



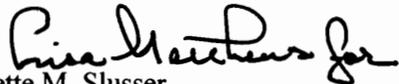
MEMORANDUM

Public Works Administration



DATE: March 20, 2009

TO: C.H. Huckelberry
County Administrator

FROM: 
Nanette M. Slusser
Assistant County Administrator for Policy

RE: Utility Cost Recovery Report

Attached for your review is an analysis of public right-of-way impacts by utility companies and recommendations for cost recovery of those impacts. The report identifies the cost to Pima County for these impacts as nearly \$2 million annually. These costs are borne entirely by the Department of Transportation, thus resulting in fewer dollars for critical roadway repairs and maintenance.

The Utility Policy Group, an ad hoc committee consisting of representatives from the County Attorney's Office, Real Property Services, Department of Transportation, Development Services Department, Regional Flood Control District, Regional Wastewater Reclamation Department, and the Information Technology Department have been engaged in this effort for the past year. Actual costs and recovery recommendations were reviewed by Finance and Risk Management and deemed appropriate. In addition, a study was commissioned with consultant Steve Postil to provide additional analysis of cost recovery strategies among a variety of agencies. The Postil report identifies even greater cost impacts than recommended for recovery in the attached report. Considerable supporting documentation has been collected throughout this endeavor and is available for review. Due to the volume of this material, a bibliography is provided in the report. The Postil Report and internal analysis by the Department of Transportation is accessible on the enclosed CD.

Let me know if you have any questions or would like copies of any of the materials.

NMS:lsm

Attachments

c: John M. Bernal, Deputy County Administrator, Public Works
Hal Gilbreath, Deputy County Attorney, Civil Division
Tom Burke, Director, Finance and Risk Management

Utility Cost Recovery

March 20, 2009

Overview

Public rights-of-way are essential to the health, safety, transportation, and economic development of a community. They accommodate pedestrian and vehicular traffic, landscaping and other streetscape enhancements, traffic signals and signs, street lights, electric wires, telephone, cable television, sanitary sewers, storm sewers, water mains, gas lines, and pipelines. Management of public rights-of-way is, therefore, a process of balancing essential and competing demands on the same property.

To protect the health and safety of our community, as well as the existing facilities of local governments and other rights-of-way users, Pima County must have the ability to ensure the efficient use of public rights-of-way through the development of effective policies and management practices, including the ability to levy fees to recover costs from rights-of-way users. Pima County must also receive fair and reasonable compensation for the use of these rights-of-way by such users.

Convergence of technologies and privatization has enabled all sectors of the utility industry to provide a wide variety of overlapping, non-essential, competitive services. Direct and indirect costs arising from the use of public rights-of-way that are not recovered by Pima County burden the tax base, resulting in the subsidization of private corporations to the benefit of the shareholders.

There is a proliferation of users competing for the limited space available in the public rights-of-way. This increased pressure on accommodating these services has resulted in increased costs to the public, in terms of shortening pavement life; increased road maintenance costs; growing traffic disruption; and escalating management oversight and coordination.

Arizona law allows public service corporations, telecommunications, and cable providers to operate within public rights-of-way under regulation of the Board of Supervisors via license or franchise. The Board of Supervisors has the statutory authority to impose restrictions and limitations on the use of County rights-of-way as it deems appropriate for public health, safety and welfare and to recover all direct costs associated with having the user encumber those rights-of-way.

Cost Impacts

Historically, Pima County has provided free access to its public rights-of-way. This approach resulted in a lack of information regarding the costs associated with right-of-way use. The only fees charged were for the permitting and inspection of new construction or relocation of existing facilities. These fees represent only those directly associated with the issuance of the permit and the inspector's time at the site. The increasing private sector demand for public rights-of-way has caused many public agencies to reevaluate the cost of this relationship.

Significant work has been done in recent years to identify the nature and magnitude of these costs. Most recently, this effort was extended to include the impact of utilities on pavement life and traffic management. Research done in the United States and Canada has found that utility cuts can reduce the life of a roadway by up to 60 percent (AMEC).

Traffic impacts are another cost to the community. Utility work in the public rights-of-way is disruptive to businesses and the traveling public. Existing traffic engineering procedures calculate delay times and,

ultimately, the economic impact of imposing these delays on the community. Delays to emergency vehicles are creating serious health and safety impacts to the community.

Pima County recently undertook an effort to segregate and analyze the specific costs associated with utility use of public rights-of-way. The costs fall into the following five categories:

- Administrative Costs – Are unique service components which the County provides in the management of the public rights-of-way that are attributable to the presence of a utility. Components include licensing, record-keeping, and legal services.
- Degradation Costs – Defined as depreciation to the roadway, sidewalks, landscaping, or other infrastructure and amenities that result from intrusion into the public right-of-way. This includes repair costs resulting from reconstruction of public improvements (pavement, curbs, sidewalks, landscaping, etc.) damaged or improperly installed by the right-of-way user.
- Management Costs – Are ongoing costs associated with managing the right-of-way for utilities. Costs include, but are not limited to, road maintenance, mapping, utility coordination, and responding to public requests.
- Traffic Disruption Costs – Involve the interruption of normal traffic patterns causing travel delays for motorists, disruption of business access, and increased accident risk near work zones.
- Permitting Costs – Are costs associated with plan review, permitting, field inspection and supervision of new and relocated utility facilities.

A recent study performed by consultant Steve Postil, at the County's request, identified the annual cost for utility occupation of Pima County rights-of-way at \$3.4 million, excluding permitting-related costs. A subsequent internal analysis by the Department of Transportation identified \$1.85 million in costs. The methodology for calculating costs accounts for the majority of the variance. The Postil report assumes a percentage of the total costs for managing Pima County rights-of-way are attributable to the user. The Postil cost basis includes debt service, which was intentionally omitted from the internal analysis. The internal analysis is based on estimated and actual staff hours and overhead costs associated with specific utility-related tasks. The methodology and a breakdown of line item costs are included in each report. The reports are available on the enclosed disc.

The Department of Transportation is responsible for Pima County rights-of-way. As such, these costs have been borne solely by this agency. Over the years, Pima County has absorbed the above costs, resulting in fewer funds available for routine roadway maintenance.

Cost Recovery Options

Pima County's authority to recover these costs is governed by statute. The following Arizona Revised Statutes (A.R.S.) provide the vehicle to establish a cost recovery plan for the various public utilities:

- §40-283, Transmission lines; use of public streets for utility right-of-way; notice; election
- §48-911, Rights of way within district; improvements and maintenance
- § 9-506, Authority to issue license; limitations
- § 9-583, Issuance of license or franchise; use of public highways; limitations

Each statute deals with a different type of utility and authorizes varying cost recovery approaches, depending on the user. Private utilities are covered under Board of Supervisors Policy F54.3. See Attachment A for a breakdown in legal authorities granted to Pima County for each industry group.

Administrative Cost Recovery Strategy

Administrative costs are related to those costs associated with the user's request to occupy public right-of-way such as, record-keeping, licensing, legal services and general inquiries relating to public right-of-way intrusion. These services apply to all users. The costs associated with providing these services are easily identified and include salaries and wages, materials and supplies, and administrative overhead.

A.R.S. §11-251.08 provides the authority for Pima County to recover these costs. The County currently has an application fee, which is a one-time fee paid by a new public utility requesting a license for use of the public right-of-way. An analysis of Pima County's current costs by utility and a proposal for adjustments to existing fees or new fee categories is available in both the Postil Report and staff analysis.

