PUBLIC NOTICE
FOUNTAIN HILLS SANITARY DISTRICT

Establishing fee schedule for the period **July 1, 2009** to **June 30, 2010**

Pursuant to **Paragraph H of A.R.S. Section 48-2027**, notice is hereby given by the Board of Directors of the Fountain Hills Sanitary District that a public meeting shall be held at **6:00 P.M.** on **Tuesday, June 16, 2009** in the District's Board Room, located at 16941 E. Pepperwood Circle, Fountain Hills, Arizona, to set the amount of Fees and Charges for the District at the levels set forth below. The District reserves the right to set different Fees and Charges as it deems to be just and reasonable and to amend, alter, delete or add to the Fees and Charges of the District at any time after providing notice and conducting a public meeting thereon.

1. To set the amount of a **User Fee** which fee represents a proportional share of the cost of the operation, maintenance, and replacement of the wastewater collection, treatment, and reclaimed water distribution systems. These User Fees shall be billed quarterly to the property owner at the beginning of each quarter as follows:

   A. **Residential (single family homes, duplexes, condominiums, townhouses, apartment buildings, or other multi-family housing units).**
   $22.00 per month billed quarterly for each living unit of housing. Residential units which have a single connection for each unit will be billed individually directly to the owner. Residential units with common sewer connections will be billed collectively directly to the homeowners association or management company.

   B. **Hotel and motel units, bed and breakfasts, assisted living units, etc.**
   $10.00 per month billed quarterly for each living unit.

   C. **Schools**
   $90.00 per month billed quarterly for each school.

   D. **Non-residential (excluding hotel and motel units, etc. and schools)**, shall pay a monthly fee which is derived from multiplying 90% of the average monthly water usage in thousands of gallons by the rate determined for that type of business as set forth in the following table:

Business Category	Rate per 1,000 gallons
Restaurants, Bars, Bakeries or Supermarkets	**$ 3.04**
Food Preparation (Non-Restaurant), Dry Cleaners, Laundries or Mortuaries	**$ 2.20**
Nursing Facilities, Hospitals, Clinics, Laboratories, Salons, Daycare Facilities or Automobile/Equipment Repair Facilities	**$ 1.90**
Carwashes, Offices, Retail Stores or Other	**$ 1.78**

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The average monthly water usage is determined by meter readings provided by Chaparral City Water Co. for the period between April and March. In no event shall the fees for non-residential users be less than **$30.00** per month. If a building with multiple businesses is serviced by only one water meter, the owner will be billed at the rate for the business with the highest user classification.

The method for calculating this fee is subject to District review and may change upon Board approval and proper public notice.

E. Terms

(1) An establishment fee of **$30.00** will be charged to set up a new account.

(2) For new construction, the **User Fee** shall commence upon issuance of a Certificate of Occupancy.

(3) Charges to new users in Paragraph D above will be set at the minimum charge of **$30.00** per month until new water usage data is available.

(4) Advance Payments.

(a) When one full year of User or Availability Fees is paid at the beginning of the District's fiscal year (in July), the prepaid fee will be considered full payment for such services regardless of mid-year rate changes which may occur during the fiscal year. However, payment at any other time will not afford immunity from the annual rate increase.

(b) A **$12.00** discount will be applied when one full year of User Fees are paid at the beginning of the District's fiscal year (in July).

(c) Advance payments, regardless of amount, shall not constitute a waiver of Board approved fee increases except as specifically described in item (a) above.

(5) Delinquent Accounts

(a) A late fee of **$25.00** will be charged to accounts where payments are delinquent for more than 15 days.

(b) Interest at an annual rate of **10%** (.0833% per month) will be charged from the due date.

(c) A lien will be filed against the property after the account is 90 days delinquent. A **$100.00** lien fee will be charged.

(d) A deposit equal to two quarters of User Fees shall be charged after an account has been late two consecutive quarters. This deposit will be refunded upon request after on-time payment for eight consecutive quarters.

(e) If the District terminates service for nonpayment, full reimbursement of actual costs will be required for reinstatement of service.

