1	Balances
22	Flatbed Trailer											30,000	1	Balances
23	Swinger Tractor						30,000						1	Balances
24													1	Balances
25	One-time Future O&M Costs												1	Balances
26	Solid Waste Side Loader		320,000		335,467		355,897			320,000		335,467	1	Balances
27	Solid Waste Rear Loader		320,000				330,393			320,000			1	Balances
28	Solid Waste Light Vehicle						34,778						1	Balances
29	Solid Waste Roll-Off Truck					320,770							1	Balances
30													1	Balances
Total Capital Projects		\$ 1,640,000	\$ 2,390,000	\$ 4,463,300	\$ 820,467	\$ 452,770	\$ 2,336,068	\$ 32,000	\$ 1,983,300	\$ 2,055,000	\$ 2,256,000	\$ 850,467		
Projects by Grants / Developer Donations														
Projects by Enterprise Fund														



City of Surprise
Sanitation Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year:

2014

TOTAL FORECASTED PROJECT COSTS

No	Description	TOTAL ESCALATED COSTS	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
1	Budget	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	22541-542-112-39421 Purchase of 6 solid waste trucks	3,270,616	1,620,000	1,650,616	-	-	-	-	-	-	-	-	-
3	22541-644-112-39431 DEF storage and dispensing unit	20,000	20,000	-	-	-	-	-	-	-	-	-	-
4		-	-	-	-	-	-	-	-	-	-	-	-
5	Enterprise CIP 22541 - Sanitation Operations Fund	-	-	-	-	-	-	-	-	-	-	-	-
6	Public Works Yard - North	1,112,589	-	154,745	957,844	-	-	-	-	-	-	-	-
7	Compressed Natural Gas (CNG) Fueling Station	1,064,271	-	-	1,064,271	-	-	-	-	-	-	-	-
8		-	-	-	-	-	-	-	-	-	-	-	-
9	Enterprise Vehicles	-	-	-	-	-	-	-	-	-	-	-	-
10	Bulk	1,574,939	-	-	434,222	192,139	36,246	-	38,575	-	224,516	410,295	238,945
11	Operations	11,146,213	-	-	2,088,099	340,361	24,919	1,811,182	-	2,313,106	1,590,854	2,554,418	423,275
12	Recycling	24,919	-	-	-	-	24,919	-	-	-	-	-	-
13	Enterprise Equipment	-	-	-	-	-	-	-	-	-	-	-	-
14	Roll Off Dumpster 16 Yard	210,709	-	-	97,168	-	-	-	-	113,541	-	-	-
15	Roll Off Dumpster 20 Yard	36,926	-	-	17,028	-	-	-	-	19,898	-	-	-
16	Case Tractor	74,499	-	-	74,499	-	-	-	-	-	-	-	-
17	Hydroblaster Power Washer #3	18,463	-	-	8,514	-	-	-	-	9,949	-	-	-
18	Hydroblaster Power Washer #2	18,463	-	-	8,514	-	-	-	-	9,949	-	-	-
19	Roll Off	45,307	-	-	-	-	45,307	-	-	-	-	-	-
20	Roll Off 16 Yard	39,299	-	-	-	-	18,123	-	-	-	-	21,177	-
21	20 Yard Recycle Container	40,898	-	-	-	-	-	40,898	-	-	-	-	-
22	Flatbed Trailer	40,962	-	-	-	-	-	-	-	-	-	-	40,962
23	Swinger Tractor	35,055	-	-	-	-	-	35,055	-	-	-	-	-
24		-	-	-	-	-	-	-	-	-	-	-	-
25	One-time Future O&M Costs	-	-	-	-	-	-	-	-	-	-	-	-
26	Solid Waste Side Loader	1,982,903	-	330,123	-	368,322	-	415,867	-	-	410,543	-	458,048
27	Solid Waste Rear Loader	1,126,732	-	330,123	-	-	-	386,066	-	-	410,543	-	-
28	Solid Waste Light Vehicle	40,638	-	-	-	-	-	40,638	-	-	-	-	-
29	Solid Waste Roll-Off Truck	363,327	-	-	-	-	363,327	-	-	-	-	-	-
30		-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Projects		\$ 22,287,728	\$ 1,640,000	\$ 2,465,608	\$ 4,750,160	\$ 900,823	\$ 512,840	\$ 2,729,706	\$ 38,575	\$ 2,466,442	\$ 2,636,455	\$ 2,985,890	\$ 1,161,230
Projects by Grants / Developer Donations		-	-	-	-	-	-	-	-	-	-	-	-
Projects by Enterprise Fund		22,287,728	1,640,000	2,465,608	4,750,160	900,823	512,840	2,729,706	38,575	2,466,442	2,636,455	2,985,890	1,161,230