Roadway Degradation Cost Recovery Strategy

Roadway degradation is defined as depreciation to the roadway and associated facilities resulting from intrusion into the public right-of-way. Continuing advancement in technology encourages competitors to demand greater use of public rights-of-way. Increased demand results in more intrusions and, ultimately, rapid deterioration and depreciation of this public asset. The increased cost of roadway maintenance and replacement is paid either by taxpayers or the public right-of-way users and the users' customers. Numerous studies performed around the country concluded that, even if only 10 percent of the street surface is disturbed, the normal life expectancy is measurably reduced (Springsted). These studies show that intrusion into the public right-of-way causes a "degradation" which will shorten a roadway's useful life and require early replacement or repair and more frequent maintenance. The same is true for sidewalks and landscaping.

Only those utilities that degrade the public right-of-way are responsible for these costs. Utility companies are responsible to replace all pavement removed as a result of their work in public right-of way. However, Pima County currently does not charge for the long-term impact of that intrusion. A.R.S. §11-251.08 provides the authority for Pima County to recover these costs. The recommended degradation cost recovery method allows Pima County to recoup costs specific to the roadway being impacted. The following formula is proposed for roadway degradation recovery:

$$\text{\$10 per square foot} \times \text{area of disturbance.}$$

Several studies provide additional support for this approach and offer depreciation schedules based on street type or design standard.

Right-of-Way Management Cost Recovery Strategy

Right-of-way management includes utility coordination to avoid unnecessary roadway intrusion, enforcement of right-of-way ordinances, mapping, legal services, costs associated with access into the public rights-of-way for repairs and maintenance and public inquiries specifically related to these activities. These tasks are required for subsurface and overhead facilities. Using staff's analysis, the total cost of these impacts is \$850,000 annually. Attachment B identifies these costs by task. Supporting documentation is available in the staff report. Currently, Pima County does not recover these costs; however, A.R.S. §11-252.08 provides Pima County authority for that purpose.

The proposed cost recovery method is based on the linear footage of facilities in public rights-of-way. All utilities are required to apply for a Certificate of Convenience and Necessity with the Arizona Corporation Commission. The application includes a map of each utility's service area. Attachment C is a copy of the Arizona Corporation Commission maps by utility type (electric, gas, water, sewer, and telephone). These maps provide the basis for determining each utility's linear footage of facilities in Pima County rights-of-way. Pima County staff analyzed numerous cost recovery methods. The proposed approach most closely ties the fee to the actual impact and can be administered with minimal cost.

Traffic Disruption Cost Recovery Strategy

Traffic disruption occurs when public access is obstructed directly in the form of a traffic or service diversion. Obstructions cause commuter delays, inconvenience, and a loss of time and/or money to local businesses, residents and others. In addition, these disruptions increase travel distances and the corresponding increase in fuel consumption, noise, and air and visual pollution. Traffic disruption costs are real costs incurred by the community. Decreased business activity due to access restrictions and delays and detours to the traveling public, delivery vehicles, and emergency responders have significant impact to the economic and social well-being of the community. Traffic disruption specifically targets those utilities that require travel lanes or sidewalk closures or detours to complete their work. Although Pima County is not directly harmed by these closures, the health, safety and welfare of the community are diminished. The goal of this cost recovery strategy is to develop an incentive to reduce traffic disruption during daytime travel hours to benefit the community. Traffic disruption costs are difficult to capture or measure. A variety of approaches are available to assign a value to traffic disruption costs. Staff has reviewed each and offers the following methodology:

$\$0.30/\text{lane}/\text{linear feet of work zone} \times \text{the number of days work/or detour closure will occur} \times \text{work zone length in linear feet.}$

This approach closely mimics the El Paso County lane disruption fee schedule, which further delineates type of lane and describes the work zone limits (see Attachment D). A.R.S. §11-251.08 provides the authority for Pima County to recover these costs. Other jurisdictions charge a variety of lane rental or disruption fees based on the volume of traffic being displaced. The proposed cost recovery strategy covers only arterial and collector roadway designations between the hours of 6:00 a.m. and 7:00 p.m., Monday through Friday. No traffic-disruption fees will be applied to work performed prior to 6:00 a.m. or after 7:00 p.m. for work done on weekends or on roads designated as local.

Permitting Cost Recovery Strategy

Utilities proposing to construct new or relocate existing facilities in public rights-of-way are reviewed for conformance with various agency standards and regulations. Once approved for construction Pima County provides inspection services to confirm adherence to those standards. The Departments of Transportation and Development Services manage this function at a cost of approximately \$1 million annually. The current permit fee schedule was established in 1998 and recovers less than 50 percent of the cost of this service. The proposed cost recovery approach adjusts the existing fee schedule by 33 percent to reflect current costs.

Industry Standard

Many organizations such as the American Public Works Association (APWA), American Association of State, Highway, and Transportation Officials (AASHTO), the Federation of Canadian Municipalities (FCM), and the Ontario Good Roads Association (OGRA), have developed effective approaches to

identifying and recovering the costs associated with right-of-way use and its impacts. In the State of Arizona, municipalities have been given the statutory authority to impose transaction privilege taxes on the various utilities. To date, counties have not been granted a concomitant authority to impose such taxes. In addition, the same municipalities have the authority to charge a percentage of gross revenues or utility taxes on electric, cable, and telecommunications companies. A.R.S. §42-6110 allows Pima County to enact an electricity use tax by majority vote of the Board of Supervisors. With the exception of cable television, there is no complementary authority with regards to the other cost recovery options listed.

The majority of local municipalities charge a minimum 2-percent transaction privilege tax. Most have additional license fees and taxes. The City of Tucson's total fees for utilities range from 4 percent to 9 percent, excluding permit fees. Other cost recovery methods used by the City include monthly subscriber fees and percent-of-gross revenues. The City of Tucson collects over \$21 million annually in utility fees and taxes. This does not include permit and inspection fees.

For jurisdictions in Southern Arizona, right-of-way fees, not including permit and inspection fees specific to a construction project, vary from 2 percent to 6 percent of the total construction costs depending on the utility type and jurisdiction. In Maricopa County, the various municipalities charge linear footage fees of \$1.15 to \$3.45 to recover right-of-way use costs associated with cable and telecommunications providers. Pima County negotiates cost recovery fees on a case-by-case basis with cable and telecommunications providers. Attachment E, Comparison of Local Financial Obligations Imposed on ROW Users, identifies fees by utility and jurisdiction.

Implementation

Mechanisms are in place within the County to administer the proposed cost recovery methods. Currently, the Information Technology Department is responsible for processing license applications and collecting associated fees for telecommunications and cable companies. Development Services and the Department of Transportation are responsible for issuing permits and collecting associated fees for utility work in public right-of-way. Real Property Services processes license and encroachment applications for both public and private right-of-way users, excluding telecommunication and cable. The Department of Transportation provides review and coordination functions related to all requests for right-of-way use. All proposed cost recovery methods can be accommodated within the current structure.

Recent Legislative Changes

Right-of-Way Use Ordinance

In 2007, the Board of Supervisors approved Resolution 2007-8, requiring all non-County utilities in County rights-of-way to have a current County license and dictating the form of that license. To further support the resolution and provide a vehicle for uniform application among all utility providers, the Board of Supervisors approved Ordinance 2008-72, which has the effect of codifying most of the terms and conditions of the Pima County Utility License Agreement. Arizona Revised Statute §11-251 provides Pima County the statutory authority to regulate and manage all public rights of way located within unincorporated Pima County.

