

City of Weiser
CITY COUNCIL MEETING

55 West Idaho Street
Weiser, ID 83672
Monday
MARCH 10, 2014
6:30 P.M.

PUBLIC HEARING
MINUTES

6:30:20 PM

A **PUBLIC HEARING** to present and receive comment on the proposal to increase water base rates from \$19.00 to \$24.00 and increase the consumption rate from .0125 per cubic foot to .0200 per cubic foot.

STAFF: Diana Thomas, David Tate, Nate Marvin, Deb Dawson, Chuck Kroll, Bill Taylor,
James Edwards and Dennis Cooper.

GUESTS: Judy Potts, Larry Potts, Michael Campbell, David Furt, T.O. Clifford, John Hutchison, Signa Hutchison, Rick Pennell, Jim Felton, Patrick Nauman, Dolores Larsen, Heather Echeseste, Stefanie Potts, Gary Hill, John Evans and Sandy Cooper.

Presentation: 6:31:56 PM

City Clerk David Tate informed the Council and those present that starting July 30, 2013 the Public Service Committee met a couple of times to review the water rates. Clerk Tate reminded those present that at the three last audits we have received comments from our auditor requesting that we take a look at our water rates as they were falling short. In complying, the City had an independent company do a water rate study. The Public Service Committee then came back with the recommendation that is before the Council tonight.

6:32:43 PM - Mayor Thomas asked someone to explain exactly what a water rate evaluation is?

6:33:12 PM - Public Service Committee Chairman Virgil Leedy explained that during a water rate evaluation you compare the monies that were borrowed against your water system which includes both your treatment and distribution system. Each year funds have to be set aside to ensure they are available to pay for the bond. Evaluators look at what the expenses are, the fixed costs that it takes to run the water plant and the distribution system. Then, they look at the variable costs that offset what the rate of the consumption is or the water being used. For example a variable cost would be replacing products such as lines or fire hydrants, products that are all ready in the system that are being used up and replaced. Fixed costs would include chemicals to run the plant, wages, things that keep the lights on... All these are looked at when evaluating the system.

6:35:48 PM - Mayor Thomas asked who came out and did the rate study? Chairman Leedy stated that it was Idaho Rural Water Association.

6:36:09 PM - Chairman Leedy further explained that when the rate study was completed and numbers compared with the last three audits there was a \$1.86 million short fall which required using carry-over each year to compensate. Chairman Leedy stated that the City needs to bring this enterprise fund up to the level that it can pay for itself as it is going along rather than using carry-over monies. Council Member Hafer asked if the \$1.86 million short fall was just in the Water Department? Chairman Leedy affirmed. Council Member Randleman asked how much longer The City has on the current water bond? Clerk Tate stated that the last bond was taken in 2007 and that it is a 30 year bond, so we have a long time remaining.

6:37:30 PM - Mayor Thomas explained that one thing The City had tried to do last year when the auditor told us that we had a short fall was to refinance our current bonds. Usually this can be done through the Idaho Bond Bank which was set up by the Idaho Legislature to provide funding for municipalities at a lower rate so they did not have to pay rates from the federal government or banks. We initially received two loans one through Idaho Rural Develop and one through DEQ. Our idea was to consolidate the two loans through the Idaho Bond Bank at a lower rate which would have allowed us to put off looking at these rate increases. Mayor Thomas, Clerk Tate and Cameron Arial went over to Boise and made a presentation asking to borrow funds at a lower rate from the Idaho Bond Bank to pay off the Rural Development and DEQ loans. What they ran into was a political move by a couple of the legislators who were mad at the federal government so were unwilling to lend us the money because it would be going to the federal government. We could not convince them that they would be saving Idaho

tax payers money if they would allow us to pay off the federal government and keep it within the State. Therefore, our next move was to come back and look at a rate increase.

6:40:10 PM - Council Member Randleman added that the increase allows The City to be proactive in funding a certain amount of construction projects on the water system. Discussion continued.