City of Surprise

Sanitation Utility Rate Study

Revenue Requirements Analysis

Cash Flow Sufficiency Test	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
EXPENSES											
Cash Operating Expenses	\$ 6,436,700	\$ 6,639,753	\$ 6,850,154	\$ 7,176,822	\$ 7,515,991	\$ 7,900,797	\$ 8,251,230	\$ 8,732,902	\$ 9,112,711	\$ 9,513,130	\$ 9,927,578
Existing Debt Service	-	-	-	-	-	-	-	-	-	-	-
New Debt Service	-	-	-	-	-	-	-	-	-	-	-
Capital/Equipment Reserve Funding	-	400,000	600,000	700,000	1,000,000	1,300,000	1,600,000	1,800,000	2,000,000	2,000,000	2,000,000
Total Expenses	\$ 6,436,700	\$ 7,039,753	\$ 7,450,154	\$ 7,876,822	\$ 8,515,991	\$ 9,200,797	\$ 9,851,230	\$ 10,532,902	\$ 11,112,711	\$ 11,513,130	\$ 11,927,578
REVENUES											
Rate Revenue	\$ 6,482,000	\$ 6,689,944	\$ 7,029,878	\$ 7,475,248	\$ 7,968,455	\$ 8,474,549	\$ 8,873,059	\$ 9,271,569	\$ 9,670,079	\$ 10,068,588	\$ 10,467,098
Non Rate Revenue	365,200	376,578	392,236	411,346	432,110	453,436	471,557	489,848	508,313	526,957	545,787
Operating Fund & Debt Reserve Fund Interest Earnings	110,900	42,968	49,484	24,691	23,027	22,103	11,915	10,552	8,618	7,332	1,711
Total Revenue	\$ 6,958,100	\$ 7,109,490	\$ 7,471,598	\$ 7,911,286	\$ 8,423,592	\$ 8,950,088	\$ 9,356,531	\$ 9,771,969	\$ 10,187,009	\$ 10,602,878	\$ 11,014,596
NET CASH FLOW (DEFICIENCY)	\$ 521,400	\$ 69,737	\$ 21,443	\$ 34,463	\$ (92,399)	\$ (250,708)	\$ (494,699)	\$ (760,933)	\$ (925,701)	\$ (910,252)	\$ (912,982)
% of Rate Revenue	-8.04%	-1.04%	-0.31%	-0.46%	1.16%	2.96%	5.58%	8.21%	9.57%	9.04%	8.72%

Coverage Sufficiency Test	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
EXPENSES											
Total Cash Operating Expenses (less Capital Outlays)	\$ 6,429,500	\$ 6,617,053	\$ 6,826,773	\$ 7,152,740	\$ 7,491,186	\$ 7,875,248	\$ 8,224,914	\$ 8,589,674	\$ 8,965,185	\$ 9,361,179	\$ 9,771,068
Revenue Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-
Revenue Bond Coverage Requirement at 1.2	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	\$ 6,429,500	\$ 6,617,053	\$ 6,826,773	\$ 7,152,740	\$ 7,491,186	\$ 7,875,248	\$ 8,224,914	\$ 8,589,674	\$ 8,965,185	\$ 9,361,179	\$ 9,771,068
ALLOWABLE REVENUES											
Rate Revenue	\$ 6,482,000	\$ 6,689,944	\$ 7,029,878	\$ 7,475,248	\$ 7,968,455	\$ 8,474,549	\$ 8,873,059	\$ 9,271,569	\$ 9,670,079	\$ 10,068,588	\$ 10,467,098
Other Revenue	365,200	376,578	392,236	411,346	432,110	453,436	471,557	489,848	508,313	526,957	545,787
Connection Charge Revenue	-	-	-	-	-	-	-	-	-	-	-
Interest Earnings - All Funds	110,900	42,968	49,484	24,691	23,027	26,975	11,915	26,167	17,724	10,165	1,711
Total Revenue	\$ 6,958,100	\$ 7,109,490	\$ 7,471,598	\$ 7,911,286	\$ 8,423,592	\$ 8,954,960	\$ 9,356,531	\$ 9,787,583	\$ 10,196,115	\$ 10,605,710	\$ 11,014,596
Coverage Realized	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
COVERAGE SURPLUS (DEFICIENCY)	\$ 528,600	\$ 492,437	\$ 644,824	\$ 758,546	\$ 932,406	\$ 1,079,712	\$ 1,131,617	\$ 1,197,910	\$ 1,230,930	\$ 1,244,532	\$ 1,243,527

