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- Development Schedule for SPA 3 Regional WRF.
July 27, 2004

Ms. Brenda Day
Maricopa Association of Governments
302 North 1st Avenue
Suite 300
Phoenix, Arizona 85003

Re: Clean Water Act Section 208 Plan Amendment by MAG for the City of Surprise, Special Planning Area 3 Regional Wastewater Facility and Service Area, in Surprise, Arizona

Dear Ms Day:

The City of Surprise is requesting an Amendment for the Clean Water Act, Section 208 for the Water Quality Management Plan in the City of Surprise Special Planning Area (SPA 3). This 208 Amendment is for the City of Surprise SPA 3 Regional Wastewater Treatment Plant and has been submitted on behalf of the City of Surprise by CSA Engineering for a development, Austin Ranch.

The Austin Ranch Development is an 850-acre area community to be developed by Courtland Land LLC. The development will be constructed in the City of Surprise, SPA 3. The proposed Regional Wastewater Treatment Plant is located in the SW ¼ of Section 22, T4N, R2W of the Salt and Gila River Base and Meridian.

Please feel free to contact me at 623-875-4273 should you have any questions or require additional information.

Sincerely,

[Signature]

Rich Williams, Sr.
Water Services Director
ENVIRONMENTAL SERVICES DEPARTMENT
Albert F. Brown, R.S., MPA, Director
1001 N. Campbell Avenue, Suite 150
Phoenix, Arizona 85004

MARIPOCA COUNTY
WATER AND WASTE MANAGEMENT DIVISION
John A. Power, PE, Division Manager
(602) 556-6606
FAX (602) 506-6925
TT (602) 506-8704

November 19, 2004

Maricopa Association of Governments
102 North 1st Avenue, Suite 300
Phoenix, Arizona 85003

Attention: Ms. Lindy Bauer, Environmental Program Coordinator
Re: City of Surprise Proposed 208 Amendment for Special Planning Area 3 (SPA3) Regional Wastewater Treatment Plant

Dear Ms. Bauer,

CSA Engineering has submitted a proposed 208 Amendment to the Maricopa County Environmental Services Department (MCESD) for the City of Surprise Special Planning Area 3 Regional Wastewater Treatment Plant, which will initially serve the Austin Ranch and Rio Rancho Estates Developments. The developments will be constructed in an area within the City of Surprise, generally between 225th Avenue and the Beardsley Canal, south of the Central Arizona Project Canal and Grand Avenue, and north of Peoria Avenue.

In accordance with the MAG 208 Water Quality Management Plan, the proposed 208 Amendment for the facility was submitted to this Department for comment, since the facility is located within three miles of the unincorporated area of Maricopa County.

The proposed 208 Amendment was originally submitted June 3, 2004, and revised on November 19, 2004. Based on a review of the revised document, the Maricopa County Environmental Services Department, Water and Waste Management Division acknowledges that the proposed City of Surprise SPA 3 Regional WWTP is not in conflict with Maricopa County plans for the area.

MCESD provides this letter of support, conditioned on final execution of the Agreement with the City of Surprise, whereby the City of Surprise will be the permanent owner of the proposed wastewater collection, treatment, and disposal facilities upon completion of construction of the first phase of the facilities and prior to startup. As such, the City will be the responsible party for the MCESD Annual Operating Permit, as well as appropriate Federal, State, and County discharge / recharge / reuse permits.
Should the City of Surprise not be the owner of the wastewater facilities, this Department will withdraw its support for the project.

Please note that MCESD has not reviewed, nor approved, the design of the facilities as part of the 208 Review. Any technical issues that remain will need to be resolved during the design phase of the project. Approval to Construct and Approval of Construction must be obtained from this Department prior to start of construction and startup, respectively.

If you have any questions or comments, please feel free to contact Mr. Dale Bodiya, PE, or myself, at 506-4666.

Sincerely,

[Signature]

Joan A. Power, PE
Manager, Water and Waste Management Division

cc:
Mr. Albert F. Brown, RS, MPA, Director, MC Environmental Services Department
Ms. Dale Bodiya, PE, Manager, Water/Wastewater Treatment Section, MCESD
ADEQ, Manager, Water Permits and Plr. Review Section
Mr. Ed Adair, PE, CSA Engineering
Mr. Rich Williams, Sr., Water Services Director, City of Surprise
Mr. Raj Thakor, PE, RT Engineers
Mr. John Witrock, Courtland Homes
Mr. Tim Goodrich, Maracay Homes
File
EXECUTIVE SUMMARY

The Maricopa Association of Governments (MAG) is the designated Planning Agency to prepare the Regional Water Quality Management Plan for the Maricopa County, Arizona Planning Area, based on Section 208(2)(b) of the Clean Water Act (CWA). As such, the purpose of this application is to request a CWA Section 208 amendment to the Regional Water Quality Management Plan to accommodate the City of Surprise 30 million gallons per day (MGD) Regional Water Reclamation Facility in the City’s Special Planning Areas Number 3 (SPA 3). The SPA 3 is generally located north of Bell Road, west of Beardsley Canal, south of Grand Avenue and CAP Canal, and east of 259th Avenue. The City of Surprise has completed an Integrated Water Master Plan, which has identified the collection and wastewater treatment needs for the City’s Special Planning Areas 1 to 5. The SPA 3 comprises approximately 59 square miles and the SPA 3 Regional Water Reclamation Facility will ultimately treat 36 MGD of sewage at build out. Based on the City of Surprise General Plan 2020, the build out population is 178,714. This population with its various projected residential densities will cover 23,666 acres.

The City of Surprise plans to build the SPA No. 3, 30 MGD Regional Water Reclamation Facility in multiple phases. The first phase will be designated as the Developer Phase 1 (1.8 MGD), and subsequent phases, from Phase 2 to build-out will be designated as the City’s master planned phases. The City envisons the future design of the subsequent phases, from Phase 2 to build-out, in multiple modular type treatment facilities at future dates. In addition, the City has hired a Consultant to prepare a Technology Assessment Report, which would identify the wastewater treatment technologies for the five special planning areas. The driving force for the proposed SPA 3 Phase 1 Water Reclamation Facility is the development of the master planned community subdivision, known as Austin Ranch, by Courtland Homes. The City and Courtland Homes are working with the Rio Rancho Development to achieve a joint effort for the Austin Ranch and Rio Rancho developments. Courtland Homes, however, will go forward with Austin Ranch development with or with out the participation of Rio Rancho. Austin Ranch and Rio Rancho plan to build 3,100 homes and 900 homes respectively, along with commercial acreage in the City of Surprise SPA 3.

The Developer Phase 1 (1.8 MGD) Water Reclamation Facility is proposed to be constructed in three sub-phases, designated as Phase 1A, Phase 1B, and Phase 1C to coincide with the projected build out in Austin Ranch and Rio Rancho developments within SPA 3. Each sub-phase will have a treatment capacity of 600,000 gallons per day. The Developer Phase 1 facility will produce Class A+ effluent that will be disposed of on-site via groundwater recharge basins. Required permits will include: Arizona Department of Environmental Quality (ADEQ), APP, and AZPDES; Arizona Department of Water Resources (ADWR) Underground Storage Facility and Water Storage; Maricopa County Environmental Services Department (MCESD) Approval to Construct, Approval of Construction, Vault and Haul, Approval to Operate, and Maricopa County Air Quality Committee (MCAQCC) Air Quality Permit. The discharge of the regional facility effluent to a water body of the US will ultimately be addressed in the City of
Surprise future master planned phases (Phase 2 to ultimate build out), via an AZPDES Permit. The Developer Phase 1 construction will be carried out under the auspices of Courtland Homes, LLC, the developer of Austin Ranch Development. The Developer Phase 1A, 0.6 MGD Water Reclamation Facility will be scheduled for construction beginning mid-year 2005 and commissioned for operation by July 2006. Once the Phase 1A Water Reclamation Facility construction is completed and commissioning of the facility has been approved, the ownership and operation responsibilities will be transferred to the City of Surprise. Similar arrangement would be followed for Phase 1B and Phase 1C facilities.

By providing a new 30 MGD Regional Water Reclamation facility in the SPA 3, a local source of Class A+ effluent will become available for initial recharge, future irrigation and other non-potable reuse, alleviating pressure on ground water resources. In addition, artificial recharge will provide ground water recharge credits to the City, while recharging the aquifer in general area of original ground water withdrawal.

The Clean Water Act Section 208 Checklist on the following pages provides a summary of the amendment application requirements and how and where these issues are addressed in this document.
**CLEAN WATER ACT SECTION 208 CHECKLIST**

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Summary of How Requirements are Addressed</th>
<th>Page/Heading</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AUTHORITY</strong></td>
<td>Proposed Designated Management Agency (DMA) shall self-certify that it has the authority required by Section 208 (c)(2) of the Clean Water Act to implement the plan for its proposed planning and service areas. Self-certification shall be in the form of a legal opinion by the DMA or entity attorney.</td>
<td></td>
</tr>
<tr>
<td><strong>20-YEAR NEEDS</strong></td>
<td></td>
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</tr>
<tr>
<td>Describe existing WWT facilities.</td>
<td>There is no existing facility. Construction anticipated under this amendment will be the Developer Phase I for an ultimate 30 MGD regional WRF.</td>
<td>1 / II.A</td>
</tr>
<tr>
<td>Show WWT certified and service areas for private utilities and sanitary district boundaries if appropriate.</td>
<td>The WRF will serve the City of Surprise, Special Planning Area 3 (SPA3) shown in Figure 1.</td>
<td>2</td>
</tr>
<tr>
<td><strong>Clearly describe alternatives and the recommended WWT plan, and factors that affect discharge:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provide POPTAC population estimates (or C3G-approved estimates only where POPTAC not available) over 20-year period.</td>
<td>Population estimates were based on the City of Surprise Population Projections defined in the Surprise General Plan 2020 in conjunction with MAS generated TAZ’s.</td>
<td>4 / 2</td>
</tr>
<tr>
<td>Provide wastewater flow estimates over the 20-year planning period.</td>
<td>Average annual daily sewage flows range from 1.8 MGD in Phase 1 to an ultimate build out capacity of 30 MGD. See also Figure 4.</td>
<td>4 / C. 8 / Figure 4</td>
</tr>
<tr>
<td>Illustrate the WWT planning and service areas.</td>
<td>The WRF service area is shown in Figure 1.</td>
<td>2</td>
</tr>
<tr>
<td>Describe the type and capacity of the recommended WWT Plant</td>
<td>The Phase 1, 1.8 MGD will be of an activated sludge type process having solids screening, bioreactor with nitrification-denitrification, clarification, filtration, disinfection, and solids handling. The phase 1 process will be convertible in element layout and capable of interfacing under minimal modification with the 30 MGD ultimate plant footprint. Effluent will meet ADEQ Title 18, Ch. 11 requirements for Class A+ reclaimed water.</td>
<td>9 / C.3</td>
</tr>
<tr>
<td><strong>CLEAN WATER ACT SECTION 208 CHECKLIST</strong></td>
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<td>------------------------------------------</td>
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<tr>
<td><strong>Identify water quality problems, consider</strong></td>
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<tr>
<td>alternative control measures, and recommend</td>
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<tr>
<td>solution for implementation.</td>
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<tr>
<td>No water quality problems are anticipated. Effluent quality will be A+ with the initial phase being discharged to recharge basins.</td>
<td></td>
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<tr>
<td>11 / C.4</td>
<td></td>
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</tr>
<tr>
<td><strong>If private WWT utilities with certificated areas are within the proposed regional service area, define who (municipal of private utility) serves what are and when. Identify whose sewer lines can be approved in what areas and when.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No private WWT utilities exist within the SPA 3 service area.</td>
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<tr>
<td>11 / D</td>
<td></td>
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</tr>
<tr>
<td><strong>Describe method of effluent disposal and reuse sites (if appropriate).</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initial effluent disposal will be through recharge basins located on site. Future disposal will be used on open space landscaping, parks, and golf courses. Direct effluent discharge permitted through AZPDES permitting will also be used in emergency situations.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 / C.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Describe other wastewater treatment options that were considered.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two alternatives were considered:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alt. #1 - Provide additional sewerage collection and effluent distribution piping and conveyance to transport flows to and from existing plants in City of Surprise Special Planning Area 1. Additional treatment infrastructure would likely be necessary to provide for significant increases in loading from the new service area.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alt. #2 - Provide new wastewater collection and treatment facilities within the service area via the SPA 3 Regional WRF - owned and operated by the City of Surprise. Use effluent on-site for groundwater recharge.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<p>| <strong>If Sanitary Districts are within a proposed planning service area, describe who serve the Sanitary Districts and when.</strong> |
| There are no Sanitary Districts in SPA 3. |
| 11 / D |
| <strong>Describe ownership of land proposed for plant sites and reuse areas.</strong> |
| 106 acres of the land proposed for the SPA 3 Regional treatment has been acquired by the City of Surprise. The remaining 35 acres owned by Courtland Homes will be transferred to the City via Developer agreement. |
| 4 / C.1 |
| <strong>Address time frames in the development of the treatment works.</strong> |
| The Phase 1 construction is scheduled for completion during the 2nd quarter of 2006. A project schedule is shown in Appendix C. |
| 17 / V.A |</p>
<table>
<thead>
<tr>
<th><strong>CLEAN WATER ACT SECTION 208 CHECKLIST</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Address financial constraints in the development of the treatment works.</strong></td>
</tr>
<tr>
<td><strong>Describe how discharges will comply with EPA municipal and industrial stormwater discharge regulations (Section 405, CWA).</strong></td>
</tr>
<tr>
<td><strong>Describe how open areas and recreational opportunities will result from improved water quality and how those will be used.</strong></td>
</tr>
<tr>
<td><strong>Describe potential use of lands associated with treatment works and increased access to water-based recreation, if applicable.</strong></td>
</tr>
<tr>
<td><strong>REGULATIONS</strong></td>
</tr>
<tr>
<td><strong>Describe types of permits needed, including NPDES, APP, and reuse.</strong></td>
</tr>
<tr>
<td><strong>Describe restrictions on NPDES permits, if needed, for discharge and sludge disposal.</strong></td>
</tr>
<tr>
<td><strong>Provide documentation of communication with ADEQ Permitting Section 30 to 60 days prior to public hearing regarding the need for specific permits.</strong></td>
</tr>
<tr>
<td><strong>Describe pretreatment requirements and method of adherence to requirements (Section 208 (b)(2)(D), CWA).</strong></td>
</tr>
</tbody>
</table>

