

**Minutes of the Interlaken Town Amended Water Rate Hearing
Saturday, 17 June 2017, 5:00 PM – 6:00 PM
Town Pump House, 236 Luzern Rd., Midway, UT**

1. Call to Order.

Mayor Simpkins called the meeting to order at 4:43 pm.

2. Roll Call – Members Present:

Lisa Simpkins, Mayor
Sue O’Nan, Council Member
Chuck O’Nan, Council Member
Greg Harrigan, Council Member
Scott Neuner, Council Member
Bart Smith, Town Clerk, present

Also Present, members of the public:

Bob Marshall, Jim McCasland (Water Master), Rich Miller, Krista Clark

3. Presentations: Bart Smith presented the proposed Amended Water Rate Ordinance.

The proposed ordinance makes two major changes to the current water rate schedule:

Base Rates: Previously, all lots were charge \$63 per month for the base water usage rate of 10,000 gallons per month. The amended ordinance sets the base rate at \$69 for all lots that are connected to the water system or have an active building permit. All other lots would pay \$58 per month for the base rate. The justification for this change was that we should separate the costs of using the water (operating expenses) from the costs associated with capital improvements and repairs (reserves, bond payments, capital improvements and repairs). Those who use the water pay for both operating costs and capital improvements and repairs. Those who aren’t connected to the water system pay only for capital improvements and repairs.

Overage Calculations and Rates: Currently, water used in excess of the allotted 10,000 gallons per month (water overage) is charged at a lower rate than the base usage rate (\$6.90 per 1000 gallons, as proposed by the amended ordinance). It was deemed necessary to increase the overage rate to discourage excessive use and prevent future water shortages. The revised overage rates are still under discussion and will be addressed later in the meeting (Council Comments). Also under consideration, is a change as to how overages are calculated. Currently, water overages have been calculated only for summertime use, from June 1st through September 30th. It was decided to calculate water usage on an annual basis, rather than considering only the summer months. Water overages would include usage beyond the allotted 120,000 gallons per year. In short, it was decided that it doesn’t matter when a lot owner uses the water, just overall annual consumption, as measured in the fall (October to October).

Smith noted that the amended water rate ordinance comes into effect on July 1, 2017. Since overages billed this year are calculated from October 1, 2016 through September 30, 2017, the rates must be adjusted to include water used prior to July 1, 2017. This could be done simply by applying the amended rate to 25% of the overage amount (3 months, July 1, 2017 through September 30, 2017) and the previous rates to 75% (9 months, October 1, 2016 through June 30, 2017) of the overage amount.

Neuner asked if we could do a study to determine how much water we can safely draw from our wells, and whether we could explore out legal rights for additional water usage. Harrigan noted that our culinary

rights were set at 184 lots times 120,000 gallons per lot, annually. The council agreed that we should pursue a comprehensive study of our water system. McCasland (water master) noted that conservation should be a major focus regardless of what a water study indicates. We can't control other municipalities' use of water from our aquifer.

4. Public Comment:

Comments that were emailed to the Town Clerk were read into the record.

From Todd MacDonald (288 Interlaken):

This is good to hear. Thank you for devising a model that more accurately (and fairly) distributes costs.

From Beth Ann Schneider: (339 Bern Way)

Paul and I are definitely in favor of the rate structure you describe.

From Donald Miller: (320 Interlaken)

Dear Interlaken Mayor, Clerk, and Town Council members:

I appreciate the diligence that you have put into our community administration. Disclosure of budget items is much appreciated. I have a major disagreement with one item. I will be out of state and not able to attend the meeting to voice my concern.

It makes no sense to reduce the cost of water cost structure after the basic household unit is consumed. Providing a huge discount on water that is consumed above the base rate incentivizes waste of a finite natural resource that Interlaken depends on. I vote no to these rates above the basic unit, and will continue to do so.

I am an experienced geologist and caution you that our water is confined to a finite aquifer. I have not seen the work or pressure tests to calculate the volume, but it is finite. So, high rates of water extraction risk damaging a most valuable community resource. I would vote to INCREASE the cost per gallon of water above the base rate, once that amount has been consumed, until we know more.

Additional comments from the public that was present.

Bob Marshall (270 Interlaken) agreed that it makes sense to calculate the overages on an annual basis. He is concerned about high usage from water leaks. He suggested we explain how owners can check for leaks, and send out a notice. He also commented that we should educate residents on how their money is spent.

Jim McCasland (284 Jungfrau) noted that we need to check our check valves and PRVs when we install new meters. A new PRV costs around \$48.

Krista Clark (312 Interlaken) likes the proposed restructuring of rates.

5. Council Comments.

Chuck O'Nan asked whether we have a sensor in the well that gives us water levels. McCasland responded that we currently don't, and that this feature is not part of the current Mission upgrade to our system. This is a feature that would help us in the future. Mac will look into adding this to our system.

The council debated various water rate scenarios and decided upon the following amended rate schedule:

Monthly Usage in gallons	Annual Usage in gallons	Cost per 1000 gallons
10,000 gallons per month	0 to 120,000 gallons	\$ 6.90
Next 5,000 gallons	120,000 to 180,000	\$ 7.50
Next 5,000 gallons	180,000 to 240,000	\$ 10.00
Next 10,000 gallons	240,000 to 360,000	\$ 12.50
Over 30,000 gallons	over 360,000	\$ 25.00

The council also discussed the need to send out a message about water conservation to the town. Smith agreed to add a webpage that describes how to read a meter and check for water leaks and information about conservation. He will also send out an email to all lot owners with overages last year, especially excessive consumers, telling them of the rate increase and giving them a warning about how their overage bill would increase next year.

6. Adjournment.

Council Member Greg Harrigan moved to adjourn the public hearing. Council Member Neuner seconded the motion. The motion passed unanimously. The meeting was adjourned at 5:41 PM. The regular monthly town council meeting will begin after a brief recess.