

TOWN OF STOCKTON

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TOWN COUNCIL SPECIAL MEETING MINUTES

DATE: May 4, 2017

TIME: 7:00 pm

Meeting commenced at 7:02 pm

Roll Call

Mark Whitney-Mayor-Present

Kendall Thomas-Councilman-Present

Judy Bori-Councilwoman-Present

David Durtschi-Councilman-Present

Thomas Karjola-Councilman-Present

1. Proposed Water Rate Increase-Mayor, Mark Whitney

a. This meeting is to discuss the need to raise water rates for the Town of Stockton.

b. Starting back in 2012, the Water Plant for Stockton was experiencing many issues and wasn't up to par. Since that time, we have spent a lot of time improving the system and bringing it up to code. As a result, in 2016, the Town of Stockton was awarded with the most improved Water System in the State of Utah. This was quite a transformation. However, to do this, we had to borrow \$1M from the United States Department of Agriculture (USDA) for an emergency well, and had to raise rates to pay back the loan. As a guarantee of repayment, and a requirement of USDA for issuing the loan, is that our "Water Enterprise Fund" be solvent.

c. To meet that standard, and after extensive cost analyses, we have determined that we must raise water rates by \$18. To minimize the impact, we have elected to do this over a three year period. Therefore, we will begin with an \$8 increase beginning with the June 2017 billing cycle, and then increase by \$5 in 2018 and \$5 in 2019.

d. Currently, the basic charge for culinary water of \$32 in the Town of Stockton includes a \$10 bond charge which we are using to pay off the loan that we had to incur when we replaced the cast iron pipes; a meter service charge of \$5, and the basic charge for water of \$17. The

change in June 2017 will still include the \$15 for the bond and meter service charge, but the basic charge for water will increase to \$25, increasing the basic charge for water to \$40.

e. The following reflect some examples of the effect this will have on residents based upon the amount of utility services that they currently have with the Town of Stockton:

For those who have culinary water service, sewer service, and a one can garbage service, the minimum charge will go from \$87.50 to \$95.50. \$10 bond charge, \$5 meter service, \$43.50 for sewer, \$12 per garbage can, and the \$25 for 0-10,000 gallons of water usage.

For those who have culinary water service, sewer service, and a two can garbage service, the minimum charge will go from \$99.50 to \$107.50. \$10 bond charge, \$5 meter service, \$43.50 for sewer, \$12 per garbage can, and the \$25 for 0-10,000 gallons of water usage.

For those who have culinary water service, but do not have sewer service, and a one can garbage service, the minimum charge will go from \$44.00 to \$52.00. \$10 bond charge, \$5 meter service, \$12 per garbage can, and the \$25 for 0-10,000 gallons of water usage.

f. Clifford Voss expressed his concern as he only uses around 3,000 gallons, yet pays as much as someone who uses 10,000. He believes that those using more should pay more.

g. Ron Staley voiced his concern. He indicated that 15 years ago, the base for water usage was 16,000 gallons. He inquired as to the wages for the Watermaster and Sewer operating personnel, wondering why they were getting a raise. Mayor Whitney made clear that no one was getting a raise and regardless, employees' pay has nothing to do with water rate increase.

h. Councilman Thomas stated he has been through every audit for the last six years and that the auditors are stating that we are not charging enough for the water to meet regulatory requirements.

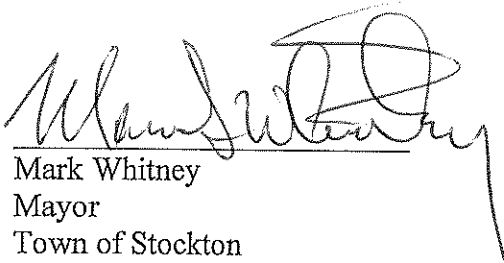
i. Ron Staley suggested that we charge the people outside of Stockton more for Town water. He was informed that this would not have an effect as there are only 12 customers outside of the Town who use our culinary water.

j. Mayor Whitney stated that the average family uses ~6,000 gallons. Currently, residents pay a base rate for 10,000 gallons; and a charge for overuse is based on a tier system per thousand gallons used from 10,001 upward. Mr. Voss again said the base rate should increase across the board, but the upper tier needs to pay more. Kaye Hollien said if we increased the upper tiers, the people that use more water will cut down, then the Town will not acquire the additional funds and the yards will die; we don't want any more yards being neglected. We may look at the base as we go into the future. It was asked when the water rate increase will go in affect. We expect it to be effective with the June 2017 billing cycle. Joe Johnston studied it for the last six months. We need to explore the idea of selling water to companies like Mount

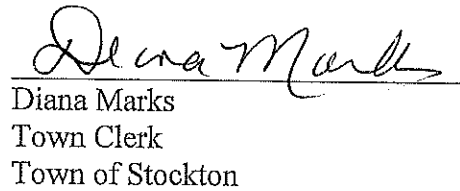
Olympus. We will look into that idea later. Mr. Voss asked what it costs to run the system- pressure filters and sand cost \$15,000; slow sand filters and the special sand cost \$12,000.

Motion to adjourn-Councilman Durtschi
Seconded- Mayor Whitney
Unanimous Approval
Motion Passed

2. Adjourn at 7:50 PM



Mark Whitney
Mayor
Town of Stockton



Diana Marks
Town Clerk
Town of Stockton

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Stockton Town Hall
Stockton Town Post Office
Stockton Town Web Site
Utah Public Notice Web Site