

## **AGREEMENT FOR SHARING OF INFORMATION REGARDING WATER CONSUMPTION AND WATER SERVICE DISCONNECTION**

This Agreement For Sharing of Information Regarding Water Consumption and Water Service Disconnection ("Agreement") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2023, by and between Oak Creek Domestic Water Improvement District, a subdivision of Yavapai County ("Oak Creek"), and the City of Sedona, an Arizona municipal corporation (the "City"). Oak Creek and the City are sometimes referred to in this Agreement individually as a "Party" and collectively as the "Parties."

### **RECITALS**

A. Oak Creek provides public water utility service ("Water Service") to certain residents of the City (collectively, the "Water Customer") per its organization as a domestic water improvement district pursuant to A.R.S. Title 48, Chapter 6, Article 1 County Improvement Districts, and the City provides sewer, solid waste, and stormwater utility services (collectively "Sewer Services") to certain residents within its borders, some of whom are also Water Customers.

B. For purposes of this Agreement, a Water Customer who is also a customer of the City for Sewer Services is referred to as a "Shared Customer."

C. The City has requested that Oak Creek provide information to the City regarding water consumption by the Shared Customers in order to assist the City in billing for Sewer Services to Shared Customers.

D. The City has also requested to enter into an agreement with Oak Creek to disconnect water service to Shared Customers who fail to timely pay the City for Sewer Services.

E. Oak Creek and the City desire to enter into this Agreement specifically setting forth the respective duties, obligations, responsibilities, and liabilities of the Parties regarding the sharing of water consumption information and disconnecting water service.

### **AGREEMENT**

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth in this Agreement, Oak Creek and the City agree as follows:

1. Sharing of Information Regarding Water Consumption.

1.1. Determination of Shared Customers. In order to allow Oak Creek to determine the Shared Customers, no later than October 1 of each year this

Agreement is in effect, the City will provide Oak Creek with a map of the City's Sewer Services area located within Oak Creek's Water Service area.

- 1.2. Consumption Information. Once a month, Oak Creek will provide the following water consumption information for the Shared Customers (the "Consumption Information") to the City by email on a date the Parties mutually agree to:
  - i. Account number
  - ii. Customer name
  - iii. Parcel number (APN) as assigned by the County Assessor's Office (where available)
  - iv. Service address
  - v. Meter size
  - vi. Meter serial number
  - vii. Class of service
  - viii. Water usage
  - ix. Newly established and final billed accounts (including account number, customer name, service address, and date)
- 1.3. Payment of Costs. The City will pay Oak Creek to provide the Consumption Information, as follows:
  - i. The City will pay to Oak Creek a one-time establishment charge of \$500, payable within 30 days of receiving an invoice from Oak Creek.
  - ii. The City will pay Oak Creek an annual administrative fee of \$0.50 per Shared Customer, as determined on December 31 of the preceding year, payable within 30 days of receiving an invoice from Oak Creek.
- 1.4. Confidentiality. The City acknowledges and agrees that it is authorized to use the Consumption Information only for purposes of its own Sewer Services billing and that the City is not authorized to use any of the Consumption Information for any other purpose. The City agrees it will

maintain the confidentiality of all Consumption Information except as may be required by law and, the City will not disclose, distribute, or publish to any third party such Consumption Information without the prior written permission of Oak Creek. In the event the City is compelled by law, subpoena, court order, or administrative order to disclose any Consumption Information, the City will promptly notify Oak Creek and will cooperate with Oak Creek prior to disclosure so that Oak Creek may take action to protect the Consumption Information from disclosure.