Regional Flood Control District

Pima County Regional Flood Control District (District) is the second largest owner of public rights-of-way in Pima County. It appears that the District may be required to enact all fees and ordinances separate from those of Pima County. These will be brought forward to the Flood Control District Board at a future date.

Recommendations

The community investment in public rights-of-way represents a significant expenditure of taxpayer funds. Accordingly, public agencies and jurisdictions have an obligation to manage these rights-of-way as trustees for the public. There is a duty to protect the public's investment and to ensure that the use of rights-of-way for private purposes provides a fair return to taxpayers. Public demands on limited resources mandate that right-of-way-related costs be identified, allocated to, and recovered from those user entities benefiting from these services.

Pima County has the authority to protect public health, safety, and welfare, and to provide safe and efficient public right-of-way use for residents, business, and commerce. Pima County also has the authority to recover those costs associated with public right-of-way use including, but not limited to, roadway degradation, traffic disruption, administration, and management. These costs are estimated at \$1.85 million, annually.

To that end, the following are recommended:

1. Establish the following right-of-way management fee schedule for utilities located in Pima County rights-of-way: \$.04 per linear foot of facility in right-of-way. Anticipated recovery of \$1.50 - \$1.75 million in costs (see Attachment F for the cost by utility). Linear foot estimates are based on the Arizona Corporation Commission service areas and must be substantiated by each utility. A minimum default level will be set for utilities unable to confirm facilities in Pima County rights-of-way.
2. Establish a Lane Rental fee of \$.30 per linear foot per day to reduce unnecessary travel disruption between 6:00 a.m. and 7:00 p.m., Monday through Friday. No fees will be charged for nighttime work between the hours of 7:00 p.m. and 6:00 a.m., and on weekends.
3. Adjust the 1998 Permit Fee Schedule to reflect current costs (see Attachment G).
4. Review actual right-of-way costs every two years and compare with fee collections. Provide recommendations for adjustment as necessary.

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ATTACHMENT A

Utility Fees & Taxes							
Utility Categories	Franchise or License	Term of License	Application Fee	Permit Fee	Annual Fee	Tax	Relocation Costs
Electric	ARS 40-283	any	ARS 11-251.08	ARS 11-251.08	ARS 11-251.08	ARS 42-6103: general excise tax. ARS 42-6110: specific electricity use tax. * See RTA tax below	Utility pays except prior rights
Gas	ARS 40-283	any	ARS 11-251.08	ARS 11-251.08	ARS 11-251.08	ARS 42-6103: general excise tax. * See RTA tax below	Utility pays except prior rights
Cable TV	ARS 9-506 and P.C.C. 5.04.040	Max 10 year term per P.C.C. 5.04.070E	P.C. Ord 2004-19	ARS 11-251.08	ARS 9-506; max of 5% of gross revenues	ARS 9-506 prohibits all taxes; exception, authorized TPT.	Utility pays except prior rights
Telecom: Fiber Optics	ARS 9-583	5 years per ARS 9-583(G)	ARS 9-582(A)(2); P.C. Ord 2004-19	ARS 11-251.08 And ARS 9-582(A)(3)	ARS9-582(C); reasonable costs for constr, maint. and operation in ROW; and fixed \$ per linear foot of line per ARS 9-583(C), interstate lines only.	ARS 9-582 prohibits all taxes; exception, authorized TPT.	Utility pays except prior rights
Telecom: Wireless	ARS 40-283	any	P.C. Ord 2004-19; \$500 processing fee per P.C. Admin 54-4	ARS 11-251.08	P.C. Admin 54-4: \$1000/month/ per pole (indiv); \$500/month/ per pole (co-use)	ARS 42-6103: general excise tax.	Utility pays except prior rights
Water Improvement Districts	ARS 40-283; see also ARS 48-911	any	ARS 11-251.08	ARS 11-251.08	ARS 11-251.08	ARS 42-6103: general excise tax.	Utility pays except prior rights
Municipal Utilities	ARS 40-283	any	ARS 11-251.08	ARS 11-251.08	ARS 11-251.08	ARS 42-6103: general excise tax. * See RTA tax below	Utility pays except prior rights; Tucson Water per 1979 IGA and Amts
Private Utilities (Encroachments)	P.C. Board Policy F54.3	any	P.C. 2004-19	ARS 11-251.08	Open	ARS 42-6103: general excise tax.	Utility pays except prior rights
Private Encroachments	P.C. Board Policy F54.3	any	P.C. 2004-19	ARS 11-251.08	P.C. Policy F54.3 \$50.00	none applicable.	Owner pays
Monitor Wells	P.C. Ord 2004-19	any	P.C. 2004-19	ARS 11-251.08	Open	none applicable.	Owner pays

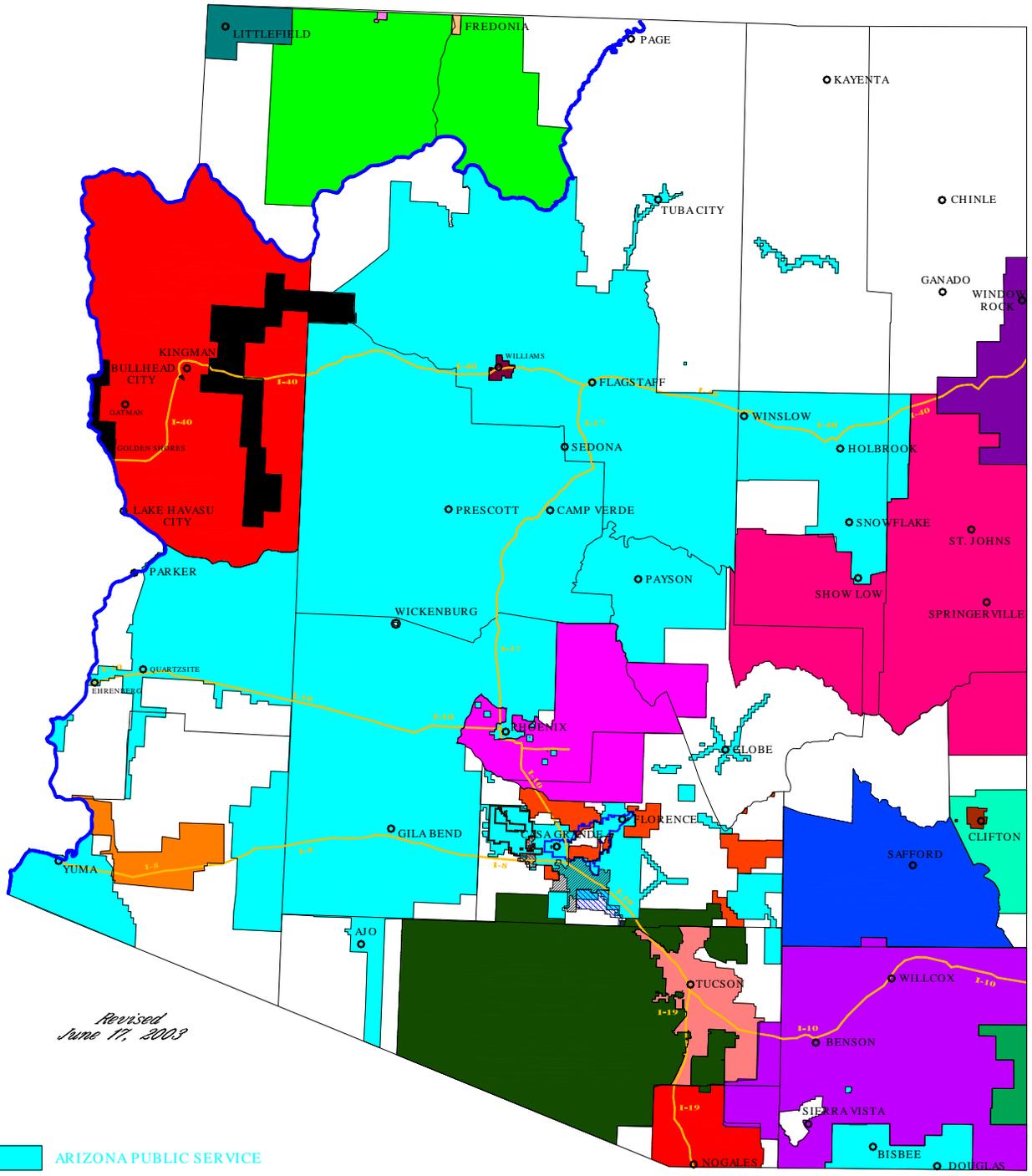
*Note: County RTA tax ARS 42-6106.

