

RESOLUTION NO. 1918

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PRESCOTT VALLEY, A MUNICIPAL CORPORATION OF ARIZONA, AMENDING REGULATIONS ENTITLED "CUSTOMER ACCOUNTS REGULATIONS" TO PROVIDE FOR ASSESSMENT OF WATER AND WASTEWATER SYSTEM CAPACITY CHARGES ON THE BASIS OF WATER METER SIZE; PROVIDING THAT, IF ANY PROVISION IN THIS RESOLUTION IS HELD INVALID BY A COURT OF COMPETENT JURISDICTION, THE REMAINING PROVISIONS SHALL NOT BE AFFECTED BUT SHALL CONTINUE IN FULL FORCE AND EFFECT; AND PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE AFTER ITS PASSAGE AND APPROVAL ACCORDING TO LAW.

WHEREAS, on August 9, 2001, the Town Council adopted Resolution No. 1030 establishing the new "Prescott Valley Utility Regulations" (Regulations); and

WHEREAS, the Prescott Valley Utility Regulations proscribed "early payments" of utility rates, fees and charges, and specifically System Connection Charges, made by customers for the purpose of avoiding anticipated increases in same; and

WHEREAS, on July 11, 2002, the Council adopted Resolution No. 1102 amending the Regulations to incorporate a new methodology for calculating System Capacity Charges and Water Resource Charges for new residential, commercial and industrial uses that connect to the wastewater and water systems, and to expressly provide for "water only" meters; and

WHEREAS, on October 23, 2003, the Council adopted Resolution No. 1228 to clarify that wastewater rates paid by a customer may be reimbursed when it is discovered that a customer's property has not been connected to the wastewater system despite records showing such a connection; and

WHEREAS, on March 13, 2008, Council approved Resolution No. 1570 dissolving the Prescott Valley Water District; and

WHEREAS, on November 4, 2010, the Council approved Resolution No. 1724 amending the Regulations to remove provisions related to administration of customer accounts and administration of improvement districts in order to allow such provisions to be adopted as separate regulations; and

WHEREAS, on November 4, 2010, the Council approved Resolution No. 1725 enacting new "Customer Accounts Regulations" to (i) shorten collection timeframes, (ii) address delinquencies resulting from bankruptcy and foreclosure, (iii) clarify rates, fees and charges based on type of utility account, (iv) clarify parties responsible for rates, fees, charges and penalties incurred on a utility account, and (v) recognize technological improvements that allow for electronic transfer of utility account information; and

WHEREAS, on July 14, 2011, the Council approved Resolution No. 1755 to amend the Customer Accounts Regulations to (i) clarify the parties responsible for payment of rates, fees,

charges and penalties incurred on a utility account (based on new enactments of the Arizona Legislature), (ii) exempt property owners and/or tenants applying for utility service who have an account history with the Town for Town utility service from paying an initial deposit (provided there is no history of delinquent payments on their previous or existing utility accounts), and (iii) provide that once a customer establishes a history of no delinquent payments for a period of twelve months, any deposits collected from such customer under the regulations shall be credited to the account or returned to the Customer; and

WHEREAS, on April 12, 2012, the Council approved Resolution No. 1787 to amend the Customer Accounts Regulations to provide for a refund in the strictly limited event it is discovered that Customers were inadvertently allowed to prepay System Connection Charges for commercial development that was abandoned prior to development and prior to connection to the System; and

WHEREAS, on December 19, 2013, the Town contracted with Raftelis Financial Consultants, Inc. to perform a study of Water and Wastewater System Capacity Charges in order to update those charges and, in the process, consider (i) combining the Water System Capacity Charges for both the Town and the former Prescott Valley Water District service areas, and (ii) explore simplifying how Water and Wastewater System Capacity Charges are administered so that only meter size is considered; and

WHEREAS, on May 14, 2015, the Council has adopted Resolution No. 1916 adopting such changes as set forth in the Raftelis 2015 Water and Wastewater System Capacity Charges Report (effective on and after July 1, 2015); and

WHEREAS, it is now necessary to adopt this Resolution No. 1918 to revise the Customer Accounts Regulations to conform the same to the new method of administering Water and Wastewater System Capacity Charges; and

WHEREAS, the Council finds that this amendment to the Customer Accounts Regulations is in the best interests of the Town's utility customers and promotes the health, safety and welfare of the Town and the customers that it serves;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PRESCOTT VALLEY, ARIZONA, AS FOLLOWS:

1. That the Customer Accounts Regulations be hereby amended as follows:

**TOWN OF PRESCOTT VALLEY
Customer Accounts Regulations**

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4.0 UTILITY ACCOUNT RATES, FEES AND CHARGES

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4.3 Utility Account Charges.

4.3.1 *Wastewater System Connection Charges.* Charges calculated to recover Town construction and system development costs attributable to wastewater service provided to Customer’s property. Wastewater System Connection Charges include a System Capacity Charge applied to new Customers for that increment of the remaining capacity in current public resources that those Customers are using up, set from time to time by resolution of the Town Council. ~~The Charge varies depending upon the shall be based on the size of water meter (in accordance with American Water Works Association water meter standards) installed in any building, unit, or structure without regard to the type of Utility Account or use. In the event a larger water meter is installed in any existing building, unit, or structure, the additional increment not previously paid for that larger meter shall be paid.~~ The System Capacity Charge is payable when development permits are obtained.