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(f) If a deposit has been charged, a lien on a property will not be released until all fees and the deposit have been paid in full.

(g) Any accounts for which the District has filed a lien or deemed uncollectible, will be reported to the credit reporting agencies.

(h) The District may pursue action in Small Claims Court on delinquent accounts.

(i) If a homeowner files for bankruptcy, a new account will be established to reflect post-petition service. A new establishment fee of **$30.00** plus a deposit equal to two quarters will be charged on the post-petition account. This deposit will be refunded upon request after on-time payment of eight consecutive quarters. The existing account will only reflect pre-petition service and fees. If there is a deposit on the pre-petition account, that deposit will be applied against pre-petition billings.

2. To set the amount of a **Hook-up Fee** at **$400.00** per connection to the District's sewer system. Said fee does not include the cost of the actual physical connection, but does include physical inspection and administrative costs. Said fee shall be payable upon application for connection to the District's sewer system.

3. To set the amount of a **Lateral Fee** at **$3,000.00** per connection which represents the cost to construct a sewer lateral from the property line of the user to the middle of the easement or right-of-way in which the District's sewer line is located. The **Lateral Fee** shall not be charged on connections where the sewer laterals are provided by a developer or others. Said fee shall be payable upon application for connection to the District's sewer system.

4. To set the amount of **Capacity Fees** which are based on the cost to develop the sewage collection, treatment, and reclaimed water distribution facilities required to accept the flow of sewage which enters the sewer system of the District from a particular sewer connection as follows:

A. **Residential (single family homes, duplexes, condominiums, townhouses, apartment buildings, or other multi-family housing units)**
$10,000.00 per unit

B. **Hotel and motel units, bed and breakfasts, assisted living units, etc.**
$4,145.00 per unit

Facilities with restaurants either contained within the main structure or located elsewhere on the property shall be subject to the fee schedule in item C below in addition to the above per unit **Capacity Fee.**

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C. **Non-residential** (excluding hotel and motel units, etc.)

Water Meter Size	Capacity Fee
1" or less	$ 10,000.00
1 ½ "	$ 14,883.00
2"	$ 29,757.00
2 ½ "	$ 47,634.00
3"	$ 68,500.00
4"	$ 89,372.00
6"	$148,884.00

One fee shall be charged for each potable water meter installed. Size and number of water meters installed is subject to District verification. Water meter installations which differ from the executed Sewer Service Agreement will result in a fee adjustment.

D. **Shea Corridor Capacity Fee Surcharge**

The **Shea Corridor Capacity Fee Surcharge** is charged for all connections made from developments, plats, or subdivisions utilizing the **Shea Outfall Sewer** which sewer infrastructure plans and specifications are approved after **December 19, 1995**.

The surcharge is established to fund the replacement of gravity lines, pump stations, and force mains directly attributable to growth from these new developments, plats, or subdivisions. Said surcharge is set as follows:

(1) **Residential (single family homes, duplexes, condominiums, townhouses, apartment buildings, or other multi-family housing units).**
$1,260.00 per unit

(2) **Hotel and motel units, bed and breakfasts, assisted living units, etc.**
$ 525.00 per unit

Facilities with restaurants either contained within the main structure or located elsewhere on the property shall be subject to the fee schedule in item (3) below in addition to the above per unit **Capacity Fee.**

(3) **Non-residential** (excluding hotel and motel units, etc.)

Water Meter Size	Capacity Fee
1" or less	$ 1,260.00
1 ½"	$ 1,875.00
2"	$ 3,750.00
2 ½"	$ 6,002.00
3"	$ 8,631.00
4"	$11,261.00
6"	$18,760.00

One fee shall be charged for each potable water meter installed. Size and number of water meters installed is subject to District verification. Water meter installations which differ from the executed Sewer Service Agreement will result in a fee adjustment.