Rev. 10/08

ATTACHMENT B

TABLE 1A. RIGHT-OF-WAY COSTS

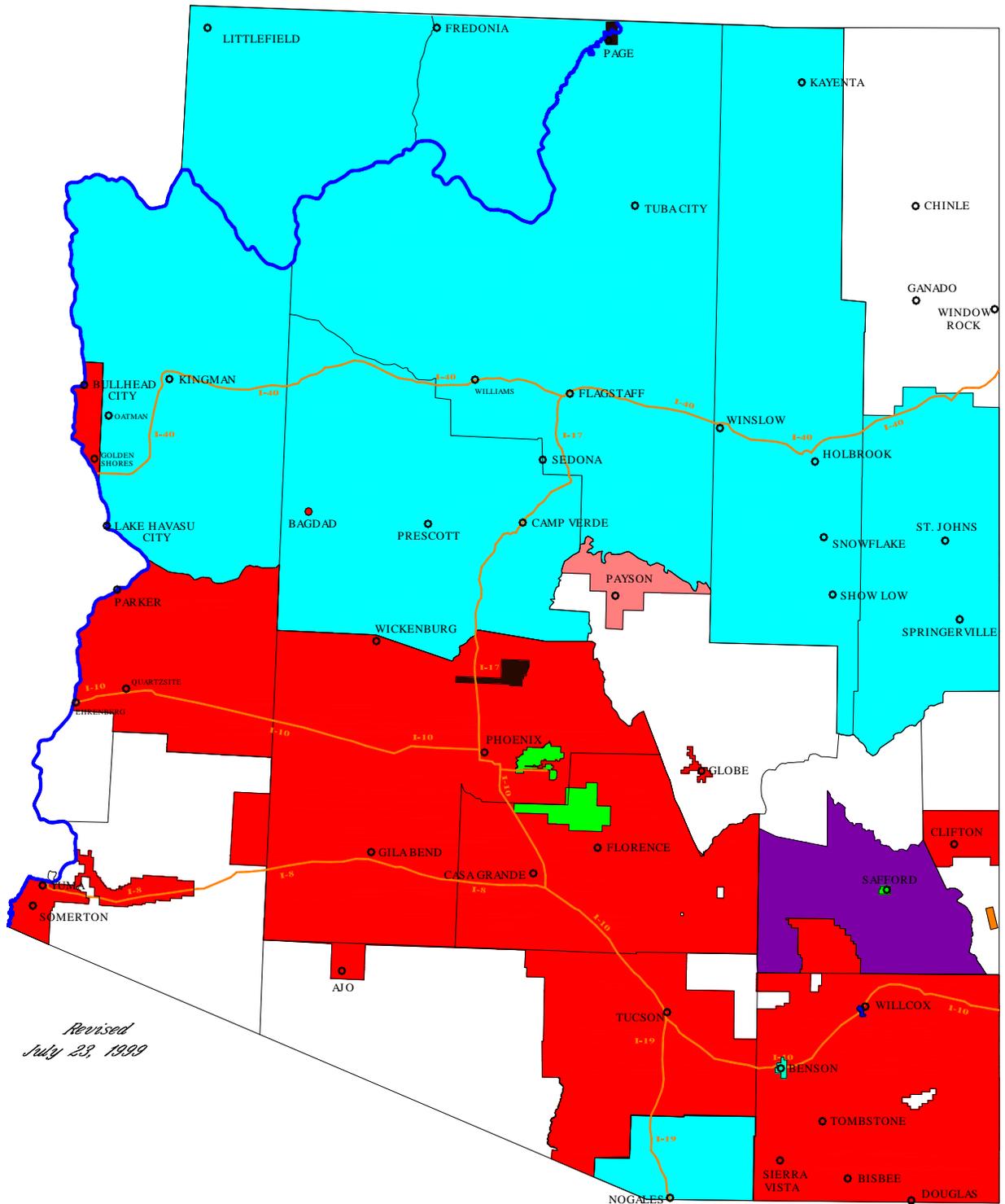
Activity Description	R/W Permitting (All Users)		Right-of-way Costs (Utilities Only)
	Administration	Inspection	Management
R/W Use Permit	\$ 409,788	\$ 599,200	N/A
Public Inquires / Complaints	N/A	N/A	\$ 9,529
Maintenance	N/A	N/A	\$ 10,960
Utility Coordination	N/A	N/A	\$ 543,946
Bridge Inspection	N/A	N/A	\$ 1,600
Legal Services	N/A	N/A	\$ 40,656
Monthly Utility Coordination Meetings (CIP)	N/A	N/A	\$ 9,978
Project Information Distribution to Utilities (CIP)	N/A	N/A	\$ 8,242
Review of Utility Relocation Plans (CIP)	N/A	N/A	\$ 30,264
Mapping of Utility Information (CIP)	N/A	N/A	\$ 185,512
Sub-Total	\$1,008,988		\$ 840,687
TOTAL	\$1,849,675.00		



*Revised
June 17, 2003*

- | | | | | | |
|-------------------------------------------------------------------------------------|--------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------|
|  | ARIZONA PUBLIC SERVICE |  | ELECTRIC DISTRICT NO. 1 |  | MORENCI WATER & ELECTRIC |
|  | UNISOURCE ENERGY SERVICES |  | ELECTRIC DISTRICT NO. 2 |  | NAVOPACHE ELECTRIC CO-OP |
|  | CITY OF FREDONIA |  | ELECTRIC DISTRICT NO. 3 |  | SALT RIVER PROJECT |
|  | CITY OF WILLIAMS |  | ELECTRIC DISTRICT NO. 4 |  | SAN CARLOS IRRIGATION |
|  | COLORADO CITY |  | ELECTRIC DISTRICT NO. 5 |  | SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC. |
|  | COLUMBUS ELECTRIC CO-OP |  | GARKANE POWER ASSOCIATION |  | TRICO ELECTRIC COOPERATIVE |
|  | DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION |  | GRAHAM COUNTY ELECTRIC COOPERATIVE, INC. |  | TUCSON ELECTRIC POWER |
|  | DUNCAN VALLEY ELECTRIC COOPERATIVE, INC. |  | MOHAVE ELECTRIC COOPERATIVE |  | WELLTON MOHAWK |

