

**TOWN OF PRESCOTT VALLEY
WORK STUDY MEETING
MINUTES
June 18, 2015**

Library Auditorium
7401 E. Civic Circle
Prescott Valley, Arizona 86314

1. Call to Order

Mayor Skoog called the meeting to order at 5:30 p.m.

2. Roll Call

Present: Mayor Skoog, Council Member Grossman, Council Member Marshall, Council Member Whiting, and Council Member Anderson.

Absent: Vice Mayor Nye, and Council Member Mallory.

3. Discussion and informal paper ballot for selection of Fiscal Year 2015-2016 Vice Mayor

Mayor Skoog commented that Vice Mayor Nye has done an outstanding job.

Town Manager Larry Tarkowski stated that each year council goes through this process of rotating the Vice Mayor position. The informal vote taken tonight would be ratified at next week's council meeting.

Town Clerk Diane Russell distributed, and then collected, the paper ballots. Russell tallied the votes and announced that Council member Rick Anderson received a majority of the votes cast. Council member Anderson confirmed that he would be willing to accept the nomination to serve in the Vice Mayor position for fiscal year 2015-2016.

4. Discussion about the proposed revisions to water and wastewater rates, fees and charges

Management Services Director Bill Kauppi said a rate study is used to establish rates related to the cost of service, encourage conservation and maintain adequate financial performance measures as required to meet bond requirements and town policies. Factors taken into consideration in the rate study are consumption volume, number of customers, annual utility budget and the annual debt obligations. Kauppi highlighted those major points from fiscal year 2008-2009 to present in his presentation. Town Manager Larry Tarkowski added that winter water use is used to determine residential wastewater (sewer) rates.

Kauppi used the following assumptions to establish the fiscal year 2015-2016 water rates:

- Number of customers: 19,566

- Gallons to be billed: 1,536,579,000
- Annual operating budget: \$5,068,130
- Annual debt service: \$1,877,036
- User Fees needed: \$7,332,492

As a result, a 2 percent increase is needed in the water rates which have not changed since 2010. That increase would amount to \$0.06 per gallon or \$0.48 for 8,000 gallons, \$1.32 for 20,000 gallons or \$3.12 for 40,000 gallons of water.

Kauppi used the following assumptions to establish the fiscal year 2015-2016 sewer rates:

- Number of customers: 16,654
- Gallons to be billed: 840,868,000
- Annual operating budget: \$2,968,255
- Annual debt service: \$1,620,553
- User Fees needed: \$4,900,707

As a result, the study shows that the rates are sufficient and no increase is needed at this time.

Kauppi responded to Council member Anderson that the cash balances are for any type of maintenance or repairs to the system. Mayor Skoog added that as long as we can keep up with the system as it ages and give good service to our customers. Kauppi said he would be bringing this back to council at the end of July or beginning of August for their consideration. The Report is attached.

5. Adjournment

Mayor Skoog adjourned the meeting at 5:49 p.m.

ATTEST:

APPROVED:

Diane Russell, Town Clerk

Harvey Skoog, Mayor

STATE OF ARIZONA)
COUNTY OF YAVAPAI) ss:
TOWN OF PRESCOTT VALLEY)

CERTIFICATE OF COUNCIL MINUTES

I, Diane Russell, Town Clerk of the Town of Prescott Valley, Arizona, hereby certify that the foregoing minutes are a true and correct copy of the Minutes of the Work Study Meeting of the Town Council of the Town of Prescott Valley, held on Thursday, June 18, 2015.

I further certify that the meeting was duly called and held and that a quorum was present.

Dated this June 22, 2015

Diane Russell, Town Clerk