



TOWN OF JEROME

POST OFFICE BOX 335, JEROME, ARIZONA 86331
(928) 634-7943 www.jerome.az.gov

AGENDA SPECIAL WORKSHOP MEETING OF THE JEROME TOWN COUNCIL CONDUCTED VIA ZOOM THURSDAY, SEPTEMBER 9, 2021 AT 4:30 PM

PUBLIC PARTICIPATION IN THE MEETING

Members of the public are welcome to participate in the meeting via the following options:

1. Zoom Conference
 - a. Computer: <https://us02web.zoom.us/j/9286347943>
 - b. Telephone: 1 669 900 6833 Meeting ID: 928 634 7943
2. Submitting questions and comments:
 - a. If attending by Zoom video conference, click the chat button and enter your name and what you would like to address.
 - b. Email c.galloqher@jerome.az.gov (Please submit comments at least one hour prior to the meeting.)

NOTE: FOR THOSE WITHOUT HOME INTERNET: A drive-up internet hotspot is now available in the parking lot in front of the Jerome Public Library. Bring your device and access the internet while sitting in your car. The network is **Sparklight Yavapai Free WIFI** and no password is required.

Pursuant to A.R.S. 38-431.02 notice is hereby given to the members of the Council and to the General Public that the Jerome Town Council plans to hold the above meeting. Persons with a disability may request an accommodation such as a sign language interpreter by contacting Rosa Cays, Deputy Clerk, at 928-634-7943. Requests should be made early enough to allow time to arrange the accommodation.

A copy of the full public meeting packet may be reviewed at the offices of Jerome Town Hall during normal business hours, and on the Town's website at www.jerome.az.gov.

ITEM #1:	CALL TO ORDER/ROLL CALL Mayor/Chairperson to call meeting to order. Town Clerk to call and record the roll.	
ITEM #2:	WATER AND SEWER RATES Council will continue their discussion of possible changes to the water and sewer rate structure as presented in a study completed by Willdan Financial Services. A portion of this discussion may be conducted in executive session with the Town Attorney, pursuant to A.R.S. § 38-431.03 (A)(3) and (A)(4).	Sponsored by Councilmember Jane Moore Discussion; Possible Direction
ITEM #3:	ADJOURNMENT	

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that this notice and agenda was posted at the following locations on or before _____ on _____ in accordance with the statement filed by the Jerome Town Council with the Jerome Town Clerk.

970 Gulch Road, side of Gulch Fire Station, exterior posting case
600 Clark Street, Jerome Town Hall, exterior posting case
120 Main Street, Jerome Post Office, interior posting case

Rosa Cays, Deputy Town Clerk



Founded 1876
Incorporated 1899

TOWN OF JEROME

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(928) 634-7943 FAX (928) 634-0715

STAFF SUMMARY REPORT

FROM: Candace Gallagher, Town Manager/Clerk
ITEM: **Item #2: Water and Sewer Rates**
MEETING DATE: September 9, 2021

The purpose of this meeting is to continue the discussion conducted on August 23, in preparation for the public hearing scheduled for September 14. Dan Jackson plans to be in attendance at this session to participate in the discussion and answer any questions.

At the August 23 special meeting, it was discussed that a move to volumetric rates could be accomplished in two phases:

PHASE I: COMMERCIAL RATES

- Commercial accounts would be changed to volumetric billing as of January 1, 2022. To accomplish this, a Resolution setting those rates will need to be adopted before December 1.
- Apartments with more than 4 units could be considered commercial for billing purposes.
- Vineyards (other than for home use) would be billed at commercial rates.

PHASE 2: RESIDENTIAL RATES

Council recognizes that the current billing system is problematic in that it encourages dishonesty and is difficult for staff to monitor and enforce. We can use experience gained from the switch to volumetric billing to develop a fair and equitable volumetric rate structure for residential users.

As is currently the practice, out of town users would be charged at a higher rate. Currently, rates for out of town users are between 14% and 25% higher, depending on the rate category. Council has discussed a 20% greater rate for out of town users under the new rate structure.

Issues to be considered and resolved prior to the switch for residential users include:

- Use of water for landscaping, which does not enter the sewer system. In the past, sewer rates have been calculated as a percentage of water charges.
 - John Knight did a bit of research and found that San Luis Obispo establishes a “sewer cap” for billing based on winter water usage. It seems that this could work well here. See the attached pdf for more information.
- Multiple residences being served by a single meter.

Ideally, the switch to volumetric billing for residential use would be accomplished within the next two years.