2. Water Service Disconnection and Reconnection.

- 2.1. Disconnection Requests and Disconnections. The City may request that Oak Creek disconnect Water Service to a Shared Customer (a "Disconnection Request") who is liable to the City for overdue Sewer Services charges ("Delinquent Shared Customer") at the premises where the applicable Delinquent Shared Customer receives Water Service from Oak Creek and Sewer Service from the City (the "Disconnection Premises"). Each Disconnection Request constitutes the City's representation that it has complied with all disconnection requirements set forth in this Agreement, that the applicable Shared Customer is then a Delinquent Shared Customer, and that the Shared Customer has been provided the notice described in section 2.2. The City will send Disconnection Requests to Oak Creek by email no more than once a month, no later than 12:00 p.m., on a day or date (e.g. the second Monday of each month) the Parties agree to from time to time in writing. Oak Creek will perform disconnections Monday through Thursday, excluding holidays, and will complete disconnections within six business days of receiving a Disconnection Request from the City and in compliance with the terms of this Agreement. In no event will disconnection of Water Service be carried out on a Friday. If Oak Creek is not able to meet the above-mentioned time requirements, Oak Creek will promptly notify the City by email no later than 5 p.m. on the day Oak Creek receives the Disconnection Requests. The City will then work with Oak Creek to determine an acceptable timeline to complete the disconnection process.

Upon Oak Creek's receipt of a Disconnection Request, Oak Creek will:

- i. Shut off the water source to the Disconnection Premises as set forth in this section;
- ii. Notify the City by email of the date Water Service was disconnected to the Disconnection Premises;

- iii. Keep a record for five years of the Disconnection Requests and Water Service disconnections under this Agreement.

2.2. Pre-Requisites and Notice To Shared Customers Prior To Disconnection.  
Prior to sending a Disconnection Request Oak Creek:

- i. The Shared Customer must be at least 90 days delinquent in payment of Sewer Service charges;
- ii. The City will offer a payment plan to the Shared Customer and the Shared Customer must reject or default on the payment plan;
- iii. The City will notify the applicable Delinquent Shared Customer, in writing by mail and by posting notice using one of the two forms set forth in Exhibit A (the "Delinquency Notice") at the Disconnection Premises that Water Service by Oak Creek will be disconnected no less than 10 days after the date of the Delinquency Notice because of the Delinquent Shared Customer's delinquent Sewer Services bill with the City. The City will not send a Disconnection Request to Oak Creek sooner than 10 days after the City has mailed and posted the Delinquency Notice.

2.3. Charges For Disconnection. The City will pay a Disconnect Fee and a Monthly Lost Revenue Fee for each Disconnection Request sent to Oak Creek, as follows:

- i. A Disconnection Fee of \$100.00 per Delinquent Shared Customer.
- ii. A Monthly Lost Revenue Fee equal to the average bill for the meter size and class of service for the Delinquent Shared Customer's service area as determined by Oak Creek's current rates for that service area. Oak Creek will pro-rate this charge for partial months.

The Disconnect Fee and Monthly Lost Revenue Fee will be consideration for Oak Creek disconnecting Water Service to the applicable Delinquent Shared Customer. Oak Creek will not charge the Shared Customer a disconnect or any other fee for disconnecting Water Service in accordance with this Agreement unless Oak Creek already may terminate Water Service to the Delinquent Shared Customer pursuant to its procedures, Terms and Conditions, at the time that Oak Creek receives a Disconnection Request from the City, in which case Oak Creek will not charge the City a Disconnect Fee or Monthly Lost Revenue Fee to disconnect Water Service to the Delinquent Shared Customer. On a monthly basis, Oak Creek will

invoice the City for Disconnect Fees incurred during the preceding calendar month, and such invoices will be payable within 30 days of receipt.

2.4. Reconnection of Water Service. Upon the City's receipt of payment in full from a disconnected Delinquent Shared Customer, or upon a disconnected Delinquent Shared Customer's entry into a payment plan with the City, the City will promptly notify Oak Creek by email. Upon receipt of such notice:

- i. Oak Creek will reconnect Water Service to the Disconnection Premises in accordance with Oak Creek's normal procedures and timelines, and the rules and regulations.
- ii. If the City requests reconnection after 2:00 pm, the City will pay Oak Creek's standard after hours reconnection fee if Water Service is reconnected to the Disconnection Premises after 5:00 pm. Oak Creek will invoice the City for such charges monthly, which invoice will be due and payable within 30 days.

