

Minutes for  
Work Session  
February 16, 2010  
6:30 p.m.

Those present: Mayor Kenneth Romney, George Biada, John Baza, James Bruhn, Valerie Shaw, Mark Preece, Craig Howe, Heidi Voordeckers, Ben White

Meeting called to order by Mayor Romney at 6:30 p.m.

### 1. Water Rate History

Frequently asked questions and answers were prepared by staff for Council's review. They also prepared a Water Fund History spreadsheet. The blue line showed the Cash Reserve, which dropped in 2007 from over \$1 million to \$300,000 due to major repairs that were needed. \$231,000 had been pulled out of the Water Fund in 2005 and put into construction of the City Hall and the Public Works building.

In response to Mayor Romney's request in a previous meeting for a calculation of the City's obligations over the long term, Heidi prepared a West Bountiful City Debt Service spreadsheet.

### 2. Water Bond – 20 Year Projection

Ben White provided a list of the oldest pipes in the City, and a Future Projections worksheet. The income projection was based on current project income and a \$63.00 base water rate. The first line on the spreadsheet showed the connections. He was very conservative in estimating future connections. Impact fees from the CDA were not figured in because those funds have to go back to the CDA. A 2.45 % inflation rate was figured in. Construction costs of 2009 were used as a base and inflation factors reflect probable increases in costs.

An Itemized Water Rate sheet showed the number of users and added the amount needed to pay off the bond (\$18.18) and capital improvement projects (CIP) through 2015 (\$26.12) to the 2008 base rate of \$22.00, for a total of \$66.31. The difference between \$66.31 and the proposed rate of \$63.00 factors in the revenue from the tiers. The tiers will not be increased.

By itemizing the bill in this manner it is possible that the bond portion could drop off once the bond is paid, and the CIP could be reviewed yearly or every four years or every five years, making it possible that portion of the rate could decrease as well.

The goal is to never bond again and to build up a reserve for repairs. The City does not want to ever have to shut off the water to the residents.

### 3. Adjournment

MOTION: James Bruhn moved to adjourn the work session.

SECOND: George Biada seconded the Motion.

PASSED: All in favor.