

Springerville Town Council  
Special Work Session  
Minutes  
November 17, 2011  
4:00 p.m.

Present: Dan Muth Mayor, Susan Silva Vice Mayor, Steve Christensen and Connie Hunt.

Excused: Ron Thebeau

Staff: Steve West Town Manager, Val Cordova Town Clerk, Karen Asquith Finance Director and Brent Slade Public Works Director.

Public: Doug Brimhall Tetra Tech Engineering.

Mayor Dan Muth called the meeting to order at 4:05p.m. with a quorum present.

### 3. Capital Improvement Projects to be funded by WIFA:

Manager West explained this work session was requested by Councilmember Christensen for more discussion about the projects we're going and the engineers' estimates.

Councilmember Christensen said he hoped to get a team effort with the town staff, engineer and council members. He said he would like to discuss the overall picture, existing water rates and how much the rates would be with X amount of borrowed money, how much money would be put away for repair and replacement.

Mayor Muth said that the Town has been under funded in the water and sewer for over 30 years. He said a lot of these projects were identified years ago and we know there are needs. He said the question is should they get the loan and start working on these projects. He explained his understanding of the WIFA loan, is that the Town would only pay on the money they use, and the question would be how much money they'll need from WIFA, look at rates and whether the water and sewer will still have to be subsidized

Vice Mayor Silva said water rates have always been an issue with her and if there's any other way to do this she would be in favor but she knows that the infrastructure has needed to be fixed for several years. For over forty years there has never been any line replacement or upgrades and they need to find a way to do it.

Mayor Muth explained that the water and sewer fund has started to improve since the Utility Board put the incremental increases in place. Until then the water and sewer fund was underfunded and subsidized by the general fund for decades. He said for him it's a question of "do they get the WIFA loan and begin working on the projects?" His understanding of the WIFA loan is that they will only pay for the money they use. He said they need to figure out how much money they need from WIFA, look at rates. They know they are going to have to increase rates whether they do it through WIFA or do it themselves.

Finance Director Karen said the estimated interest rate of the loan will be based on the rates on the day of the loan. It could be from 2.3 to even up to 4%

Manager West explained that even if they ask for \$1.7 million and use only \$1.2 they can send back the remainder. He said that the list of projects provided are priorities whether they are funded by WIFA or the general fund.

Public Works Director Brent Slade said the projects listed have issues and we've never had maintenance performed on our water tanks. He reported that the outer structure of the tank isn't the issue, it's the I- beams on the inside and the floor of the tank are the concerns

Councilmember Hunt stated that she lacks enough information to make a decision on this size of a loan.

Councilmember Christensen questioned the setting rates based on what might come. He asked the public works director if it was possible to get hard numbers on the water tank in order to figure out what they need to do and what is the minimal amount that needs to be done to make the tank last for the next ten years? He further suggested that staff could cut down the projects and decrease the amount of money that needs to be borrowed.

When asked which water project he felt was a priority Public Works Directors Slade said it would be the water tank then water lines.

Councilmember Hunt suggested revisiting the list of projects and see if more projects can be removed from the list.

Councilmember Christensen said he was having difficulty setting rates based on borrowing the max amount and would like to see the projects revised.

Mayor Muth clarified that this is a baseline for the consultants to start with as an estimate to set rates based on that estimate and the plan would be adjusted accordingly if the whole loan isn't used. He said they have a list of projects and tonight they need to identify whether they are going to submit this list and the costs to the consultants so they can prepare a rate plan.

Councilmember Christensen said he doesn't want to borrow money on anything that isn't going to last as long as the length of the loan.

Manager West said the bottom line is they need to know how much money they need to borrow in the loan.

Karen said she would email the consultants and advise them of the changes requested so they can put together a new rate plan.

Mayor Muth suggested they wait until they get the new rate plan before calling out projects. Brent will go through the list and present it to Karen as the number they will use.

Adjournment:

Dan Muth/Connie Hunt motion to adjourn the work session at 5:45 p.m.

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Dan Muth, Mayor

ATTEST:

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Town Clerk

I hereby certify that the foregoing is a true and correct copy of the minutes of the Springerville Town Council in a special work session on Thursday, November 17, 2011. I further certify that the meeting was duly called and a quorum was present.

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Town Clerk