2.5. No Other Obligations. The City expressly acknowledges and agrees that Oak Creek will have no other obligations or responsibilities under this Agreement with respect to the Delinquent Shared Customers, including without limitation collection services, other than those expressly set forth in this Agreement.

3. Miscellaneous Provisions.

- 3.1. The City will, to the fullest extent permitted by law, indemnify, defend, and hold Oak Creek harmless from and against all claims, losses, liability, costs, or expenses, including reasonable attorney's fees, (collectively, "claims") arising out of the disconnection of Water Service to Delinquent Shared Customers and Disconnection Premises and/or the City's receipt and use of the Consumption Information Oak Creek provides to the City under this Agreement, except to the extent any claims arise out of the negligence of Oak Creek, its employees or representatives.
- 4.2. Notwithstanding other term of this Agreement to the contrary, Oak Creek will have no obligation under this Agreement to shut off Water Service to any multi-unit structure sharing a common service line.
- 4.4. This Agreement will remain in effect indefinitely; provided, however, that either Party may terminate this Agreement at any time and for any or no reason upon 60 days' prior written notice to the other Party.

- 4.5. Neither the City nor Oak Creek will be liable for any loss or damage due to failure or delay in rendering any service or performing any obligation required under this Agreement resulting from any cause beyond their reasonable control including, but not limited to acts of God, acts or omissions of civil or military authority, acts or omission of contractors or suppliers, fires, floods, epidemics, quarantine restrictions, severe weather, strikes, embargoes, wars, political strife, riots, delays in transportation, or delays or shortages in fuel, power, materials, or labor shortages. In addition, Oak Creek will in no event be liable to the City for any lost Sewer Service revenue claimed by the City as the result of Oak Creek's failure to disconnect Water Service to any Delinquent Shared Customer or Disconnection Premises or as a result of any delay in Oak Creek's disconnecting such Water Service.
- 4.6. The failure of either Party to enforce the provisions of this Agreement at any time will not constitute a waiver of such provisions in any way and will not limit the right of the City or Oak Creek to avail themselves of such remedies as either may have for any breach or breaches of such provisions. The waiver of any specific provisions or requirements of this Agreement will not constitute a waiver of any other provision or requirement. Any waiver of any specific provision or requirement of this Agreement must be in writing and signed by the Party to be bound by such waiver.
- 4.7. This Agreement contains the entire agreement between Oak Creek and the City with respect to its subject matter. This Agreement supersedes all previous written and verbal agreements regarding such subject matter. Any amendment, revision, modification, termination, or rescission of this Agreement must be in writing and signed by both Parties.
- 4.8. This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and assigns only. There are no third party beneficiaries to this Agreement.
- 4.9. Any provision of this Agreement that is determined to be prohibited or unenforceable will be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions.
- 4.10. This Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.
- 4.11. This Agreement will be construed and enforced in accordance with the laws of the State of Arizona, without giving effect to its conflicts of laws provisions.

- 4.12. Any notice, written request, or communication given pursuant to the provisions of this Agreement must be in writing and sent by email or certified United States mail and will be deemed to be delivered on the date of emailing or if mailed by overnight mail, and on the third day after mailing by certified mail, and must be addressed as follows:

To the City: City of Sedona  
Attn: Anette Spickard, City Manager  
102 Roadrunner Drive  
Sedona, Arizona 86336-3710  
Phone: 928-204-7127  
Email: [aspickard@sedonaaz.gov](mailto:aspickard@sedonaaz.gov)

With a copy to: City of Sedona  
Attn: Kurt Christianson, City Attorney  
102 Roadrunner Drive  
Sedona, Arizona 86336-3710  
Phone: 928-204-7200  
Email: [kchristianson@sedonaaz.gov](mailto:kchristianson@sedonaaz.gov)

To Oak Creek: Oak Creek Water Improvement District  
Attention: President  
90 Oak Creek Blvd.  
Sedona, AZ 86336  
Email: [dbowen@oakcreekwater.com](mailto:dbowen@oakcreekwater.com)

or to such other addresses as each Party may, from time to time, specify by notice to the other.

- 4.13. Jurisdiction and venue of all actions and claims will lie in Yavapai County, Arizona.

