

WORK MEETING MINUTES
CITY COUNCIL
CITY COUNCIL CHAMBERS, EPHRAIM CITY HALL
5 SOUTH MAIN, EPHRAIM, UTAH
APRIL 4, 2018
5:30 PM

CALL TO ORDER

The Ephraim City Council convened in a work meeting on Wednesday, April 4, 2018, in the City Council Room. Mayor Squire called the meeting to order at 5:31 p.m.

ROLL CALL

MEMBERS PRESENT

Richard Squire, Mayor
Margie Anderson, Mayor Pro Tem
Tyler Alder
John Scott
Greg Boothe
Richard Wheeler

STAFF PRESENT

Brant Hanson, City Manager
Marcus Gilson, City Attorney
Bryan Kimball, Community Dev.
Leigh Ann Warnock, City Recorder
Steve Widmer, Financial Director
Aaron Broomhead, Police Chief

DISCUSSION OF WATER RATE ADJUSTMENT

A notice went out with the utility bill describing rate adjustments that may be required to pay off debt, the well, the tunnel, and other water expenses. Bryan reviewed the current infrastructure and infrastructure still needed.

Background: The City installed a new two-million-dollar water tank raising water rates. Other significant improvements have been made without increasing water rates. Loans are in effect. The tunnel/waterline is almost a four-million-dollar project. Grants have been received, and shared costs with the Irrigation Company helped, but loans were also taken out for that project. The City has spent up to ten million dollars for recent water improvements. A water rate increase was scheduled for 2015 but not implemented at that time because of other rate increases. The last water increase was implemented in 2010.

The City is now in need of a new well. Current revenues are not enough, with water rights purchased and the well added, to make all the payments. Bryan spent a significant amount of time working with numbers to see what would be required in the way of a water rate increase

to be able to meet annual expenses, recognizing the numbers would be a big hit to customers. He researched current debt that could be paid off in order to lower the rate increase. The payoff to Sanpete America for water rights is \$640,000. That amount could come from savings and would reduce the obligation allowing a decrease to the projected rate adjustment.

Bryan also researched the last 12 months of infrastructure and water usage data. He played with rates some more and came up with alternatives which he reviewed with the Council. A rate increase would impact some users more than others. He recommends an amount slightly lower than the amount sent out in the letter, which would set a \$24.00 base rate, adjusting tiers accordingly. Resulting rates would be almost half the amount the state is asking for.

WARRANT REGISTER INQUIRIES

Airport Ramp –Steve commented the City pays the full amount and then 90% will be reimbursed.

Zions Bank – Paying off the loan for the water rights and running the water line. This is not currently in the budget but will be added with the modifications.

ADJOURN

There being no further discussion, Councilmember Boothe moved the work meeting adjourn. The motion was seconded by Councilmember Wheeler. The vote was unanimous. The motion carried.

MINUTES APPROVED:

Mayor

Date

ATTEST:

City Recorder

Date