

**MINUTES OF THE UTILITIES BOARD MEETING
OF THE
TOWN OF EAGAR, ARIZONA
February 2, 2009
12:00 p.m.**

BOARD MEMBERS PRESENT: Mayor Kim Holaway, Chairman
Steven Heap, Vice-Chairman
Bill Greenwood, Town Manager
Dennis Bigelow, Citizen Member
Elwin Browning, Public Works Administrator
Katie Wood, Finance Administrator
Milt Nelson, Water Utility and Wastewater Department

GUEST: Bruce Ray, Community Development

STAFF: Marion Wiltbank, Assistant Town Clerk

1. CALL TO ORDER

Mayor Kim Holaway called the meeting of the Utilities Board to order at 12:05 p.m.

2. OPEN CALL TO THE PUBLIC

Pursuant to public notice of the meeting, there was a call to the public. There was no public in attendance at the meeting.

3. REVIEW OF MINUTES OF PREVIOUS MEETING

A. APPROVAL OF THE NOVEMBER 10, 2008 MINUTES OF THE UTILITIES BOARD

Dennis Bigelow moved to approve the minutes of November 10, 2008 Utilities Board. Seconded by Steven Heap; all were in favor (vote 7-0), motion carried.

4. REPORTS

A. WATER DEPARTMENT REPORT

1. DISCUSSION AND CONSIDERATION OF MULTI-HOUSING UNITS REGARDING PARKS AND CEMETERY.

Katie Wood said that Pat Hartman in her letter to the Utilities Board was confused in her item #3, as we moved the surcharge from the Fire Department and changed it to ½ going to Parks & Rec funds and ½ going to Cemetery funds. Also, in item #1 the charge would be \$52.00 per month, \$50.00 for her one meter that has the park on it and \$2.00 for the single meter. It would be \$624 per year instead of what she had of \$74.00 per month equals \$888.00 per year. Katie said that it would lower the bill for owners of more than 25 units. A duplex with 2 units would be \$4.00.

Resolution 2009-?? (This Resolution was given the number 2009-08)
Replaces/supersedes Resolutions # 85-10 and Resolution No. 2001-1. It will place a cap of \$50.00 per month on multi-housing units (\$2.00 per unit up to 25 units). It will also still have the \$2.00 surcharge per month on single residential/business units.

Dennis Bigelow moved that we approve Resolution 2009-?? (2009-08) pertaining to superseding Resolution Nos. 85-10 and 2001-1, re-approving the two dollar (\$2.00) per unit per month surcharge with a cap of \$50.00 per utility bill and present it to the Town Council in March after Doug Brown has approved it. Seconded by Elwin Browning; and all were in favor (vote 7-0), motion carried.

2. DISCUSSION AND CONSIDERATION OF MULTI-HOUSING UNITS REGARDING USER FEES.

Katie Wood said that Resolution No.2004-5 for Multi-family Housing and Trailer Courts was never put into action (enforced). And the cap was removed in Resolution No. 2004-10. Resolution 2009- (This Resolution was given the number 2009-07) will have a monthly maximum of \$50.00 for wastewater user fee and a water user fee of \$50.00 maximum. A water meter on property that is not within 400 feet of the sewer line pays only the water user fee.

Dennis Bigelow said that Resolution 2009- (2009-07) simplifies things and is something businesses can live with. Mayor Kim Holaway asked if this was easy to bill. Katie Wood said that it was and that she put a time frame on it. It will expire automatically on August 17, 2019. When does the Board want it to go into effect? Mrs. Wood can have it ready for council after the town's attorney Doug Brown checks it. Mayor Holaway said to have it take effect by May 1st and send letters out beforehand. Mrs. Wood said that as soon as it passes the Council, she will send out the letters. Mr. Bigelow said then it would show up on the June 1st bill.

Steven Heap moved that RESOLUTION 2009-07 Superseding Resolution 2004-5, establishing user fees for multi-family housing and trailer courts in the Town of Eagar be approved by the Utilities Board and be presented to the Eagar Town Council. Seconded by Dennis Bigelow; and all were in favor (vote 7-0), motion carried.

