

**CITY OF KUNA
SPECIAL CITY COUNCIL WORKSHOP
MINUTES**

Water Rates

FEBRUARY 13, 2006

KUNA CITY HALL COUNCIL CHAMBER, 763 W. AVALON

NOTE: These minutes are an unofficial record of this City Council meeting until reviewed; corrected if deemed appropriate, and formally approved by the Kuna City Council at a subsequent Council meeting.

Mayor Obray called the Special Meeting Workshop to order at 10:20 a.m.

Present: Mayor Obray; Council President Jeff Lang, Councilwoman Stroebel, Councilman Cardoza (excused), Councilman Dowdy (absent - arrived 11:00 a.m.); City Attorney Randy Grove; City Engineer Keven Shreeve; Treasurer Colleen Cook; City Clerk Lynda Burgess and Jim Keller and Justin Walker of Keller Associates.

City Engineer Keven Shreeve stated that the purpose of the meeting was to discuss the city's water rate structure. A \$4.00 increase was presented since Council asked Keller Associates to look at a consumption based rate change structure.

Mr. Shreeve reported that the current rate structure has 3 components: 1) a base rate which is a fee that is charged every resident regardless of consumption at \$15.50/month; 2) a charge of \$.65 per thousand gallon of water above 20,000 gallons and 3) a pressurized irrigation annual assessment of \$75.00. The average resident uses approximately 5500 gallons per month during the winter and 7800 gallons per month during the summer. He further stated that 442 residents do not have pressurized irrigation and must use potable water for outdoor watering. He suggested that residents without pressurized irrigation should be charged a monthly 6-month average (May – October) irrigation assessment + \$12.50/month + \$.70/1,000 gallons of water up to 40,000 gallons and then \$1.50/1,000 gallons over 40,000 gallons.

New water rate structure – Alternate 1:

Base rate	\$14.00 = 3,000 gallons
Outside city, oversized line	\$16.50
Separate irrigation – summer/winter	\$1.50/1,000 gallons
No separate irrigation – summer	\$.70/1,000 gallons up to 40,000
	\$1.50/1,000 gallons over 40,000
No separate irrigation – winter	\$1.50/1,000 gallons

He then reported that the targeted budget needed for reserve funds and replacement is \$200,000. Once the new rates go into effect, the city should expect a 15% reduction in water usage for a few months, then about a 5% reduction.

Regarding Alternate 2, Mr. Shreeve explained that Keller Associates proposed a typical monthly bill at approximately \$19.50, which is about \$4.00 more a month than residents pay currently.

Mr. Shreeve recommended approval of Alternative #1 because Alternative #2 is a little more risky as the city would be depending on consumption.

New water rate structure – Alternate 2:

Base rate	\$12.00 = 3,000 gallons
Outside city, oversized line	\$15.00
Separate irrigation – summer/winter	\$2.35/1,000 gallons (3,000 – 7,800 gallons) \$1.50/1,000 gallons (over 7,800 gallons)
No separate irrigation – summer/winter	\$2.35/1,000 gallons (3,000 – 7,800 gallons)
No separate irrigation – summer	\$.70/1,000 gallons (7,800 – 40,000 gallons) \$1.50/1,000 gallons (over 40,000 gallons)
No separate irrigation – winter	\$1.50/1,000 gallons (over 7,800 gallons)

Mayor Obray stated that if a consumption rate is used for sewer, the city will need to figure out what to do with the businesses.

Mr. Keller stated that commercial and industry would get billed on capacity.

Mr. Shreeve clarified that the City could simplify its categories and make them a lot more user friendly. Cities usually categorize their user side by public facilities, schools, churches, businesses, and all residents in another category so they can quickly quantify who is using the water. That way the categories could have separate rates.

Moved by Council President Lang, seconded by Trina Stroebel to direct staff to work out resolution for Alternative 1 structure for the new water rates and advertise a Public Hearing for the first meeting in March. Motion carried 3-0-1 (Councilman Cardoza absent).

Moved by Council President Lang, seconded by Councilwoman Stroebel to direct staff to work together to raise sewer fees to \$23.50 for the Public Hearing on March 1, 2006. Motion carried 3-0-1 (Councilman Cardoza absent).

Since Councilwoman Stroebel and Councilman Dowdy will be gone the week of March 7, 2006, the meeting should be cancelled due to lack of a quorum and re-scheduled to March 13, 2006 at 7:00 p.m.

O. Dean Obray, Mayor

ATTEST:

Lynda Burgess, City Clerk

APPROVED AS SUBMITTED: APRIL 4, 2006