

Chino Valley Review

Wednesday, January 16, 2013

Hearing on water/sewer increase set for Feb. 12

Matt Santos
Reporter

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Chino Valley water and sewer customers may want to circle Feb. 12 on the calendar. That's the date set by town council for a public hearing to discuss an approximately \$6 per month increase for town water and wastewater customers.

During the Jan. 8 meeting, council approved the publication of a Notice of Intention to Increase Water and Wastewater Rates, Fees, and Service Charges, which was printed in the Prescott Daily Courier this past weekend, as required by Arizona state law.

Dan Jackson, CEO of Economists.com, who has served as a consultant on the town utilities rates study, told council that without the rate increase, the town's water fund faces bankruptcy.

"It's never easy to ask anybody to pay more for anything, for any reason, at any time," said Jackson. "But right now you are losing money on every drop of water you're selling. It's something that can't continue."

Jackson said that the town needs to replace the money spent on installation and maintenance, and the only way to do that is with a rate increase.

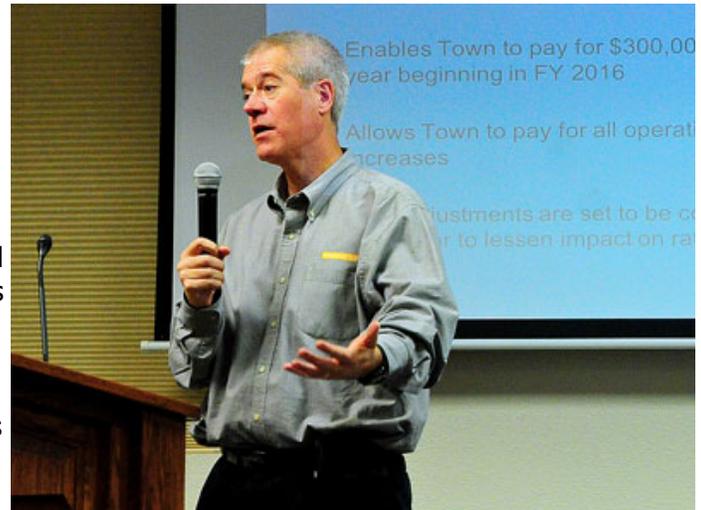
"You need to run your water and wastewater service as a business," said Jackson. "All you ask from your rate payers is that they pay the cost that you incur in providing that service. Right now, they're not paying that cost."

Jackson compared the current rates with that of Chino Valley private water companies, including the Appaloosa Water Company, Chino Meadows II, and also the rates paid by Chino Valley residents who receive their water from the [City of Prescott](#).

Based on 10,000 gallons a month use, Jackson said the current monthly rate for a Chino Valley customer is \$47.63, with Appaloosa customers paying \$47.35. Customers with Chino Meadows II pay \$57.20 for the same use, and the Chino Valley residents serviced by the City of Prescott pay \$81.74.

Prescott customers living in Prescott city limits pay \$64.84 for the same 10,000 gallons.

In addition to repair and maintenance costs, the rising cost of fuel, insurance, and inflation also play a big



Dan Jackson explained the need for water and sewer rate increases to council during the Jan. 8 meeting.

part in utility rates, Jackson said.

"As those rates go up, you have no choice but to pass those costs through to your ultimate rate payer," said Jackson. "Growth is expected to be minimal in the next decade. What that means is that as operating expenses continue to increase, current ratepayers unfortunately have to bear the burden of those cost increases."

The public hearing will take place during the regular council meeting at 6 p.m. on Tuesday, Feb. 12 in council chambers, 202 N Highway 89.

Other items of business on the Jan. 8 meeting included:

- Approval of a Liquor License Permanent Extension of Premises application by Timothy Smith for Doreen's Backstreet Bar & Grill on N. Arizona Trail. The approval, to expand the area where alcohol may be served, was approved with conditions, including signage and fencing that passes town inspection.
- Postponement of plans directing staff to explore the development of an industrial park at Old Home Manor. Council requested additional information, including maps of the area, before they will move forward on the project.
- An amended approval for a seven-acre expansion of the Community Center Park. The extension will include landscaping and walking paths on the north side of the park that borders Perkinsville Road, with the estimated \$90,000 to come from parks impact fees.
- Approval of Resolution No. 13-1003 endorsing the ADOT intention to construct three roundabouts on Highway 89 at Road 4 N, Perkinsville Road, and approximately 1,000 feet north of the future location of Road 5 S.

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