

RESOLUTION NO. 1716

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PRESCOTT VALLEY, A MUNICIPAL CORPORATION OF ARIZONA, AMENDING RESOLUTION NO. 1665 TO REVISE DOMESTIC WATER RATES, FEES AND SERVICE CHARGES FOR THE TOWN DOMESTIC WATER SYSTEM IN ACCORDANCE WITH ARS §9-511.01; 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, the Town of Prescott Valley ("Town") is authorized to provide domestic water service pursuant to ARS §§9-240(B)(6), 9-511(A), 48- 571(A)(21) and 48-572(A)(3)&(5); and

WHEREAS, on November 6, 1984, the electors of Prescott Valley authorized the Town to operate a domestic water system, in accordance with the requirements of ARS §9-514; and

WHEREAS, on February 9, 1995, the Town entered into a development agreement with Poquito Valley Partnership et. al. to develop what has become known as "The ViewPoint", north of the intersection of Robert Road and SR 89A; and

WHEREAS, said development agreement provided (in pertinent part) that the developers would construct a domestic water system sufficient to provide domestic water for the initial phases of the development, then transfer said system to the Town for operation; and

WHEREAS, said transfer has occurred for each of the various phases of said development, and the resulting Town domestic water system ("System") is being extended to service new development in adjacent areas; and

WHEREAS, in the operation and maintenance of the System, the Town is exercising its "proprietary function" as a matter of "local concern", and the Town Council is thereby empowered to meet such requirements as the business at hand requires [see, GARDNER v. INDUSTRIAL COMMISSION, 72 Ariz. 274 (1951)]; and

WHEREAS, such power includes (but is not limited to) the ability to recover the costs of operating and maintaining the System through charging of various rates, fees and service charges, as well as the ability to recover its System development costs from those who connect to the System and are benefited thereby; and

WHEREAS, ARS §9-240(B)(28) authorizes the Town Council to enact ordinances necessary to carry into effect the powers vested in the municipal corporation, and to punish violations thereof by fine or imprisonment or both; and

WHEREAS, by Resolution No. 683 (dated July 11, 1996) the Council first set domestic water rates, fees and service charges for the System, in accordance with Town Code §9-05a-050(D); and

WHEREAS, by Resolution No. 873 (dated February 25, 1999) the Council amended said rates, fees and service charges by removing the Customer, Construction and Emergency Turn-off Charges and reducing the Customer Turn-on Charge in circumstances where Town personnel are simply reading the meter to establish what water should be paid for directly by landlords when their property is temporarily vacant; and

WHEREAS, by Resolution No. 922 (dated October 14, 1999) the Council amended said rates, fees and service charges by reducing the System Capacity Charge for commercial and industrial users by removing estimated water usage for proposed landscaping from the estimation of total water usage used to calculate the System Capacity Charge for such users; and

WHEREAS, by Resolution No. 973 (dated July 20, 2000) the Council amended said rates, fees and service charges by establishing a Water Resource Charge in the amount of one thousand dollars (\$1,000.00) per residential equivalent unit; and

WHEREAS, by Resolution No. 1034 (dated August 30, 2001) the Council amended said rates, fees and service charges to more fully reflect present costs and future capital needs to operate the water system; and

WHEREAS, by Resolution No. 1095 (dated July 11, 2002) the Council amended said rates, fees and service charges to implement a new methodology for calculating system capacity charges and water resource charges; and

WHEREAS, by Resolution No. 1318 (dated December 2, 2004), the Council amended said rates, fees and service charges to revise the one-time Water Resource Charge on new development, increase the one-time charge for larger meters, increase Volume Rates, add a Commercial Water Tap Installation fee, and move administrative fees previously included with utility rates, fees and charges into a single administrative fee resolution; and

WHEREAS, by Resolution No. 1395 (dated December 1, 2005), the Council amended said water rates, fees and service charges to change the charge for meters to the actual cost of the meter rather than the average meter cost, increase the fee for an emergency turn-on request during business hours, decrease the Base User Rates for all meter sizes and increase the Volume Rates; and

WHEREAS, by Resolution No. 1456 (dated August 31, 2006) the Council amended said water rates, fees and service charges for domestic water service to change the System Capacity Charge for all dwellings and facilities and increase the Base User Rates for all meter sizes; and

WHEREAS, by Resolution No. 1570 (dated March 13, 2008), the Water Utility System of the District was dissolved and the District was merged into the Town and declared to be a single system. On this same date, the Prescott Valley Water District adopted Resolution No. 70, approving the refunding of its bonds, sale of the system and liquidation of the District in accordance with Arizona Revised Statutes. The Prescott Valley Municipal Property Corporation Board (MPC) also at this time adopted Resolution No. 08-01, which authorized the sale of its Refunding Bonds, purchased the system and entered into a Purchase Agreement with the Town. At this time, since the District and Municipal systems had a disparity in their rate structures, it was anticipated that after a few years, when rates became more equitable between the two entities, there would be a blending of rates into one rate structure; and

