

RESOLUTION NO. 51-2006

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF BENSON, ARIZONA, SETTING WATER UTILITY CONNECTION RATES FOR UNESTABLISHED SERVICES AND AMENDING BENSON CITY CODE, SECTION 13-4-4, ENTITLED "CONNECTIONS FEES".

WHEREAS, the Code of the City of Benson requires that its water rates generate sufficient revenue to equal the cost of providing service to its customers and that said costs include the amounts required for connection expenses; and,

WHEREAS, the water connection rates currently in effect are insufficient to satisfy the City Code requirement of generating sufficient revenue to equal the cost of providing said service; and,

WHEREAS, the City of Benson has prepared a comprehensive water connection cost of service rate study to identify the required level of revenue that will cover the connection expenses of the water utility to determine where new connection service rates must be set to balance the Water Enterprise Fund; and,

WHEREAS, after public hearing and consideration of the various factors, the Mayor and City Council have determined that the currently existing water connections rates are inadequate.

THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF BENSON, ARIZONA, as follows:

A. In accordance with the "City of Benson June 2006 Water Connection Rate Study for Unestablished Service Connections", as modified November 1, 2006, as directed by Council to reduce the cost of service, the following rates shall hereby be adopted as water connection rates:

WATER CONNECTION RATE STRUCTURE:

| Service Size | Total Cost of Service Installation |
|--------------|------------------------------------|
| ¾ x ⅝" | \$595.80 |
| 1 | \$757.74 |
| 2 | \$1,523.33 |
| 3 | \$2,355.05 |
| 4 | \$3,347.46 |

B. Further, Section 13-4-4, entitled "Connection Fees", subsection (A), shall be amended to read as follows:

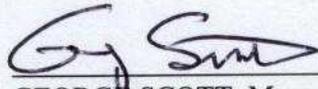
Section 13-4-4 Connection Fees:

"In addition to the applicable development fee, the City shall collect the following fees before any service taps or water meters are connected to the water system:

A. A connection fee, as established by resolution from time to time by the City Council; and,

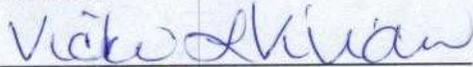
B. The cost of repairing or replacing any pavement or other structure necessarily damaged in the process or because of the installation of any service connection, either within or without the corporate limits of the City of Benson, shall be paid by the person making the application for such service, in addition to any other charges that may be required for such service, and such amount shall be estimated by the City Manager or his designee, and paid in advance of the City being obligated to undertake the utility work."

PASSED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE CITY OF BENSON,
ARIZONA, on the 13th day of November, 2006.



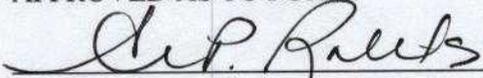
GEORGE SCOTT, Mayor

ATTEST:



VICKI L. VIVIAN - City Clerk

APPROVED AS TO FORM:



ANN P. ROBERTS - City Attorney

City of Benson Water Connection Rate Study

Prepared by Ann P. Roberts, City Attorney
and Loretta Goeglein, Utilities Administrative Assistant

Modified Study dated November 1, 2006, by removing backhoe expense component from $\frac{3}{4}$, 1 and 2 inch service computations.

Introduction

The purpose of this report is to describe the components of the various water rate calculations for unestablished service connections in use today in the City of Benson. The various calculation methods as set forth in this study are being presented for the Mayor and Council's consideration for the purpose of ensuring that the connection charge collected by the City of Benson at the time a new water service is established covers the City's cost of materials and labor for such connection.

Further, this Water Connection Rate Study has been prepared for public inspection and use, and has been filed in the Office of the City Clerk located at 120 W. 6th Street, Benson, Arizona on June 27th, 2006, in accordance with Arizona Revised Statutes §9-511.01.

Methods of Water Connection Rate Structures

The connection charge calculation is based on the size of the meter connection established. Presently, the City of Benson has established meter connection charges for five (5) different meter sizes.

Rate tables for each of the five (5) different meter sizes setting forth the cost of each component utilized in the total calculation of the cost of service for the new water service installation are presented in this study.

Questions regarding this study or any component thereof should be directed to the City of Benson Public Works Department located 120 W. 6th Street, Benson, Arizona.

Water Connection Rate Structure for a 3/4 Inch Service

| Service Size | Parts | Cost | Quantity | Total |
|--------------|--|-----------|----------|-----------|
| 3/4 x 5/8 | Saddle | \$ 34.00 | 1 | \$ 34.00 |
| | Taper Thread Inlet by Grip Joint Outlet for Copper or Plastic Tubing | \$ 17.00 | 1 | \$ 17.00 |
| | Ball Valve Grip Joint Nut for Copper or Plastic Tubing (CTS) Inlet by Meter Swivel Nut Outlet; with Padlock Wing | \$ 36.00 | 1 | \$ 36.00 |
| | CTS 200 PSI Polyethylene Tubing | .28/ft | 100 | \$ 28.00 |
| | Insert Stiffener for 3/4" (CTS) Polyethylene Tubing | \$ 1.01 | 2 | \$ 2.02 |
| | Meter | \$ 112.00 | 1 | \$ 112.00 |
| | MXU Single Port | \$ 140.00 | 1 | \$ 140.00 |
| | #1 Meter Box | \$ 30.00 | 1 | \$ 30.00 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | Total Cost of Parts | | | \$ 399.02 |
| | Tax - 8.6% | | | \$ 34.32 |
| | | | | |
| | | | | |
| | Labor - 3 men @ 2 hours - average hourly rate @ \$15.41 per man | | | \$ 92.46 |
| | | | | |
| | Equipment - Service Truck | 35.00/hr | 2 | \$ 70.00 |
| | Total Cost of Service Installation | | | \$ 595.80 |
| | | | | |