STATE OF ARIZONA - ELECTRIC

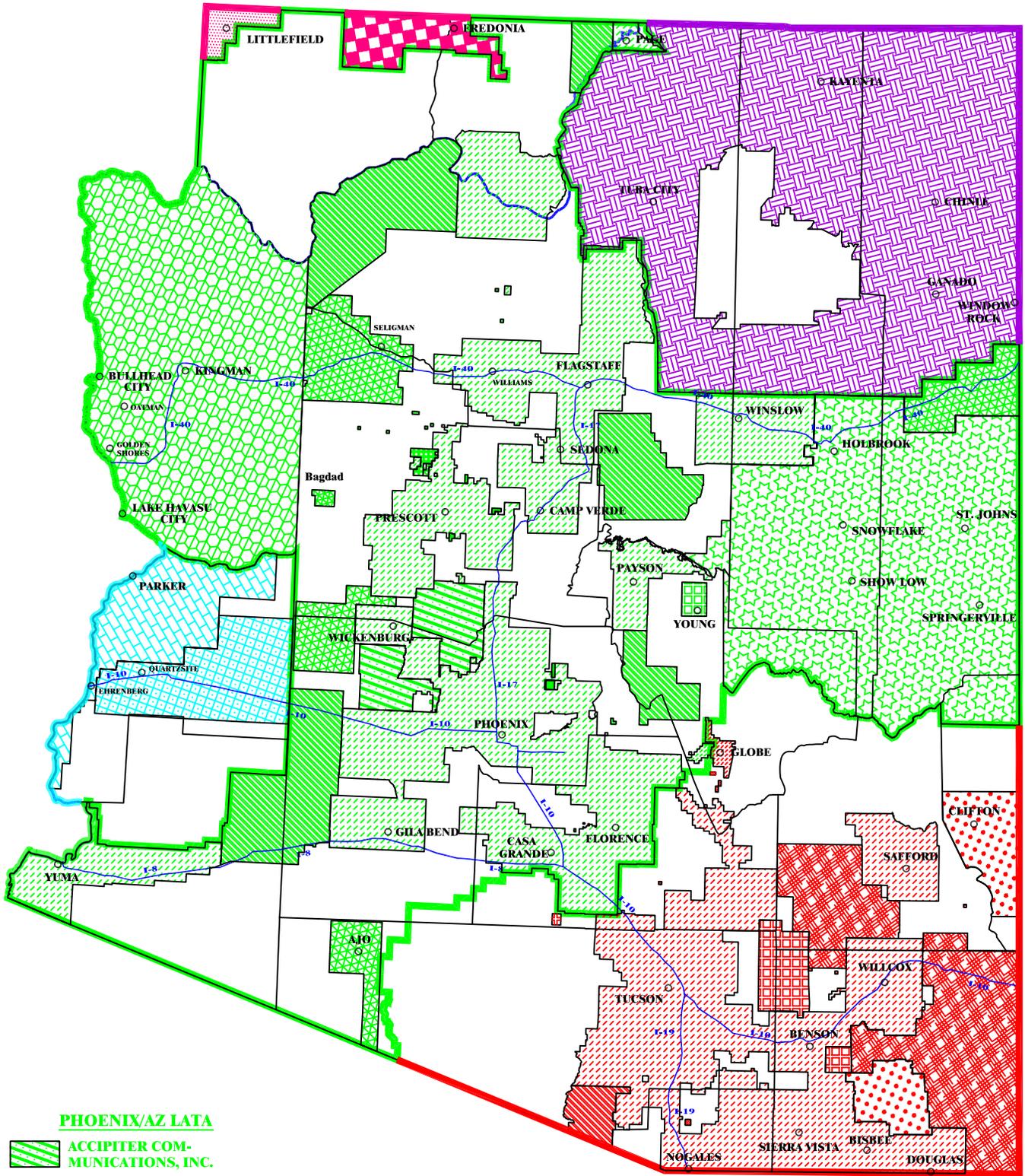


*Revised
July 23, 1999*

- BLACK MOUNTAIN GAS COMPANY
- UNS GAS, INC.
- CITY OF MESA
- DUNCAN RURAL SERVICE CORP.
- GRAHAM COUNTY UTILITIES, INC.
- BROKEN BOW GAS COMPANY
- SOUTHWEST GAS CORPORATION

- BAGDAD COPPER MARKET
- CITY OF SAFFORD
- CITY OF BENSON
- CITY OF WILLCOX

STATE OF ARIZONA - GAS



PHOENIX/AZ LATA

-  ACCIPITER COMMUNICATIONS, INC.
-  ARIZONA TELEPHONE COMPANY
-  FRONTIER CITIZENS UTILITIES RURAL
-  FRONTIER COMMUNICATIONS OF THE WHITE MOUNTAINS
-  MIDVALE TELEPHONE EXCHANGE, INC.
-  TABLE TOP TELEPHONE COMPANY, INC.
-  QWEST COMMUNICATIONS, INC.

TUCSON/AZ LATA

-  ARIZONA TELEPHONE COMPANY
-  COPPER VALLEY TELEPHONE, INC.
-  MIDVALE TELEPHONE EXCHANGE, INC.
-  QWEST COMMUNICATIONS, INC.
-  VALLEY TELEPHONE COOPERATIVE, INC.

INDEPENDENT MARKET AREA

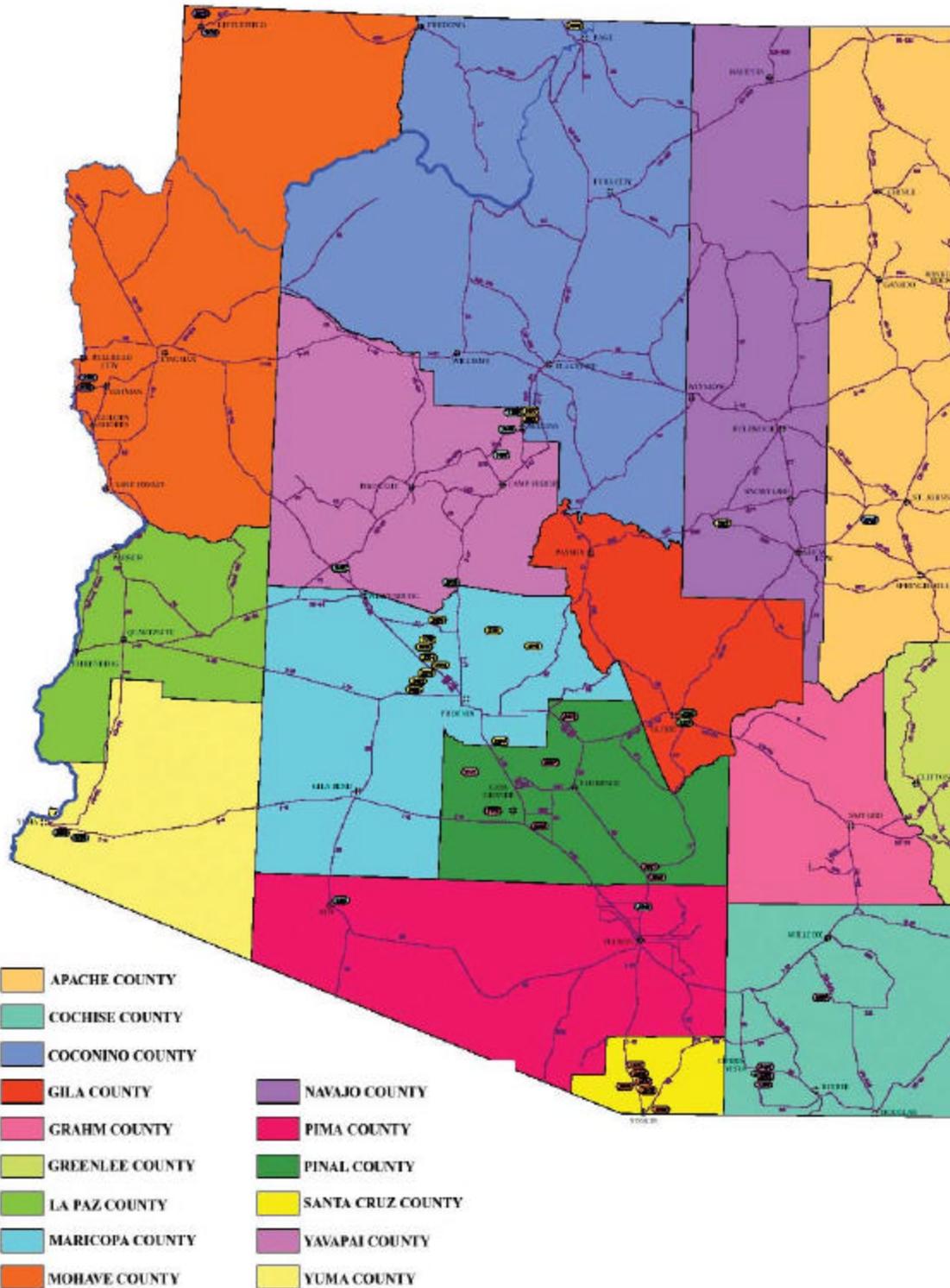
-  NAVAJO COMMUNICATIONS COMPANY, INC.
- LOS ANGELES/CA LATA**
-  VERIZON CALIFORNIA, INC.
-  SOUTHWESTERN TELEPHONE CO.