WHEREAS, by Resolution No. 1602 (dated August 23, 2008), the Council amended said water rates, fees and service charges for domestic water service to change the Volume Rates for all dwellings and facilities in both the District and Municipal systems; and

WHEREAS, by Resolution No. 1665 (dated September 24, 2009), the Council amended said water rates, fees and service charges for domestic water service to change the Volume Rates for all meter sizes in all dwellings and facilities in the Municipal system, update the tapping fees reflecting a five percent (5%) increase and also include costs for 1" and 2" fire sprinkler mains, as neither of these sized mains were addressed previously in the water rates, fees and service charges; and

WHEREAS, Town staff has now reviewed the revenues obtained through water rates, fees and service charges for domestic water service from the Town system and has determined that it is advisable to change the Volume Rates for all dwellings and facilities in the Municipal system to obtain the appropriate debt service coverage and financial stability, as well as to comply with the Town's original plan of equalizing the rates between the former District and Municipal systems; and

WHEREAS, having complied with the requirements of ARS §9-511.01, the Town Council now finds that the adoption of these revised domestic water rates, fees and service charges provides for the health, safety and welfare of the entire community and is an essential planning tool for the long-term viability of the community;

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

1. That the domestic water rates, fees, and service charges for the System, heretofore established by Resolution No. 683 (and subsequently amended by Resolutions No. 873, No. 922, No. 973, No. 1034, No. 1095, No. 1318, No. 1395, No. 1456, No. 1602 and No. 1665) are hereby amended as follows:

WATER SYSTEM CONNECTION CHARGES

Meter Charges

<u>Meter Size (Inches)</u>	<u>Charge</u>
5/8 and ¾	cost of meter
1	cost of meter
1 ½	cost of meter
2	cost of meter
all others	[cost of meter, plus 15%

System Capacity Charge

		n/o Hwy 89A <u>Charge</u>	s/o Hwy 89A <u>Charge</u>
Per Single-Family Residential Dwelling Unit Equivalent (RDE)		\$1,570.00	\$1,311.00
Multi-Family Residential Dwellings -			
Duplexes/Triplexes/Fourplexes	0.85 RDE	\$1,334.50/unit	\$1,114.35/unit
Apartments/Condominiums	0.80 RDE	\$1,256.00/unit	\$1,048.80/unit
Motels/Hotels	0.50 RDE	\$ 785.00/unit	\$ 655.50/unit
Commercial/Industrial/Institutional Facilities		\$62.80/fixture per unit	\$52.44/fixture per unit

[Note: System Capacity Charges for commercial/industrial/institutional facilities that do not have identifiable fixtures per unit (e.g., private park or school irrigation, gravel or mining operations, etc.) shall be based upon the size of the water meter in accordance with AWWA water meter standards. In the event System Capacity Charges are limited by the provisions of any development agreement with the Town, the provisions of said development agreement shall supercede the System Capacity Charges set forth herein. Nothing herein shall preclude the Town from entering into a development agreement containing provisions limiting the aforementioned System Capacity Charges.]

Water Resource Charge

		<u>Charge</u>
Per Single-Family Residential Dwelling Unit Equivalent (RDE)		\$1,526.00
Multi-Family Residential Dwellings -		
Duplexes/Triplexes/Fourplexes	0.85 RDE	\$1,297.10/unit
Apartments/Condominiums	0.80 RDE	\$1,220.80/unit
Motels/Hotels	0.50 RDE	\$ 763.00/unit
Commercial/Industrial/Institutional Facilities		\$61.04/fixture per unit

[Note: Water Resource Charges for commercial/industrial/institutional facilities that do not have identifiable fixtures per unit (e.g., private park or school irrigation, gravel or mining operations, etc.) shall be based upon the size of the water meter in accordance with AWWA water meter standards. In the event Water Resource Charges are limited by the provisions of any development agreement with the Town, the provisions of said development agreement shall supercede the system capacity charges set forth herein. Nothing herein shall preclude the Town from entering into a development agreement containing provisions limiting the aforementioned Water Resource Charges.]

NEW ACCOUNT FEES**Deposits**

<u>Regular Meters</u>	<u>Amount</u>
Residential Uses	\$ 90.00
Commercial/Industrial Uses	\$ 90.00 [or 2x estimated monthly average billing, whichever greater]*

<u>Hydrant Meters</u>	<u>Amount</u>
Per Hydrant	cost of meter**

* Estimates shall be made by the Town Engineer based on type of use. Deposits paid by property owners shall be returned to them after one (1) calendar year of no delinquencies or upon closing of the account (net of any delinquencies), whichever is sooner. Deposits paid by tenants shall be returned to them upon closing of the account (net of any delinquencies). No interest shall be paid on deposits.

