



Town of Prescott Valley

7501 E. Skoog Blvd. Prescott Valley, Az 86314 928-759-3000

NEWS RELEASE

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From: Heidi Dahms Foster, Communications Manager

Email: hfoster@prescottvalley-az.gov

Phone: 928-759-3123

Town of Prescott Valley to Consider Incremental Increase in Water/Sewer Rates, Add Stormwater Fee

The Town of Prescott Valley has been working for several months to analyze the current water/wastewater fees to determine if a rate increase was necessary to maintain the financial stability of operations and encourage conservation. At the same time, the Council is considering a Stormwater Fee that would help to mitigate flooding in the community, maintain drainage infrastructure and enhance stormwater recharge.

Prescott Valley has not adjusted its water/wastewater rates since 2017. Overall costs are rising, and the Town plans to fund \$54.6 million in needed capital improvements over the next five years. A combination of these factors results in the Town's need to implement a new long-term rate plan. Prescott Valley's current and proposed water/wastewater rates are substantially lower than neighboring municipalities.

The Town's forecast revenue requirement to operate its water/wastewater services are projected to increase from under \$20 million in 2024, to \$25 million in 2032. These revenues are necessary to efficiently operate the Town's water/wastewater systems.

Willdan and Associates, the firm hired by the Town to prepare suggested rate adjustments, has created two scenarios for the Council to consider. Scenario I proposes percentage increases across the board. Scenario II was modeled to encourage increased conservation by requiring heavy water users to pay higher fees.

Scenario II offers the goal of encouraging more conservation of precious water resources. It sets more stringent rates for higher users and lowers the tier structure for residential 5/8" meters. Currently, average residential usage in Prescott Valley is 5,000 gallons per month. This scenario would increase water rates for usage above 5,000 gallons and again at above 15,000 gallons.

This fee will better enable the Town to maintain the stormwater system, with assigned staff dedicating 100 percent of their time to maintaining roadside ditches, the underground storm



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system and box culverts. The fee will allow the Town to obtain the proper equipment for the maintenance of this system and move forward with stormwater projects that will help to resolve some of the Town's flooding issues. The fee will also assist in recharge projects to help replenish the Towns' aquifer based upon a new Master Drainage Plan the Town is conducting. This new Plan contemplates construction techniques and technology to slow stormwater runoff, so it has time to sink into the aquifer. Historically these services were funded from fees that should pay for other Town services.

Town Council on September 28 will consider adopting a "Notice of Intent" to increase rates and hold a public hearing on the proposed increases no sooner than 60 days later. If the Council adopts the rate plan and stormwater fee after the public hearing, it will go into effect 30 days after adoption. The public hearing is tentatively scheduled for December 14.

If the Council approves Scenario I, the average Prescott Valley residence would see a \$2.89 per month increase effective January 2024, for a total increase of \$5.89 per month with the Stormwater Fee included. The cost for the average Prescott Valley household using 5,000 gallons would be \$58.71 including the Stormwater Fee. The rates would increase incrementally over the next five years.

If the Council approves Scenario II, the conservation model, the average residence would see a total increase of \$5.61 per month including the Stormwater Fee, but this scenario sets higher second and third tier usage block rates to encourage water conservation, with incremental increases over the next five years. The cost in Scenario II for the average household using 5,000 gallons would be \$58.43 with the Stormwater Fee included but would rise from \$88.76 to \$104.37 for those using 15,000 gallons, including the Stormwater Fee.

For more information on the proposed rate increase, please visit www.prescottvalley-az.gov or call the Prescott Valley Utilities Department at 928-759-3070.