3. DISCUSSION AND CONSIDERATION OF INCREASE OF UTILITY TURN-ON FEES.

Katie Wood said that she checked with many communities and a lot of them mandate that only property owners can turn on/off utilities. We have been left holding the bill because of renters. If the account holder has the bill in their name and doesn't pay the bill, then it is labor intensive and after two months and the bill is not paid we send out a shut-off notice and then we give them about two weeks (the due date to have the bill paid by and the shut-off date is in the notice). Then if they have not paid the bill in full we send an employee out to shut off the water. We lose 40% if we send unpaid bills to collections.

Mrs. Wood recommends that the turn on fee be increased to \$40.00 plus tax. It should be one set turn on fee that applies to all instances, seasonal homeowners,

landlords, and realtors. The \$100.00 deposit for the seasonal homeowner (who has their accounts flagged for the winter), landlord or realtor would be waived.

Katie Wood said that in the future if you don't think we are charging enough then we can readdress it. Bill Greenwood said that right now we are losing around \$1,000 a year, instead of \$10,000 a year that we were losing until we got mean and started shut-offs. We don't let anybody get behind on bills to far. Mrs. Wood said that the Town Code has a \$30.00 plus tax charge for turn on after we turn it off. Mr. Greenwood said the delinquent account has to be paid in full and they have to pay the \$30.00 plus tax for the turn-on. Mrs. Wood said that we don't charge for a turn-off.

Mayor Holaway asked what kind of hardship this is going to have on a landlord, if the renter does not pay the water account? The landlord could write it into their lease that they don't get their deposit until they have checked with the town if the renter has paid their account or not. How labor intensive would this be for the town? Katie Wood said that we actually have to do a meter read when people close their account. Steven Heap asked if \$40.00 will cover a person going out and reading the meter and the paperwork involved for the office staff? We don't want this to be a moneymaker but we want our costs covered.

Mayor Holaway asked if it was less costly for the town to turn on for a realtor than for a landlord? Steven Heap asked if it requires the same amount of time and effort. Mrs. Wood said that it required the same amount of time and effort. The difference in paper work is that landlords and realtors right now pay \$15.00 plus tax to have the water turned on for 15 days. Landlords and realtors won't be constantly doing on/off's like they are doing now if it is \$40.00 for a turn on. Bruce Ray said that if it is turned off for 10 months we are losing money.

Steven Heap said it makes it easy and discourages too many on/off's. Dennis Bigelow said that we could always revise the resolution if it doesn't work. Milt Nelson asked about emergency on/off's? Katie Wood said that emergency on/off's are considered differently as it is saving our town water. Mayor Kim Holaway said to write a resolution on this and then in a year bring it back and see how it is working out.

Katie Wood said that there is no legal way to define "Seasonal", so there is no way that we can go to seasonal shut-offs.

Bill Greenwood moved that Katie Wood prepare a resolution with the increase in utility turn on fees to \$40.00 for a delinquent account holder, seasonal homeowner, landlord and realtor and to present the resolution to council. Seconded by Steven Heap; and all were in favor (vote 7-0), motioned carried.

Excused Steven Heap from meeting at 1:00 p.m.

4. DISCUSSION AND CONSIDERATION OF PROJECTS BY PRIORITY.

Elwin Browning passed out a 2008-2009 Water and Sewer Work Priorities list. He stated there is one project not on this list. It is the current project that is a lateral line to Central Ave. behind Short Stop and is one of our top priorities. Right now we are

working on easements for all the properties. The priorities on this list will change as needed (in case there is a water/sewer emergency).

Katie said that on the list under Sewer, # 2. - 1200 ft. of 10 inch sewer line needed to replace older 8 inch flat, problem line on East Central between Butler Street and Brown Street - is allowable in impact fee and user fees as it is a portion of both.