Revised June 27, 2007

UTAH/UT LATA

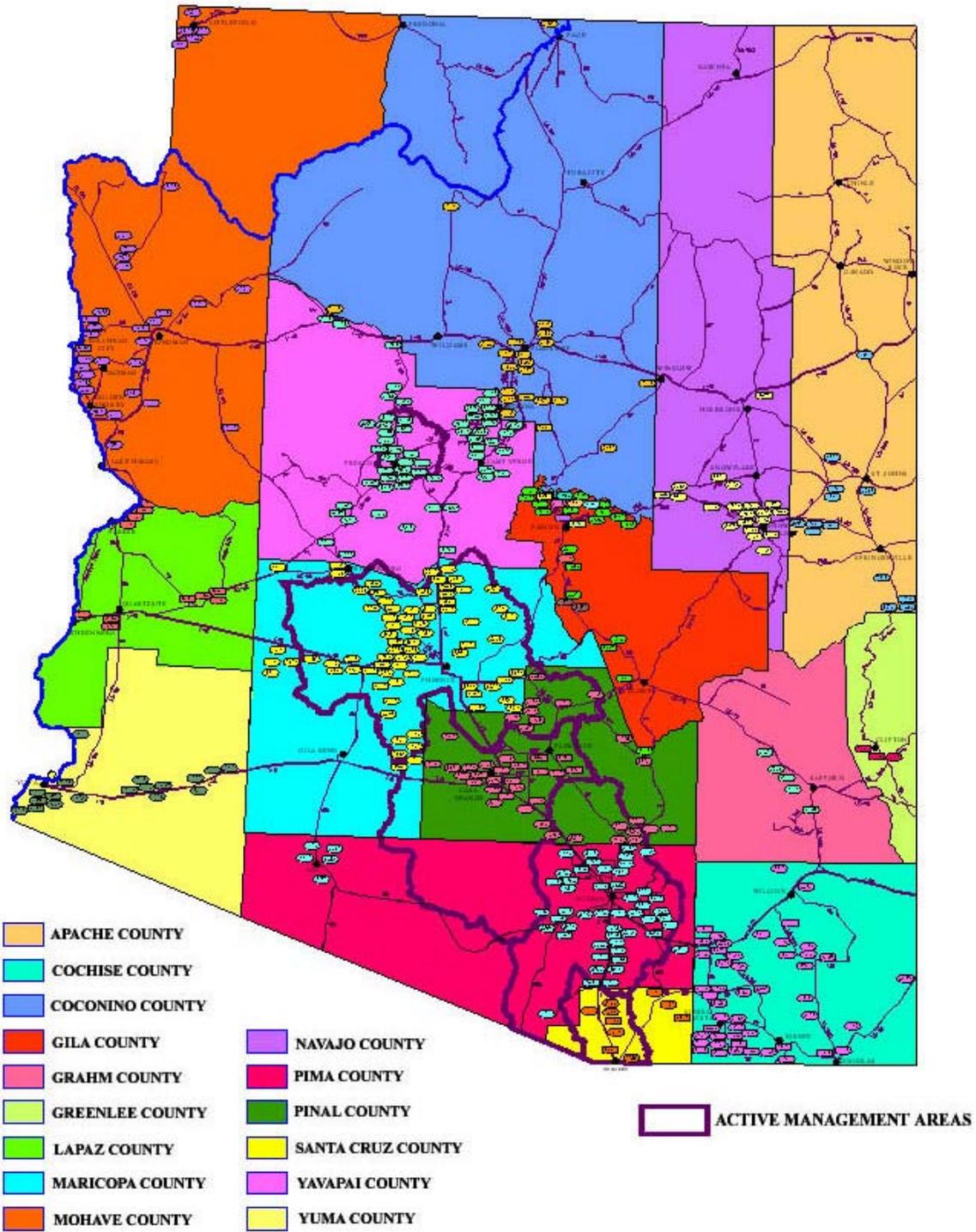
-  RIO VIRGIN TELEPHONE COMPANY
-  SOUTH CENTRAL UTAH TELEPHONE ASSOC., INC.

STATE OF ARIZONA TELEPHONE WITH LATA



**APPROXIMATE LOCATIONS OF SEWER COMPANIES
REGULATED BY THE CORPORATION COMMISSION**

STATE OF ARIZONA



**APPROXIMATE LOCATIONS OF WATER COMPANIES
REGULATED BY THE CORPORATION COMMISSION**

STATE OF ARIZONA

ATTACHMENT D

Calculation of Disruption Fee

Note: Fee charged for all permits to cover administration and review of traffic disruption associated with activities in the ROW. Disruption fees are cumulative.

1. Closure of Collector/Arterial Streets

Note: (1) Fees shown are for Daytime Hours (Morning 6 AM to 7 PM) There is no fee for work done before 6 AM and after 7 PM, and on roadways classified as Local; (2) "Work Zone" is equal to the distance from the first cone, to the last cone, including taper length minus 175-ft.); (3) the fees are cumulative based on the number of lanes closed or occupied at any one time.

Parking Lane/Shoulder/Edge of Pavement to Edge of Right-of-Way: \$0.30/lane/linear feet of work zone \times the number of days work/closure will occur (days may be multiplied by the specific hours during each day activities will occur) \times work zone length in linear feet

Note: The parking lane/shoulder/edge of pavement to edge of right-of-way on each side of the road is considered a separate lane.

+ 1st Travel Lane:

\$0.30/lane/lf of work zone \times the number of days work/closure will occur (days may be multiplied by the specific hours during each day activities will occur) \times work zone length in linear feet

Note: Each direction of travel is considered a separate lane.

+ 2nd Travel Lane:

\$0.60/lane/lf of work zone \times days \times work zone \times the number of days work/closure will occur (days may be multiplied by the specific hours during each day activities will occur) \times work zone length in linear feet

Note: Each direction of travel is considered a separate lane.