ALONG WITH PHASE I, AND APPLICABLE TO BOTH RESIDENTIAL AND COMMERCIAL:

- A “line maintenance charge” is being considered, based on the distance from the water meter to the point where our water enters the town. A “base distance” would be established wherein the charge would be nil or minimal, and there would be an added charge for each distance of 1,000 feet (or any portion thereof) beyond the base distance. *This would be separate from the metered billing.* We are currently working on measuring distances and will be able to provide more information about that soon.

The scenario discussed by Council was “1B,” which includes 8,000 gallons of usage in the base rate. An excerpt of Mr. Jackson’s report detailing that rate structure is attached here and shows its impact on both residential and commercial accounts for various levels of water consumption, as compared to current rates.

SEWER CAP/WINTER WATER AVERAGE

Winter Averaging Period

It's that time again! The Winter Averaging Period for the 2020-2021 year is approximately December 4 through March 9. Your usage during this period will determine your sewer cap for the 2021-2022 year, so make sure to turn off your irrigation! During these months the days are shorter, the weather is typically cooler, and there is more moisture in the air. Even in years where there is less rain than usual, using these months is still the best measurement we have of calculating your average impact on the sewer system. For more information on drought related impacts on winter water use, see [Council Agenda Report](#) dated May 6, 2014 and [Resolution No. 10587](#).

Winter Averaging Process

The City's sewer charges are directly tied to water usage. Each property is separately metered, and single family residences are restricted from having dedicated landscape meters; this can lead to irrigation costs registering for applicable sewer charges. To compensate for this difference in usage, the City instituted the Sewer Cap for residential customers.* Water usage is tracked from December through February when irrigation systems are likely off. The usage is averaged to determine the sewer cap applicable for the upcoming year.** For example:

December Usage (January Meter Read) 4 units
January Usage (February Meter Read) 5 units
February Usage (March Meter Read) 7 units = $16 \text{ units} / 3 = 5.33$

In this case, the Sewer Cap will be set at 5. Once the Sewer Cap is determined, it becomes effective July 1 of that year. This Sewer Cap will apply to the customer's account for the entire year, until the following July, when the new winter average will be established anew.

How it Works

The Sewer Cap sets the **maximum** that a customer will be charged for wastewater treatment (sewer) per month. The amount a customer is billed each month is based on their usage *up to* their cap. For example, using the sewer cap of 5 determined above:

Month	Units "Used"	Units Billed	Cost
August	5	5	\$47.20
September	7	5	47.20
October	4	4	37.76

Proposed Rate Plan Alternatives



□ Scenario IA – Uniform Rates – No Minimum Volume

- implements a volume-based uniform rate per 1,000 gallons with **no monthly minimum volumes**

□ Scenario IB – Uniform Rates – 8,000 Gallon Minimum Volumes

- implements a volume-based rate per 1,000 gallons for water customers; with **8,000 minimum gallons in base charge**
- Both rate plans are designed to recover equivalent revenues



Scen IB – Uniform Rates – 8,000 Min Volume Proposed Rate Plan



	Current	Effective Jan-22	Effective Jan-23	Effective Jan-24	Effective Jan-25	Effective Jan-26
WATER Rates -- Residential						
Monthly Minimum Charge -- 8,000 Gal	\$ 34.50	\$ 34.50	\$ 37.61	\$ 40.99	\$ 44.27	\$ 46.04
Volume Rate/1,000 Gal	2.75	2.75	3.00	3.27	3.53	3.67
WATER Rates -- Non-Residential						
Monthly Minimum Charge -- 8,000 Gal	46.00	46.00	50.14	54.65	59.02	61.39
Volume Rate/1,000 Gal	3.25	3.25	3.54	3.86	4.17	4.34
WASTEWATER Rates -- Residential						
Monthly Minimum Charge -- 8,000 Gal	\$ 43.50	\$ 43.50	\$ 48.29	\$ 53.60	\$ 55.20	\$ 56.86
Volume Rate/1,000 Gal	3.75	3.75	4.16	4.62	4.76	4.90
WASTEWATER Rates -- Non-Residential						
Monthly Minimum Charge -- 8,000 Gal	56.00	56.00	62.16	69.00	71.07	73.20
Volume Rate/1,000 Gal	4.50	4.50	5.00	5.54	5.71	5.88