Q:\Projects\Surprise\604110, Austin Ranch 208 Amend-Courtland\Design\Checklist 113004.xls
# CLEAN WATER ACT SECTION 208 CHECKLIST

<table>
<thead>
<tr>
<th>Item</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify, if appropriate, specific pollutants that will be produced from excavations and procedures that will protect ground and surface water quality (Section 208(b)(2)(K) and Section 304, CWA).</td>
<td>Not applicable.</td>
</tr>
<tr>
<td>Describe alternatives and recommendation in the disposition of sludge generated. (Section 405 CWA)</td>
<td>Phase 1 sludge will be handled at the SPA 1 South WRF until flows reach 20,000 gpd. Sludge management thereafter will be treated on-site to produce Class B in accordance with R14-9-1006 of the AAC. Dewatered sludge will be hauled to the Regional landfill.</td>
</tr>
<tr>
<td>Define any nonpoint issues related to the proposed facility and outline procedures to control them.</td>
<td>Storm water runoff will be captured on site. Therefore there will be no known non-point discharge.</td>
</tr>
<tr>
<td>Describe process to handle all mining runoff, orphan sites and underground pollutants, if applicable.</td>
<td>Not applicable.</td>
</tr>
<tr>
<td>If mining related, define where collection of pollutants has occurred, and what procedures are going to be initiated to contain contaminated areas.</td>
<td>Not applicable.</td>
</tr>
<tr>
<td>If mining related, define what specialized procedures will be initiated for orphan sites, if applicable.</td>
<td>Not applicable.</td>
</tr>
</tbody>
</table>

## CONSTRUCTION

<table>
<thead>
<tr>
<th>Item</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Define construction priorities and time schedules for initiation and completion.</td>
<td>The Phase 1 design will be for a 1.8 MGD facility which will be constructed in 3 - 600,000 gpd units. The first unit construction will be started in mid 2005 and is scheduled for commissioning the 2nd quarter of 2006.</td>
</tr>
<tr>
<td>Identify agencies who will construct, operate, and maintain the facilities and otherwise carry out the plan.</td>
<td>Courtyard Homes will construct the initial 1.8 MGD facility. Upon commissioning, the City of Surprise will own and operate. Subsequent expansion phases will be constructed, operated and maintained by the City of Surprise.</td>
</tr>
<tr>
<td><strong>FINANCING AND OTHER MEASURES NECESSARY TO CARRY OUT THE PLAN</strong></td>
<td></td>
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<tr>
<td>---------------------------------------------------------------</td>
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</tr>
<tr>
<td>If plan proposes to take over certificated private utility, describe how, and when financing will be managed.</td>
<td>Not applicable.</td>
</tr>
<tr>
<td>Describe any significant measure necessary to carry out the plan, e.g., institutional, financial, economic, etc.</td>
<td>Courtland Homes will finance and construct the initial 1.8 MGD facility. Subsequent financing for future expansion will be the responsibility of the City of Surprise.</td>
</tr>
<tr>
<td>Describe proposed method(s) of community financing.</td>
<td>Additional phased construction will be financed through developer contributions/impact fees in conjunction with City of Surprise capital improvement bonds and sewer system development fees. Operation and maintenance will be carried out by the City of Surprise.</td>
</tr>
<tr>
<td>Provide financial information to assure DMA has financial capability to operate and maintain wastewater system over its useful life.</td>
<td>A memo from the City of Surprise stating the City's financial capability to operate and maintain the facility is shown in Appendix D.</td>
</tr>
<tr>
<td>Provide a time line outlining period of time necessary for carrying out plan implementation.</td>
<td>The 3-phase construction of the 1.8 MGD will be completed as needed and is projected to be completed by 2016. The first 600,000 gpd unit is projected to be commissioned in July 2006.</td>
</tr>
<tr>
<td>Provide financial information indicating the method and measures necessary to achieve project financing. (Section 201 CWA or Section 604 may apply.)</td>
<td>A letter from Courtland Homes sets out financial commitment for the initial phases of construction and is shown in Appendix C. Operation and maintenance of all phases will be by the City of Surprise.</td>
</tr>
</tbody>
</table>

**IMPLEMENTABILITY**

<table>
<thead>
<tr>
<th><strong>Describe impacts and implementability of Plan:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Describe impacts on existing wastewater (WW) facilities, e.g., Sanitary district, infrastructure/facilities and certificated areas.</td>
</tr>
<tr>
<td>Describe how and when existing package plants will be connected to a regional system.</td>
</tr>
</tbody>
</table>
## CLEAN WATER ACT SECTION 208 CHECKLIST

<table>
<thead>
<tr>
<th>Description</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Describe the impact on communities and businesses affected by the plan.</td>
<td>17 / B</td>
</tr>
<tr>
<td>SPA 3 in the City of Surprise is sparsely populated and without any</td>
<td></td>
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<tr>
<td>types of community related services. Therefore no impacts are</td>
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<td>anticipated beyond normal change associated with population</td>
<td></td>
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<tr>
<td>influxes.</td>
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<tr>
<td>If a municipal wastewater (WW) system is proposed, describe how WWT service</td>
<td></td>
</tr>
<tr>
<td>will be provided until the municipal system is completed: i.e., will</td>
<td></td>
</tr>
<tr>
<td>package plants and septic systems be allowed and under what circumstances.</td>
<td>17 / V.A</td>
</tr>
<tr>
<td>(Interim services).</td>
<td></td>
</tr>
<tr>
<td>The proposed WRF will be constructed prior to residential occupation. Low</td>
<td></td>
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<tr>
<td>sewage flow conditions up to 20,000 gpd will be handled on a vault and</td>
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<tr>
<td>haul basis.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Public Participation</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submit copy of mailing list used to notify the public of the public</td>
<td>18 / VI</td>
</tr>
<tr>
<td>hearing on the 208 amendment (40 CFR, Chapter 1, Part 25.6, disruption</td>
<td></td>
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<tr>
<td>list)</td>
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<tr>
<td>Public participation requirements will be satisfied through the MAG</td>
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<tr>
<td>process.</td>
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<tr>
<td>List location where documents are available for review at least 30 days</td>
<td>18 / VI</td>
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<tr>
<td>before public hearing.</td>
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<tr>
<td>Public participation requirements will be satisfied through the MAG</td>
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<td>process.</td>
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<tr>
<td>Submit copy of the public notice of the public hearing as well as an</td>
<td>19 / VI</td>
</tr>
<tr>
<td>official affidavit of publication from the area newspaper. Clearly show</td>
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<tr>
<td>the announcement appeared in the newspaper at least 45 days before the</td>
<td></td>
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<tr>
<td>hearing.</td>
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<tr>
<td>Public participation requirements will be satisfied through the MAG</td>
<td></td>
</tr>
<tr>
<td>process.</td>
<td></td>
</tr>
<tr>
<td>Submit affidavit of publication for official newspaper publication.</td>
<td>18 / VI</td>
</tr>
<tr>
<td>Public participation requirements will be satisfied through the MAG</td>
<td></td>
</tr>
<tr>
<td>process.</td>
<td></td>
</tr>
<tr>
<td>Submit responsiveness summary for public hearing.</td>
<td>18 / VI</td>
</tr>
<tr>
<td>Public participation requirements will be satisfied through the MAG</td>
<td></td>
</tr>
<tr>
<td>process.</td>
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</tbody>
</table>
I. AUTHORITY

As the Designated Planning Agency, the Maricopa Association of Governments has the authority to prepare plan amendments for Maricopa County Planning and service areas as required under Section 208 (c) (a) (2) of the Clean Water Act. Therefore, the following application is submitted for amending the existing Regional Water Quality Management Plan to accommodate an ultimate build out 30 MGD Regional Water Reclamation facility in the City of Surprise; Special Planning Area No. 3 (SPA 3). A location map showing the planning area boundaries and treatment plant site is presented in Figure 1.

II. 20-YEAR NEEDS

A. Description of existing wastewater treatment facilities

Currently there are no existing wastewater collection, or treatment facilities in the SPA 3. The City has however, completed an Integrated Water Master Plan, which has identified the wastewater collection and treatment needs of the City’s Special Planning Areas 1-5. In the City of Surprise SPA No. 1, there is an existing 7.2 MGD Water Reclamation Facility, located approximately 10 miles southeast from the proposed SPA No.3 Regional WRF. The existing SPA 1 WRF is expected to reach its full capacity of 36 MGD at an ultimate build out.

In the City of Surprise SPA No. 2, a MAG 208 Amendment for an ultimate build out capacity of 10.5 MGD will be submitted shortly to Maricopa County.

B. Summary of Alternatives

The City of Surprise considered the conveyance of sewage flows to other existing plants as well as treatment in SPA 3. While a decision regarding the specific process treatment for the 30 MGD Regional WRF has not been made, treatment will be some form of an activated sludge process biological nutrient removal system. The City has hired a consultant to prepare a Process Technology Evaluation study, which will identify treatment technologies for Special Planning Areas 1-5.

The initial phases (developers) of 600,000 gpd to 1.8 MGD (see subsection C) have been evaluated for various treatment processes including an anoxic-oxic methodology and a modified sequencing batch reaction methodology in order to achieve nitrification and denitrification and meet Class A+ effluent requirements. A final treatment methodology has not been selected but will, in all cases, be capable of producing a Class A+ effluent.
The Developer Phase 1 WRF will incorporate an influent sewer lift station that will discharge into a headworks, which will include screening, grit removal, and flow measurement. A bioreactor incorporated within concrete tankage will also be shared by clarifiers and digesters. Filtration will be performed using disk filters and disinfection will be obtained using bulk liquid sodium hypochlorite. The selected treatment option will be under an odor control program in which the influent lift station, headworks, bioreactors, and digesters will be fully enclosed in order to scrub exhaust air using granular activated carbon contactors.

C. Description of Recommended SPA No. 3 Regional WRF

The amendment application contains information and supporting data for the wastewater facility projected to have an ultimate rated capacity of 30 million gallons per day with Developer Phase 1 of 1.8 million gallons average daily flow. Existing population in SPA 3 is sparse and spread throughout the 99-square mile area. Known committed new development includes Austin Ranch, scheduled for a 10-year build out, and Rio Rancho, scheduled to be built-out over the next six years. The Phase 1, 1.8 MGD capacity will be phased in 0.6 mgd increments over the next 10 years. Population projections based upon Traffic Analysis Zone Enumeration for the horizon year 2020 shows 24,240 residents in SPA 3 while build out population is projected at 191,680 residents. These projections differ somewhat from the Surprise General Plan 2020 population estimates discussed below in Section C.2. - Population Estimates. In order to remain consistent with the City’s planning, population projections for this 208 Amendment are based upon the Surprise General Plan 2020. Wastewater treatment capacity needs to a 20-year horizon (2004-2024) are expected to be in a range of 3-4 million gallons per day as shown in Figure 4 – 20-Year Projected Growth, SPA 3. Subsequent phasing for the 30 MGD Regional WRF is projected to be in 5-6 MGD increments until the total regional facility capacity of 30 MGD is reached.

As noted in the Surprise General Plan 2020, Section 4.1.6 – Special Planning Areas, “Build out is defined as the entire planning area being developed with the land use designations identified on the Land Use Plan within the density ranges. Build out is a condition, not a time frame. When the community will reach build out is unknown because it depends on market conditions.” The high-end density projections for SPA 3 could result in the need for a 30 MGD ultimate capacity.

1. Site location and Property Ownership

SPA 3 Regional Wastewater Treatment Plant will be located in the SW ¼ of Section 22, T4N, R2W of the Salt and Gila River Base and Meridian. This site occupies approximately 140 acres located one half mile south of Deer Valley Road and is bordered on the west and east sides by Perryville Road (187th Ave) and the 183rd
Alignment respectively. A location map showing the site and other topographic features is shown in Figure 2. As a regional designation, the 30 MGD WRF will serve the entire City of Surprise’s, SPA 3. An ownership map surrounding the SPA 3 Regional WRF site is shown in Figure 3.

The Developer Phase 1, 3.8 MGD WRF along with a conceptual layout of an ultimate 30 MGD facility is shown in Figure 5, page 12. This layout is scaled to the approximate dimensions, which shows that the 140-acre site has adequate land area to accommodate the 30 MGD plant size including the installation of recharge basins that will be used for the initial phases, and which takes into account the topographic features inherent with the site.

A preliminary search and review of existing geologic maps and other hydrogeologic data does not show any unstable soil conditions such as fissuring or surface subsidence’s issues. An unnamed wash goes through the site.

Storm water volumes and return frequencies for the 100-year event have been addressed in hydrological studies for this particular wash as part of a greater regional flood study known as the Wittmann Area Master Plan. This study was conducted by the Flood Control District of Maricopa County as the sponsoring agent for the US Federal Emergency Management Agency (FEMA). An updated study for the area has been completed in which new hydrology has been generated and will be used to ensure that the WWTP will be located above the 100-year storm event.

Courtland Homes, the developer for Austin Ranch owns a 35-acre parcel within the SPA 3 Regional Wastewater Treatment Plant Facility site. This acreage will be transferred in fee title to the City of Surprise through a development agreement. In addition, the City of Surprise consummated the purchase of the remaining 105-acres on October 1, 2004. See council action memo in Appendix A. The City’s implementation plan for the SPA 3 Regional site location is further identified by council approval for the Integrated Water Master Plan – see June 24, 2004 memo and the executive summary in Appendix A).

2. Population Estimates

The subdivisions, Rio Rancho Estates and Austin Ranch are known to be in some stage of development with respect to initiating formal discussions and actions with the City. These subdivisions representing 900 and 3100 residential units respectively have a known home building development schedule that contemplates
build out in the years 2010 and 2014. During these subdivision build out years, the combined rate of residential units coming on line will be 50 units per month. The assumption is that other unknown developers will come into SPA 3 at a rate of 20 units per month until the year 2014 and then accelerate to 35 units per month for the remaining 10 year period. This degree of build out would result in approximately 8,000 residential units by the year 2024. The growth build out rate for the 20-year projection is shown in Figure 4.