Maximum Revenue Deficiency	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Sufficiency Test Driving the Deficiency	None	None	None	None	Cash	Cash	Cash	Cash	Cash	Cash	Cash
Maximum Deficiency From Tests	\$ -	\$ -	\$ -	\$ -	\$ 92,399	\$ 250,708	\$ 494,699	\$ 760,933	\$ 925,701	\$ 910,252	\$ 912,982
less: Net Revenue From Prior Rate Increases	-	-	-	-	-	-	(177,461)	(374,571)	(591,886)	(829,975)	(1,089,424)
Revenue Deficiency	\$ -	\$ -	\$ -	\$ -	\$ 92,399	\$ 250,708	\$ 317,238	\$ 386,362	\$ 333,815	\$ 80,276	\$ -
Plus: Adjustment for State Excise Tax	-	-	-	-	-	-	-	-	-	-	-
Total Revenue Deficiency	\$ -	\$ -	\$ -	\$ -	\$ 92,399	\$ 250,708	\$ 317,238	\$ 386,362	\$ 333,815	\$ 80,276	\$ -



City of Surprise

Sanitation Utility Rate Study

Revenue Requirements Analysis

Rate Increases	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Rate Revenue with no Increase	\$ 6,482,000	\$ 6,689,944	\$ 7,029,878	\$ 7,475,248	\$ 7,968,455	\$ 8,474,549	\$ 8,873,059	\$ 9,271,569	\$ 9,670,079	\$ 10,068,588	\$ 10,467,098
Revenues from Prior Rate Increases	-	-	-	-	-	-	177,461	374,571	591,886	829,975	1,089,424
Rate Revenue Before Rate Increase (Incl. previous increases)	6,482,000	6,689,944	7,029,878	7,475,248	7,968,455	8,474,549	9,050,520	9,646,140	10,261,965	10,898,564	11,556,522
Required Annual Rate Increase	0.00%	0.00%	0.00%	0.00%	1.16%	2.96%	3.51%	4.01%	3.25%	0.74%	0.00%
Number of Months New Rates Will Be In Effect	12	12	12	12	12	12	12	12	12	12	12
Info: Percentage Increase to Generate Required Revenue	0.00%	0.00%	0.00%	0.00%	1.16%	2.96%	3.51%	4.01%	3.25%	0.74%	0.00%
Policy Induced Rate Increases	0.00%	0.00%	0.00%	0.00%	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
ANNUAL RATE INCREASE	0.00%	0.00%	0.00%	0.00%	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
CUMULATIVE RATE INCREASE	0.00%	0.00%	0.00%	0.00%	0.00%	2.00%	4.04%	6.12%	8.24%	10.41%	12.62%

Impacts of Rate Increases	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Rate Revenues After Rate Increase	\$ 6,482,000	\$ 6,689,944	\$ 7,029,878	\$ 7,475,248	\$ 7,968,455	\$ 8,644,040	\$ 9,231,530	\$ 9,839,063	\$ 10,467,204	\$ 11,116,535	\$ 11,787,653
Full Year Rate Revenues After Rate Increase	6,482,000	6,689,944	7,029,878	7,475,248	7,968,455	8,644,040	9,231,530	9,839,063	10,467,204	11,116,535	11,787,653
Additional State Taxes Due to Rate Increases	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow After Rate Increase	521,400	69,737	21,443	34,463	(92,399)	(81,217)	(136,227)	(193,439)	(128,576)	137,695	407,572
Coverage After Rate Increase	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a