+ 3rd Travel Lane:

\$1.20/lane/lf of work zone \times the number of days work/closure will occur (days may be multiplied by the specific hours during each day activities will occur) \times work zone length in linear feet

Note: Each direction of travel is considered a separate lane.

+ Detour Fee:

\$0.30/lane/lf of detour \times the number of days detour will occur (days may be multiplied by the specific hours during each day the detour will be in place) \times length of detour in feet

Note: Each travel lane detoured is subject to the fee.

2. Closure of Sidewalks

Note: Length of Closure will be equal to entire length of block.

Collectors & Arterials Area:

\$0.25/feet \times the number of days work/closure will occur (days are multiplied by the specific hours during each day activities will occur) \times length of closure

ATTACHMENT E
Comparison of Local Financial Obligations Imposed on ROW Users

Agency	ROW User	Annual Fees	Comments
Maricopa County	Public Utilities: Water	None.	
	Electric	None.	
	Gas	None.	
	Telecom	None.	
	Cable	5% Gross Revenues	
	CLEC (fiber)	\$.54 per linear foot	Minimum \$5,000.
	Antennas in ROW	\$5,000 each	Annually per location.
	Permit fees	3% of estimated construction cost and \$50 processing fee.	2001 fee
Marana	Comcast	5% License Fee	
Oro Valley¹	Public Utilities: TEP	2% Local TPT	Used for annual operating expense.
	Southwest Gas	2% Local TPT	Used for annual operating expense.
	Oro Valley Water	2% Local TPT	Used for annual operating expense.
	Metro Water	2% Local TPT	Used for annual operating expense.
	Tucson Water	2% Local TPT	Used for annual operating expense.
	Comcast	5% License Fee	5% of gross revenues for annual operating expense - \$426,000 annually.
City of Tucson²	Public Utilities: Qwest	2% Local TPT	
	TEP	4%	2% Local TPT +2% utility tax-2.5% franchise fee
	Comcast	6%	Similar to Cox, License Fee 5% + \$.44/month subscriber fee
	CLECs ³	5%	5% license fee-2% local TPT and 2% public utility tax.
	Permit fees	See Attached Fee Schedule	
City of Phoenix²	Public Utilities: Qwest (video)	5% license fee	
	Qwest (telephone)	4.7% telecom fee	
	SW Gas	2.7%	
	Cox	5.7% (est.)	
	SRP	2.7% Utility TPT	
	APS	2.7% Utility TPT	
	CLECs	4.7% telecom fee	
Pima County	Public Utilities: Water	None	See proposed fee schedule for recommendations.
	Electric	None	See proposed fee schedule for recommendations.
	Gas	None	See proposed fee schedule for recommendations.

ATTACHMENT E

	Telecom (fiber)	Negotiated annual fee for maintenance and operation of ROW; and fixed per linear foot fee of \$1.00/lf.	See proposed fee schedule for recommendations.
	Telecom (wireless)	\$1000/month/pole (individual); \$500/month/pole (co-use)	See proposed fee schedule for recommendations.
	Cable	5% of gross revenues	See proposed fee schedule for recommendations.
	CLEC (fiber)	Negotiated	See proposed fee schedule for recommendations.
	Hybrid/Multi-User Providers	Negotiated	See proposed fee schedule for recommendations.
	Permit fees	See Attached Fee Schedule	See proposed fee schedule for recommendations.
	Lane Rental	None	See proposed fee schedule for recommendations.

¹ The total of all 2% Transaction Privilege Tax (TPT) collections from the utilities above is approximately \$1.1 million annually. This 2% sales tax is due to Sunset in January 2009, unless extended by the Town Council prior to then.

² Data from 2003.

³ Most of the Competitive Local Exchange Carrier (CLEC) licenses currently in effect in Tucson were negotiated before statutory limitations were imposed on what telecoms are required to pay taxing jurisdictions (e.g. Current statute limits cities and towns to collecting no more than TPT on CLECs). Utilities are not automatically required to pay fees unless the taxing jurisdiction designates the utilities to do so.

ATTACHMENT F
ROW Management Cost Recovery Formula

UTILITY COMPANY	Linear Feet (Estimate on Available Data)	Fixed Cost per Foot	Fee Amount Linear Feet
AJO IMPROVEMENT COMPANY	154,260	\$ 0.04	\$ 6,170.40
ANWAY MANVILLE LLC	20,485	\$ 0.04	\$ 819.40
ARIVACA TOWNSITE COOPERATIVE WATER CO.	7,800	\$ 0.04	\$ 312.00
ARIZONA WATER COMPANY	1,118,749	\$ 0.04	\$ 44,749.96
AVRA WATER CO-OP INC.	421,661	\$ 0.04	\$ 16,866.44
COMMUNITY WATER COMPANY OF GREEN VALLEY	779,410	\$ 0.04	\$ 31,176.40
DIABLO VILLAGE WATER CO.	83,246	\$ 0.04	\$ 3,329.84
EMPIRITA WATER COMPANY, L.L.C.	2,000	\$ 0.04	\$ 80.00
FRANCESCA WATER CO.	4,950	\$ 0.04	\$ 198.00
GREEN VALLEY DOMESTIC WATER IMPROVEMENT DISTRICT	48,178	\$ 0.04	\$ 1,927.13
LA CASITA WATER CO. INC.	5,167	\$ 0.04	\$ 206.68
LAGO DEL ORO WATER CO.	426,896	\$ 0.04	\$ 17,075.84
LAZY C WATER SERVICE	50,458	\$ 0.04	\$ 2,018.32
LOS CERROS WATER CO. INC.	82,296	\$ 0.04	\$ 3,291.84
LYN LEE WATER CO.	32,894	\$ 0.04	\$ 1,315.76
MARANA DOMESTIC WATER IMPROVEMENT DISTRICT	138,263	\$ 0.04	\$ 5,530.54
MIRABELL WATER CO. INC.	12,942	\$ 0.04	\$ 517.68
MT. LEMMON DOMESTIC WATER IMPROVEMENT DISTRICT	39,864	\$ 0.04	\$ 1,594.56
QUAIL CREEK WATER CO. INC.	95,516	\$ 0.04	\$ 3,820.64
RANCHO DEL CONEJO COMMUNITY WATER CO-OP INC.	51,332	\$ 0.04	\$ 2,053.28
RAY WATER CO.	103,259	\$ 0.04	\$ 4,130.36
REDROCK UTILITIES	61,400	\$ 0.04	\$ 2,456.00
RINCON CREEK WATER CO.	2,200	\$ 0.04	\$ 88.00
RINCON RANCH ESTATES WATER CO., INC.	62,751	\$ 0.04	\$ 2,510.04
RINCON WATER CO.	83,410	\$ 0.04	\$ 3,336.40
SAGUARO WATER COMPANY	179,725	\$ 0.04	\$ 7,189.00
SAHUARITA WATER COMPANY	278,979	\$ 0.04	\$ 11,159.16
SANDARIO WATER CO. INC.	58,061	\$ 0.04	\$ 2,322.44
SPANISH TRAIL WATER COMPANY	62,580	\$ 0.04	\$ 2,503.20

