

SPRING CITY PUBLIC HEARING MINUTES

Wednesday, June 12, 2024, 7:30 p.m.

The meeting was held in the Council room at Spring City Hall, 45 South 100 East, Spring City, Utah.

In Person Attendance: Mike Nelson, Carla Nelson, Kat Caldwell, Bruce Caldwell, Yvonne Wright, Jane Hawkes, Rick Dyches, Renelle Smith, Vickie Mickel, Dee Jacobs, Kay Jacobs, Leslie Miller, Cory Madsen, Mike Black, Ruth Ann McCain; Recorder.

Zoom Attendance: Nancy Allred, Time Syme, Mark

Roll Call: Nancy Allred, Randy Strate, Marty McCain, Chris Anderson, Courtney Syme

Culinary Water Project and Bond

Mayor Chris Anderson stated that we need to expand our culinary water system in town. There are places that cannot be developed because we cannot get water to them and places that do not have sufficient pressure to homes and fire hydrants. This hearing is part of the funding project to make sure everyone is aware of what is happening. It is a significant expense with the total project just over \$6 million. \$1,860,000 is in grant money and \$4,338,000 will be in bonds/loan. The project involves putting in new pipelines expanding along 700 East north and south, and a new water tank further up the hill that will hold half a million gallons and provide better pressure. Bids have been received and we are about to start the project. About a year ago our water rates were increased to be eligible for the loan. Now we know the specifics of the loan and need to raise rates \$5 more per account in the city and \$10 per account outside the city to service the loan. We are also looking to increase our impact fees and that will help us service the debt but we cannot count on new homes so our rates must be able to service the loan. Some have asked why we don't charge more to those who use more water. We do have tiers that go up in cost for those who use more water the only problem is only about 75 of our customers use more than our base amount of water. We will be looking at increasing our tiers for high water users but that may only bring in about \$37 more a month. Council Member Courtney Syme stated that he is for high water users to pay for the use but as the mayor stated that our water study last year showed that most of Spring City conserves water and uses it judiciously.

Public Comment

Vickie Mickel stated that her water pressure is half of what it used to be since all of the building that is going on. If we don't have enough water now, how will we fill another tank and support more people? Council Member Randy Strate stated that the new lateral on 7th East will significantly help the pressure and bring us back up to the state code for fire hydrants. Ms. Mickel asked if everyone's pressure is down or if there are just a few people? Mike Black stated that it is localized. Council Member Syme stated that she should have the city come and test her pressure. Council Member Marty McCain stated that he has been asked if the water project is for new subdivisions and the answer is no. The water project was in design before the subdivisions came up and is designed specifically for the needs of the city. Mayor Anderson stated that there are significant developments outside of the city and right now we are not giving water to people outside of the city because our first obligation is to the residents of the city.

Jane Hawkes stated that she wanted clarification, is it the amount of water we need or the pressure? Council Member Randy Strate stated that it is capacity we are increasing. By adding more lines and another head house we are increasing our capacity. Ms. Hawks stated that it isn't that we don't have water, it is getting water in the capacity and where it's needed with proper pressure. Council Member Strate said she was correct.

Kat Caldwell asked if when water is provided outside the city limits do we get any benefits other than a \$10 increase instead of \$5? Does it cost us to give them water? Mayor Anderson stated that our obligation is to our residents, we don't have that same obligation outside the city limits. When we allow water outside the owner is required to pay the expense of the line to their house. We do charge them more and as we look at our rates we may increase the differential. Council Member Syme stated that historically Spring City has been a benevolent place. A reaction to the growth that is happening in the county along with the drought has made us concerned like many other cities in the county. Most of those who have water outside of the city received it 20 to 30 years ago. Ms. Caldwell asked if we received any taxes from them. Council Member Syme stated no, and that is why there is a difference in the base rate. Mayor Anderson stated that this is part of a bigger discussion. They are not paying taxes but using our roads, getting police services, fire protection, etc... We want to start charging them more to give them an incentive to annex into the city.

Leslie Miller stated that rates have already risen a lot, so why \$5 more? She is against raising rates \$5 more. She is worried about the elderly on fixed incomes. Mayor Anderson stated that we do have people on fixed incomes and are trying to deal with that situation. Council Member Strate stated that we are not doing this for money, it is to cover our costs. Mayor Anderson stated that all of the issues we are dealing with are tied together. When there are only four hookups per block it is hard to make money other than raising the rates. This is why we need to look at increasing revenue rather than just raising rates for the citizens.

Bruce Caldwell asked what the bond means in "Culinary Water Project Bond." Mayor Anderson stated that it is another term for loan. Council Member Syme stated that we have entered into this water project to increase our storage and delivery system and the bond is to pay for the project, construction and engineering.

Yvonne Wright stated that her water bill is \$53 and raising it \$5 more will make it \$58. Is that the cost no matter how much water you use? Mayor Anderson stated that if you go above 5,000 gallons a month there is an extra charge. Ms. Wright stated that she does not have an incentive to use less than 4,999.9 gallons. She has always been trying to conserve water and now she doesn't see why she should. Council Member Randy Strate stated that there is a standard household usage, and 5,000 gallons is the standard for residential use.

Adjournment: 8:06

APPROVED