City of Surprise

Sanitation Utility Rate Study

Fund Activity

Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
OPERATING FUND											
Beginning Balance	\$ 9,712,295	\$ 8,593,695	\$ 6,597,825	\$ 2,469,108	\$ 2,302,749	\$ 2,210,350	\$ 1,191,458	\$ 1,055,231	\$ 861,792	\$ 733,216	\$ 171,101
plus: Net Cash Flow after Rate Increase	521,400	69,737	21,443	34,463	(92,399)	(81,217)	(136,227)	(193,439)	(128,576)	137,695	407,572
less: Transfer of Surplus to Capital Fund	(1,640,000)	(2,065,608)	(4,150,160)	(200,823)	-	(937,674)	-	-	-	(699,810)	-
Ending Balance	\$ 8,593,695	\$ 6,597,825	\$ 2,469,108	\$ 2,302,749	\$ 2,210,350	\$ 1,191,458	\$ 1,055,231	\$ 861,792	\$ 733,216	\$ 171,101	\$ 578,674
Minimum Target Balance	\$ 1,058,088	\$ 1,091,466	\$ 1,126,053	\$ 1,179,752	\$ 1,235,505	\$ 1,298,761	\$ 1,356,367	\$ 1,435,546	\$ 1,497,980	\$ 1,563,802	\$ 1,631,931
Maximum Funds to be Kept as Operating Reserves	\$ 1,058,088	\$ 1,091,466	\$ 1,126,053	\$ 1,179,752	\$ 1,235,505	\$ 1,298,761	\$ 1,356,367	\$ 1,435,546	\$ 1,497,980	\$ 1,563,802	\$ 1,631,931
Info: No of Days of Cash Operating Expenses	487	363	132	117	107	55	47	36	29	7	21
OPERATING FUND - CAPITAL/EQUIPMENT RESERVE											
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 487,160	\$ -	\$ 1,561,425	\$ 910,597	\$ 283,248	\$ -
plus: Capital/Equipment Reserve Funding	-	400,000	600,000	700,000	1,000,000	1,300,000	1,600,000	1,800,000	2,000,000	2,000,000	2,000,000
plus: Transfers from Operating Fund	1,640,000	2,065,608	4,150,160	200,823	-	937,674	-	-	-	699,810	-
plus: Grants/ Donations/ CIAC	-	-	-	-	-	-	-	-	-	-	-
plus: Additional Proceeds (Costs)	-	-	-	-	-	-	-	-	-	-	-
plus: Revenue Bond Proceeds	-	-	-	-	-	-	-	-	-	-	-
plus: Other Loans	-	-	-	-	-	-	-	-	-	-	-
plus: Other Low Interest Loan Proceeds	-	-	-	-	-	-	-	-	-	-	-
plus: Interest Earnings	-	-	-	-	-	4,872	-	15,614	9,106	2,832	-
Total Funding Sources	\$ 1,640,000	\$ 2,465,608	\$ 4,750,160	\$ 900,823	\$ 1,000,000	\$ 2,729,706	\$ 1,600,000	\$ 3,377,039	\$ 2,919,703	\$ 2,985,890	\$ 2,000,000
less: Capital Expenditures	(1,640,000)	(2,465,608)	(4,750,160)	(900,823)	(512,840)	(2,729,706)	(38,575)	(2,466,442)	(2,636,455)	(2,985,890)	(1,161,230)
Ending Capital Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 487,160	\$ -	\$ 1,561,425	\$ 910,597	\$ 283,248	\$ -	\$ 838,770
DEBT RESERVE											
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
plus: Reserve Funding from New Debt	-	-	-	-	-	-	-	-	-	-	-
less: Use of Reserves for Debt Service	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Minimum Target Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