ATTACHMENT F

ROW Management Cost Recovery Formula

THIM UTILITY CO.	20,340	\$	0.04	\$	813.60
THIM WATER CORP.	56,555	\$	0.04	\$	2,262.20
VIVA DEVELOPMENT CORP.	2,000	\$	0.04	\$	80.00
WHY UTILITY CO.	31,522	\$	0.04	\$	1,260.88
JANICE E & LAWRENCE WORDEN	6,830	\$	0.04	\$	273.20
TOWN OF MARANA/MARANA WATER	81,288	\$	0.04	\$	3,251.51
EL PASO NATURAL GAS CO.	500,000	\$	0.04	\$	20,000.00
FARMERS WATER CO.	238,362	\$	0.04	\$	9,534.48
SOUTHWEST TRANSMISSION COOPERATIVE, INC.	500,000	\$	0.04	\$	20,000.00
COOPERATIVE INC.	2,000	\$	0.04	\$	80.00
TRICO ELECTRIC COOPERATIVE INC.	3,604,656	\$	0.04	\$	144,186.24
TUCSON ELECTRIC POWER CO.	7,487,040	\$	0.04	\$	299,481.60
ARIZONA PUBLIC SERVICE	399,696	\$	0.04	\$	15,987.84
FLOWING WELLS IRRIGATION DISTRICT	224,453	\$	0.04	\$	8,978.12
METRO WATER IMPROVEMENT DISTRICT	1,432,834	\$	0.04	\$	57,313.36
ORO VALLEY WATER UTILITY	2,000	\$	0.04	\$	80.00
SFPP LIMITED PARTNERSHIP	500,000	\$	0.04	\$	20,000.00
SOUTHWEST GAS	11,348,304	\$	0.04	\$	453,932.16
SULPHUR SPRINGS VALLEY ELECTRIC CO-OP INC	104,544	\$	0.04	\$	4,181.76
DATELAND WATER COMPANY	7,814	\$	0.04	\$	312.56
VAIL WATER COMPANY	645,796	\$	0.04	\$	25,831.84
MIDVALE TELEPHONE EXCHANGE INC.	52,800	\$	0.04	\$	2,112.00
QWEST	10,864,656	\$	0.04	\$	434,586.24
TABLE TOP TELEPHONE CO.INC	292,512	\$	0.04	\$	11,700.48
CORTARO MARANA IRRIGATION DISTRICT	390,192	\$	0.04	\$	15,607.68
QUINTAS SERENAS WATER COMPANY	200,000	\$	0.04	\$	8,000.00
COMCAST	200,000	\$	0.04	\$	8,000.00
COX	200,000	\$	0.04	\$	8,000.00
MEDIACOM	200,000	\$	0.04	\$	8,000.00
NEXTG	200,000	\$	0.04	\$	8,000.00
SPRINT/NEXTEL	200,000	\$	0.04	\$	8,000.00
TIME WARNER	200,000	\$	0.04	\$	8,000.00
VALLEY TELEPHONE	200,000	\$	0.04	\$	8,000.00
VERIZON	200,000	\$	0.04	\$	8,000.00
AT&T	200,000	\$	0.04	\$	8,000.00
IXC	200,000	\$	0.04	\$	8,000.00
LEVEL 3 COMMUNICATIONS	200,000	\$	0.04	\$	8,000.00
WILLIAMS COMMUNICATION	200,000	\$	0.04	\$	8,000.00
TOTAL	45,864,926			\$	1,834,597.05

ATTACHMENT G
PIMA COUNTY DEPARTMENT OF TRANSPORTATION
RIGHT OF WAY PERMIT FEE SCHEDULE
(Revision February 19, 2009)

1. Public Right-of-Way Improvement Permit Fee

- a. Base permit fee for work in the public right-of-way \$60 (\$45)
- b. Driveway repairs and installation and unimproved property improvements up to 5 feet by 5 feet \$33 (\$25)
- c. Fees for general right-of-way improvements. The permit fees for all utility work, sidewalk installation, street excavation, improvements to unimproved portions of public right-of-way, curb cuts, driveway installations, and repairs, are as follows:
 - 200 lineal feet or less: \$60 (\$45)
 - 201 to 300 lineal feet: \$80 (\$60)
 - 301 to 500 lineal feet: \$106 (\$80)
 - 501 to 2500 lineal feet: \$106 (\$80) plus \$18.00 (\$14) for each additional 100 linear feet or fraction thereof above 500 lineal feet.
 - 2501 lineal feet: and above \$480 (\$360) plus \$10.00 (\$8) for each additional 100 linear feet or fraction thereof above 2501 lineal feet.
- d. All other work: The permit fee for all other types of work in the public right-of-way, such as concrete structures, guard rail, slope protection, drainage channel work, roadway upgrading, etc. \$60 (\$45)

2. Construction inspection fee. In addition to the permit fees listed above the following inspection fees are required:

- a. Five and one half percent, 5.5%, (5%) construction inspection fee is required for any and all construction, reconstruction, improvement, repair, modification

or removal of any transportation or flood control improvements within a public right-of-way.

- b. Two and one half percent, 2.5%, (0%) construction inspection fee is required for any and all utility work within a public right-of-way.
- c. Addition inspections, plan reviews, release of assurances: \$50/hr (\$35/hr) or invoiced amount when out sourced.

The contractor shall provide to Pima County all necessary product material testing reports and product acceptance testing reports prepared by a materials testing laboratory approved by the Arizona Department of Transportation. The construction inspection fee is calculated based on the total cost of the construction covered under the permit. The construction inspection fee is in addition to the right-of-way permit fees listed above.

- 3. **Fax, mail-in, or email application:** No additional charge
- 4. **Oversize/overload vehicle permit:** \$20/single trip (\$15), one load; \$60/30-day permit (\$45).
- 5. **Permit renewal:** \$33 (\$25)
- 6. **Permit and right-of-way Work Standards Booklet** \$5.00 each (\$5)
- 7. **Permit applicability.** A permit covers only contiguous construction and the work to be done as one (1) continuous operation.
- 8. **Permit expiration.** Permits for work done pursuant to an approved subdivision improvement plan expire one hundred and eighty (180) days after the date of issuance. All other permits expire forty-five (45) days after the date of issuance. A permit may be renewed one time only, upon payment of the permit renewal fee. All right-of-way use permits must be renewed prior to or within 1 day after the date of permit expiration.
- 9. **Fee for commencement of work without a permit.** If any work within a public right-of-way is commenced prior to obtaining a permit, the fee for the permit is triple the applicable amount or \$1500 whichever is greater. The triple fee or \$1500 is not an offset to, or waiver of any costs, fines or penalties which may be assessed pursuant to Pima County Code Section 10.44.050.
- 10. **Pavement Degradation Fee (Cutting of Pavement).**
 - a. Within one year prior to a County street improvement project where the roadway pavement and subgrade are to be removed and replaced ...
No Charge

- b. Pavement cuts that form a 90- to 75-degree angle to the roadway centerline\$10 per square foot x Area of Influence

(Area of influence = square feet of pavement cut plus an area that extends 3' beyond the cut.)

- c. All other pavement cuts that are restored in accordance with County Ordinance "Procedures for the Issuance of Right-of-way Permits and Regulations of Work Under Permit"No Charge

11. **Pavement Degradation Fee (Utility Features).** The pavement degradation fee applies when utility features such as manholes, valves, pull boxes, drain valve assemblies, meter boxes, and other similar type features are placed within pavement. The pavement degradation fee is \$500 per utility feature. Utility features located within 3 feet of each other shall be considered as one feature.

12. **Fee Exemption.** Pima County Department of Transportation is exempt from the above fees.

13. **Traffic Disruption Fee.** The fee covers arterial and collection roadways between the hours of 6:00 a.m. and 7:00 p.m., Monday through Friday. No fees will be applied to work perform prior to 6:00 a.m. or after 7:00 p.m., work done on weekends, or on roads designated as local. The cost of this fee is:

\$.030/lane/LF of work zone x number of days of work or detour closure
x work zone length in LF.