Scen IB – Uniform Rates – 8,000 Min Volume Impact on Monthly Charges



	Gallons	Current	Effective Jan-22	Effective Jan-23	Effective Jan-24	Effective Jan-25	Effective Jan-26
WATER Monthly Charge							
8,000 Gal Volume Credit in Monthly Charge							
Residential -- Single		\$ 25.36					
Residential -- Double		33.20					
Residential -- Triple		41.05					
Residential	3,000	\$	34.50	\$ 37.61	\$ 40.99	\$ 44.27	\$ 46.04
	5,000		34.50	37.61	40.99	44.27	46.04
	8,000		34.50	37.61	40.99	44.27	46.04
	10,000		40.00	43.60	47.52	51.33	53.38
	15,000		53.75	58.59	63.86	68.97	71.73
	20,000		67.50	73.58	80.20	86.61	90.08
	30,000		95.00	103.55	112.87	121.90	126.78

Scen IB – Uniform Rates – 8,000 Min Volume Impact on Monthly Charges



	Gallons	Current	Effective Jan-22	Effective Jan-23	Effective Jan-24	Effective Jan-25	Effective Jan-26
WATER Monthly Charge							
Small Business (Shared Restroom)		\$ 19.49					
Small Business (1-5 Employees)		38.99					
Construction		42.24					
Medium Business (6-10 Employees)		52.72					
Bar Only		52.72					
Large Business (11 + Employees)		66.39					
Small Restaurant Only (0-39 seats)		66.39					
Medium Restaurant Only (40-79 seats)		71.90					
Large Restaurant Only (80 + seats)		85.21					
Small Restaurant and Bar (0-30 seats)		97.57					
Medium Restaurant and Bar (40-79 seats)		100.94					
Large Restaurant and Bar (80 + seats)		107.66					
Non-Residential	3,000		46.00	50.14	54.65	59.02	61.39
	5,000		46.00	50.14	54.65	59.02	61.39
	10,000		52.50	57.23	62.38	67.37	70.06
	12,000		59.00	64.31	70.10	75.71	78.73
	15,000		62.25	67.85	73.96	79.88	83.07
	20,000		78.50	85.57	93.27	100.73	104.76
	30,000		111.00	120.99	131.88	142.43	148.13
	50,000		176.00	191.84	209.11	225.83	234.87

Scen IB – Uniform Rates – 8,000 Min Volume Impact on Monthly Charges



Gallons	Current	Effective Jan-22	Effective Jan-23	Effective Jan-24	Effective Jan-25	Effective Jan-26
WASTEWATER Monthly Charge						
Residential -- Single	\$ 32.54	8,000 Gal Volume Credit in Monthly Charge				
Residential -- Double	42.60					
Residential -- Triple	52.67					
Residential	3,000	\$ 43.50	\$ 48.29	\$ 53.60	\$ 55.20	\$ 56.86
	5,000	43.50	48.29	53.60	55.20	56.86
	8,000	43.50	48.29	53.60	55.20	56.86
	10,000	51.00	56.61	62.84	64.72	66.66
	15,000	69.75	77.42	85.94	88.52	91.17
	20,000	88.50	98.24	109.04	112.31	115.68
	30,000	126.00	139.86	155.24	159.90	164.70

Scen IB – Uniform Rates – 8,000 Min Volume Impact on Monthly Charges



	Gallons	Current	Effective Jan-22	Effective Jan-23	Effective Jan-24	Effective Jan-25	Effective Jan-26
WASTEWATER Monthly Charge							
Small Business (Shared Restroom)		\$ 25.01					
Small Business (1-5 Employees)		50.02					
Construction		54.19					
Medium Business (6-10 Employees)		67.64					
Bar Only		67.64					
Large Business (11 + Employees)		85.18					
Small Restaurant Only (0-39 seats)		85.18					
Medium Restaurant Only (40-79 seats)		92.25					
Large Restaurant Only (80 + seats)		109.32					
Small Restaurant and Bar (0-30 seats)		125.18					
Medium Restaurant and Bar (40-79 seats)		129.51					
Large Restaurant and Bar (80 + seats)		138.13					
Non-Residential	3,000		56.00	62.16	69.00	71.07	73.20
	5,000		56.00	62.16	69.00	71.07	73.20
	10,000		65.00	72.15	80.09	82.49	84.96
	12,000		74.00	82.14	91.18	93.91	96.73
	15,000		87.50	97.13	107.81	111.04	114.37
	20,000		110.00	122.10	135.53	139.60	143.78
	30,000		155.00	172.05	190.98	196.70	202.61
	50,000		245.00	271.95	301.86	310.92	320.25