In accordance with the Surprise General Plan 2020, SPA 3 has 23,666 acres designated for a variety of residential uses. Since this is the largest of the SPAs, population impacts will be greatly affected by the actual densities that occur within the various residential land use designations. The table shown on page 9, Table 4-9 – SPA 3 Population Projections, taken from the Surprise General Plan 2020 outlines the various population projections per residential density.

Quoting from the Surprise General Plan 2020, “Assuming half of the mixed-use designated property will be in commercial uses, there are 534 acres (i.e., 1.4 percent of SPA area) of commercial property designed in this SPA. This is estimated to support a population of 142,150.”

“Over 3,600 acres of SPA 3s total area is restricted by Luke Air Force Base Auxiliary Field #1, Volvo Proving Grounds, and the Northwest Valley Landfill. These facilities have not been included in the employment analysis. Employment uses comprise 10.0 percent of the total land in SPA 3. However, reuse of one or all of these facilities is possible in the decades ahead, which could allow other designations to be feasible for these areas.”

“Should the SPA develop at the low-density range, the estimated population will be 118,880. If the SPA develops at the high end, the population is estimated to be 238,558. Total build out population of the currently incorporated area would be 111,537 at the mid-range density scenario.”
20-Year Projected Growth, SPA3

FIGURE 4
SPA 3 · 20 YEAR PROJECTED GROWTH
Table 4-9, SPA 3 Population Projections

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Acreage</th>
<th>DU*/acre Mid-Range</th>
<th>Total Dwelling Units</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural Residential (0-1 du/ac.)</td>
<td>10,100</td>
<td>.50</td>
<td>5,050</td>
<td>14,241</td>
</tr>
<tr>
<td>Suburban Residential (1.3 du/ac.)</td>
<td>3,572</td>
<td>2.0</td>
<td>7,144</td>
<td>20,146</td>
</tr>
<tr>
<td>Low Density Residential (3-5 du/ac.)</td>
<td>7,263</td>
<td>4.0</td>
<td>29,180</td>
<td>83,049</td>
</tr>
<tr>
<td>Medium Density Residential (5-8 du/ac.)</td>
<td>1,943</td>
<td>6.5</td>
<td>12,827</td>
<td>35,698</td>
</tr>
<tr>
<td>Medium High Density (8-15 du/ac.)</td>
<td>597</td>
<td>11.5</td>
<td>6,833</td>
<td>16,449</td>
</tr>
<tr>
<td>High Density Residential (15-21 du/ac.)</td>
<td>181</td>
<td>18</td>
<td>3,270</td>
<td>9,221</td>
</tr>
<tr>
<td>Total</td>
<td>23,666</td>
<td></td>
<td>63,374</td>
<td>178,714</td>
</tr>
</tbody>
</table>

DU* = Dwelling units per acre

3. WRF Description

The treatment processes that will be used for SPA 3 regional WRF have not yet been determined. A Process Technology Evaluation study is currently underway that will identify treatment processes for the City of Surprise Special Planning Areas 1-5. In any case, the ultimate design plant will be of an activated sludge type process and will have the following treatment elements and processes:

- Headworks
  - Raw sewage influent lift station
  - Solids screening and grit removal
  - Influent metering
- Bioreactor
  - Nitrification – denitrification
- Clarification
- Filtration
  - Disk filtration
- Disinfection
  - Bulk liquid sodium hypochlorite
- Solids handling
  - Thickening
  - Digestion
  - Dewatering
- Effluent Disposal
  - Recharge ponds (potential need for dechlorination)
  - Reuse

The design for the Developer Phase 1, 1.8 MGD WRF shown in Figure 5 will be compatible in element layout and will be capable of interfacing under minimal modification with the ultimate plant footprint. The Phase 1 WRF will be operated in anoxic-anoxic or
modified sequencing batch reaction design regime. The design will be based upon a hydraulic loading of 100 gallons per capita per day average annual daily flow or 350 gallons per day per residential dwelling unit. Biological loading will be designed initially for a 300 mg/L BOD, 300 mg/L suspended solids, and a 45 mg/L of total nitrogen.

The treated effluent will meet ADEQ Title 18, Chapter 11 requirements for Class A+ reclaimed water, and the effluent water quality must conform to the following:

- Turbidity < 2 NTU (24 hour mean)
- Turbidity < 5 NTU (any time)
- Fecal Coliform = none detected (4 of 7 samples)
- Fecal Coliform <23 CFU/100mL (any time)
- Total Nitrogen <16 mg/L (5 day mean)

Because the initial introduction of sewage from a hydraulic standpoint will be dictated by the rate of home building in the Austin Ranch and Rio Rancho developments, a City operated vault and haul disposal will be employed wherein a bioreactor basin will be used for storage; aerated to ensure that the raw sewage remains non-septic; and then hauled to an established treatment facility. This mode of operation will continue until the hydraulic loading to the treatment plant reaches approximately 20,000 gpd. The vault and haul operation will be under the City’s operational control. The City will obtain a Vault and Haul Permit. The biological system will operate with lower liquid levels in the tanks, therefore reducing the hydraulic retention times in the reactor. Digested waste sludge will be thickened and dewatered using a sludge belt filter press. The dewatered sludge cake will be then hauled to the regional landfill adjacent to the Regional SPA 3 site. The resulting sludge cake will be a Class B in accordance with R18-9-1006, Class A and Class B Pathogen Reduction Requirements.

4. Effluent Disposal and Quality Requirements

Effluent disposal options for the Regional WRF will include a combination of future turf reuse for parks, schools, and golf courses and initial groundwater recharge. Figure 6 – Reclaimed Plan, taken from the Surprise Water Infrastructure Master Plan shows the City’s conceptual layout for reclaimed water.

The Developer Phase 1 effluent disposal will be through the use of recharge basins. Treated effluent will be discharged on-site into recharge basins for groundwater recharge credits. The basins will be sized for the Developer Phase 1, using in situ geotechnical
boring data to determine percolation rates. Recharge basins will be designed to allow for alternate wetting-drying cycles to ensure adequacy for full on-site storage capacity. In general, percolation rates could average 6-inches per day at this site. On that basis, the percolation basin area will require approximately 5.5 acres per 600,000 gpd per phase. The assumed percolation rate will be refined after the results of the geotechnical subsurface exploration and percolation tests are known. This type of effluent recharge will be implemented on an interim basis until the City of Surprise has development within SPA 3 that will allow for the irrigation of public space, open area landscaping, and other surface irrigation such as parks and golf courses.

Effluent quality will be classified as A+ Reclaimed Water. This level of water quality will meet the water quality requirements for all types of direct reuse, from spray irrigation for parks to open space landscaping, golf course irrigation, and recreational lake impoundments. As such, the effluent reuse that will come out of the SPA 3 Regional Facility will comply with the open access category of the effluent reuse regulations of the Arizona Administrative Code, Title 18, Chapter 9.

5. **Storm Water Discharge**

On-site run off from storm events will be captured on site: grading on-site will be designed to capture run off. Discharge into the natural wash which runs through the site, will be prevented by grading and construction of berms.

D. **Sanitary District, Private Utilities, and WRF Service Areas**

There are no existing wastewater treatment facilities that are located in the City of Surprise, SPA 3 (see Section II, 26-Year Needs, Subsection A) and therefore no impacts from a process treatment standpoint. The regional treatment facility site located in the SW 1/4 of section 22 lies wholly inside the City of Surprise jurisdictional boundaries. This site location conforms to the City’s recently completed Water Infrastructure Master Plan. Two private water utilities, Arizona-American Water Company and Beardsley Water Company, Inc., regulated through the Arizona State Corporation Commission have service boundaries that come within one mile of the regional treatment site. These private water utilities along with their respective service area boundaries adjacent to Section 22 are shown in Figure 2. Figure 7 taken from the Surprise General Plan 2020 shows area wide water providers.

Figure No. 2, also identifies the location of ground water wells registered with the Arizona Department of Water Resources located within one mile of the proposed WWT site. Well data showing depth, casing size, and
depth to water is identified in the Table in Appendix B. The wells, not a part of the City of Surprise potable water system are identified as being used for irrigation, stock watering, as well as for private domestic purposes.

E. Permitting and Regulations
The SPA 3 Regional WRF will require the following permits:
- Aquifer Protection Permit (APP) issued by the Arizona Department of Environmental Quality (ADEQ) for treated effluent recharge basins.
- Approval to Construct issued by MCESD
- Approval of Construction issued by MCESD
- Vault and Haul permit issued by MCESD
- Groundwater recharge credits:
  - Underground Storage Facility Permit and Water Storage Permit issued by Arizona State Department of Water Resources (ADWR)
- Air Quality permit issued by MCAQC
- AZPDES Permit by ADEQ
- Annual Operation Permit issued by MCESD.

F. Pretreatment Requirements
There are 26 industrial users located in SPA 3 at present and therefore no pretreatment is anticipated for the initial phase. The City of Surprise has an industrial/commercial pretreatment ordinance, which will be imposed as this type of development occurs in the area.

G. Sludge Management
Sludge processing will include digestion, thickening and dewatering for the Regional WRF. During the startup period of the initial phase, sewage of up to 20,000 gpd will be temporarily stored on site in a sludge holding tank equipped with aeration and disinfection. At a predetermined frequency, the sewage will be hauled to the City of Surprise, SPA 1 South WRF for additional treatment. Once sewage flows build to approximately 20,000 gpd, the treatment plant can be successfully operated. Thereafter waste activated sludge will be digested, thickened, and dewatered on a belt filter press. The de-wated sludge will be stored in haul-off containers and periodically hauled to the Regional landfill for final disposal. The sludge will be Class B in accordance with R18-9-1006.
III. CONSTRUCTION

A. Construction and Operation Responsibility

The Phase 1-A, 600,000 gpd SPA 3 Regional WRF will be constructed by the developer of Austin Ranch, Courtyard Land, LLC. In order to accommodate the Austin Ranch and Rio Ranchos home building schedule, the first 600,000 gallons per day of the initial 1.8 MGD treatment facility must be commissioned for operation by July 2006. Plant construction should be started no later than July 2005 to meet this commissioning. Once treatment facility commissioning, approval, and County Regulatory Approval of Construction Certification has been granted, the initial phase ownership of facilities will be transferred to the City of Surprise. Timing for future WRF expansion beyond the initial phase will depend upon population growth rate in SPA 3. Population projections based upon the Surprise General Plan 2020 shows a build out population projected at 178,714 residents.

In the initial phase, a vault and haul process will be implemented until there is sufficient sewage flow to ensure a viable treatment process. This generally will occur at a 20,000 gpd level of the first phase-designed capacity of 600,000 gpd. At the projected residential home build out rate for the Rio Rancho Estates and Austin Ranch, the two future subdivisions, of 50 homes per month, the vault, and hold process is expected to last approximately one month. This process will be under the responsibility and operational control of the City of Surprise, the owner-operator of the regional facility.

A critical path schedule is shown in Appendix E, and as can be seen, the permitting and regulatory review of the design is on the critical path.

B. Construction Related Pollution

Construction activities associated with the WRF will not be pollution intensive. Fugitive dust resulting from earth excavation, backfill, and general site grading activities along with the accumulation of construction related solid waste/inert materials are the only sources of pollution anticipated. Construction activities will be conducted in compliance with a County earthmoving and general construction permit, and will comply with control provisions in carrying out the construction activities. Construction solid waste will be removed from the site and properly disposed in the NW Regional Landfill.
IV. FINANCING AND OTHER MEASURES TO CARRY-OUT THE PLAN

Financing for the Developer Phase 1, 1.8 MGD of the 30 MGD SPA 3 Regional WRF is budgeted in the amount of $14,400,000. As evidenced in the memorandum of understanding between Courtland Land, LLC and the City of Surprise (Appendix C), the future Austin Ranch Plan of Development Agreement will have final financial arrangements made to the satisfaction of the City. Courtland Homes will own, operate, and maintain the plant through testing and commissioning. Thereafter plant ownership, operation, and maintenance will be with the City of Surprise.

Anticipated financing and measures for future construction phases will come from developer contributions/impact fees as called for to support planned development. City of Surprise Council agenda action form calling for action to approve Ordinance 04-24 adopting new development fees, is shown in Appendix D.

V. IMPACTS AND IMPLEMENTATION PLAN

A. Implementation Plan

The proposed 1.8 MGD wastewater reclamation facility is the Developer Phase 1 of the City of Surprise’s 30 MGD Regional WRF planned for the City’s SPA 3. The Developer’s Phase 1 will be constructed in three increments of 600,000 gallons each. The first 600,000 gallons is scheduled to begin construction no later than July of 2005 with construction and commissioning anticipated being completed twelve months following start of construction. Subsequent expansions are anticipated according to future build out conditions.

Once there is a need to expand beyond the 1.8 MGD, expansion increments will be constructed in 5-6 MGD units in time frames dictated by population growth in the Planning Area. Population projections based upon the City of Surprise General Plan 2020 identifies an ultimate population of 178,714. No date has been projected as to when the ultimate build out will occur.

B. Impacts of Proposed WRF Plan

The effect of implementing the initial Developer’s Phase 1 is not expected to negatively impact the operation of any adjacent municipality, existing wastewater certificated area, nor any communities or business. All effluent will be discharged into recharge basins and is not expected to produce a noticeable increase in the insect population nor produce odors because of the high quality of the effluent (class A+) and because there will be very little standing water in the recharge basin. The treatment
plant will be designed for full odor containment and will have odor scrubbing and polishing per regulations for a 350-foot setback.