Exemptions: ~~The System Capacity Charge will not be applied to: (i) alterations of existing buildings, units, structures, designated turf areas, and water storage areas that do not result in an expansion by more than fifty percent (50%) of the total habitable square footage (so long as in the case of buildings, units or structures the same “occupancy” is retained as defined in the Town of Prescott Valley Administrative Code as adopted and amended from time to time by the Town); (ii) replacement of buildings, units or structures with buildings, units or structures that are no more than fifty percent (50%) larger in total habitable square footage (so long as the buildings, units or structures retain the same “occupancy” as defined in the Town of Prescott Valley Administrative Code as adopted and amended from time to time by the Town); or (iii) construction of accessory buildings, units or structures (as defined in Town Code Subsection 13-02-010(B) as amended from time to time).~~

4.3.1.1 ~~*Single Family Residential.* These Customers will be assessed a flat rate based upon the Residential Dwelling Unit Equivalent (“RDE”).~~

4.3.1.2 ~~*Multi Family Residential.* These Customers will pay a percentage of the RDE per unit as follows:~~

_____ Duplexes/Triplexes/Fourplexes _____	0.85 RDE/unit
_____ Apartments/Condominiums _____	0.80 RDE/unit
_____ Motels/Hotels _____	0.50 RDE/unit

4.3.1.3 ~~*Commercial/Industrial/Institutional.* These Customers will pay a flat “fixture unit” rate for every fixture unit within the subject facility or such other rate as may be established from time to time by resolution of the Town Council. System Capacity Charges for facilities that do not have identifiable fixtures per unit (e.g., private park or school irrigation, gravel or mining operations, etc.) will be based upon the size of the water meter in accordance with American Water Works Association water meter standards.~~

4.3.2 *Water System Connection Charges.* Charges calculated to recover Town construction and water resource development costs attributable to water service provided to Customer’s property. Water System Connection Charges include Meter Charges, a System Capacity Charge and a Water Resource Charge, set from time to time by resolution of the Town Council.

4.3.2.1 *Meter Charges.* These charges are based on meter size. This is a one-time charge payable by all Customers at the time of application to connect to the domestic water system.

4.3.2.2 *System Capacity Charge and Water Resource Charge.* These Charges are applied to new Customers for that increment of the remaining capacity in current public resources that those Customers are using up. The Charges shall be based on the size of water meter (in accordance with American Water Works Association water meter standards) installed in any building, unit, or structure without regard to vary depending upon the type of Utility Account or use. In the event a larger water meter is installed in any existing building, unit, or structure, the additional increment not previously paid for that larger meter shall be paid. The System Capacity Charge and the Water Resource Charge are payable when development permits are obtained.

~~*Exemptions:* The System Capacity Charge and the Water Resource Charge will not be applied to: (i) alterations of existing buildings, units, structures, designated turf areas, and water storage areas that do not result in an expansion by more than fifty percent (50%) of the total habitable square footage (so long as in the case of buildings, units or structures the same “occupancy” is retained as defined in the Town of Prescott Valley Administrative Code as adopted and amended from time to time by the Town); (ii) replacement of buildings, units or structures with buildings, units or structures that are no more than fifty percent (50%) larger in total habitable square footage (so long as the buildings, units or structures retain the same “occupancy” as defined in the Town of Prescott Valley Administrative Code as adopted and amended from time to time by the Town); or (iii) construction of accessory buildings, units or structures (as defined in Town Code Subsection 13-02-010(B) as amended from time to time).~~

~~4.3.2.2.1 *Single-Family Residential.* These Customers will be assessed a flat rate based upon the Residential Dwelling Unit Equivalent (“RDE”).~~

~~4.3.2.2.2 *Multi-Family Residential.* These Customers will pay a percentage of the RDE per unit as follows:~~

Duplexes/Triplexes/Fourplexes	0.85 RDE/unit
Apartments/Condominiums	0.80 RDE/unit
Motels/Hotels	0.50 RDE/unit

~~4.3.2.2.3 *Commercial/Industrial/Institutional.* These Customers will pay a flat “fixture unit” rate for every fixture unit within the subject facility or such other rate as may be established from time to time by resolution of the Town Council. System Capacity Charges and Water Resource Charges for facilities that do not have identifiable fixtures per unit (e.g., private park or school irrigation, gravel or mining operations, etc.) will be based upon the size of the water meter in accordance with American Water Works Association water meter standards.~~

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2. That, if any provision in this Resolution is held invalid by a court of competent jurisdiction, the remaining provisions shall not be affected but shall continue in full force and effect.
3. That this Resolution shall be effective after its passage and approval according to law.

RESOLVED by the Mayor and Common Council of the Town of Prescott Valley, Arizona, this 14th day of May, 2015.

Harvey C. Skoog, Mayor

ATTEST:

Diane Russell, Town Clerk

APPROVED AS TO FORM:

Ivan Legler, Town Attorney