- 4.15. This Agreement is subject to the provisions of A.R.S. §38-511.

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed by their respective duly authorized officers as of the date first written above.

**CITY OF SEDONA, ARIZONA, an  
Arizona municipal corporation**

**OAK CREEK DWID,  
a subdivision of Yavapai County**

By: \_\_\_\_\_  
Anette Spickard, City Manager

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Doug Bowen, President

Date: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
JoAnne Cook, City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Kurt Christianson, City Attorney



## **EXHIBIT A**

### **Forms of Delinquency Notice**

Form 1 – To Be Used If The City Council Approves Charging Delinquent Shared Customers The  
Disconnect Fee and Monthly Lost Revenue Fee  
[Date]

[Insert Customer Name]  
[Address]  
[Address]

Re: Delinquency Notice and Notice of Water Service Disconnection for Failure to Pay  
Sewer Service Bill

Dear [Insert Customer Name]:

As of the date of this notice, payment of your sewer bill had not been received. Your bill is now more than 90 days past due and you have ignored or rejected a payment plan or defaulted on a payment plan.

The City of Sedona ("City") has entered into an agreement that allows the City to request that Oak Creek Water Improvement District disconnect your water service when you fail to pay your sewer bill.

We are sending you this written notice to make you aware that the City will request Oak Creek Water to disconnect your water service no less than 10 days after mailing this notice. If this happens, to reestablish your water service, the following must occur:

- 1) You must pay your sewer service bill including any late charges in full or enter into a payment plan to pay your sewer service bill in full; and
- 2) You must pay to the City all costs Oak Creek Water charges to disconnect your water service. This will include a \$100 disconnection fee, a monthly lost revenue fee equal to the average water bill for Oak Creek Water customers, and for after hour reconnections Oak Creek Water's standard after hours reconnection fee.

After the above items are satisfied, Oak Creek Water will reconnect your water service.

The City's offices are open Monday through Thursday (excluding holidays) from 7:00 am – 6:00 pm Arizona Standard Time. To avoid water service disconnection, please contact \_\_\_\_\_ immediately at (\*\*\*) \*\*\*-\*\*\*\* or by email at \*\*\*\*@\*\*\*\*\*.\*\*\*.

Sincerely,

[Name]  
[Title]  
The City of Sedona

Form 2 – To Be Used Until The City Council Approves Charging Delinquent Shared Customers  
The Disconnect Fee and Monthly Lost Revenue Fee  
[Date]

[Insert Customer Name]  
[Address]  
[Address]

Re: Delinquency Notice and Notice of Water Service Disconnection for Failure to Pay  
Sewer Service Bill

Dear [Insert Customer Name]:

As of the date of this notice, payment of your sewer bill had not been received. Your bill is now more than 90 days past due and you have ignored or rejected a payment plan or defaulted on a payment plan.

The City of Sedona ("City") has entered into an agreement that allows the City to request that Oak Creek Water Improvement District disconnect your water service when you fail to pay your sewer bill.

We are sending you this written notice to make you aware that the City will request Oak Creek Water to disconnect your water service no less than 10 days after mailing this notice. If this happens, to reestablish your water service, the following must occur:

- 1) You must pay your sewer service bill including any late charges in full or enter into a payment plan to pay your sewer service bill in full; and
- 2) You may be required to pay to the City all costs Oak Creek Water charges to disconnect your water service. This may include a \$100 disconnection fee, a monthly lost revenue fee equal to the average water bill for Oak Creek Water's customers, and for after hour reconnections Oak Creek Water's standard after hours reconnection fee.

After all required items are satisfied, Oak Creek Water will reconnect your water service.

The City's offices are open Monday through Thursday (excluding holidays) from 7:00 am – 6:00 pm Arizona Standard Time. To avoid water service disconnection, please contact \_\_\_\_\_ immediately at (\*\*\*) \*\*\*-\*\*\*\* or by email at \*\*\*\*@\*\*\*\*\*.\*\*\*.