VI. PUBLIC PARTICIPATION

MAG is responsible, with cooperation from the City of Surprise, for ensuring that the following actions are taken as this CWA (Clean Water Act) 208 Amendment process proceeds:

- Submittal of a mailing list that will be used to notify the public of the hearing on this 208 Amendment.
- 30-day notification to the public of the location where documentation pertaining to this 208 Amendment is available for review.
- Publication of a public notice with information on the date, time, subject, and location of the public hearing on this 208 Amendment at least 45 days prior to the hearing.
- Submittal of an affidavit of publication of the public notice.
- Submittal of a responsiveness summary for the public hearing.
CITY OF SURPRISE
COUNCIL AGENDA ACTION FORM

Meeting Time: Regular Meeting Time Scheduled: May 13, 2004 7:00 PM
If Special submit date time
Submitter: Department: Water Services Contact Person: Rich Williams, Sr.
Consent Regular Requesting Action Report Only

Type of Document Needing Approval (Check all that apply):
☐ Public Hearing ☐ Resolution ☐ First Reading/Ordinance ☐ Liquor/Bingo License Application
☐ Agreement ☐ Emergency Clause ☐ Final Reading/Ordinance ☐
☐ Special Consideration ☐ Intergovernmental Agreement ☐ Acceptance
☐ Grant ☐ Submission ☐ ☐
☐ Council Request ☐ Finance Related ☐

Council Priority (Check Appropriate Areas):
☐ Education ☐ Public Fitness ☐ Neighborhood Revitalization ☐
☐ Job Creation ☐ Quality Service Delivery ☐ Employment Infrastructure ☐
☐ Public Safety ☐ Housing Rehabilitation ☐ Work Force Preparation ☐
☐ Transportation ☐ Human Service Needs ☐ Parks, Recreation & Library ☐
☐ City Electrics ☐ Community Activities ☐

Regular Agenda Wording: Consideration and action authorizing the City Manager to pursue the dedication of approximately 35 acres and the acquisition of an additional 105 acres of land associated with the Austin Ranch Development project; to amend the Surprise MAG 208 Water Quality Management Plan identifying these acquired lands as the new City of Surprise SPA3 Regional Water Reclamation Facility site; and to enter into a development agreement with the Austin Ranch developers detailing said property acquisition and other related issues.

Staff Recommendation: Approve Fiscal Impact: Yes If yes: Budget code: 2252-643-112-38111
Available: $1,992,076

Signatures of Submitting Officers (Sign Legibly):

Date 2-1-2004

City Manager/Designee

Council Action: Results:
Motion/Second For Against For Against
Shaér Cox Bails Sullivan Arismendez Vukanovich Allen Art Orquidez, Purchasing Shirley Sjoroos, Financie
CITY OF SURPRISE
COUNCIL AGENDA ACTION FORM

Background Info: The Austin Ranch Development PAD has been approved by Planning and Zoning and will be brought to Council for final approval in May. Staff has been working on the acquisition of this 140 acres of property since last May. We are in possession of an ALTA Survey, Phase I Environmental Assessment and cost Appraisal pertaining to the property. Our intent is to have the Austin Ranch Development dedicate the initial approximate 35 acres to the City and to reimburse them the appraised value, over the duration of the proposed development agreement, from Sewer System Development fees associated with the Austin Ranch Development and others within the SPA3 Sewer Service Area. The City would then purchase the additional approximate 105 acres that the developer has currently optioned, with funds that are currently budgeted. This money would also be recovered through Sewer System Development Fees associated with the Austin Ranch Development and others within the SPA3 Sewer Service Area.

List Attachments as Follows: Narrative, Courtland Homes, Inc. signed letter, Northwest Regional Landfill Proposed Site Map, Property Appraisal (conclusions only attached), Phase I Environmental Site Assessment (conclusions and recommendations only attached), however original appraisal and site assessment documents are on file with the City of Clerk.
WATER SERVICES
COUNCIL AGENDA NARRATIVE
May 13, 2004 Meeting

Agenda Action Item
Consideration and action authorizing the City Manager to pursue the dedication of approximately 35 acres and the acquisition of an additional 105 acres of land associated with the Austin Ranch Development project, to amend the Surprise MAG 208 Water Quality Management Plan identifying these acquired lands as the new City of Surprise SPA3 Regional Water Reclamation Facility site, and to enter into a development agreement with the Austin Ranch developers detailing said property acquisition and other related issues.

Background
Staff has been working with the Austin Ranch developer to acquire sufficient land for the General Plan 2020 (GP2020) Special Planning Area #3 (SPA3) Regional Water Reclamation Facility (WRF) site, to be located within the general area as delineated within the Integrated Water Master Plan (IWMP) document.

Purpose
The SPA3 Regional WRF site must be large enough at build out to accommodate a future sewer capacity of approximately 30 Million Gallons per Day (MGD), in response to the current GP 2020 zoning and densities. If the general plan zoning and densities increase, it may be necessary to acquire additional acreage to accommodate service area capacities at build out.

Benefits
The proposed site has numerous benefits which include; its location adjacent to the existing Northwest Regional Landfill property on the west (good neighbor), it’s location adjacent to the Maricopa County Flood Control District (MCFCD) property on the east (City has an existing lease for future recharge on MCFCD property), the current zoning is designated for employment (not residential), it is easier to build a WRF on this land than it would be to build conventional construction (due to the existing washes), it allows for gravity flow from all associated sewer lines within the service area vs. expensive Lift Stations, the original (6/20/03) appraised value of the land is only approximately $10,000 per acre (compared to $30,000 for prime land in other areas), the Austin Ranch development already owns approximately 35 acres and has an option on the remaining approximately 105 additional acres in question, the Austin Ranch development would be required to fund the Phase 1 of the Regional WRF plant construction with no construction money advanced by the City, if we act now it may be possible to include the Rio Rancho development project in the Phase 1 design/construction of the regional facility on this site and eliminate the need for the proposed temporary treatment plant, plus other benefits. It may also be possible for this facility location to help the City move closer to the plan of providing a Regional Passive Recreation Area.

Cost & Budget Considerations
The original (6/20/03) appraised value of the land is only approximately $10,000 per acre. The Austin Ranch development already owns approximately 35 acres and has an option on the remaining approximate 105 acres in question. The City has money currently budgeted to purchase land for a new SPA3 Regional WRF site. The Austin Ranch development would be required to fund the first phase of the WRF plant construction with no construction money required up front by the City. This would defer the burden of City funding for the initial 35 acres on land and the Phase 1 WRF design/construction at an estimated cost of approximately $7,000,000 - $10,000,000. The developer would be reimbursed the cost of all land and Phase 1 WRF design/construction from Sewer System Development Fees associated with Austin Ranch and future developments served by the regional facility. It may be necessary to update the original (6/20/03) land appraisal.

Time Line
The developer can be required to dedicate the existing 35 acres that they own upon approval of the development agreement. The developer’s option on the remaining 105 acres runs out by September of this year. It will be necessary for the City to purchase the additional 105 acres utilizing the developer’s existing option by the September termination date. The developer is proposing to break ground on the Phase 1 WRF plant construction during the fall of 2004 and to be
completed by the spring of 2006. The Austin Ranch home construction is proposed to start at the completion of the Phase I WRF plant construction.

What happens if we don’t approve
The City misses out on a significant opportunity to utilize a developer’s project to initiate and fund the land purchase and Phase I WRF design/construction necessary for the City’s SPA3 Regional WRF solution. Also, we may not be able to find an alternative site that’s financially impacted by its proximity to the NWR Landfill and Flood Control lands. This proximity has a negative impact on land values and causes the land price to be lower, which is desirable for our purposes. Also, the close proximity to the flood control lands is desirable for using our existing lease for future recharge efforts.

Recommendation

STAFF RECOMMENDS APPROVAL OF THIS REQUEST.
April 26, 2004

Rich Willems, Sr.
City of Surprise
12425 W. Bell Road, Suite D-100
Surprise, AZ 85374-9002

SUBJECT: Austin Ranch and City of Surprise Regional Sewer Treatment Site

Dear Rich,

Thank you and other City Staff for meeting with myself and our consultants last Tuesday to discuss the Sewer Treatment Site Courtland is proposing for Austin Ranch. Pursuant to our meeting, Courtland respectfully requests that City Staff and the City Council of the City of Surprise consider approval of the following on the night our Austin Ranch PAF goes to City Council for approval, which I believe is May 13, 2004:

1. Adoption/ratification for Courtland to begin amending the City of Surprise's MAG 208 Permit for the new water reclamation facility for Austin Ranch.

2. Adoption/ratification by the City of Surprise to purchase that certain 105 acres surrounding the 35 acre treatment site shown in the Austin Ranch PAF. This 140 acres would be considered the site for the Special Planning Area #3 Regional water reclamation facility for the City.

In our meeting, we determined Courtland will proceed with drafting the MAG 208 permit application, gathering drainage information, and gathering federal permit requirements on the treatment plant location. The City will update the appraisal previously performed on the site in May 2003. Let me know if there is any information you need.

Sincerely,

Courtland Homes, Inc.
ROC #89501

John Wiltrock
President

cc: Phil Testa, City of Surprise
    Jeff Billie, City of Surprise
    Mike Curley, Earl, Curley, and Lagarde
    Mark Bonakoko, MB Group
    Peter Adair, CSA Consulting
    Keer Xander, KAX Group
COMPLETE APPRAISAL IN A
SUMMARY REPORT
VACANT LAND

139.6 Acres
East side of 187th Avenue
One-Half Mile South of Deer Valley Road
Surprise, Maricopa County, Arizona 85387

PREPARED FOR:
Scott M. Larson, P.D., R.L.S.
2BF Consulting
16805 North 28th Avenue, Suite 100
Phoenix, Arizona 85053-7550

EFFECTIVE DATE OF THE APPRAISAL:
June xx, 2003

INTEGRA REALTY RESOURCES - PHOENIX
File Number: 112-03-059
June 20, 2003

Scott M. Larson, P.D., R.L.S.
RBF Consulting
16805 North 28th Avenue, Suite 100
Phoenix, Arizona 85053-7550

SUBJECT: Market Value Appraisal
139.6 Acres on the East Side of
187th Avenue Alignment
One-Half Mile South of Deer Valley Road,
Surprise, Maricopa County, Arizona 85387
Integra Phoenix File No. 132-03-059

Dear Mr. Larson:

Integra Realty Resources - Phoenix is pleased to transmit the summary report of a complete appraisal that was prepared on the referenced property. The purpose of this appraisal is to develop an opinion of the market value of the fee simple estate of the property as of June xx, 2003, the effective date of the appraisal. The attached report sets forth the data, research, analyses, and conclusions for this appraisal.

This report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP) for a summary appraisal report. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in our file. The depth of discussion contained in this report is specific to the needs of the client and the intended use of the appraisal as noted herein.

The property is a vacant, unimproved desert parcel of land containing an area of approximately 139.6 acres and having a highest and best use for ultimate employment related, development. An alternative highest and best use is to hold the property for possible future value enhancement, or sell to others for a like purpose.
Based on the analyses and conclusions in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed therein, it is our opinion that the market value of the fee simple estate of the property, as of June 13, 2003, was:

ONE MILLION THREE-HUNDRED NINETY THOUSAND DOLLARS ($1,390,000).

The above value estimate is subject to the following:

Assumptions concerning the appraised property’s floodplain delineations were based on Federal Emergency Management Agency (FEMA) documents, personal inspections of the property and client-provided information. Should hydrology, drainage and other professional studies result in a significant difference in the delineations applied in this report, the appraisers reserve the right to alter the values concluded.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

INTEGRA REALTY ANALYSTS

Walter "Tree" Winius, MAI
Certified General Real Estate Appraiser
Arizona Certificate #30479

Sandra D. Donovan, Senior Analyst
Certified General Real Estate Appraiser
Arizona Certificate #30684

© 2002 by INTEGRA REALTY RESOURCES
Phase I Environmental Site Assessment

187th Avenue, Beardsley Rd, Maricopa County, AZ

Prepared for:
City of Surprise
12425 W. Bell Road, Suite D-100
Surprise, AZ 85374-9002
(623)875-4293

By:

Brandon L. Squire, P.E.
Project Manager
Registered Engineer
# 35177
16605 North 28th Avenue, Suite 100
Phoenix, AZ 85053

Project Number 45-101742

June 19, 2003
SECTION 6 – CONCLUSIONS AND RECOMMENDATIONS

6.0 CONCLUSIONS AND RECOMMENDATIONS

Based on a combination of field reconnaissance and database research, the subject property does not exhibit characteristics that indicate the presence of contamination on site or contamination impacts to properties within ½ mile of the site that can impact the subject property.

The redevelopment of the project area can go forward without the need for a Phase I Report.

The conclusions presented herein are professional opinions based on the indicated data described in this report. They are indicated only for the purpose, the location, and the project specified. It should be noted that the opinions and recommendations presented herein apply to the title conditions existing at the time of the study and those reasonably foreseeable. They cannot necessarily apply to site changes of which we are not aware and have not had the opportunity to evaluate. Changes in the conditions of the subject property can occur with time because of natural processes or due to human impact on the subject site or adjoining property. Changes in applicable evaluation standards can occur as a result of legislation or from a broadening of current knowledge and sampling technologies. Accordingly, the findings of this report may be invalidated, wholly or in part, by changes beyond our control.

The conclusions and recommendations contained in this report are based on the evaluation of information made available during the course of this assessment. It is not warranted that such data cannot be superseded through the course of construction or development of the residential community. Therefore, it is not warranted that future environmental, legal, geotechnical issues that surface during the course of future construction could supersede the findings specified herein.
WATER SERVICES
COUNCIL AGENDA NARRATIVE
May 13, 2004 Meeting

Agenda Action Item
Consideration and action authorizing the City Manager to pursue the dedication of approximately 35 acres and the acquisition of an additional 105 acres of land associated with the Austin Ranch Development project; to amend the Surprise MAG 208 Water Quality Management Plan identifying these acquired lands as the new City of Surprise SPA3 Regional Water Reclamation Facility site; and to enter into a development agreement with the Austin Ranch developers detailing said property acquisition and other related issues.

Background
Staff has been working with the Austin Ranch developer to acquire sufficient land for the General Plan 2020 (GP2020) Special Planning Area #3 (SPA3) Regional Water Reclamation Facility (WRF) site, to be located within the general area as delineated within the Integrated Water Master Plan (IWMP) document.

Purpose
The SPA3 Regional WRF site must be large enough at build out to accommodate a future sewer capacity of approximately 30 Million Gallons per Day (MGD), in response to the current GP 2020 zoning and densities. If the general plan zoning and densities increase, it may be necessary to acquire additional acreage to accommodate service area capacities at build out.

