

Wednesday, 7 P.M.

January 25, 2006

**CITIZEN RATE REVIEW COMMITTEE  
MINUTES**

**Public Safety Building**

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**Members Present:**

Chair Matson Haug  
David Maiben

Ernie Amundson  
Charles Zickefoose

Dan Schutter

**Staff Present:**

Dan Danicic, Public Works Director  
Jadene Stansland, Utility Engineer  
Kathy Tri, Finance Director  
Janelle Nordyke, Asst, Finance Director  
Kathleen Bochart, Recording Secretary

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**1. Call to Order**

The meeting was called to order at 7:00 PM by Chair Matson Haug.

**2 Roll Call**

Roll call was noted by Kathy Tri.

**3 Minutes**

The minutes of the November 16, 2005 meeting were passed by those present.  
(Zickefoose/Shutter)

**4 Spring System Improvement Study; Resolution No. 2006-2611.**

**Dan Danicic, Public Works Director** presented staff report. Mr. Danicic stated that this is an information report. The City Council adopted Resolution No. 2006-2611 which adopted the Spring System Improvement Study and recommended alternative number two. The Council has asked the Citizen Rate Review Committee to craft a separate customer class consisting of the spring users.

**Kathy Tri, Finance Director** stated that this will be discussed later on because each owner has different legal rights that apply to their land. Each land will have to be looked at separately.

**Dan Danicic** stated that the separate class results in potential change of methodology.

**Charles Zickefoose** asked if there were possible additions to the spring system.

**Dan Danicic** stated that it is currently prohibited unless it is approved by council.

**Matson Haug** stated that this will be reviewed in coming months.

**Dan Danicic** stated that it will come back in much greater detail.

## **5. SDC Methodology for Water Sprinkler Use**

**Dan Danicic** presented information on this item. Mr. Danicic stated that any developer who installs a fire system does so with a larger connection to the water system than is required without the sprinkler system.

**Matson Haug** asked if Mr. Danicic would still consider this retroactively.

**Dan Danicic** stated that it is still appropriate. Mr. Danicic stated that more than just single family houses can benefit from these systems. This results in a reduced demand on the Fire Department and a reduction on the water system. Currently there is only one developer that has asked for a refund for the meter on a multi family structure.

**Matson Haug** asked if there was a motion on this at the last meeting.

The committee discussed the motion from the November 16, 2005 meeting.

**Dan Danicic** stated that at the time this resolution passed in city council, it was only for single family structures.

**Dan Schutter** stated that as he understood it, at the last meeting the committee denied reimbursement. Mr. Schutter asked if there needs to be a recommendation that people who apply for the credit be charged the SDC for the ¾" meter and not the other larger meter.

**Dan Danicic** stated that if it is the committee's intent to give this to all single and multi family structures, then there needs to be a resolution that modifies the effective date.

**Mike Gougler** stated that he has installed sprinkler systems in single family homes. Each fire sprinkler system costs \$3000. It does not add value to the house. Mr. Gougler stated that of all the people who have chosen to live in the subdivision, no one has asked about insurance breaks. Mr. Gougler stated that he wanted this system because it keeps the community safe. Mr. Gougler stated that if he adds the systems, then the Fire Department does not have to add any more equipment or employees. It is an advantage to the city, the developer and the home owner.

**Matson Haug** stated that the view he had prior to this was that Mr. Gougler decided to put in an oversized system. The committee liked the idea of not having to pay for the extra sizing. This is unique to the state and it does increase the value because it is a benefit. The committee thought because of the building being completed, it was not fair to go back and give a credit after it was completed.

**MOTION: Shutter/Maben** recommend to the city council to pass this resolution and also have the City Council decide if this is retroactive to developments previous to the date.

Yea 5          Nay: 0          Abstain: 0

**6. Begin Review of Water Rates.**

**Kathy Tri** presented the guidelines for the city water rates. The changes that the committee makes will be put into effect in July 2006 and end in 2008. **Dan Danicic** presented the methodology for all of the rates and the components for the changes.

**Matson Haug** asked if this methodology had been used in the past. **Dan Danicic** stated that this is the methodology that has been used since 1990.

**Ernie Amundson** asked if Debbie Galardi would be helping in the process this year. **Kathy Tri** stated that she will not be helping but the City is using her methodology and she has been helping the staff develop the current model/rates.

**Dan Danicic** discussed rate history and the Capital Projects List.

**Kathy Tri** stated the budget for the utilities department which includes maintenance, payroll costs, billing department, postage and other office supplies.

**Matson Haug** asked what the reasoning was for having different water classes, such as the university and irrigation class. **Kathy Tri** stated that she would research it and let the committee know.

**Kathy Tri** discussed the current rates and the proposed rates for the next two years.

**Dan Danicic** stated that the big change to the rates is the irrigation volume charge which is expected to increase to \$4.08. The change is primarily due to the new golf course.

**Dan Schutter** stated that there is going to be problems with the high increase of irrigation costs. Mr. Schutter stated that citizens will not be happy. He also questioned why the university was a separate class. Staff said they would bring historical information back at the next meeting.

The committee discussed the increased irrigation volume change and the separate water classes.

Meeting was adjourned at 9:10 PM.

Next meeting: February 8, 2006 at 7:00PM.