Sincerely,

[Name]  
[Title]  
The City of Sedona

**Additional Information**

**City of Sedona / Arizona Water Company  
Similar Agreement in Place**

# AGENDA



# 4:30 P.M.

## CITY COUNCIL MEETING

## TUESDAY, JUNE 25, 2024

### NOTES:

- Public Forum:  
Comments are generally limited to 3 minutes.
- Consent Items:  
Items listed under Consent Items have been distributed to Council Members in advance for study and will be enacted by one motion. Any member of the Council, staff or the public may remove an item from the Consent Items for discussion. For additional information on pulling a Consent Item, please contact the City Clerk's Office staff, preferably in advance of the Call to Order. Items removed from the Consent Items may be acted upon before proceeding to the next agenda item.
- Meeting room is wheelchair accessible. American Disabilities Act (ADA) accommodations are available upon request. Please phone 928-282-3113 at least two (2) business days in advance.
- City Council Meeting Agenda Packets are available on the City's website at:

[www.SedonaAZ.gov](http://www.SedonaAZ.gov)

THE MEETING CAN BE VIEWED  
LIVE ON THE CITY'S WEBSITE AT  
[WWW.SEDONAAZ.GOV](http://WWW.SEDONAAZ.GOV) OR ON  
CABLE CHANNEL 4.

### GUIDELINES FOR PUBLIC COMMENT

#### PURPOSE:

- To allow the public to provide input to the City Council on a particular subject scheduled on the agenda.
- This is not a question/answer session.
- No disruptive behavior or profane language will be allowed.

#### PROCEDURES:

- Fill out a "Comment Card" and deliver it to the City Clerk.
- When recognized, use the podium/microphone.
- State your:
  1. Name and
  2. City of Residence
- Limit comments to **3 MINUTES.**
- Submit written comments to the City Clerk.

### 1. CALL TO ORDER/PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE

### 2. ROLL CALL

### 3. CONSENT ITEMS - APPROVE

- a. Minutes - June 11, 2024 City Council Special Meeting - Executive Session.
- b. Minutes - June 11, 2024 City Council Regular Meeting.
- c. Minutes - June 12, 2024 City Council Special Meeting.
- d. AB 3080 Approval of a contract change order with Abdo Financial Solutions, LLC for Interim Director of Finance services and certain accounting, audit, budget, and software implementation services.
- e. AB 3057 Approval of an updated Construction Manager at Risk (CMAR), Construction Services contract for the Uptown Sedona Parking Garage Project with McCarthy Building Companies, Inc. in an amount not-to-exceed \$17,545,098.

### 4. APPOINTMENTS - None

### 5. SUMMARY OF CURRENT EVENTS BY MAYOR/COUNCILORS/CITY MANAGER & COUNCIL ASSIGNMENTS

### 6. PUBLIC FORUM

(This is the time for the public to comment on any issue within the jurisdiction of City Council not listed on the agenda. The City Council may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for further consideration and decision at a later date.)

### 7. PROCLAMATIONS, RECOGNITIONS & AWARDS - None.

### 8. REGULAR BUSINESS

- a. AB 3061 **Public hearing/discussion/possible action** regarding an appeal of the Planning and Zoning Commission's April 16, 2024, approval of a development review application for the Oak Creek Heritage Lodge located at 65-195 Schnebly Hill Road & 20 Bear Wallow Lane. PZ23-00004 (DEV), APPE24-00001, APPE24-00002.
- b. AB 3073 **Discussion/possible action** regarding approval of an Agreement for Sharing of Information Regarding Water Consumption and Water Service Disconnection with Arizona Water Company.
- c. AB 3066 **Discussion/possible action** regarding future meeting/agenda items.

CITY COUNCIL CHAMBERS  
102 ROADRUNNER DRIVE, SEDONA, AZ

The mission of the City of Sedona government is to provide exemplary municipal services that are consistent with our values, history, culture and unique beauty.



Road & 20 Bear Wallow Lane, based on the following findings:

Councilor Fultz stated the findings-

**1- LDC Section 8.3.E(5)c**

- The applicant is not consistent with the Sedona Community Plan and other applicable plans including aspect of traffic being less than medium density residential in particular and small designer hotel aspect.

