

**TOWN OF CAREFREE, ARIZONA  
RESOLUTION 2020-06**

**A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE  
TOWN OF CAREFREE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE  
MAYOR, TOWN ADMINISTRATOR AND COUNCIL REPRESENTATIVES TO WORK  
WITH THE RESIDENTIAL UTILITY CONSUMER OFFICE (RUCO) AND OTHER  
PARTIES TO REPRESENT THE INTERESTS OF CAREFREE RESIDENTS IN THE  
RATE INCREASE REQUEST OF LIBERTY UTILITIES/BLACK MOUNTAIN SEWER  
(DOCKET NO SW – 02361A–19–0139) CURRENTLY BEFORE THE ARIZONA  
CORPORATION COMMISSION (ACC)**

**WHEREAS**, for the public good, the Town of Carefree was an active participant and Signatory in both the Proposed Settlement Agreement utilized with the ACC to identify the responsibilities of the respective parties required to actually affect the closure of the Carefree wastewater treatment plant located in the Boulders subdivision in 2018, and the Comprehensive Settlement Agreement signed concurrently with receiving ACC approval to do so, and

**WHEREAS**, the ACC, in Decision No. 75510 dated April 22, 2016, approved the Comprehensive Settlement Agreement among the parties impacted by the November 30, 2018, date specified for the closure of the plant. The Signatories of this Agreement included Liberty Utilities/Black Mountain Sewer, the Boulders Resort, the Boulders Homeowners Association and the Town of Carefree, and

**WHEREAS**, the \$3,899,700 estimated costs by Liberty Utilities/Black Mountain Sewer for closure in the "Proposed Settlement Agreement" included the \$1,200,000 cost to acquire replacement capacity from the City of Scottsdale, was considered by all of the Signatories of that document to be a "just, reasonable and necessary" cost to effect the plant closure, and utilized to justify their participation in the Comprehensive Settlement Agreement, and

**WHEREAS**, Liberty Utilities did decommission and cease operations at the Boulders plant by the specified November 30, 2018 date and did file the rate case by the specified June 30, 2019, date, and

**WHEREAS**, the ACC, in Decision No. 75510, ordered Liberty Utilities to file a rate case with the ACC on or before June 30, 2019, at which time all of the costs associated with the plant decommissioning and closure were anticipated to be known, and

**WHEREAS**, Liberty Utilities/Black Mountain Sewer is currently in the process of presenting and defending its requested increase in rates before the ACC in Docket SW-02361-19-0139, which request is primarily driven by the costs associated with closing the plant, and

**WHEREAS**, the rate increase requested by Liberty Utilities/Black Mountain Sewer is predicated upon their assertions and claims that plant closure related costs were \$11,046,881, and

**WHEREAS**, the Town of Carefree supports that Carefree residents and businesses should benefit from having the lowest utility rates and

**WHEREAS**, the increase in rates requested by Liberty Utilities in the current rate case exceeds the going-in estimate by \$7,157,181, and

**WHEREAS**, RUCO, in performing its constitutionally mandated role of reviewing, analyzing and commenting upon rate increase requests from utilities under the jurisdiction of the ACC, has published the direct testimony of Crystal Brown, a Public Utilities Analyst V employed by RUCO, which challenges and refutes many of the claims and calculations upon which Liberty Utilities based their claim for substantially higher rates, and

**WHEREAS**, The Arizona Corporation Commission Staff has also developed an analysis of the Liberty Utilities/Black Mountain Sewer rate increase request, and has made recommendations for cost reductions in some areas as well, and

**WHEREAS**, the Town of Carefree supports the analyses and testimonies of RUCO and the ACC Staff, and their collective conclusions and recommendations, regarding significant reductions in rates, and will be supporting their positions to the ACC Commissioners, and

**WHEREAS**, hearings on this matter are scheduled before the ACC starting on September 16th, 2020, and continuing until completed. The dates and starting times currently published for these Hearings are shown below. The Hearings are anticipated to be held via video conferencing. Interested Carefree residents and others on the Liberty Utilities/Black Mountain Sewer System are encouraged to check with the ACC for the virtual Hearing particulars, and to participate.

<u>Date</u>	<u>Starting time</u>
9/16	10:00
9/17	9:00
9/18	9:00
9/23	9:00
9/24	9:00
9/25	9:00

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Council of the Town of Carefree, Maricopa County, Arizona, as follows:

**APPROVING**, that the Mayor, Town Administrator and Council representatives should support and coordinate with RUCO, the ACC Staff and other parties in the current Liberty Utilities/Black Mountain Sewer rate case Docket # SW-02361-19-0139 to help secure the lowest possible rate increases for the Town's residents and businesses.

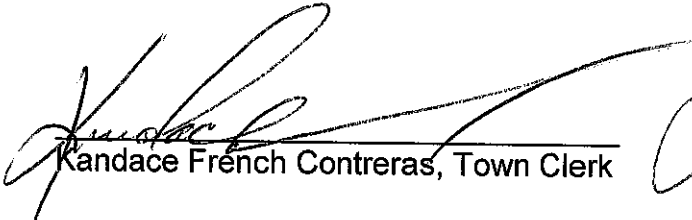
**PASSED AND ADOPTED** by the Mayor and Common Council of the Town of Carefree, Arizona, this 11th day of August, 2020.



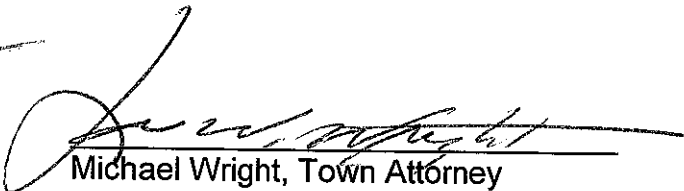
Les Peterson, Mayor

ATTEST:

APPROVED AS TO FORM:



Kandace French Contreras, Town Clerk



Michael Wright, Town Attorney