Benefits
The proposed site has numerous benefits which include, its location adjacent to the existing Northwest Regional Landfill property on the west (good neighbor), it’s location adjacent to the Maricopa County Flood Control District (MCFCD) property on the east (City has an existing lease for future recharge on MCFCD property), the current zoning is designated for employment (not residential), it is easier to build a WRF on this land than it would be to build conventional construction (due to the existing washes), it allows for gravity flow from all associated sewer lines within the service area vs. expensive Lift Stations, the original (6/2003) appraised value of the land is only approximately $10,000 per acre (compared to $30,000 for prime land in other areas), the Austin Ranch development already owns approximately 35 acres and has an option on the remaining approximate 105 additional acres in question, the Austin Ranch development would be required to fund the Phase 1 of the Regional WRF plant construction with no construction money advanced by the City, if we act now it may be possible to include the Rio Rancho development project in the Phase 1 design/construction of the regional facility on this site and eliminate the need for the proposed temporary treatment plant, plus other benefits. It may also be possible for this facility location to help the City move closer to the plan of providing a Regional Passive Recreation Area.

Cost & Budget Considerations
The original (6/2003) appraised value of the land is only approximately $10,000 per acre. The Austin Ranch development already owns approximately 35 acres and has an option on the remaining approximate 105 acres in question. The City has money currently budgeted to purchase land for a new SPA3 Regional WRF site. The Austin Ranch development would be required to fund the first phase of the WRF plant construction with no construction money required up front by the City. This would defer the burden of City funding for the initial 35 acres on land and the Phase I WRF design/construction at an estimated cost of approximately $7,000,000 – $10,000,000. The developer would be reimbursed the cost of all land and Phase I WRF design/construction from Sewer System Development Fees associated with Austin Ranch and future developments served by the regional facility. It may be necessary to update the original (6/2003) land appraisal.

Time Line
The developer can be required to dedicate the existing 35 acres that they own upon approval of the development agreement. The developer’s option on the remaining 105 acres runs out by September of this year. It will be necessary for the City to purchase the additional 105 acres utilizing the developer’s existing option by the September termination date. The developer is proposing to break ground on the Phase I WRF plant construction during the fall of 2004 and to be
April 26, 2004

Rich Williams, Sr.
City of Surprise
12425 W. Bell Road, Suite D-100
Surprise, AZ 85374-9002

SUBJECT: Austin Ranch and City of Surprise Regional Sewer Treatment Site

Dear Rich,

Thank you and other City Staff for meeting with myself and our consultants last Tuesday to discuss the Sewer Treatment Site Courtland is proposing for Austin Ranch. Pursuant to our meeting, Courtland respectfully requests that City Staff and the City Council of the City of Surprise consider approval of the following on the night our Austin Ranch P&O goes to City Council for approval, which I believe is May 13, 2004:

1. Adoption/affidavitation for Courtland to begin amending the City of Surprise’s MAG 208 Permit for the new water reclamation facility for Austin Ranch.

2. Adoption/affidavitation by the City of Surprise to purchase that certain 105 acres surrounding the 35 acre treatment site shown in the Austin Ranch P&O. This 140 acres would be considered the site for the Special Planning Area #3 Regional water reclamation facility for the City.

In our meeting, we determined Courtland will proceed with drafting the MAG 208 permit application, gathering drainage information, and gathering federal permit requirements on the treatment plant location. The City will update the appraisal previously performed on the site in May 2003. Let me know if there is any information you need.

Sincerely,

[Signature]
John Wittrock
President

cc: Phil Testa, City of Surprise
    Jeff Billie, City of Surprise
    Mike Orley, Earl, Corley, and Lagarde
    Mark Borushko, MB Group
    Peter Adair, CSA Consulting
    Kent Xander, KXX Group
June 20, 2003

Scott M. Larson, P.D., R.L.S.
RBF Consulting
16805 North 28th Avenue, Suite 100
Phoenix, Arizona 85053-7650

SUBJECT: Market Value Appraisal
139.6 Acres on the East Side of
187th Avenue Alignment
One-Half Mile South of Deer Valley Road,
Surprise, Maricopa County, Arizona 85387
Integra Phoenix File No. 132-07-059

Dear Mr. Larson:

Integra Realty Resources - Phoenix is pleased to transmit the summary report of a complete appraisal that was prepared on the referenced property. The purpose of this appraisal is to develop an opinion of the market value of the fee simple estate of the property as of June xx, 2003, the effective date of the appraisal. The attached report sets forth the data, research, analyses, and conclusions for this appraisal.

This report is intended to comply with the reporting requirements set forth under Standards Rule 3-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP) for a summary appraisal report. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in our file. The depth of discussion contained in this report is specific to the needs of the client and the intended use of the appraisal as noted herein.

The property is a vacant, unimproved desert parcel of land containing an area of approximately 139.6 acres and having a highest and best use for ultimate employment related development. An alternative highest and best use is to hold the property for possible future value enhancement, or sell to others for a like purpose.
Phase I Environmental Site Assessment

187th Avenue, Beardsley Rd, Maricopa County, AZ

Prepared for:
City of Surprise
12425 W. Bell Road, Suite D-100
Surprise, AZ 85374-9002
(623)875-4293

By:

Brandon L. Squire, P.E.,
Project Manager
Registered Engineer
# 35177
16605 North 28th Avenue, Suite 100
Phoenix, AZ 85053

Project Number 45-101742
June 19, 2003
#26 DISTRICT 1 APPROVAL OF THE PURCHASE OF 105 ACRES OF LAND - TO ESTABLISH THE CITY OF SURPRISE REGIONAL WATER RECLAMATION FACILITY SITE FOR SPA 3 - GENERALLY LOCATED BETWEEN DEER VALLEY ROAD, BEARDSLEY ROAD, 103RD AVENUE AND 187TH AVENUE - IN THE TOTAL AMOUNT NOT TO EXCEED $1,100,000.00

APPROVED
Water Services

#29 INTERNAL APPROVAL OF RESOLUTION NO. 04-144 - SEWER SERVICE AGREEMENT BETWEEN THE CITY OF SURPRISE, CORTESSA, L.L.C., AND CITRUS AND NORTHERN, L.L.C.

APPROVED
Water Services

#30 INTERNAL APPROVAL OF A TWO-YEAR CONTRACT FOR LEGAL SERVICES BETWEEN THE CITY OF SURPRISE AND ATTORNEY MANUEL DELGADO - AT THE RATE OF $3,857.00 PER MONTH

CONTINUED TO AUGUST 26, 2004
COUNCIL MEETING.
City Manager

#31 INTERNAL APPROVAL OF A TWO-YEAR CONTRACT FOR LEGAL SERVICES BETWEEN THE CITY OF SURPRISE AND ATTORNEY JOHN PIEBUS - AT THE RATE OF $3,825.00 PER MONTH

CONTINUED TO AUGUST 26, 2004
COUNCIL MEETING.
City Manager

#32 INTERNAL APPROVAL OF THE WORK SESSION SCHEDULE

APPROVED WITH AMENDMENT
City Manager

#33 INTERNAL APPROVAL OF RESOLUTION NO. 04-156 - ESTABLISHING A POLICY MAKING THE VICE-MAYOR THE PROXY OR ALTERNATE MEMBER ON ALL COMMITTEES OF WHICH THE MAYOR IS A MEMBER

APPROVED WITH AMENDMENT
Mayor Shafer

#34 INTERNAL APPROVAL OF SUPPORTING THE ATTACHED RESOLUTIONS FOR THE SUBMISSION TO THE LEAGUE OF ARIZONA CITIES AND TOWNS

APPROVED
Mayor Shafer
CITY OF SURPRISE
COUNCIL AGENDA ACTION FORM

Meeting Type: Regular Meeting  Time Scheduled: July 22, 2004  7:00 PM
If Special submit date  time
Submitting Department: Water Services  Contact Person: Rich Williams, Sr.
Consent □ Regular □ Requesting Action □ Report Only □

Type of Document Needing Approval (Check all that apply):
☐ Public Hearing ☐ Resolution  ☐ First Reading/Ordinance
☐ Agreement ☐ Emergency Clause  ☐ Final Reading/Ordinance
☐ Special Consideration ☐ Intergovernmental Agreement
☐ Grant  ☐ Submission  ☐ Acceptance
☐ Council Request  ☐ Finance Related  ☐ Liquor/Bingo License Application

Council Priority (Check Appropriate Areas):
☐ Education  ☐ Public Fitness  ☐ Neighborhood Revitalization
☐ Job Creation  ☐ Quality Service Delivery  ☐ Employment Infrastructure
☐ Public Safety  ☐ Housing Rehabilitation  ☐ Work Force Preparation
☐ Transportation  ☐ Human Service Needs  ☐ Parks, Recreation & Library
☐ City Elections  ☐ Community Activities

Regular Agenda Wording: Consideration and action authorizing the purchase of 105 Acres of land, generally located between Deer Valley Road, Barehead Road, 183rd Avenue and 18th Avenue, for an amount not to exceed $1,100,000, for the purpose of establishing the City of Surprise Regional Water Reclamation Facility site for SPA3 and authorizing the City Manager to execute all of the necessary documents.

Staff Recommendation: Approve  Fiscal Impact: Yes If yes: Budget code:22532-643-112-39111
Available: $1,992,076

Signatures of Submitting Officers (Sign Legibly):

[Signature] [Signature]

Department Head  Supervisor  Budget Authorization
Legal Review  City Manager/Designee

Council Action:
Motion/Second

Results:

Shaffer  Cox  Bails  Sullivan  Arison  Vedovitch  Allen
For  Against  Passed  Failed  Deny  Tabled  Absent

Distribution After Council Action:

Rich Williams, Sr., Water Services  Art Umkeidez, Purchasing
Shirley Sjoos, Finance  Sandra Mills, Water Services

City Clerk: Originals - Agenda File
CITY OF SURPRISE
COUNCIL AGENDA ACTION FORM

Background Info: The Austin Ranch Development PAD03-278 was approved by the Planning and Zoning Commission on 4/6/84. In addition to directly purchasing this 105 acres it is our intent to have the Austin Ranch Development dedicate their existing 35 acres to the City and to reimburse the appraised value, over the duration of the proposed development agreement, from Sewer System Development fees associated with the Austin Ranch Development and other developments within the SPA3 Sewer Service Area. Staff has been working on the acquisition of this combined 140 acre property since last May.

We are in possession of an ALTA Survey, Phase I Environmental Assessment and Property Appraisal pertaining to the property. We are also working on submission of a MAG 208 Amendment to our Sewer Service Area, associated with this SPA3 regional site.

List Attachments as Follows: Previous Council Agenda Action packet including site map. The original ALTA Survey, Phase I Environmental Assessment and Appraisal pertaining to this property are available at the City Clerk’s office.
This fax transmission is being sent to the following:

**NAME**
- John Wittrock
- Fred Fathe, Esq.
- Kent Xander
- Ed Klagman
- David Postal, Esq.
- Pro Properties
- Lowry Associates, LLC
- Jeff Billie
- Rich Williams

**FAX NUMERE**
- (602) 265-3719
- (602) 285-8100
- (480) 996-7500
- (602) 995-9454
- (602) 266-7552
- (602) 995-9454
- (602) 264-1212
- 623-583-1399
- 623-583-2892

**FROM:**
Tom Anzaldua for Carol Peterson
First American Title Insurance Company National Commercial Services

**ESGROW NO.:** NCS-51744-PHX1

**RE:**
Surprise East Land Holdings / Town of Surprise

**SPECIAL INSTRUCTIONS:** Attached please find a revised Estimated Settlement Statement for review. Thank you.

**Number of pages (including this cover sheet):** 2

**Original [ ] will [X] will not be sent via regular mail.**

If transmission of all pages is not complete, please call: Tom P. Anzaldua at (602) 685-7560

PLEASE NOTE: SHOULD ANY OF THOSE PAPERS REQUIRE AN ORIGINAL SIGNATURE, PLEASE TAKE A XEROS COPY BEFORE SIGNING. WE WILL "NOT" ACCEPT AN ORIGINAL SIGNATURE ON FAX PAPER. THANK YOU FOR YOUR COOPERATION IN THIS MATTER.
**First American Title Insurance Company**

**National Commercial Services**

4801 E. Washington St., Suite 410, Phoenix, AZ 85014

**Estimated Settlement Statement**

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Buyer: Town of Surprise  
Address: 5333 North 7th Street, Suite 305, Phoenix, AZ 85014  
Seller: Surprise East Land Holdings  
Address: a/o Pro Properties, 2723 West Northern Avenue, Phoenix, AZ 85051

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Notice - This Estimated Settlement Statement is subject to changes, corrections or additions at the time of final computation of the Settlement Statement.

Please provide survey for requirement no. 5.

Please provide filed Certificates and Partnership Agreement for Surprise East Land Holdings Limited Partnership (requirements 6 & 7).
CITY OF SURPRISE
COUNCIL AGENDA ACTION FORM

Meeting Type: Regular Meeting  Time Scheduled: May 13, 2004  7:00 PM
if Special submit date  time
Submitting Department: Water Services  Contact Person: Rich Williams, Sr.
Consent: Regular  Requesting Action  Report Only

Type of Document Needing Approval (Check all that apply):
☐ Public Hearing  Resolution
☐ Agreement  First Reading/Ordinance
☐ Special Consideration  Emergency Clause
☐ Intergovernmental Agreement  Final Reading/Ordinance
☐ Council Request  Submission
☐ Finance Related
☐ Acceptance
☐ Liquor/Bingo License Application

Council Priority (Check Appropriate Areas):
☐ Education  ☐ Public Fitness
☐ Job Creation  ☐ Quality Service Delivery
☐ Public Safety  ☐ Housing Rehabilitation
☐ Transportation  ☐ Human Service Needs
☐ City Elections  ☐ Community Activities
☐ Neighborhood Revitalization
☐ Employment Infrastructure
☐ Work Force Preparation
☐ Parks, Recreation & Library

Regular Agenda Wording: Consideration and action authorizing the City Manager to pursue the dedication of approximately 35 acres and the acquisition of an additional 105 acres of land associated with the Austin Ranch Development project; to amend the Surprise MAG 208 Water Quality Management Plan; identifying these acquired lands as the new City of Surprise SPA3 Regional Water Reclamation Facility site; and to enter into a development agreement with the Austin Ranch developers detailing said property acquisition and other related issues.