Written Comment: None. [6:42:29 PM](#)

Supporting Proposal: None. [6:42:55 PM](#)

Neutral Comments: None. [6:43:13 PM](#)

Opposed To Proposal: [6:43:25 PM](#)

[6:43:40 PM](#) - Mr Michael Campbell, 1115 E Main, Weiser ID 83672 addressed the Council. Mr Campbell's concern is not per say the increase, but is with the amount of the increase, stating that it would be a 60% increase. Mr Campbell asked why we had not made the increase in smaller increments over the past nine years instead of all at once. His main concern being the impact the increase would have on businesses like Fry Foods, Restaurants and the Trailer Parks who all ready pay big water bills.

6:45:05 PM - Council Member Randleman responding stated that he agreed with Mr Campbell 100% and that perhaps we could play with the numbers a little bit, change the per cubic foot rate and increase the base rate. Mr Campbell stated that doing that would spread it out a little more evenly meter by meter. Mayor Thomas added that doing increases gradually would be something we could think about doing in the future.

6:46:03 PM - Council Member Hafer explained that the Council had been trying to get the fund built up to improve the Sewer Plant. One of the things they have had to look at as they went along is that the sewer rates had to be looked at and adjusted, then she noted that Weiser's rates are still lower than any other city in the area. The question they looked at was do we raise water and sewer rates at the same time, do you alternate, what do you do? The sewer got the priority when rate changes were necessary, that is one reason water rates were moved back, not wanting to hit everyone with everything all at once. Council Member Hafer also noted that the Idaho Power and electric rates had also increased during this time. They tried to balance things as they went along to make sure rates did not have to increase every year. Mr Campbell asked if the rates could be gradually increased at this time instead of one and done? Mayor Thomas stated that would be discussed at the Regular Council Meeting at 7pm.

6:46:16 PM - Council Member Leedy stated that if you take the 60% increase over the past nine years it is only about an 8% annual increase. That perhaps they should have made an increase in 2008 before the economy started dropping, but their option at that time was to hold off.

[6:48:14 PM](#) - Mr Thomas Clifford, 919 E Park, Weiser ID 83672 addressed the Council. Mr Clifford owns Clifford's Bar and Trailer Court. Mr Clifford wished that the Council could physically show him here tonight exactly what the increase would be on his bill. Mr Clifford then asked how many of the Council Members were for this increase? Mr Clifford stated that to a business this increase is a lot. He would like the Council to have to go tell all his tenants that they were increasing the water rates, so, Mr Clifford will then have to increase your rent. Mr Clifford stated that there is no business in town that could raise their rates 62% and stay in business. He went on to state that this effects budgets, which will come back an cause taxes to be increased again to pay for water at the schools. Mr Clifford does not see where the Council comes up with the 62% increase all at one time.

6:53:28 PM - Council Member Randleman asked Mr Clifford if he had one water meter that supplied the entire trailer court? Mr Clifford affirmed. Discussion followed, Council Member Randleman continued to discuss charges with Mr Clifford.

[6:54:48 PM](#) - Mr David Ford, 1500 W 7th, Weiser ID 83672, manager of Pioneer Village Trailer Court addressed the Council. Mr Ford asked why we were in the hole all ready, why are we having to borrow money? Mayor Thomas explained that in order to update a Plant, be it the Water or Sewer Plant, it is required to secure a bond for the payment. Mr Ford also expressed his concern about how much his water bill will raise as it is all ready \$4,000.00. Council Member Randleman asked Mr Ford how many units he has? Mr Ford said 60 some. Mr Ford also asked how he was suppose to explain to his tenants that their rent is going to go up again.

6:56:41 PM - Mrs Judy Potts, 229 East 7th, owner of Gateway RV Park addressed the Council. Mrs Potts had crunched the numbers for her units getting an average for the past four years. Mrs Potts stated that if her math was correct she figured it

would raise their rates by 67%. This will trickle down to their tenants as they will have to increase their rates or they will not be able to stay in business. Mrs Potts said that they have tenants on assistance, so it will end up costing the government more money because they will need more assistance. Mrs Potts explained that it isn't just a problem for them, but it is a problem for a lot of people. Mrs Potts understands the need for an increase, but hopes the Council will choose not to do it all at once.

THIS PUBLIC HEARING WAS CLOSED AT [6:58:47 PM](#)