E. Terms

(1) A sewer service agreement must be obtained and all connection fees paid prior to the issuance of a building permit by the **Town of Fountain Hills** (or City of Scottsdale, as applicable) and prior to connection to the District's sewer system. Failure to obtain said sewer service agreement and pay the fees required shall result in a penalty of **$750.00** per residential or commercial unit with interest at the rate of **10%** per annum from the date of connection to the date of payment.

(2) A sewer service agreement shall not be issued by the District until **all** delinquent fees on **all accounts** owned by the applicant or owner, if any, are paid in full together with lien fees at **$100.00** per year, deposits, late fees, and interest at the rate of 10% per annum.

(3) If construction does not commence and the District approves a refund of Sewer Service Agreement fees, a **$25.00** service charge and any fees currently due on this account or other accounts owned by the same owner will be deducted from the refund. The refund can be issued only to the person or company who originally issued the check to the District. Notwithstanding this provision, or any other District rule, regulation, resolution or policy authorizing or requiring the District to refund or return any fee or charge paid to the District, any fee or charge paid to the District is the property of the District upon receipt by the District. The District may stop payment on any check written on a District account if it is not cashed within 365 days and the District shall have the right to such sum reflected thereon.

5. To set the amount of an **Availability Fee** at **$7.00** per month billed annually and payable in one lump sum.

Availability Fee is to be levied against all property in the District which is **NOT** connected to the District's sewer system but which lies adjacent to a sewer line for the benefit to that particular parcel of real property having the sewer line and capacity in the treatment, collection, and reclaimed water distribution facilities to accommodate the development of said property.

A late fee of **$25.00** will be charged to accounts where payments are delinquent for more than 15 days. In addition, interest at an annual rate of 10% (0.833% per month) will be charged from the due date. If a lien is filed in accordance with District policies for delinquent accounts, a **$100.00** lien fee will be charged.

6. To set the amount of a **Project Review and Inspection Fee** as follows:

A. A **Project Review and Inspection Fee** shall be charged to developers of all new subdivisions. Said fee shall cover the cost of project review, physical inspection of all sewer construction including but not limited to **TV** inspection of the sewer lines, and observation of required testing for all new facility construction.

B. Said fee shall be calculated by multiplying the length of sewer line to be constructed by **$2.00** per lineal foot plus the sum of **$2,000.00** for each pump station to be constructed.

C. Said fee shall be payable prior to the approval of plans and specifications.

D. The above fees are based upon one **TV** inspection and observation of the initial testing only.

E. If additional testing requires further District inspections, or if additional TV inspection is required, such costs shall be billed to the developer on a time and materials basis.

F. A late fee of **$25.00** will be charged for project review and inspection fees which are delinquent for more than 15 days.

7. To set the fee for reclaimed water at **$380.00** per acre-foot. A late fee of **$25.00** will be charged when invoices for reclaimed water are delinquent for more than 15 days.

8. To set the amount of an **Encroachment or Abandonment Permit Fee** at **$75.00** if a physical site visit is required, **$25.00** if no site visit is required. Said fee is due upon application for encroachment or abandonment.

9. To set a charge of **$30.00** for all returned checks in addition to the amount of the check.

10. To set the amount of fees for the reproduction and delivery of requested public records in accordance with the District's Public Records Disclosure Policy.

A. A **Copy Fee** shall be charged for duplication of records at the following rates:

(1) 8.5" x 11" standard, $0.18 per page

(2) 8.5" x 14" legal, $0.20 per page

(3) 11" x 17", $0.23 per page

B. Records delivered by mail are subject to fees equal to postage costs incurred.

C. Records requested for commercial purposes shall be charged a fee equal to actual costs incurred to produce the requested records (including labor). The District shall produce and calculate a detailed billing of time and materials for the recipient which shall be due upon receipt of the requested records.

Any interested person may appear and be heard on any matter relating to the setting of the proposed fees or the method of determining the same. Any person wishing to object to the establishment or continuation of any of the above fees or rates may file a written objection with the **Chairman of the Board** prior to the time and date set for the said hearing.

Ronald D. Huber

DATED: June 16, 2009 **Ronald D. Huber, Secretary**