Staff Recommendation: Approve  Fiscal Impact: Yes  If yes: Budget code: 22532-643-112-3911
Available: $1,992,076

Signatures of Submitting Officers (Sign Legibly):

Department Head  Supervisor
Legal Review  City Manager/Designee

Council Action: Motion/Second

Results:

Distribution After Council Action:
Rich Williams, Sr., Water Services
Art Urquidez, Purchasing
Shirley Sjoroos, Finance

Shafer  Cox
Bails  Sullivan
Arizmendes  Vukanovich
Allen

For  1  Against  0  Passed  5
Failed  
Deny  
Continue  
Tabled  
Absent  
Other  

Agenda File
RESOLUTION #04-137

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, ADOPTING THE CITY OF SURPRISE INTEGRATED WATER MASTER PLAN.

WHEREAS, the City of Surprise Integrated Water Master Plan consists of an Infrastructure Master Plan and a Water Resources Master Plan, and;

WHEREAS, an Infrastructure Master Plan is necessary to evaluate existing water, wastewater, reclaimed water, and recharge infrastructure and to plan for and provide guidance in the future development of this infrastructure, and;

WHEREAS, a Water Resources Master Plan is necessary to evaluate available water resources and to plan for projected water demands;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, that:

Section 1. The City of Surprise Integrated Water Master Plan, three (3) copies of which are on file in the City Clerk’s office, is hereby adopted.

APPROVED AND ADOPTED this 25 day of June, 2006.

[Signature]
Sherry Aguilar, City Clerk

[Signature]
Jeffrey Billie, City Attorney

Yea: Mayor Shafer; Vice-Mayor Vukanovich; Councilmembers: Allen, Bello, Con, Sullivan. Absent: Arismendez

Nays:
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CSA-Surprise
T4N R2W Sec. 22

(including sections surrounding 22)
Appendix - C
COURTLAND HOMES, INC

October 13, 2004

Rich Williams, Sr.
City of Surprise
12425 W. Bell Road, Suite D-100
Surprise, AZ 85374-9002

SUBJECT: Austin Ranch MAG 208 Financing Requirement

Dear Rich,

The purpose of this letter is to describe the financing that will be utilized in constructing the initial 1.8 million gallon treatment plant for SPA #3 and the Austin Ranch development constructed in 600,000 gallon increments over three time periods. Courtland and the City will enter into a Development Agreement outlining the details of the parties financial relationship as we get closer to the first phase design and construction.

The first phase is approximately 600,000 gallons per day. Courtland is anticipating this cost to be approximately $8.00 per gallon for a grand total of $4.8 million dollars. Courtland will be financially responsible for the entire cost of the first phase of the plant. We will provide the necessary financial assurances to the City, in the form of a performance bond or an irrevocable standby letter of credit to insure completion of the first phase. Upon completion, the City will issue to Courtland impact fee credits for the treatment plant improvements Courtland paid for.

Upon reaching 80% capacity of the first phase of the plant, Courtland and the City of Surprise will begin design of the second phase. Upon reaching 90% capacity of the first phase, Courtland will begin construction of the second phase of 600,000 gallons. Courtland is anticipating this cost to be approximately $8.00 per gallon for a grand total of $4.8 million dollars. Courtland and the City of Surprise will be financially responsible for the entire cost of the second phase of the plant. Courtland’s financial obligation will be limited to the capacity needed to accommodate the balance of Courtland’s property. Courtland will provide the necessary financial assurances to the City, in the form of a performance bond or an irrevocable standby letter of credit to insure completion of the second phase. The details of the financial arrangement between the City and Courtland will be finalized in our future development agreement.

The third phase of 600,000 gallons is planned to accommodate future development that may occur in SPA#3 and is not controlled by Courtland. This phase will be financed by others or the City of Surprise. Courtland will have no obligation to construct this phase.

If you have any questions, please call me.

Sincerely,

John Wittrock
Vice President

5333 North 7th Street, Suite 300 • Phoenix, AZ 85014 • 602-265-9467 • FAX: 602-279-9488
MEMORANDUM

To: Brenda Day  
MAG

From: Rich Williams, Sr.  
Water Services Director  
City of Surprise

Date: 7/2/04

The City of Surprise is committed to meeting the growth projections enhancement with its General Plan of Development. As a full service municipality providing a complete operational sewage system, the City has sanitary sewer personnel on its staff that is versed in all aspects of sanitary sewer service from maintenance and repair of its collection system to operations of its wastewater treatment facilities.

As further evidence of the City’s intention in meeting its growth projections several key growth policies have been recently approved through City Council actions including the Integrated Water Master Plan (for both potable water and sanitary sewer); Special Development Planning Areas, SPA 1- SPA 6 that give further substance to the above mentioned Master Plan; and a policy that outlines a Sanitary Sewer System Development Fee structure to be used in conjunction with planned area development.

These fees have been structured to meet future City obligations with regard to both, capital improvement projects as well as sewer service fees to the City’s citizens that we are structured to meet future operational needs and meet the City’s financial obligations.
CITY OF SURPRISE
COUNCIL AGENDA ACTION FORM

Meeting Type: Regular Meeting  Time Scheduled: May 17, 2004 7:00 PM
File/Agenda Date: n/a  Time:

Submitting Department: Finance  Contact Person: Robert Nilles
Consent  Regular  Requesting Action X  Report Only

Type of Document Needing Approval (Check all that apply):

Public Hearing  Resolution  First Reading/Ordinance
Agreement  Emergency Clause  Final Reading/Ordinance
Special Consideration  Intergovernmental Agreement
Grant  Summation  Acceptance
License/Licensee Application

Council Priorities (Check Appropriate Areas):

Education  Public Safety  Neighborhood Revitalization
Job Creation  Quality Service Delivery  Employment Infrastructure
Public Safety  Housing Rehabilitation  Work Force Preparation
Transportation  Human Service Needs  Parks, Recreation & Library
City Revenues  Community Activities  Public Infrastructure

Regular Agenda Wording: Consideration and action to approve Ordinance #04-24
as ordinance repealing Chapters 15.08 and 15.12 and Sections 13.04.280, 13.04.290,
13.04.300, 13.04.310, 13.04.320, 13.08.660, 13.08.670, 13.08.680, 13.08.890 and 13.08.700 of
Surprise Municipal Code, and adding Chapter 15.10 adopting the new Development Fee Study; and
development fees.

Staff Recommendation: Approve Fiscal Impact: Yes, increasing development fees will increase the
revenue produced for capital improvements related to new development.

Background Information: The new Development Fee Study updates all of the City’s current fees. This
Ordinance will adopt the Development Fee Study and the new development fees, and make numerous
clear-up revisions to the existing Municipal Code sections related to development fees. The
Development Fee Study is on file with the City Clerk and was provided to the Council in January
2004.

List Attachments as follows: Ordinance #04-24; Figure 1; Schedule of Maximum Supportable
Development Fees – Page 4 of Tischler & Associates Development Impact Fee Study; Council
Communication

Signatures of Submitting Officers (Sign Legibly):

[Signatures]

Distribution After Council Action: Council Action:
- Zeller, Tilles  Motion/Second
- Agader, Nilles  Shaffer

Results:
For: 7
Against: 2
Figure 1: Schedule of Maximum Supportable Development Fees

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ORDINANCE #04-24


WHEREAS, an updated Development Fee Study has been completed that addresses development fee levels within the City of Surprise, and;

WHEREAS, the Mayor and City Council’s direction to staff has always been that new development should pay for itself, and;

WHEREAS, the fees contained in the new Development Fee set in accordance with the costs associated with providing the corresponding capital improvements and;

WHEREAS, this Ordinance #04-24 will adopt by reference the new Development Fee Study and clean up a number of existing sections related to development fees;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Surprise that:

Section 1. Chapters 15.08 and 15.12, and Sections 13.04.280, 13.04.290, 13.04.306, 13.04.310, 13.04.320, 13.08.660, 13.08.670, 13.08.680, 13.08.690 and 13.08.700 of the Surprise Municipal Code are hereby repealed.

Section 2. Article VI of Chapter 13.04 of the Surprise Municipal Code is hereby renumbered Article V.

Section 3. The following Chapter 15.10 is hereby added to the Surprise Municipal Code.

Chapter 15.10
DEVELOPMENT FEES & INFILL INCENTIVE DISTRICTS

Sections:

15.10.010 Definitions.
15.10.020 Development fee study.
15.10.030 Development fees.
15.10.040 Disposition.
15.10.050 Exemptions.
15.10.060 Infill incentive district.
15.10.070 Expanding existing businesses.
15.10.080 Penalties for violation.
15.10.090 Procedure for violation.
15.10.100 Jurisdiction of city court.

15.10.010 Definitions. The following words and phrases, shall have the meanings respectively ascribed to them in this section, unless from the context, a different meaning is clearly intended:

A. "Commercial development" and/or "industrial development" means all buildings and lots within the territorial limits of the city, other than single-family residences, multifamily residences, apartments, mobile home subdivisions, and recreational vehicle parks or other dwelling units.

B. "Dwelling unit" means a room or group of rooms within a building or structure containing cooking accommodations. An apartment, a mobile, manufactured or modular home, a recreational vehicle, and a travel trailer shall be considered a dwelling unit, but a motel room or motel room is not considered a dwelling unit under the provisions of this chapter.

C. "Mobile, manufactured, or modular home space" means any lot or tract contained in a mobile home park or manufactured housing subdivision.

D. "New Business" means new construction or fifty one percent (51%) reconstruction of the total building square footage of an existing building. For the purposes of this ordinance, a new business is not an existing business, which has only changed ownership.

E. "Qualifying Commercial or industrial developments" means new or expanding developments that will be: (i) legal and confirming upon project completion, (ii) in possession of all required development approvals pursuant to city process, procedures and policies, (iii) occupying vacant property or replacing dilapidated buildings, or if expanding will comply with the criteria for "expanding existing businesses.

F. "Recreational vehicle pad" or "travel trailer pad" means any lot or space contained in a recreational vehicle park.

15.10.020 Development fee study. The Development Fee Study, prepared by Tischler & Associates, dated January 23, 2004 and declared a public record by Resolution #04-195, is hereby adopted by the city and incorporated in this section by reference as though it had been fully and completely set forth in this section.

15.10.030 Development fees. A. The residential and commercial development fees shall be the maximum supportable fees as identified in the
Development Fee Study. The development fees shall be annually adjusted to account for inflation using the index published by Engineering News Record.

B. The development fees set forth in the Development Fee Study shall be collected by the building inspector prior to the issuance of a building permit for the construction of any dwelling unit or commercial or industrial building or structure. The development fees with respect to any mobile, manufactured, or modular home space shall be collected prior to the issuance of a permit for the establishment of a mobile, manufactured, or modular home within a mobile home park or a manufactured housing subdivision. The development fees with respect to any recreational vehicle pad or travel trailer pad shall be collected prior to the issuance of a permit for the construction of a recreational vehicle or travel trailer park, or for the construction of a pad contained therein. The building inspector shall not issue a building permit until the applicable development fees have been paid.

c. In the event a building permit is issued for the enlargement, reconstruction, or remodel of an existing structure, the development fees may be reduced by giving a credit for previously paid development fees with regard to that unit or parcel, the purpose being to collect development fees when additional demand is created on the city services because of enlargement, reconstruction, removal or remodeling of a structure.

15.10.040 Disposition. A. All development fees collected shall be deposited into separate accounts according to the development fee category and shall not be commingled with the general fund revenues of the city.

B. The revenues generated by development fees shall be used for the purposes as identified in the Development Fee Study.

15.10.050 Exceptions. Development fees shall only be collected where services are provided by the city. For example, development located outside of the city’s water service area shall not be assessed the development fees related to the provision of water. Additionally, commercial development shall not be assessed the park and recreation development fee, the library development fee or theanimation portion of the public works development fee.

15.10.060 Infill Incentive District. A. There is established, pursuant to the authority granted in A.R.S. §7-499.1(A), an infill incentive district in the area bounded by Bell Road to the north, El Mirage to the east, Greenway Road to the south and Dyar Road to the west. This district is designated as the Original Town Site Infill Incentive District.

B. Original town site infill incentive plan.

1. Residential development. All residential development within the Original Town Site Infill Incentive District shall receive a one hundred percent waiver of development fees.

2. Commercial development.
a. Qualifying commercial and/or industrial developments within the Original Town Site Infill District shall receive a one hundred percent waiver of building permit and building plan review fees.

b. Qualifying commercial and/or industrial developments within the Original Town Site Infill District generating sales tax shall be eligible to receive a one time fifty percent rebate of the city's sales tax assessment during its first full year of operation. Applicants must apply for actual sales tax rebate in January for the previous calendar year sales tax revenues. Upon approval by the City Manager or designee, rebates shall be calculated and disbursement within 45 days of receipt of the application.

c. Qualifying commercial and/or industrial developments within the Original Town Site Infill District shall be eligible to receive expedited plan review services. Commercial site plans, commercial subdivision plans, landscape plans, civil plans and building plans shall be reviewed within a maximum of twelve business days from date of submittal to issuance of redline or administrative comments. The city shall bear all costs associated with the expedited review process.

d. Qualifying Commercial and/or industrial developments within the Original Town Site Infill District shall be eligible to receive expedited administrative processing for reasons when possible. Administrative processes will be accelerated to facilitate advancing the project to the Planning and Zoning Commission and City Council.

c. Persons developing commercial property within the Original Town Site Infill District wishing to receive incentives under the Original Town Site Infill Incentive Plan shall submit an application to the Community and Economic Development Director ("CEDD"). The CEDD shall process the request and make recommendations to City Council for final approval. If approved, the CEDD shall administer the Original Town Site Infill Incentive Plan.

15.10.070 Expanding existing businesses. In order to be considered an expanding existing business, a business must demonstrate all of the following requirements:

1. Facility expansion of at least 1,000 square feet.
2. A ten percent increase in employees.
3. For purposes of the sales tax rebate option, generation of sales tax and a twenty percent overall income increase by the end of the first full year of operation after expansion completion.

