

CITY OF WILLIAMS CITY COUNCIL

SPECIAL MEETING
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APRIL 14, 2015
COUNCIL ACTION

I. PROCEDURES:

- A. Call to Order Mayor Moore called the meeting to order at 7:00 p.m.
- B. Roll Call Mayor John Moore, Vice Mayor Don Dent, and Councilmen Bernie Hiemenz, Frank McNelly, Lee Payne and James Wurgler were present and constituted a quorum. Councilman Craig Fritsinger was absent. Present from City Staff were Brandon Buchanan, City Manager, Finance Director Keith Buonocore, and City Clerk/HR Director Susan Kerley.
- C. Adopt Agenda Councilman McNelly made a motion to adopt the Agenda as presented. Councilman Hiemenz seconded the motion, and it carried 5-0.

II. Council will review possible scenarios for a utility rate increase for Fiscal Year 2016 and will direct Staff on which increase to pursue.

Brandon Buchanan explained that four columns have been added to the distributed spreadsheet; the second sheet explains the graduated increase; and the last sheet shows customer usage distribution data. The following rates are now in effect:

- 1.5¢/gallon City residents who haul water
- 2.5¢/gallon County residents who haul water
- .5¢/gallon Residents connected to the water system

- On the high commercial users using up to 60,000 gallons per month (gpm), the charges range from \$590 to \$1,120 per month. There are 49 users who go over 20,000 gpm. Some attractions and larger hotels easily use more than 100,000 gpm.
- Most leaks are relatively small. The industry standard is around a 7% water loss.
- Some meters in parks are not connected to MXU, so their usage is not being reported.
- 11 residential accounts use between 10,000 and 20,000 gpm. The high user used 47,000 gpm. Staff could look into excess usage but can't disclose the names and addresses of any accounts.
- Councilman Dent said we need to show residential users that there's a big difference between commercial rates and residential rates. His preference would be an increase of \$0.002/per gallon for residential accounts and \$0.005/per gallon for commercial accounts.
- Council wants to watch the new meters for a year. They could raise bills significantly when they register all water that is used.
- A graduated rate means usage over 1,000 gpm is billed at a graduated rate, which could really throw someone using a lot of water into the stratosphere. \$0.008 per gallon would

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be the increase for some commercial users. They would have a \$700 increase in water and a \$1,200 increase in their sewer bill.

- This increase on commercial accounts will make some people step up and start using water-saving devices.
- This increase gets us to where some capital improvements can be done.
- How do we protect this number to continue doing projects? We could do an automatic consumer price index (CPI) adjustment each year, or at least look at it every year. We could do the increase now, see what the new meters do, then analyze the situation at this time next year when we are in the budget process.
- Residential meters have a useful life of 10 years so they should be replaced that often while commercial meters need replacing every two to five years. They decline in usage registered over time. We need to budget the replacement of meters with funds from the water system, not through a loan.
- When the City of Williams bought the electric system, we had about about \$400,000/year for maintenance, and we spent it to support other things. We spent the money on the water system, and now we need money for the electric system.
- Some places add a meter charge to their bills that accumulates over time to pay for replacing meters.

The consensus of Council was to proceed with the process to increase residential rates by \$0.002/gallon and commercial rates by \$0.004/gallon. They directed Staff to do so.

The meeting adjourned at 7:30 p.m.

III. ADJOURN:

Mayor John Moore

ATTEST:

City Clerk