Water Connection Rate Structure for a 1 Inch Service

| Service Size | Parts | Cost | Quantity | Total |
|--------------|--|-----------|----------|-----------|
| 1" | Saddle | \$ 34.00 | 1 | \$ 34.00 |
| | Taper Thread Inlet by Grip Joint Outlet for Copper or Plastic Tubing | \$ 30.00 | 1 | \$ 30.00 |
| | Ball Valve Grip Joint Nut for Copper or Plastic Tubing (CTS) Inlet by Meter Swivel Nut Outlet; with Padlock Wing | \$ 54.00 | 1 | \$ 54.00 |
| | CTS 200 PSI Polyethylene Tubing | .46/ft | 100 | \$ 46.00 |
| | Insert Stiffener for 1" (CTS) Polyethylene Tubing | \$ 1.07 | 2 | \$ 2.14 |
| | Meter | \$ 177.00 | 1 | \$ 177.00 |
| | MXU Single Port | \$ 140.00 | 1 | \$ 140.00 |
| | #2 Meter Box | \$ 65.00 | 1 | \$ 65.00 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | Total Cost of Parts | | | \$ 548.14 |
| | Tax - 8.6% | | | \$ 47.14 |
| | | | | |
| | | | | |
| | Labor - 3 men @ 2 hours - average hourly rate @ \$15.41 per man | | | \$ 92.46 |
| | | | | |
| | Equipment - Service Truck | 35.00hr | 2 | \$ 70.00 |
| | Total Cost of Service Installation | | | \$ 757.74 |
| | | | | |

Water Connection Rate Structure for a 2 Inch Service

| Service Size | Parts | Cost | Quantity | Total |
|--------------|--|-----------|----------|-------------|
| 2" | Saddle | \$ 57.00 | 1 | \$ 57.00 |
| | Taper Thread Inlet by Grip Joint Outlet for Copper or Plastic Tubing | \$ 107.00 | 1 | \$ 107.00 |
| | Angle Ball Valve | \$ 155.00 | 1 | \$ 155.00 |
| | CTS 200 PSI Polyethylene Tubing | 1.05/ft | 100 | \$ 105.00 |
| | Insert Stiffener for 3/4" (CTS) Polyethylene Tubing | \$ 1.01 | 2 | \$ 2.02 |
| | Bronze Meter Flange by Female Iron Pipe Thread | \$ 25.00 | 2 | \$ 50.00 |
| | Machine Bolt | \$ 0.32 | 4 | \$ 1.28 |
| | Hex Nut | \$ 0.20 | 4 | \$ 0.80 |
| | Meter | \$ 530.00 | 1 | \$ 530.00 |
| | MXU Single Port | \$ 140.00 | \$ 1.00 | \$ 140.00 |
| | #4 Meter Box | \$ 105.00 | \$ 1.00 | \$ 105.00 |
| | | | | |
| | Total Cost of Parts | | | \$ 1,253.10 |
| | Tax - 8.6% | | | \$ 107.77 |
| | | | | |
| | | | | |
| | Labor - 3 men @ 2 hours - average hourly rate @ \$15.41 per man | | | \$ 92.46 |
| | | | | |
| | Equipment - Service Truck | 35.00/hr | 2 | \$ 70.00 |
| | Total Cost of Service Installation | | | \$ 1,523.33 |
| | | | | |

Water Connection Rate Structure for a 3 Inch Service

| Service Size | Parts | Cost | Quantity | Total |
|--------------|--|------------|----------|-------------|
| 3" | Red Rubber Full Face Flange Bolt Pack | \$ 5.21 | 2 | \$ 10.42 |
| | Meter | \$1,828.00 | 1 | \$ 1,828.00 |
| | MXU | \$ 140.00 | 1 | \$ 140.00 |
| | #4 Meter Box | \$ 105.00 | 1 | \$ 105.00 |
| | | | | |
| | Total Cost of Parts | | | \$ 2,083.42 |
| | Tax - 8.6% | | | \$ 179.17 |
| | | | | |
| | Labor - 2 men @ 3 hours - average hourly rate @ \$15.41 per man | | | \$ 92.46 |
| | | | | |
| | Total Cost of Service Installation | | | \$ 2,355.05 |
| | | | | |
| | Contractor is responsible for Service Tee and Valve to Meter Set | | | |
| | | | | |
| | | | | |

Water Connection Rate Structure for a 4 Inch Service

| Service Size | Parts | Cost | Quantity | Total |
|--------------|---|------------|----------|-------------|
| 4" | Red Rubber Full Face Flange Bolt Pack | \$ 5.00 | 2 | \$ 10.00 |
| | Meter | \$3,000.00 | 1 | \$ 3,000.00 |
| | MXU | \$ 140.00 | 1 | \$ 140.00 |
| | #4 Meter Box | \$ 105.00 | 1 | \$ 105.00 |
| | | | | |
| | | | | |
| | Total Cost of Parts | | | \$ 3,255.00 |
| | | | | |
| | | | | |
| | Labor - 3 men @ 2 hours - average hourly rate @ \$15.41 per man | | | \$ 92.46 |
| | | | | |
| | | | | |
| | Total Cost of Service Installation | | | \$ 3,347.46 |
| | | | | |
| | | | | |
| | Contractor is responsible for Tee and Valve to Meter Set | | | |
| | | | | |



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