

City of Green River, City Council Budget Workshop Proceedings for May 26, 2016, 6:30 pm, Council Chambers, Mayor Pete Rust called the meeting to order. The following Council Members were present: Gary Killpack, Lisa Maes, Mark Peterson, Ted Barney and Allan Wilson. The following were present representing the City: City Administrator Reed Clevenger, Director of Finance Chris Meats, Director of Public Works Mark Westenskow, and Utility Superintendent Jason Palmer. **Utility Rate Study Update;** David Yanke from NewGen Strategies & Solutions said they will provide a model and training for a 10 year financial forecast. The model will be excel based and will include capital planning, debt/equity balance, managing utility reserves, and include forecasting rate changes. They have asked for a lot of data and are looking at many areas to determine what will need to be done to cover each utility. They will look at projected operating results, the cost of service study and from there come to council with a rate recommendation. Rates represent one of the most important relationships a utility has with its customers. In reviewing the rate structures it is important to set strategy, establish guidelines, link cause and effect and most important make sure to have full disclosure to customers. Key issues are: How will we pay for our business plan; how will we pay for Capital Projects, what type of reserves should we have and how much should be in each reserve. What rate levels are required to support what is needed? Capital Improvement Items: Wastewater Treatment Plant design and construction; The Transfer Station & Landfill closure; system repairs and replacement, and rolling stock replacement. Rolling stock is the garbage trucks, wastewater vacuum trucks, ect. Some of the City's planning items are: storm water utility approximately \$127,000 annually to operate; curbside recycling program which is not being factored into the rates but will be included in the rate study as a "what if" item. The next steps will include developing a revenue requirement for water, wastewater, storm water and solid waste utilities. Develop a 10 year financial forecast for all three utilities and then they will meet with City staff to review their findings; develop cost of service and rates for all utilities, draft a report and present to the council. They have also planned for two more on-site meetings with the City. Mr. Clevenger said there are so many different pieces that go into this plan so there is no way they can set a rate right now. Mr. Wilson said the Joint Powers Water Board is increasing the water rate for the City by 4% so we will see an increase. He asked what cities they are comparing us too. Mr. Yanke said Rock Springs, Evanston, Cody, Riverton, Sheridan, Rawlins, and Vernal, UT. Mr. Wilson asked if it would be consumption based instead of a flat rate. Mr. Yanke said he would recommend going with consumption base because it is most common. They will look at the winter average of three to four months. Mr. Killpack asked if the wastewater plant can be added as a 6th penny project. Mr. Clevenger said yes; they have looked at it with 6th or 7th penny but they will have to start the process now to get it added. Mr. Killpack asked why we have to build a new treatment plant. Mr. Westenskow said the general plant is running well but over time the lagoon plants are being phased out. The plant currently cannot meet future needs and requirements. Mr. Wilson asked if the rate study will be completed before the budget is passed in June. Mr. Clevenger said the council will be able to review rates before the budget is approved. The June 2, 2016 budget workshop will be over the Enterprise Funds and rates. Mr. Killpack asked how much is in the reserves for the Enterprise Funds. Mr. Meats said there are reserves but there is not enough to cover large projects. He would like the reserves to be at a higher amount. Mr. Clevenger said they need to make sure there is an adequate amount in reserves to cover any issues that come up. Mr. Meats said they need to increase rates but they are not sure how much. Mr. Peterson asked if the rates are increased now, for the new treatment plant, when it is completed will the rates go down. Mr. Meats said even if the plant is paid for the rates will still

need to remain the same to cover the costs of maintenance and upkeep of the facility. Mr. Wilson said he likes the 10 year forecast and he would support the consumption based rates. Ms. Maes asked if there were 100 citizens that were willing to pay for the curbside recycling collection, would they be able to do so. She also agrees with the consumption based rate. Mr. Yanke said even if 10% of people signed up for curbside recycling services the route density would be a problem and the costs would not be effective. It is better to have a central location where people can put their recycling. Mr. Rust said 6th Penny option is a great way to get things done. The reserves need to be able to cover the costs of repairs or break downs. We need to educate the citizens and keep them informed. **Adjournment:** The meeting adjourned at 7:48 pm.

Pete Rust, Mayor

ATTEST:

Chris Meats, City Clerk