15.10.080 Penalties for violation. Any person found to have violated any provision of this chapter shall be guilty of a class 3 misdemeanor, punishable by a fine of up to $2500 and six months in jail.

15.10.090 Procedure for violations. Every action to prosecute a violation of this chapter shall be processed in the manner provided in Chapter 1.18.

15.10.100 Jurisdiction of city courts. The Surprise City Court shall have exclusive jurisdiction over all proceedings to enforce this chapter.
Section 4. This Ordinance #04-24 shall be codified.

Section 5. Staff is hereby directed to conduct the next development fee study 18 months following the adoption of this Ordinance #04-24.

PASSED AND ADOPTED this 27th day of May, 2004.

[Signature]
John H. Shafer, Mayor

ATTEST:

[Signature]
Sherry Agollar, City Clerk

APPROVED AS TO FORM:

[Signature]
Jeffrey M. Blize, City Attorney

Yays: Mayor Shafer, Vice-Mayor Cox, Council Members: Allen, Bails, Arismendez, Sullivan & Vukanovich.

Nays: 

Ordinance #04-24
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<td>Obtain Approved Wittman ADMP Hydrology Models</td>
<td>0 days</td>
<td>Wed 10/13/04</td>
<td>Wed 10/13/04</td>
</tr>
<tr>
<td>4</td>
<td>WRFC Campus Plan</td>
<td>150 days</td>
<td>Mon 4/5/04</td>
<td>Fri 10/29/04</td>
</tr>
<tr>
<td>5</td>
<td>Prepare Coastal Channelization/Site Grading Plan</td>
<td>23 days</td>
<td>Wed 9/15/04</td>
<td>Fri 10/15/04</td>
</tr>
<tr>
<td>6</td>
<td>Complete Regional &amp; Phase 1 WRFC Campus Plan</td>
<td>150 days</td>
<td>Mon 4/5/04</td>
<td>Fri 10/29/04</td>
</tr>
<tr>
<td>7</td>
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<td>143 days</td>
<td>Mon 4/5/04</td>
<td>Wed 9/20/04</td>
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<td>8</td>
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<td>0 days</td>
<td>Thu 9/24/04</td>
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<td>0 days</td>
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<td>22</td>
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<td>262 days</td>
<td>Mon 10/25/04</td>
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<td>194 days</td>
<td>Wed 1/12/04</td>
<td>Mon 5/2/05</td>
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STATE OF ARIZONA
COUNTY OF MARICOPA } SS.

Tabitha Antoniadis, being first duly sworn, upon oath deposes and says: That she is a legal advertising representative of The Arizona Republic, a newspaper of general circulation in the county of Maricopa, State of Arizona, published at Phoenix, Arizona, by Phoenix Newspapers Inc., which also publishes The Arizona Republic, and that the copy hereto attached is a true copy of the advertisement published in the said paper on the dates as indicated.

The Arizona Republic

December 6, 2004

Sworn to before me this 13th day of December A.D. 2004

Notary Public
December 8, 2004

TO: Interested Parties for Water Quality

FROM: Brenda Day, Environmental Planning Program Manager

SUBJECT: PUBLIC HEARING ON THE DRAFT MAG 208 WATER QUALITY MANAGEMENT PLAN AMENDMENTS FOR THE TOWN OF BUCKEYE PALO VERDE ROAD WASTEWATER TREATMENT PLANT, CITY OF SURPRISE SPECIAL PLANNING AREA 3 REGIONAL WASTEWATER TREATMENT PLANT, AND CITY OF GLENDALE TEMPORARY SEWER SERVICE AGREEMENT AND FUTURE WATER RECLAMATION PLANT CORRECTION

Public Hearing
January 19, 2005 at 4:00 p.m.
MAG Office, Saguaro Room
302 N. 1st Avenue, Second Floor
Phoenix, Arizona 85003

The Maricopa Association of Governments (MAG) will conduct a public hearing on the Draft MAG 208 Water Quality Management Plan Amendments for the Town of Buckeye Palo Verde Road Wastewater Treatment Plant, City of Surprise Special Planning Area 3 Regional Wastewater Treatment Plant, and City of Glendale Temporary Sewer Service Agreement and Future Water Reclamation Plant Correction on January 19, 2005. The purpose of the hearing is to receive public comments on the draft plan amendments.

The proposed Buckeye Palo Verde plant would have a capacity of 10.2 million gallons per day (mgd) and would be located east of Palo Verde Road, between Broadway and Southern. Reclaimed effluent would be disposed through reuse, recharge, and an Arizona Pollutant Discharge Elimination System (AZPDES) permit discharge. The City of Surprise Special Planning Area 3 plant would have a 30 mgd capacity and would be located in the southwest quarter of Section 22 of Township 4 North, Range 2 West. Reclaimed effluent would be disposed through reuse, recharge and an AZPDES permit discharge.

The draft Glendale amendment defines an area within the Glendale Municipal Planning Area where temporary sewer service will be provided by the City of Surprise, and includes a correction to the 208 Plan to delete a future Arizona American Water Company Water Reclamation Plant with an ultimate capacity of 8.0 mgd and sewer service area within the western portion of the Glendale Municipal Planning Area.

For your information and convenience, a copy of the public hearing notice is enclosed. The draft documents...
are available for public review at the MAG Office, third floor from 8:00 a.m. to 5:00 p.m. Monday through Friday. Copies are also available for review at the Glendale Public Library, 5959 West Brown Street; Mesa Public Library, 64 East First Street; and Phoenix Central Public Library, 1221 North Central Avenue. Public comments are welcome at the hearing, or may be submitted in writing by 4:00 p.m. on January 19, 2005 to MAG staff at the address below.

Contact Persons: Brenda Day- Buckeye and Surprise Amendments
Julie Hoffmax- Glendale Amendment
302 N, 1st Avenue, Suite 300
Phoenix, AZ 85003
Fax: (602) 254-6490
PUBLIC HEARING ON THE DRAFT MAG 208 WATER QUALITY MANAGEMENT PLAN AMENDMENTS FOR THE CITY OF SURPRISE SPECIAL PLANNING AREA 3 REGIONAL WASTEWATER TREATMENT PLANT, TOWN OF BUCKEYE PALO VERDE ROAD WASTEWATER TREATMENT PLANT AND CITY OF GLENDALE TEMPORARY SEWER SERVICE AGREEMENT AND FUTURE WATER RECLAMATION PLANT CORRECTION

Wednesday, January 19, 2005 at 4:00 p.m.
MAG Office, Suite 200 - Saguaro Room
302 North 1st Avenue
Phoenix, Arizona 85003

The Maricopa Association of Governments (MAG) will conduct a public hearing on the Draft MAG 208 Plan Amendments for the Town of Buckeye Palo Verde Road Wastewater Treatment Plant, the City of Surprise Special Planning Area 3 Regional Wastewater Treatment Plant, and the City of Glendale Temporary Sewer Service Agreement and Future Water Reclamation Plant Correction. The purpose of the hearing is to receive public comments on the draft amendments.

The proposed Surprise Special Area 3 Plant would have a capacity of 30 million gallons per day (mgd) and would be located in the southwest quarter of Section 22 of Township 4 North, Range 2 West. Reclaimed effluent would be disposed through reuse, recharge and an Arizona Pollutant Discharge Elimination System (AZPDES) permit discharge. The proposed Buckeye Palo Verde Plant would have a capacity of 16.2 mgd and would be located east of Palo Verde Road, between Broadway and Southern. Reclaimed effluent would be disposed through reuse, recharge, and an AZPDES permit discharge.

The Glendale amendment defines an area within the Glendale Municipal Planning Area where temporary sewer service will be provided by the City of Surprise, and includes a connection to the 208 Plan to delete a future Arizona American Water Company Water Reclamation Plant with an ultimate capacity of eight million gallon per day and sewer service area within the western portion of the Glendale Municipal Planning Area.

Following consideration of comments received, it is anticipated that the MAG Water Quality Advisory Committee will make a recommendation to the MAG Management Committee. On February 9, 2005, the MAG Management Committee is anticipated to make a recommendation to the MAG Regional Council. It is anticipated that the MAG Regional Council will take action on the draft plan amendments on February 23, 2005.

The draft documents will be available for public review at the MAG Office from 8:00 a.m. to 5:00 p.m. Monday through Friday beginning Wednesday, December 8, 2004. Copies will also be available for review at the Glendale Public Library, 5959 West Brown Street; Mesa Public Library, 64 East First Street; and Phoenix Central Public Library, 1221 North Central Avenue. Public comments are welcome at the hearing, or may be submitted in writing by 4:00 p.m. on January 19, 2005 to MAG staff at the address below.
Contact Persons: Brenda Day- Buckeye and Surprise Amendments
Julie Hoffman- Glendale Amendment
302 N. 1st Avenue, Suite 300
Phoenix, AZ 85003
Fax: (602) 254-6490
MARICOPA ASSOCIATION OF GOVERNMENTS
WATER QUALITY ADVISORY COMMITTEE MEETING
AND PUBLIC HEARING
ON THE DRAFT MAG 208 PLAN AMENDMENT
FOR THE CITY OF SURPRISE SPA III,
TOWN OF BUCKEYE PALO VERDE ROAD
WASTEWATER TREATMENT FACILITY, AND
CITY OF GLENDALE TEMPORARY SEWER SERVICE AGREEMENT AND
FUTURE WATER RECLAMATION PLAN CORRECTION

January 19, 2005
4:06 p.m.
Phoenix, Arizona

Prepared by:
Dawna J. Boswell, RPR
Arizona Certified Court
Reporter No. 50326

Prepared for:
(Original)
The Public Hearing was taken on January 19, 2005, commencing at 4:00 p.m., at the offices of the Maricopa Association of Governments, 302 North First Avenue, Suite 200, Saguaro Room, Phoenix, Arizona, before Dawn J. Boswell, a Certified Court Reporter, Certificate No. 50326, for the State of Arizona.

Mr. Roger Klinger for the City of Scottsdale acted as the Chairman.

Members attending were Greg Stack, City of Avondale; Lucky Roberts, City of El Mirage; Chris Ochs, City of Glendale; Barry Hess, City of Goodyear; Robert Hollander, City of Phoenix; Rich Williams, City of Surprise; Dale Bodia, Maricopa County; John Boyer, Pinnacle West Capital; Patrick Clay, University of Arizona Cooperative Extension; Jacqueline Strong, City of Chandler (via conference call); Lonnie Frost, Town of Gilbert (via conference call); Bill Haney, City of Mesa (via conference call); Steven Bontrager, City of Peoria (via conference call).

Also present were Mayor Fred Waterman, E.J. Cornwall, and Joanne Garrett, City of El Mirage; Raj Thakur and Kevin Elverum, RT Engineers; George Shirley, Carllo Engineering; Yen Reedy, Roger Baily and Glenn Compton, City of Glendale; Chris Young, Town of Buckeye; Tim Goodrich, Maracay Homes; Jared Carr and Brandon

The following proceedings were had:
MR. KLINER: I'd like to call the meeting to order.

First, a reminder to please speak directly into the microphone so that the members attending by audio/videoconference can hear you, and I would also like to ask the folks who are speaking on audiophone to please use your receiver, not your speaker phone so we can hear you better.

And let's begin with our committee member introductions starting with those attending by audioconference. Bill, can you hear me?

MR. HANEY: Yes, I can. Bill Hanev, City of Mesa.

THE COURT REPORTER: I didn't hear his name.

MR. KLINER: Bill Hanev from the City of Mesa.

Lonnie, are you with us? No.

Jacqueline.

MS. STRONG: Yes.

MR. KLINER: Could you state your name and city for the record.

MS. STRONG: Jacqueline Strong, Chandler.

MR. KLINER: We're having trouble hearing.

MS. STRONG: Jacqueline Strong from Chandler, okay?
MR. KLINGER: We are having a little trouble hearing you, so if you would both speak up, we would appreciate it.

Let's start with John and go around and introduce ourselves.

MR. BOYER: I'm John Boyer with Arizona Public Service Company.

MR. CLAY: Patrick Clay with the University of Arizona Cooperative Extension.

MS. ROBERTS: Lucky Roberts, City of El Mirage Public Works.

MR. OCHS: Chris Ochs, City of Glendale.

MR. KLINGER: Roger Clinger, City of Scottsdale.

MR. HOLLANDER: Bob Hollander, City of Phoenix.

MR. STACK: Greg Stack, City of Avondale.

MR. HESS: Barry Hess, City of Goodyear.

MR. WILLIAMS: Rich Williams, City of Surprise.

MR. KLINGER: Okay. We do have a quorum. We also have a time on our agenda when member agencies can report on activities of interest occurring in their agencies. I don't want to ask if anyone is doing anything interesting, but do you have
anything to report on of interest? I'm sure everyone is
doing interesting work, but anything compelling at this
point?

MR. BONTRAGER: Roger?

MR. KLINGER: Yes.

MR. BONTRAGER: This is Steven Bontrager
with the City of Peoria also on the telephone.

MR. KLINGER: Okay, Steven Bontrager, City
of Peoria. Thanks, Steven. Thank you for joining us.

Okay. Let's go to item 3 is our call to the
audience which is an opportunity for citizens to comment
on items not scheduled on today's agenda that fall under
the jurisdiction of MAG or on items on the agenda that
are for discussion but not for action. This is the only
opportunity to comment on nonaction items. Because of
state law, the committee may not discuss or take action
on any items not scheduled on the agenda. For members of
the audience who wish to speak, cards are available from
staff. Please fill out a blue card and give it to

Brenda.

Did we get any?

MS. DAY: No.

MR. KLINGER: Okay. Seeing none, then we
will move on to the next item, the approval of our
November 30, 2004 meeting minutes. The minutes are
included in your packet for your review. Are there any
corrections or additions to the minutes? Any other
questions on the minutes? If not, I would accept a
motion.

MR. ROLLANDER: I do have a question. On
page 4 at the top, there is a statement I guess made by
Mr. Williams on page 4 of the meeting minutes. It states
that Mr. Williams indicated that a wash goes through the
site, although it is not a water of the United States. I
wanted to check to see if that is correct.

