



PUBLIC WORKS DEPARTMENT PUBLIC MEETING MINUTES

**WATER & WASTEWATER RATES
PUBLIC MEETING
THURSDAY, OCTOBER 21, 2010
6:00 PM**

**Prescott Council Chambers
201 South Cortez
Prescott, Arizona
(928) 777-1100**

CITY REPRESENTATIVES:

Councilwoman Suttles, Craig McConnell, Mark Nietupski, Mark Woodfill, Tim Burkeen, Scott Tkach

OTHERS:

Joan Christoff, Van Christoff, Virginia Kieser, Jan Kaluski, Nina Kaluski

Craig McConnell, Regional Programs Director, repeated the presentation which was given at the public meeting on October 14, 2010. Mr. McConnell also noted that the presentation in its entirety can be viewed on the City's webpage at:

<http://www.cityofprescott.net/services/water/index.php#newrates>

A Council Workshop will be held on November 2, 2010, where a summary of input received from large water users and the public meetings will be presented.

The first formal action that could be taken would be November 9, 2010, at the City Council meeting, adoption a Notice of Intention to formally proceed with the rate setting process prescribed by Arizona state law.

QUESTIONS AND ANSWERS:

Van Christoff asked how the golf courses get their water and how they pay for it.

Craig McConnell responded that the golf courses will not be affected by this rate setting process. The golf courses have contracts for treated effluent, and those prices vary depending upon the golf course and when the contract was established. Typically, charges for effluent range from \$250-300 per acre-foot. Antelope Hills has two 18-hole courses. The contract specifies a maximum of 1,000 acre-feet per year – they use closer to 800 acre-feet. Prescott Lakes has a separate contract. They have been using 350-400 acre-feet per year. The golf courses and the use of treated

effluent will be addressed during formation of the long term water policy. The cost, as well as the highest and best use for treated effluent will also be reviewed at that time.

Joan Christoff stated that Flagstaff has a similar terrain to Prescott. Why does Prescott have so many more lift stations and pressure stations?

Craig McConnell indicated that all systems are different. In addition to terrain, density and pattern of development are reflected in each utility system. We do not have information on how Flagstaff operates their system, but we do know that we have more reservoirs. Prescott's system grew over time - 100 years or more. Where there are opportunities, the City is reducing the number of tanks and pressure zones. We can contact Flagstaff and discuss our respective systems if there is interest.

Joan Christoff stated that before we invest more money for the system that we have, maybe it would be a good idea to research a different system where we won't be adding more complexity to the one we have. She lives in an area where pressure is low. She was told it might be because they have smaller pipe than other areas. If our system is that complex, maybe the answer is to look into a different type of system and work toward simplifying it. Rates are doubling by the year 2016. Maybe the idea would be to work toward simplifying the system so we don't have to keep raising the rates.

Craig McConnell stated that we share the same objectives, and where there are opportunities, we are simplifying. The hydraulic modeling that was done 5-6 years ago is a roadmap of our system, and there's only so much simplification that can be realized. If the City could put a 20 million gallon tank on Thumb Butte, we might have a much simpler system, but we don't have that opportunity. The footprint of the City is large. Within that footprint there are many different areas where housing has built up over the years. Mr. McConnell stated that in his opinion, it is not an option to simplify this system in such a way that it will have a dramatic effect. Mr. McConnell suggested that if Ms. Christoff has time, she might call or stop by Public Works and have a discussion on this topic.

Joan Christoff stated that there have been numerous letters written to the newspaper regarding the clubhouse the City is building with general funds. Ms. Christoff asked why those funds couldn't be used toward the money needed to refurbish the sewer system. Ms. Christoff stated that many people in Prescott will never use a clubhouse, and would appreciate if that money were used to lower the cost of the sewer system. It would not pay for the cost, but would go a long way toward lowering the cost.

Craig McConnell explained that the money from the General Fund could be used to augment funding for these utilities projects. If \$300,000 that was earmarked for the clubhouse was applied to these rates, it would have not a significant effect. It would in fact not go a long way. The utilities Capital Improvement Program involves tens of millions of dollars per year. On the operational side it's about ten million dollars annually. Redirecting \$300,000 from the General Fund may be symbolic, but it would provide negligible relief for the utilities enterprise funds.