** Costs include all installation costs as set from time to time in contracts with third-party operators. Deposits shall be returned upon return of meters in operational condition.

Water Service Turn-On

<u>Regular</u>	<u>Fee</u>
Per Request	\$ 25.00*
<u>Hydrant</u>	<u>Fee</u>
Per Hydrant	\$ 25.00

*In cases where landlords have requested service continuation between tenants, the Regular Service Turn-on Fee shall be fifteen dollars (\$15.00).

Emergency Turn-On	<u>Fee</u>
Per Request During Business Hours	\$ 50.00
Per Request During Non-Business Hours	\$ 75.00

Construction Turn-On	<u>Fee</u>
Per Request	[same as Service Turn-On and Emergency Turn-On]

WATER SERVICE RATES

Base User Rates (Per Billing Period)

<u>Meter Size (Inches)</u>	<u>Rate</u>
5/8 and 3/4	\$ 9.00
1	\$ 13.50
1 1/2	\$ 18.00
2	\$ 22.50
3	\$ 27.00
4	\$ 31.50
6	\$ 36.00
8	\$ 40.50

<u>Fire Hydrants</u>	<u>Rate</u>
Per Hydrant	\$ 24.00
<u>Fire Sprinkler Systems</u>	<u>Rate</u>
Per Standpipe	N/A
Per 1" fire sprinkler main	\$ 5.00
Per 2" fire sprinkler main	\$ 5.00
per 4" fire sprinkler main	\$ 6.00
per 6" fire sprinkler main	\$ 9.00
per 8" fire sprinkler main	\$ 12.00
per 12" fire sprinkler main	\$ 15.00

Volume Rates (Per 1,000 Gallons)

<u>Block</u>	<u>Meter Size (Inches)</u>	<u>Usage (Thousand Gallons)</u>	<u>Rate</u>
1	5/8 and 3/4	0 - 8	\$ 3.02
	1	0 - 14	
	1 1/2	0 - 26	
	2	0 - 42	
	3	0 - 86	
	4	0 - 134	
	6	0 - 266	
	8	0 - 427	
2	5/8 and 3/4	9 - 20	\$ 3.62
	1	15 - 34	
	1 1/2	27 - 66	
	2	43 - 106	
	3	87 - 214	
	4	135 - 334	
	6	267 - 666	
	8	428 - 1,067	
3	5/8 and 3/4	> 20	\$ 4.71
	1	> 34	
	1 1/2	> 66	
	2	> 106	
	3	> 214	
	4	> 334	
	6	> 666	
	8	> 1,067	

[Note: The above rates apply to all meter sizes and use classifications (residential, commercial and industrial). Volume Rates begin with the first gallon of every billing period. However, no Volume Rates are applied to construction usage of 3,000 gallons or less per billing period for up to six (6) months or until a CO or TCO is issued (whichever is sooner).]

OTHER CHARGES

Reconnections (DNP)	<u>Charge</u>
Per Disconnection For Non-Payment	\$ 25.00
Meter Re-Reading/Testing	<u>Charge</u>
Per Re-Read/Test	\$ 25.00
Account Transfers	<u>Charge</u>
Per Transfer	\$ 15.00
Account Delinquencies	<u>Charge</u>
<u>Active Account Processing</u> As Of Date In Utility Regulations	\$5.00
<u>Inactive Account Processing</u> Each Month After Account Becomes Inactive	5% of total amount due*
* Per month or part of a month	

Commercial Water Tap Installation Fee

<u>Tap Size</u>	<u>Labor Cost</u>
3/4"	\$ 78.75
1"	\$ 78.75
2"	\$ 136.50
4"	\$ 199.50
6"	\$ 199.50
8"	\$ 231.00
10"	\$ 294.00
12"	\$ 294.00

CIVIL PENALTIES

Unauthorized Turn-On/Turn-off/Tampering	<u>Penalty</u>
Per Unauthorized Turn-On/Turn-Off/Tampering	\$ 50.00*
* Per single family residential equivalent unit; each day during which a violation occurs or continues shall be deemed a separate offense. All or portions of penalties may be waived to the extent customers agree to reimburse contract operators for related system damages.	

Cross-Connection Violations	<u>Penalty</u>
Per Violation	[not less than \$200.00 nor more than \$500.00]*
* Per single family residential equivalent unit; each day during which a violation occurs or continues shall be deemed a separate offense.	

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, in accordance with ARS §9-511.01(C), the domestic water rates, fees and service charges for the System established herein shall be effective with the first billing after November 1, 2010.

4. 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 23rd day of September 2010.

Harvey C. Skoog, Mayor

ATTEST:

Diane Russell, Town Clerk

APPROVED AS TO FORM:

Ivan Legler, Town Attorney