Scen IA – Uniform Rates – No Min Volume Proposed Rate Plan



	Current	Effective Jan-22	Effective Jan-23	Effective Jan-24	Effective Jan-25	Effective Jan-26
WATER Rates -- Residential						
Monthly Minimum Charge	\$ 12.50	\$ 12.50	\$ 13.75	\$ 15.13	\$ 16.64	\$ 17.47
Volume Rate/1,000 Gal	2.75	2.75	3.03	3.33	3.66	3.84
WATER Rates -- Non-Residential						
Monthly Minimum Charge	20.00	20.00	22.00	24.20	26.62	27.95
Volume Rate/1,000 Gal	3.25	3.25	3.58	3.93	4.33	4.54
WASTEWATER Rates -- Residential						
Monthly Minimum Charge	\$ 13.50	\$ 13.50	\$ 15.53	\$ 17.85	\$ 18.39	\$ 18.94
Volume Rate/1,000 Gal	3.75	3.75	4.31	4.96	5.11	5.26
WASTEWATER Rates -- Non-Residential						
Monthly Minimum Charge	20.00	20.00	23.00	26.45	27.24	28.06
Volume Rate/1,000 Gal	4.50	4.50	5.18	5.95	6.13	6.31

Scen IA – Uniform Rates – No Min Volume Impact on Monthly Charges



Gallons	Current	Effective Jan-22	Effective Jan-23	Effective Jan-24	Effective Jan-25	Effective Jan-26
WATER Monthly Charge						
Residential -- Single	\$ 25.36					
Residential -- Double	33.20					
Residential -- Triple	41.05					
Residential		\$ 20.75	\$ 22.83	\$ 25.11	\$ 27.62	\$ 29.00
	3,000	26.25	28.88	31.76	34.94	36.69
	8,000	34.50	37.95	41.75	45.92	48.22
	10,000	40.00	44.00	48.40	53.24	55.90
	15,000	53.75	59.13	65.04	71.54	75.12
	20,000	67.50	74.25	81.68	89.84	94.33
	30,000	95.00	104.50	114.95	126.45	132.77

Scen IA – Uniform Rates – No Min Volume Impact on Monthly Charges



	Gallons	Current	Effective Jan-22	Effective Jan-23	Effective Jan-24	Effective Jan-25	Effective Jan-26
WATER Monthly Charge							
Small Business (Shared Restroom)		\$ 19.49					
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Small Restaurant and Bar (0-30 seats)		97.57					
Medium Restaurant and Bar (40-79 seats)		100.94					
Large Restaurant and Bar (80 + seats)		107.66					
Non-Residential	3,000		29.75	32.73	36.00	39.60	41.58
	5,000		35.25	38.78	42.65	46.92	49.26
	10,000		49.00	53.90	59.29	65.22	68.48
	12,000		55.50	61.05	67.16	73.87	77.56
	15,000		62.75	69.03	75.93	83.52	87.70
	20,000		76.50	84.15	92.57	101.82	106.91
	30,000		104.00	114.40	125.84	138.42	145.35
	50,000		159.00	174.90	192.39	211.63	222.21

Scen IA – Uniform Rates – No Min Volume Impact on Monthly Charges



	Gallons	Current	Effective Jan-22	Effective Jan-23	Effective Jan-24	Effective Jan-25	Effective Jan-26
WASTEWATER Monthly Charge							
Residential -- Single		\$ 32.54					
Residential -- Double		42.60					
Residential -- Triple		52.67					
Residential	3,000		\$ 24.75	\$ 28.46	\$ 32.73	\$ 33.71	\$ 34.73
	5,000		32.25	37.09	42.65	43.93	45.25
	8,000		43.50	50.03	57.53	59.25	61.03
	10,000		51.00	58.65	67.45	69.47	71.56
	15,000		69.75	80.21	92.24	95.01	97.86
	20,000		88.50	101.78	117.04	120.55	124.17
	30,000		126.00	144.90	166.64	171.63	176.78

Scen IA – Uniform Rates – No Min Volume Impact on Monthly Charges



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Small Business (Shared Restroom)		\$ 25.01					
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Small Restaurant and Bar (0-30 seats)		125.18					
Medium Restaurant and Bar (40-79 seats)		129.51					
Large Restaurant and Bar (80 + seats)		138.13					
Non-Residential	3,000		33.50	38.53	44.30	45.63	47.00
	5,000		42.50	48.88	56.21	57.89	59.63
	10,000		65.00	74.75	85.96	88.54	91.20
	12,000		74.00	85.10	97.87	100.80	103.82
	15,000		87.50	100.63	115.72	119.19	122.77
	20,000		110.00	126.50	145.48	149.84	154.33
	30,000		155.00	178.25	204.99	211.14	217.47
	50,000		245.00	281.75	324.01	333.73	343.74