City of Surprise Utility Rates

		07/01/2014 - 06/30/2015	07/01/2015 - 06/30/2016	07/01/2016 - 06/30/2017	07/01/2017 - 06/30/2018	07/01/2018 - 06/30/2019
MONTHLY UTILITY RATES						
WATER RATES						
All Customers						
Base Charges						
(Meter Size)						
	0.625 inch	\$ 20.99	\$ 22.72	\$ 24.59	\$ 26.62	\$ 28.82
	0.75 inch	\$ 20.99	\$ 22.72	\$ 24.59	\$ 26.62	\$ 28.82
	1 inch	\$ 27.28	\$ 29.53	\$ 31.97	\$ 34.61	\$ 37.47
	1.5 inch	\$ 69.26	\$ 74.97	\$ 81.16	\$ 87.86	\$ 95.11
	2 inch	\$ 111.23	\$ 120.41	\$ 130.34	\$ 141.09	\$ 152.73
	3 inch	\$ 224.56	\$ 243.09	\$ 263.15	\$ 284.85	\$ 308.35
	4 inch	\$ 356.78	\$ 386.21	\$ 418.07	\$ 452.56	\$ 489.90
	6 inch	\$ 692.66	\$ 749.80	\$ 811.66	\$ 878.62	\$ 951.11
	8 inch	\$ 1,118.75	\$ 1,211.05	\$ 1,310.96	\$ 1,419.12	\$ 1,536.19
Volumetric Charges						
	Potable					
	0 - 10,000 Gallons	\$ 1.73	\$ 1.87	\$ 2.02	\$ 2.19	\$ 2.37
	10,001 - 20,000 Gallons	\$ 3.41	\$ 3.69	\$ 3.99	\$ 4.32	\$ 4.68
	Over 20,000	\$ 3.97	\$ 4.30	\$ 4.65	\$ 5.03	\$ 5.44
	Non-Potable					
	0 - 10,000 Gallons	\$ 1.39	\$ 1.50	\$ 1.62	\$ 1.75	\$ 1.89
	10,001 - 20,000 Gallons	\$ 1.39	\$ 1.50	\$ 1.62	\$ 1.75	\$ 1.89
	Over 20,000	\$ 1.39	\$ 1.50	\$ 1.62	\$ 1.75	\$ 1.89
	Effluent Reuse Agreement (1989) - per 1,000 Gallons	\$ 0.20	\$ 0.20	\$ 0.21	\$ 0.22	\$ 0.23
SOLID WASTE RATES						
Monthly Base						
	Per Solid Waste Can	\$16.63	\$16.63	\$16.63	\$16.63	\$16.96
WASTEWATER RATES						
Monthly Base						
	Single Family	\$ 24.78	\$ 24.78	\$ 24.78	\$ 24.78	\$ 24.78
	Multi-Family - Per Unit	\$ 21.77	\$ 21.77	\$ 21.77	\$ 21.77	\$ 21.77
	RV Resort - Per Unit/Space	\$ 12.47	\$ 12.47	\$ 12.47	\$ 12.47	\$ 12.47
	Commercial - Business Type	\$ 2.63	\$ 2.63	\$ 2.63	\$ 2.63	\$ 2.63
	Sewer Service Agreement - Additional Residential Fee for Cortessa and White Tank Foothills Properties	\$ 3.36	\$ 3.36	\$ 3.36	\$ 3.36	\$ 3.36
	Residential Aggregated Account Billing Discount	5%	5%	5%	5%	5%
Volumetric - Usage Charge Per 1,000 gallons						
Commercial - Business Type						
	Bakeries	\$ 6.24	\$ 6.24	\$ 6.24	\$ 6.24	\$ 6.24
	Bars w/ dining	\$ 4.98	\$ 4.98	\$ 4.98	\$ 4.98	\$ 4.98
	Bars w/o dining	\$ 3.23	\$ 3.23	\$ 3.23	\$ 3.23	\$ 3.23
	Carwash	\$ 2.68	\$ 2.68	\$ 2.68	\$ 2.68	\$ 2.68
	Garage & Service Stations	\$ 3.39	\$ 3.39	\$ 3.39	\$ 3.39	\$ 3.39
	Hospitals, Convalescent, & Assisted Living	\$ 3.12	\$ 3.12	\$ 3.12	\$ 3.12	\$ 3.12
	Laundromats	\$ 2.90	\$ 2.90	\$ 2.90	\$ 2.90	\$ 2.90
	Medical Offices	\$ 3.12	\$ 3.12	\$ 3.12	\$ 3.12	\$ 3.12
	Professional Office	\$ 2.74	\$ 2.74	\$ 2.74	\$ 2.74	\$ 2.74
	Restaurants	\$ 6.24	\$ 6.24	\$ 6.24	\$ 6.24	\$ 6.24
	Schools, Parks & Recreation	\$ 2.79	\$ 2.79	\$ 2.79	\$ 2.79	\$ 2.79
	Other	\$ 3.01	\$ 3.01	\$ 3.01	\$ 3.01	\$ 3.01

