

**TOWN OF PRESCOTT VALLEY
REQUEST FOR COUNCIL ACTION
Date: September 23, 2010**

SUBJECT: Revised Town Wastewater Rates, Fees and Service Charges

SUBMITTING DEPARTMENT: Management Services

PREPARED BY: William E. Kauppi, Management Services Director
Cordell Compton, Customer Accounts Manager

AGENDA LOCATION: Comments/Communications , Consent , Work/Study ,
New Business , Public Hearing , Second Reading

ATTACHMENTS: Resolution No. 1715

SUMMARY/BACKGROUND: The Town has been providing wastewater utility services since 1993 when the first phase of the wastewater collection and treatment system was built. Attempts have been made to keep utility operation costs low by contracting with private companies to operate and maintain this utility system.

Since 2001, Town staff has been monitoring utility revenues and has developed multi-year financial projections. In particular, staff has evaluated whether existing wastewater rates, fees and service charges are covering the cost of wastewater collection and treatment services. Factors considered are the need to make certain the system pays for itself (without general fund subsidy), ensure uninterrupted and environmentally safe wastewater services, and keep costs competitive with other communities in the region. In light of these factors, staff has concluded that the Town's wastewater rates, fees and service charges need further adjustment in 2010.

A "Report of Proposal to Revise Certain Water and Wastewater Rates and Fees per ARS §9-511.01" was prepared by staff on July 22, 2010. This Report was filed in the offices of the Town Clerk and the Town Manager in the Civic Center (7501 East Civic Circle). This began the statutory process of potentially revising those wastewater rates, fees and service charges. Based on ARS §9-511.01, the Town Council publicly expressed its intent to make revisions (including possible increases) and set a public hearing date for September 23, 2010. The Council has now held that public hearing and is in a position to determine whether to adopt the proposed rates (or any lesser increases) by resolution. Any revisions are proposed to become effective with the first billing after November 1, 2010.

Adoption of the revisions would be by Resolution No. 1715, which revises former Resolution No. 1666. If approved, these revisions will increase the wastewater system volume rate.

OPTIONS ANALYSIS: Council may approve the proposed revisions (including certain increases) to Town wastewater rates, fees and service charges as set forth in the "Report of Proposal to Revise Certain Water and Wastewater Rates and Fees per ARS §9-511.01" by approving Resolution No. 1715, or Council may defer such action until a later date.

ACTION OPTION: Motion to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1715 revising (and, in some cases, increasing) wastewater rates, fees and service charges as recommended, **OR** Motion not to approve Resolution No. 1715. **VOTE.**

RECOMMENDATION: Staff recommends approving Resolution No. 1715 revising Town wastewater rates, fees and service charges.

FISCAL ANALYSIS: Considerable study and review have taken place over the past several months regarding the adequacy of Town wastewater rates, fees and service charges. The conclusion is that the volume rates must be revised in order for the Town wastewater system to remain viable for the long-term benefit of the Prescott Valley area.

REVIEWED BY:

Management Services Director _____ Town Clerk _____

Town Attorney _____

Town Manager _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to _____