

1 **MINUTES OF THE SPRINGVILLE CITY WATER BOARD**

2
3 Tuesday, March 31, 2015
4 6:30 a.m.
5 110 South Main Street
6 Springville, Utah 84663
7



8
9 **ATTENDANCE**

10
11 Councilmember
12 Richard Child

Secretary
Marcie Clark

13
14 Board Members
15 Alton Beck
16 Nile Hatch
17 Calvin Crandall
18 Rollin Hotchkiss
19 Rod Andrew - excused

City Staff
Brad Stapley – Public Works Director
Shawn Barker – Water Superintendent

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21 Visitors: John & Linda Mount, Plat A Irrigation Users

22
23 The minutes from the March 10, 2015 meetings were reviewed. Mr. Beck made the motion to approve the minutes.
24 Mr. Hatch seconded. All were in favor.

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26 Mr. Stapley distributed a spreadsheet on Secondary Water rates from surrounding communities, based on 30,000
27 gallons/month for secondary water. Mr. Hatch thinks that number is really low; he believes the data would show
28 most residents would be in tier three. Mr. Stapley stated that City Council would like the base rate to be the same or
29 less. This only applies to pressurized irrigation (PI) in the West Fields, not Plat “A” Irrigation. Mr. Stapley
30 distributed another spreadsheet with billing criteria, revenues and expenses. The question that we need to answer is,
31 “how do we pay for this and when do we start billing residents?” Mr. Beck asked if residents that don’t have PI will
32 be paying the same rate. Mr. Stapley explained that only those receiving PI will be billed for it. PI users will be
33 billed a culinary water base rate as well as a PI base rate, along with a tiered rate for both. There are different ways
34 of billing it, which is what City Council needs to decide. The City will need to have some kind of inspection to make
35 sure everyone has switched over to PI. We’re about \$1.2 million dollars out of budget currently in the water fund.
36 All residents will have to help pay for the start-up of this “business”. There are different options the City has, such as
37 using unrestricted funds in reserve, charging a connection fee for PI, using money we have saved for Bartholomew
38 Tank replacement, and/or raising the culinary water base rate.

39
40 Mr. Hotchkiss asked if the rest of the City (culinary water users) will be subsidizing PI once the West Fields is set up
41 and running. Mr. Stapley stated that it will not. The raise in base rate would most likely not go down once those
42 costs have been funded. We will need those funds for capital improvements in the future (source capacity/storage).
43 City Council has asked staff to “soften the blow” with raising rates.

44
45 Mrs. Mount suggested that the City explain the increase in water rates when it happens, possibly through a circular,
46 so residents will understand the reasons for it and how it is being allocated. Mr. Stapley responded that it will be
47 taken to City Council before it is implemented.

48
49 Mr. Hatch explained that in 2005 the City implemented a tiered rate system for culinary water. He explained the
50 breakdown of the tiers and how water usage is billed. He displayed a Power Point presentation on the water system.
51 He explained drought conditions and the response to pricing, using data from the Powell Z Index. Consumption is
52 declining slightly since we implemented the tiered rates. The data shows that even when we get a lot of rain, water
53 consumption doesn’t change much. People may not be adjusting their automatic sprinklers. There is evidence that
54 the tiered rates have had some impact per household, but probably not hitting a target of 20%. Mr. Stapley asked the
55 “old question” from City Council - is the current tiered water rate appropriate and functioning the way it was
56 intended? The new question that City Council will probably ask, due to drought conditions, is “do we need to change

April 14, 2015
Approved

1 the tiered rate to reflect even more conservation on the users?" Mr. Hotchkiss mentioned how gas prices go up and
2 down, but water rates only fluctuate when the council changes it. It seems like it should change based on supply and
3 demand. Mr. Stapley explained that the more water residents use, the more money the City makes, which in turn
4 goes to more books in the library, better recreational programs, additional staff, etc. As a City or Water Board, we
5 have to look at the bigger picture.
6

7 Mr. Hatch talked about the research he did as a graduate student related to drought and water consumption. Some
8 changes come from switching to low-flow toilets and showers, etc. On average, people cover their basic needs.
9 Excessive users have adjusted their excessive use of water. Cl. Child asked if the tiered water rate is working. He
10 talked about the lag time between getting a bill, paying the bill, and when the utilities were used. Also, our city code
11 and general plan don't allow for much xeriscaping, which is what water conservation promotes. Mr. Hotchkiss
12 believes the tiered water rate has had a modest decrease on usage. Mr. Hatch mentioned that back in 2005, the water
13 utility was not funding itself. But now it is. Tiered rates do more than conservation.
14

15 Mr. Hatch stated that we can change where the tier breaks or we can change the prices on the tiers. He would prefer
16 to see the rate change come from the higher tiers rather than the base rate. Mr. Stapley doesn't think that will change
17 much in revenue. There aren't many people in the upper tiers. Most are in the second and third tiers. Mr. Hotchkiss
18 stated that raising the rates for lower users raises more money and raising rates on higher volume users induces
19 conservation. Mr. Hatch mentioned that the easiest way to raise revenue is through base rates. Mr. Hotchkiss stated
20 that the rate should be changed for inflation, which hasn't happened for years. Some residents are in the higher tiers
21 because they have large lots. They made a choice to have a large lot and there are costs associated with it, such as
22 high property tax and large water bills.
23

24 Mr. Hotchkiss stated that we don't have much more than a gut feeling of raising the rates, but to what amount? Mr.
25 Hotchkiss suggested implementing an increase in the base rate plus a uniform increase in the tiered rate. Mr. Hatch
26 will work on the data and come up with different combinations.
27

28 Mr. Stapley mentioned that preliminary budgets are being turned in this week. The Water Board needs to be
29 moderate in our rate changes, as every department in the City is looking at the same thing. We will meet again in
30 two weeks for our regularly scheduled meeting.
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32 Mr. Crandall moved to adjourn. Mr. Hatch seconded. All were in favor.
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34 *Adjourn* – This meeting adjourned at 7:32 a.m.
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