

Position on the City of Prescott's Use of the Alternative Water Fee



For many years, the City of Prescott has added an Alternative Water Fee to our monthly water bills and has collected almost \$1 million per year from this fee. On the water bill, the City states “The revenues from these charges are for expenses associated with obtaining alternative water sources in order to comply with the groundwater laws.”

A large portion of the revenue collected by this fee has been used to provide new water sources for future residential development. This use is contradictory to the policy of both the City and CWAG that “growth should pay for growth.” It is likely that most ratepayers do not realize that the City is violating its own policy and had assumed that the fee was being used to find alternative water to help eliminate the City’s share of the overdraft and thereby help achieve Safe Yield in the Prescott Active Management Area.

In view of the above, CWAG adopts the following position:

Funds from the Alternative Water Fee, collected from water ratepayers, should be used for expenses to obtain new water sources for the sole purpose of achieving safe yield. These new water sources should specifically not be used, directly or indirectly, for residential growth. Prior expenditures from the Alternative Water Fee fund that have been directly or indirectly used to seek water for residential growth should be paid back by transfer from the Water Resource Development Fee Fund, commonly referred to as impact fees.

Adopted January 4, 2010 Board of Directors