**2- LDC Section 8.3.E(5)g Minimized Adverse Environmental Impact**

- There is significant environmental impact in scraping the ground not preserving the riparian area, soils and native vegetation, and wildlife habitat.

**3- LDC 8.3.E. (5)j Providing Adequate Road Systems and Traffic Mitigation**

- There is excess traffic being generated by the property and inadequate facility to support it.

Vice Mayor added a friendly amendment that there is not adequate space on site for fire, public safety, and EMS services. Councilor Fultz accepted the amendment.

Mayor Jablow added a friendly amendment that the applicant's design is not modestly scaled to meet the CFA. Councilor Fultz accepted the amendment.

Seconded by Mayor Jablow. Vote: Motion passed with four (4) in favor (Jablow, Ploog, Dunn, Fultz) and three (3) opposed (Furman, Kinsella, Williamson).

**b. AB 3073 Discussion/possible action regarding approval of an Agreement for Sharing of Information Regarding Water Consumption and Water Service Disconnection with Arizona Water Company.**

Presentation from Kurt Christianson.

**Motion:** Councilor Furman moved to approve the Agreement for Sharing of Information Regarding Water Consumption and Water Service Disconnection with Arizona Water Company and authorize the City Attorney to execute the Joint Application for Approval of Water Information Sharing Agreement and Water Service Disconnection with the Arizona Corporation Commission. Seconded by Councilor Kinsella. Vote: Motion passed with seven (7) in favor (Jablow, Ploog, Dunn, Fultz, Furman, Kinsella, Williamson) and zero (0) opposed.

**c. AB 3066 Discussion/possible action regarding future meeting/agenda items.**

Mayor Jablow requested a future meeting for discussion regarding speed reduction on Morgan Road to 15 miles per hour and to have staff research as they have capacity. Vice Mayor Ploog supported the request. Councilor Dunn proposed adding the option of resident only parking on Morgan Rd. Councilor Kinsella suggested all options be considered. Councilor Williamson seconded her request. Annette advised Northern Arizona Healthcare will be presenting at the October 8, 2024 Council meeting.

**9. Executive Session**



**ARIZONA WATER COMPANY****WATER SERVICE DISCONNECTION FOR NON-PAYMENT OF  
SEWER SERVICE CHARGES**

Filed by: Fredrick K. Schneider

Title: President

Date of Original Filing: December 26, 2024

System(s): SEDONA

A.C.C. No. 665

Cancelling A.C.C. No. N/A

Tariff or Schedule No. DNP-103

Filed: December 26, 2024

Effective: February 1, 2025

On June 25, 2024, Arizona Water Company ("Arizona Water") and the City of Sedona ("Sedona") signed an Agreement for Sharing of Information Regarding Water Consumption and Water Service Disconnection ("Agreement"), which has been approved by the Commission in Decision No. 79640 (December 17, 2024).

Arizona Water is granted a variance from Commission Rule A.A.C. R14-2-410(A)(3) for the limited purpose of implementing the Agreement with Sedona.

Pursuant to the terms of the Agreement, Arizona Water will disconnect water service to a customer who is liable to Sedona for overdue sewer service charges at the premises where the customer receives water service from Arizona Water and sewer service from Sedona. Prior to Sedona sending a disconnection request to Arizona Water, the terms set forth in the Agreement must be met, including:

- i. The customer must be at least 90 days delinquent in payment of sewer service charges;
- ii. Sedona must have offered a payment plan to the customer and the customer must have rejected or defaulted on the payment plan; and
- iii. Sedona will have notified the customer, in writing and by posting notice at the premises that water service will be disconnected no less than 10 days after the date of the notice.

Upon Sedona's receipt of payment in full by a disconnected customer, or upon a disconnected customer's entry into a payment plan with Sedona, Arizona Water will reconnect water service to the premises in accordance with the terms set forth in the Agreement and Arizona Water's normal procedures and timelines, as set forth in Arizona Water's tariffs, including without limitation Tariff TC-243 and the rules and regulations of the Commission.