APPENDIX A
PUBLIC NOTICE
FOUNTAIN HILLS SANITARY DISTRICT

Establishing fee schedule for the period **July 1, 2012** to **June 30, 2013**

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 **Wednesday, June 20, 2012** 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. DEFINITIONS

A. **Availability Fee:** A fee imposed upon the owner of a parcel of real property situated in the District and NOT connected to the District's sewer system and which lies adjacent to a sewer line and which benefits from having the sewer line and capacity in the treatment works and reclaimed water distribution facilities to accommodate the development thereof. The availability fee shall be no more than 50% of the user fees fixed by the Board.

B. **Board:** Board means the Board of Directors of the Fountain Hills Sanitary District.

C. **Building:** Building means any structure containing sanitary facilities used for human habitation, a place of business, industrial plant, recreation or like purpose.

D. **Capacity Fee:** A fee imposed upon all owners of real property to connect to the District's sewer system. Said fee is based upon the cost to develop the sewage collection, treatment and reclaimed water distribution facilities required to treat the flow of sewage which enters the sewer system of the District from a particular sewer connection.

E. **District:** District refers to the Fountain Hills Sanitary District, Maricopa County, Arizona.

F. **Engineer:** Engineer means the Engineer appointed by and acting for the Board.

G. **Hook-up Fee:** A fee imposed upon owners of real property to connect 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.

H. **Hotel or Motel:** "Hotel" or "Motel" is defined as an establishment containing multiple individual dwelling units which are offered for rental for a period of time generally less than a month.

I. **Lateral Fee:** A fee imposed upon an owner of real property to connect to the District's sewer system. Said fee is to cover the cost to construct a sewer lateral from the property line of the said owner to the middle of the easement or right-of-way in which the sewer is located.

J. **Lot:** Lot means a parcel of land designated on a subdivision plat.

K. **Owner:** Owner means the person owning the fee, or the person in whose name the legal title to the property appears by deed duly recorded in the Maricopa County Recorder's Office, or the person in possession of the property or buildings under claim of, or exercising acts of ownership over the same for himself, or as executor, administrator, guardian or trustee for the owner.

L. **Person:** Person is an individual, firm, company, partnership, association, and private, public or municipal corporation, the United States of America, the State of Arizona, districts and all political subdivisions, or governmental agencies thereof.

M. **Sewage:** Sewage shall mean a combination of the water-carried wastes from residences, business buildings, institutions, and industrial establishments.

N. **Sewage Treatment Plant:** Sewage Treatment Plant shall mean any arrangement of devices and structures used for treating sewage.

O. **Sewer Line:** Sewer Line means any pipe, conduit or apparatus owned by the District and used or usable for transporting sewage and liquid wastes to the District's treatment plant or plants.

P. **Sewer System:** Sewer System means all facilities for collecting, pumping and treating sewage and disposing of sludge and reclaimed water.

Q. **Unsubdivided Land:** Unsubdivided Land means land lying within the District for which no recording of an approved subdivision plat has been made, as provided by law.

R. **User:** User shall mean the owner, tenant, trustee, mortgagee, receiver, or occupier, whether a person, corporation, or firm, of property which is connected to a sewer or other approved disposal system.

S. **User Fee:** A fee imposed upon users to defray the proportional share of the cost of the operation, maintenance and replacement of the wastewater collection, treatment and reclaimed water distribution systems.

2. USER FEE

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).**
$24.00 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 breakfast units, assisted living units, etc.**
$10.50 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**

The average monthly water usage is determined by meter readings provided by Chaparral City Water Co. for the period between April 2011 and March 2012. In no event shall the fees for non-residential users be less than **$32.00** 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 non-residential users in Paragraph D above will be set at the minimum charge of **$32.00** 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 any rate increase.

(b) A **$24.00** discount will be applied when one full year of Residential 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. In the event of a lien dispute, the recipient of the lien may contact the Administrative Services Manager by calling the District office. If the matter cannot be resolved by phone, the recipient may request a hearing; however, the hearing request must be in writing and received by the District within fifteen (15) calendar days of the date of the lien letter or the opportunity for a hearing will automatically be waived.

(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 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.

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

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

(h) 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.

(6) Suspension/Termination of Sewer Service

(a) The District may cause the disconnection of any sewer service connected to the sewerage system for failure to pay the fees and charges in accordance with the provisions of this fee schedule. If the District terminates service for nonpayment, full reimbursement of actual costs will be required for reinstatement of service.

(b) Voluntary suspension/termination of sewer service shall not be allowed. **User Fees** shall be billed, due, and payable as established in Item 1 of this fee schedule.

3. **HOOK-UP FEE**

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.

4. **LATERAL FEE**

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.

5. **CAPACITY FEES**

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 breakfast units, 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.**

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 breakfast units, 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.

6. AVAILABILITY FEE

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.

7. PROJECT REVIEW AND INSPECTION FEE

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. 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.

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

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

D. 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.

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

8. RECLAIMED WATER FEE

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.

9. **ENCROACHMENT OR ABANDONMENT PERMIT FEE**

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.

10. **RETURNED CHECK FEE**

To set a charge of **$30.00** for all payments returned unpaid by any financial institution in addition to the amount of the check.

11. **FEES FOR REPRODUCTION AND DELIVERY OF REQUESTED PUBLIC RECORDS**

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: May 23, 2012 **Ronald D. Huber, Secretary**