Let me restate it again. On page 4 of the
meeting minutes, it states, "Mr. Williams indicated that
wash goes through the site, although it is not a water of
the United States." I just wanted to make sure that that
was accurate.

MR. WILLIAMS: Possibly I wasn't using the
correct reference or terminology. The intent was that
the Army Corps of Engineers has responded the wash does
not include waters of the United States, and a 404 permit
is not required. And we have a letter on record to that
effect.

MR. ROLLANDER: Okay.

MR. KLINGER: All right. Sorry about the
problems. We'll work it out.

Any other questions, comments? If not, I'll
accept a motion for approval.

MR. HESS: I move that we approve the
minutes.

MR. KLINGER: Hearing a motion, is there a
second?

MR. OCHS: Second.

MR. KLINGER: Any further discussion? All
in favor, please say aye.

(A chorus of ayes.)

MR. KLINGER: Opposed, aay.

(No response)

MR. KLINGER: Motion carries unanimously.

Thank you.

Let's move to the next item on the agenda,
the public hearing. The public hearing is now open on
the Draft MAG 208 Plan Amendment for the Surprise Special
Planning Area III called SPA III, the Town of Buckeye
Palo Verde Road Wastewater Treatment Facility, and the
City of Glendale Temporary Sewer Service Agreement and
Future Water Reclamation Plan correction.

We begin with a briefing on each draft
amendment. Following the briefings, hearing participants
are invited to make comments for the public record. We
do have a court reporter present to provide an official
record of the hearing. Again, I would ask that we speak
into the microphone so the court reporter, or the
official recorder can get all the comments down. Any
written comments from the public are also welcome.

Those who wish to speak on the amendments,
we have a yellow card that can be filled out and given to
Brenda, and she will hand it to me, and we will call on
any member of the public.

What we're going to do is we're going to
have the three items on the amendment on the agenda here,
and we're going to have a briefing on each, and then
we'll have public comment, and then we will have another,
we have action items for each of those for further
discussion by the committee. In general, we'll have the
questions when we have that discussion by the committee,
but if there's something you are afraid you might forget,
you know, until later, it's okay to ask a question right
after each briefing. These are all items we discussed in
the November meeting, so I think we had pretty thorough
discussion and a lot of questions and answers then. But
if there's something else, go ahead and ask, and we'll go
through and have the briefing to remind us of what was
taking place then.

I guess first we will do the Surprise SPA.
Rich, you're going to introduce Raj for this?

MR. WILLIAMS: Yes.
MR. KLINIGER: Thank you.

MR. WILLIAMS: Rich Williams, City of Surprise, and we'll keep it brief. We've had the presentation before, and I just wanted to emphasize that the application is the city's application, and we're partnering with developers, but it's not developer driven, it's city driven. So I would like to introduce Raj Thakur with RT Engineering.

MR. THAKUR: Thanks, Rich.

Good afternoon, ladies and gentlemen. This is the MAG 208 Amendment presentation for the City of Surprise, Special Planning Area 3, Water Reclamation Facility. The objective of the MAG 208 Amendment is to request a Clean Water MAG 208 Amendment to the original Water Quality Management Plan to accommodate an ultimate build-out 30 MGD Regional Water Reclamation Facility in the City of Surprise Special Planning Area 3.

The city's entire planning area is divided into six special planning areas designated as SPA 1 through SPA 6, and in Figure 1, the different, all the six planning areas are shown with color coding. The Special Planning Area 3 is the one with the light gray, and the boundaries are Central Arizona Project Canal, the Beardsley Canal, and Grand Avenue.

Currently, there is no wastewater collection...
and treatment facilities in the Surprise Special Planning Area 3. The city has completed an Integrated Water Master Plan which has identified the collection and wastewater treatment needs for the six special planning areas for the next 20 years.

The City of Surprise has also completed and adopted the General Plan 2020 which provides a comprehensive development guide for the six planning areas. In addition, the city has hired a consultant to prepare a Technology Assessment Report which will identify the wastewater treatment technologies for the water reclamation facilities in all the six special planning areas.

The driving force for the proposed Special Planning Area 3 Phase 1 Water Reclamation Facility is the development of a national planned community subdivision known as Austin Ranch by Courtland Homes. The city and Courtland Homes are working with Rio Rancho Development to achieve a joint effort for the Austin Ranch and Rio Rancho development. Recently, the Rio Rancho development has reached a Memorandum of Understanding with the City of Surprise.

The ultimate build-out capacity of the plant is 30 MGD, and approximately 140 acres of land is available for the planned construction. The city plans
to build the 30 MGD water reclamation facility in multiple phases. The first phase will be designated as Developer Phase 1 with the capacity of 1.8 MGD. The subsequent phases from Phase 2 to build out will be designated as city's master planned phases.

Figure 2 represents the location of the water reclamation facility. This square box in here is the proposed site for the water reclamation facility which is approximately a half mile south of the Deer Valley Road, and the, and west of 183rd Avenue.

Figure 3 provides the conceptual layout for the Phase 1 infrastructure and also the master planning for the Phase 2 up to the ultimate build out. As you can see, here on the southeast corner is the infrastructure for the Phase 1A which is 1.0 MGD, and then the recharge basins and this area here is designated for the future expansions.

The city envisions the future design of the subsequent phases from Phase 2 to build out in multiple modular-type treatment facilities at future dates. The developer Phase 1 1.8 MGD water reclamation facility is proposed to be constructed in three subphases designated as Phase 1A, B and C each with a capacity of 600,000 gallons per day. The developer Phase 1 1.8 MGD water reclamation facility, the unit processes that will be
used to obtain the required water quality are shown here, the headworks followed by secondary treatment, biological treatment, nitrification, denitrification, clarification, filtration, disinfection, effluent disposal, and solids handling. The permits, the SPA 3 will produce Class A effluent per ADEQ Title 18 requirements which has the turbidity and total nitrogen requirements shown here. The dewatered sludge will be Class B type, and the effluent will be disposed of via on-site recharge.

The permits for the SPA 3 Phase I Water Reclamation Facility will be as follows: The Aquifer Protection Permit from ADEQ, Approval to Construct by Maricopa County, Approval of Construction by Maricopa County, Vault and Haul Operation Permit by Maricopa County and obtained by the City of Surprise, Groundwater Recharge and Recovery Permits, Air Quality Permits, and the Arizona PDES Permit and the Annual Operations Permit which is issued by Maricopa County.

The schedule for the design and construction is the Developer Phase 1A of 600,000 gallons per day is scheduled for construction by mid-year 2005 and will be in operation by July 2006. Once the facility is approved by the Maricopa County and is in operation, the ownership and operation responsibilities will be transferred to the City of Surprise. The City of Surprise will be the
applicant for the permits, all permits, obtain all
applicable permits, obtain Vault and Haul Permits, and
will finance the design, construction, and operation of
the water reclamation facility through development impact
fees in conjunction with the City of Surprise capital
improvement bonds and sewer development fees.

That's the end. Are there any questions?

MR. KLINGER: Thank you, Raj. Are there any
questions at this point that can't wait until we have the
item on the agenda? If not, we may come back, Raj, but
right now, we will go to the next presentation. Thank
you.

MR. THAKUR: Thank you.

MR. KLINGER: Our next item is the Palo
Verde Treatment Facility. I think Brandon Squire from
RBF is going to present. Brandon.

MR. SQUIRE: My name is Brandon Squire with
RBF Consulting. I represent a private development out in
the Town of Buckeye. This development is approximately
660 acres in Buckeye. It's the Westwind, it's a
master-planned community.

As we went forward with this project in
working with the town, there are no services currently in
this area for wastewater in the Town of Buckeye. We
worked with the town, and an adjacent property, the
SilverRock development, is an additional master-planned community in the area, and then worked with the town to outline the parcel area that would be served by this treatment plant. We looked at the location of the treatment plant here on Palo Verde Road, approximately one-half mile south of Broadway, and as part of this project, there is also a recharge area along the Hassayampa River to recharge the effluent.

As part of our initial development, the West Park Project, like I said, is approximately 650 acres. That project will have a flow, an average daily flow of approximately 1.1 million gallons a day.

The adjacent property, the SilverRock development, is again about 1,300, 1,340 acres, with a flow of 2.2 million gallons a day. For the total service area including the 1st parcels, we're looking at a total area of about 6,640 as you can see here acres, and the ultimate build-out flow of 10.2 million gallons to the flow into this.

MR. KLINGER: Brandon, real quick on the SilverRock, is that twice as dense as Westwind or what's the planning there?

MR. SQUIRE: Yes, it has a higher density in it is what it is.

In looking at all of the permit
requirements, this facility will be owned and operated by the town. The town will take ownership, the Town of Buckeye will take ownership of the facility before it goes into operation. They will be the permit holder for all of the permits that are required for the facility. All of these permits are currently in the process of beginning on or are in the process to gain these permits. Again, the town will be the holder of all permits for the facility itself.

At this time, I will turn some time over to Fred Goldman from Kennedy/Jenks to talk about the plant itself.

MR. GOLDMAN: Thank you, Mr. Chairman.

I'm going to go to the second slide which basically shows the build out of the 10.2 million gallon per day plant. The plant will be constructed in phases. The first phase will actually be two batch reactors, the 0.9 million gallon per day batch reactors, which will produce an A plus effluent. It will have biological nitrogen removal. The effluent will be filtered in these first filters and disinfected using UV disinfection, and will then go to recharge or may be used for reuse on the site.

The second phase would be one million gallons per day, and it's these two units. These two
units would actually be batch reactors, but have fine bubble diffusers.

The next phase would be to add two more units to bring the capacity up to 2 million gallons per day, increasing the other facilities such as the filters, UV disinfection, and also the aerobic digesters. We would then proceed to begin to convert these batch reactors into actual, what we call the MLE process by adding these two tanks which would be anoxic mix tanks for nitrogen removal, and we would have internal recycle between these aeration tanks and the anoxic tanks. We would also add clarifiers. So by that, we would increase the process to 4 million gallons per day, do the same here with these two tanks by adding anoxic tanks and more clarifiers to get up to 8 million gallons per day.

All the tanks would be covered, all of the facility would have odor control, and eventually, finally, to get to 10.2 MGD, we would add these primary clarifiers in front. The project would have mechanical sludge dewatering, and the sludge would be treated to a Class B that could be used for land application or dewatered to be used at a landfill. Ultimately, for energy purposes, there is accommodation in the future if there is a need to convert the aerobic digesters to anaerobic because a plant larger than 5 MGD could
generate sufficient methane to be used as an energy source, perhaps partnering with the energy company. So that's why this final phase has these two circles here.

These are equalization tanks which are required to optimize the filtration and UV, and there's additional blower buildings, an administrative building, and the headworks pump station is in this general area. The purpose is to provide a clear effluent that would be suitable for direct recharge. Actually, this would have recharge basins with an effluent that meets aquifer water quality standards.

MR. KLINGER: Thank you, Fred. Are there any questions at this point? All right.

Brandon, did you have anything else at this point?

MR. SQUIRE: No.

MR. KLINGER: Hang loose. We may have some when we get to that item later.

Okay, we will move to the next item, the Glendale 208 Amendment, and George Shirley will be presenting that.

MR. SHIRLEY: Good afternoon.

The Glendale amendment contains two elements: A Temporary Sewer Service Agreement with the City of Surprise, and the second item will be the future
water reclamation plant correction item.
The area involved is the Cortez and White
Tank Foothills area. The previous slide mentioned an
Intergovernmental Agreement. The two cities have
executed that agreement, and it's in effect, and there's,
the City of Surprise has an agreement with the
developers, I believe, a will serve letter.

One question was raised regarding sewer
service in this entire area last, at the last meeting,
and the City of Glendale is currently reviewing their
options as to what they will do permanently with the
strip annexed area largely.

There was also a question raised relative to
who would be doing the maintenance and operation of the
sewer system, and there was a letter that was replaced
and corrected in the package having to do with clarifying
that the City of Surprise will be responsible for
operation and maintenance of the sewer system. I believe
a replacement letter has been distributed.

Moving on to the next item, in the current
Water Quality Management Plan, there is an item for a
water reclamation plant that was proposed by the Arizons
American Water Company in late 2001. The City of
Glendale, however, never considered that planning item,
and it was incorrectly placed into the 208 Plan. The
The purpose of this item is to make correction and delete that future 2 MGD plant and sewer service area in the western portion of the Glendale Planning Area. The location of that plant was right here, and their planning area was in conjunction with the Russell Ranch in this area right here. Here's a blow-up of that.

The text will be revised in the 208 Plan to delete the paragraphs that reference "within the western portion of the Glendale Planning Area." Arizona American Water Company is planning a sewer service for the area called the Arizona American Water Company Service Area.

The definition of the location, that will be struck. The second part talked about their evaluating options and what the plant was going to be, what it would contain. Those paragraphs will be struck from the plan. In addition, in the executive summary, the tabulation will also be corrected to delete reference to that plant. It was going to be a .5 MGD initially and expand to 8, and had a cost of 3 million. There were some figures that will also be corrected in the plan.

For both of these items, the City of Glendale sought letters of no objection or letters of support, and they received letters from each entity that was within the required distance from the site, and we used this figure to ascertain who was within the required
distance.

Are there any questions?

MR. KLINGER: Any questions at this point for George? Okay. Thanks, George.

At this time, we're going to move to our public comment portion. Public comments are invited on each of the Draft Plan 208 amendments. Brenda, did we get any cards for anyone to speak? If you want to, there's a yellow card to fill out.

MS. Day: They're by the front, if anybody would like to fill one out, but no, we don't have any at this time.

MR. KLINGER: Okay. We don't have any cards. Then let's declare the public hearing closed, and request that the court reporter end the transcription.

(The public hearing portion of the proceedings adjourned at 4:35 p.m.)
STATE OF ARIZONA  
COUNTY OF MARICOPA

I, DAWNA J. BOSWELL, Certified Court Reporter No. 50326 for the State of Arizona, do hereby certify that the foregoing printed pages constitute a full, true and accurate transcript of the proceedings had in the foregoing matter, all done to the best of my skill and ability.

WITNESS my hand this 27th day of January, 2005.

Dawna J. Boswell, RPR
Arizona Certified Court Reporter No. 50326

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