Bill Greenwood said that Main Street qualifies to be submitted to NACOG Economic Stimulus plan and submit a couple of other projects that are ready to go. ADOT will administer the contract.

5. DISCUSSION AND CONSIDERATION OF CONSUMER PRICE INDEX.

Bill Greenwood said that the Rural in the West Consumer Price Index (CPI) remained flat and showed no increase. A point made by a citizen at the last council meeting was that we need to select the items we want it to effect, i.e. energy cost, cost of fuel. Pick out criteria that we want it to use. There will be no increase in water bills for 2009.

Katie Wood asked if on Resolution 2007-10 are we going to be able to- increase or decrease by the CPI for the year 2009 and thereafter each year, if we have a big depression are we going to be able to financially do it? Mayor Kim Holaway said to look at it again when $\frac{3}{4}$ of the year is gone (September 2009).

B. WASTEWATER DEPARTMENT REPORT

No reports at this time.

C. PUBLIC WORKS / ADMINISTRATIVE FACILITY REPORT

1. DISCUSSION AND CONSIDERATION OF DECEMBER 2008 FINANCIAL REPORT

Katie Wood said that utilities revenue is at 52% of budget. We have had a lot of replacements of infrastructure in the last few years. Bill Greenwood said that User Fees should figure into the equation. Mrs. Wood said all of User Fees are not shown under utilities. They are moved over when used. Depreciation hitting at year-end is where we get hurt in Utilities. To date \$81,000 in user fees and \$9,000 in impact fees has been moved over to pay projects and debt obligation in January. Elwin submits a list of the construction projects and the infrastructure changes.

Milt Nelson asked if the GPS on the infrastructure assists with computing depreciation? Katie Wood said that until the GPS is 100% done it could change. Elwin said that they are current with the entire new infrastructure in the ground, but he doesn't know about the old infrastructure. Bruce Ray said once everything is GPS it will give a print out of what our infrastructure is.

2. DISCUSSION AND CONSIDERATION REGARDING STATUS OF SAVINGS ACCOUNT FOR THE USER FEES (LGIP)

The LGIP account has \$41,559.30 in it. Town Council approved \$6,500.00 for the completion of two projects and \$74,500 debt. That money was transferred into the General Fund Account to pay for bills associated with these projects - connection of water line on Marion Street and Snowline and sewer line on 1st Street.

D. OTHER DEPARTMENT REPORTS

1. DISCUSSION ON THE TOWN OF EAGAR FIVE TO TEN YEAR CAPITAL IMPROVEMENT PLAN (CIP)

Growing Smarter Score Card makes us eligible for discretionary funds. In going over our Capital Improvement Plan I found that it is not tied to our General Plan, and we want the citizens more involved. Lowered the assets included in the CIP cost from \$10,000 to \$5,000 or more.

We will start this project with:

- Department Heads work up a list of projects to be done in the next 5 years.
- Bruce and Department Heads will compile a CIP Budget Summary on each project and a timeline for the next 5 years plus the funding.
- Utilities Board review and approval in April
- Planning and Zoning will have a Public Hearing
- Go to Town Council for final adoption.

A CIP status yearly report will have to be done for projects completed or abandoned. Bruce Ray is basing our Capital Improvement Plan on the City of Benson's, as they have a nice model. Mayor Kim Holaway said that the CIP would help us with grant applications.

Bruce Ray said that in the Town Code book Title 13 should be reviewed. Staff needs to rewrite Title 13 and clear it up and bring it back to the Utilities Board. Katie Wood wanted the Utilities Board to know that to have Lexis Nexis change pages it costs \$147.00 per page and if we rewrite Title 13 it will cost a lot. Mayor Holaway asked staff to work on draft and bring it to the Utilities Board.

5. NEXT MEETING

Next meeting is scheduled for Monday, March 30, 2009 at 12:00 p.m.

6. ADJOURNMENT

Bill Greenwood moved to adjourn the meeting at 1:35 p.m. Dennis Bigelow seconded the motion; all were in favor (vote 6-0) and the motion carried.

Chair Mayor Kim Holaway