

ORDINANCE NO. 720-23

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF PAGE, COCONINO COUNTY, ARIZONA AMENDING THE CITY OF PAGE CODE OF ORDINANCES, § 31.61, RATES, SETTING RATES; RESERVES; USER FEE.

WHEREAS, the City Council finds that certain changes to the regulations relating to the procedure for establishing utility rates and fees would be beneficial by providing uniformity for all utility rate processes, and is in the best interests of the City and Page Utility Enterprises; and

WHEREAS, the Page Utility Enterprises Board has recommended that the City Council adopt the process outlined in Exhibit A.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF PAGE, COCONINO COUNTY, ARIZONA, AS FOLLOWS:

SECTION 1. § 31.61 of the City of Page Code of Ordinances is hereby repealed in its entirety and the provisions set forth in Exhibit A are hereby approved and adopted to replace the existing provisions of § 31.61.

SECTION 2. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION 3. That the effective date of this Ordinance shall be 30 days from the adoption of this Ordinance.

SECTION 4. If any section, subsection, sentence, clause, phrase or portion of this Ordinance or any part of the Code adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

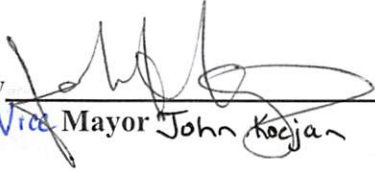
SECTION 5. That the City Clerk is authorized to correct typographical and grammatical errors, as well as errors of wording and punctuation, as necessary; and that the City Clerk is authorized to make formatting changes needed for purposes of clarity and form, if required, to be consistent with the Page City Code of Ordinances.

PASSED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF PAGE, COCONINO COUNTY, ARIZONA this 15th day of November, 2023, by the following vote:

Ayes	<u>6</u>
Nays	<u>0</u>
Abstentions	<u>0</u>
Absent	<u>0</u>

CITY OF PAGE

By


Vice Mayor John Koejan

ATTEST:



CITY CLERK

APPROVED AS TO FORM:



CITY ATTORNEY

EXHIBITS ON FILE AT:
PAGE CITY CLERK'S OFFICE
697 VISTA AVE., PAGE, AZ



EXHIBIT A

§ 31.61 RATES, SETTING RATES; RESERVES; USER FEE.

The following provisions shall strictly govern the establishment and review of PUE rates and fees for all ratepayers.

(A) *Setting rates.*

(1) Council and the Board shall not consider the revenue needs of the city in establishing the utility system rates, fees, charges and reserves. Revenues derived from PUE rates shall not be used to subsidize the City General Fund.

(2) Rates for utilities supplied through the utility system to the PUE ratepayers shall be reasonable and just and shall be sufficient to cover costs of operation, maintenance of the system, and a proper and necessary allowance for depreciation and reserves. Rates shall be uniform for each class of customer without regard to whether a ratepayer is located within or without the city municipal limits. PUE rates shall be established with due consideration accorded to the terms, covenants and conditions contained in any contract related to PUE and any ordinance authorizing the issuance of utility revenue bonds. Costs of operations, maintenance and depreciation shall be determined using generally accepted accounting principles appropriate for utilities.

(B) *PUE reserves.* That portion of PUE rates collected for the establishment of a reserve fund shall be separately identified in the rates and shall be included as a separate line item on PUE customer invoices.

(C) *City user fee.*

(1) Council may set a separate user fee ("city user fee" or "franchise fee") assessable against each ratepayer of PUE. The city user fee shall be established on a uniform basis according to class of customer without regard to whether a ratepayer is located within or without the city municipal limits. The city user fee may be established on either a flat fee or a demand basis.

(2) Upon request of Council, the Board shall prepare a city user fee or franchise fee proposal and report to Council at the earliest practicable opportunity as to the projected revenue from the proposed fee and the impact on a typical ratepayer's annual utility bills. The Board may propose an alternative fee or method of fee calculation. The Council shall give great weight to the Board's report in making its determination of an appropriate city user fee. The city user fee shall be indicated as a separate line item on PUE invoices, labeled "city user fee" or "city franchise fee".

(3) City user fee funds shall be collected by PUE and transferred at least monthly to the City General Fund. PUE may, with Council approval, prepay to the city, in whole or in part, the aggregate projected city user fee for any period of time, in which event such prepayment shall be made from the PUE Reserve Account; PUE shall collect and deposit into the PUE Reserve Account monies collected from the city user fee until all prepaid amounts are reimbursed in full, plus interest at a rate determined at the time of prepayment by a joint motion of the Board and

Council and recorded in the minutes of each body. Revenues derived from the city user fee may be used for general revenue purposes of the city and shall be considered unrestricted funds. City user fee monies reimbursed to the PUE Reserve Account pursuant to this section shall be restricted funds as provided in § 31.59(B).

(D) *Annual rate review/rate change.* The Board shall, at least annually, review the rates, fees and charges, except the city user fee, of services rendered by PUE. Any increase of rates or rate components, fees or service charges shall only be implemented in accordance with the following procedures:

(1) The Board shall prepare a written report or supply data supporting the increased rate or rate component, fee or service charge. The report or supporting data shall include cash flow projections that indicate all anticipated revenues from residential and nonresidential customers and the overall expenses for providing electrical, water or wastewater service. A copy of the report and cash flow projections shall be made available to the public by filing a copy in the office of the City Clerk and posting the report and cash flow projections on the city's and PUE's website at least thirty days before the public hearing described in § 31.61(D)(2).

(2) The Council shall adopt a notice of intention by motion at a regular council meeting to increase rates or rate components, fees or service charges and set a date for a public hearing on the proposed increase that shall be held at least sixty days after adoption of the notice of intention. A copy of the notice of intention showing the date, time and place of the hearing shall be published one time in a newspaper of general circulation within the boundaries of the city not less than twenty days before the public hearing date.

(3) After holding the public hearing, the Council may adopt by resolution the proposed rate or rate component, fee or service charge increase or any lesser increase.

(4) The increased rate or rate component, fee or service charge shall become effective not less than thirty days after adoption of the resolution.