

**AGENDA ITEM:** \_\_\_\_\_

**DATE:** 12/01/2014

**CITY OF CASA GRANDE  
REQUEST FOR COUNCIL ACTION**

<b>Date Submitted:</b> 8/11/2014	<b>Date Requested:</b> 12/01/2014
<b>Type of Action Requested</b>	<b>Subject</b>
<input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Formal Action/Motion <input type="checkbox"/> Public Hearing <input type="checkbox"/> Other	<b>Ordinance Revision for Evergreen Irrigation System Repair Cost Recovery</b>

**RECOMMENDATION:**

Staff recommends that the City Council approve a recommended one-time revision to Ordinance 645.16 which will provide existing Evergreen Irrigation customers as of June 16, 2014 a 50% discounted cost recovery rate, payable over a one year time span, related to the recent repairs made to the Evergreen Irrigation water delivery system. Any new customers seeking to connect to the system after the June 16, 2014 repair date shall be responsible for the same amount to be used as a reconnect fee to the system.

**DISCUSSION:**

On June 16, 2014 City Council approved the authorization for repairs to the electrical, pump and well components of the Evergreen Irrigation water delivery system in an amount not to exceed \$60,000. A Notice to Proceed was issued to Coolidge Engine and Pump Company and on July 15 test runs were conducted on the new electrical components, submersible pump and well site. A City Council Work Session was held on July 21, 2014 to address the status of the Evergreen Irrigation System and the review of the existing Ordinance related to City reimbursement.

Section 13.16.030 of the City Code (adopted originally as part of Section 11-4-2 of City Ordinance 645.16) states that assessments are designed to recover large costs to the district which occur on an irregular or unpredictable schedule. Examples of such costs are repairs and replacement of the pump, well and distribution lines used in providing the service. Assessments shall be divided equally among all users of the service. This ordinance was originally passed and adopted by City Council in June of 1986.

Once the water delivery service was restored, the current Evergreen Irrigation customers were invited to a neighborhood meeting conducted on Tuesday July 29, 2014 to discuss the water delivery schedule as well as the issue of reimbursement. Those in attendance unanimously suggested and agreed that a fifty percent cost sharing program with the City of Casa Grande was a fair and reasonable resolution. The group in attendance also requested that the City allow a one year time frame for the users to pay the agreed upon repair balances.

Certified letters were sent to all 26 existing customers within the service area of the irrigation district requesting confirmation of their desire to participate in the system at a buy-in cost of \$1,019 per connection. The discounted reimbursement cost of \$1,019 is based upon each of the the twenty six homes currently receiving irrigation service paying 50% of the cost of repair. As of date, we received positive confirmation from 19 existing users that they were willing to pay this cost share to continue receiving irrigation service.

Any owner no longer wishing to be part of the system and elects to no long receive irrigation service must notify the City no later than January 31, 2015. Any customer so notifying the City shall not be liable for the assessment amount, but shall no longer be eligible to receive irrigation service service as of the notification date. Any customer electing to reconnect after this date must pay the discounted assessment in full.

**FISCAL IMPACT:**

The cost to repair the electrical, pump and well casing components was \$52,997.95 paid by the City of Casa Grande. Based on a one-time adjustment to the existing Ordinance, the fiscal impact has a complete range of zero if no recovery or reimbursement is collected up to 100% if the current irrigation customers are required to equally divide the cost of repair.

A one-time approval of a 50% shared cost decision would recover \$26,498.98 which equates to \$1,019. per individual address receiving flood irrigation service as of the measurement date. If all 19 existing customers fulfill their obligation to pay and remain flood irrigations users the discounted cost recovery would total \$19,361.

Reviewed by  
Finance Director: Doug Sandstrom

Reviewed by  
City Attorney: Brett Wallace

**ALTERNATIVES:**

Do not amend the Ordinance, which would result in a per user charge of \$2,038.38 in accordance with existing law.

Provide a lesser or greater time for the users to pay the assessment balance.

Assess a different percentage of the total repair cost to the users of the service.

Prepared by:  
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Recommended by:  
William Schwind  
Community Services Director

Approved by:  
Larry Rains  
City Manager