City of Surprise Utility Rates

For Non-Residential Wastewater Customers that are not listed under the commercial business listing, the strength of the wastewater exceeds the Biochemical Oxygen Demand (BOD), and Total Suspended Solids (TSS) of 150 parts per million respectively, the rate shall be calculated using the following table:

	PER #BOD	PER #TSS	PER 1,000 Gal
Flow			\$ 0.6513
BOD	\$ 0.3078		
TSS		\$ 0.2903	
Capital			\$ 0.8627
Administrative			\$ 0.3899

ANNUAL PREPAY RATES

	01/01/2014 - 12/31/2014	01/01/2015 - 12/31/2015	01/01/2016 - 12/31/2016	01/01/2017 - 12/31/2017	01/01/2018 - 12/31/2018
Single Annual Advance Payment (5% Prepayment Discount)					

SOLID WASTE RATES

Per Solid Waste Can	\$ 189.58	\$ 189.58	\$ 189.58	\$ 189.58	\$ 191.48
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WASTEWATER RATES

Single Family	\$ 282.49	\$ 282.49	\$ 282.49	\$ 282.49	\$ 282.49
Multi-Family - Per Unit	\$ 248.18	\$ 248.18	\$ 248.18	\$ 248.18	\$ 248.18
RV Resort - Per Unit/Space	\$ 142.16	\$ 142.16	\$ 142.16	\$ 142.16	\$ 142.16
Sewer Service Agreement - Additional Residential Fee for Cortessa and White Tank Foothills Properties	\$ 38.30	\$ 38.30	\$ 38.30	\$ 38.30	\$ 38.30

	07/01/2014 - 06/30/2015	07/01/2015 - 06/30/2016	07/01/2016 - 06/30/2017	07/01/2017 - 06/30/2018	07/01/2018 - 06/30/2019
MISCELLANEOUS UTILITY CHARGES					
Establish/Reestablish Service During Normal Hours	\$ 32.00	\$ 32.00	\$ 32.00	\$ 32.00	\$ 32.00
Establish/Reestablish Service After Normal Hours	\$ 43.00	\$ 43.00	\$ 43.00	\$ 43.00	\$ 43.00
Disconnect Services for Non-Payment Fee	\$ 32.00	\$ 32.00	\$ 32.00	\$ 32.00	\$ 32.00
Process NSF/Returned Payment Fee	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00
Reread Confirming an Accurate Meter Read Fee	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
Meter Testing Fee	Cost	Cost	Cost	Cost	Cost
Failure to Cancel Pre-Pay Election and Conversion Fee	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00
Solid Waste Temporary Suspension Fee	\$ 55.00	\$ 55.00	\$ 55.00	\$ 55.00	\$ 55.00
Late Fee	1.5% of Balance	1.5% of Balance	1.5% of Balance	1.5% of Balance	1.5% of Balance

	07/01/2014 - 06/30/2015	07/01/2015 - 06/30/2016	07/01/2016 - 06/30/2017	07/01/2017 - 06/30/2018	07/01/2018 - 06/30/2019
DEPOSITS					
Residential and Commercial Water	(3) times the base charge	(3) times the base charge	(3) times the base charge	(3) times the base charge	(3) times the base charge
Hydrant Meter	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
Solid Waste	(3) times the base charge	(3) times the base charge	(3) times the base charge	(3) times the base charge	(3) times the base charge
Residential Wastewater	(3) times the base charge	(3) times the base charge	(3) times the base charge	(3) times the base charge	(3) times the base charge
Commercial Wastewater	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00

Legal Notice

City of Surprise
Notice of Public Hearing Regarding City's
Intention to Increase Utility Rates

The City of Surprise hereby gives notice pursuant to Arizona Revised Statute section 9-511.01 of a public hearing to be held at the regularly scheduled City Council meeting on May 20, 2014 at 6 p.m. in the City Hall Council Chambers, 16000 North Civic Center Plaza, Surprise, Arizona in connection with the City's intention to consider a resolution adjusting the utility rates and charges for July 1, 2014 through June 30, 2019. At the public hearing, the City will accept verbal and written comments concerning the proposed utility rate resolution. The comprehensive utility rate study report is available at the City Clerk's office and available online at <http://www.surpriseaz.gov/>.