

**Troy City Council
Work Meeting
Council Chambers
November 17, 2009**

The meeting came to order at 6:30 pm. Present: Mayor Jim Hammons, Council: Donald Banning, Larry Coryell, Laura Schrader, and Larry Baker and City Clerk Sandra Johnson.

GUESTS: John Konzen, Phil Fisher, Fran McCully, Clint Taylor – Power and Light Manager, Harry Whalen – Montana Rural Water

WATER RATE INCREASE: HARRY WHALEN, MT RURAL WATER- Whalen introduced himself and explained his background and Job description. He travels the state advising communities regarding water. He is funded and under contract with Rural Development. Whalen directed council's attention to the packet he gave them. Whalen explained, step by step, how he came up with his figures. His calculations with option #1 suggest a basic rate of \$33.38 with 4,000 gallons of water usage included with an additional \$1.99 per 1000 gallons over allotted usage. He explained that enterprise funds (water and sewer) must be self sustaining. Option #2 suggests no usage with the basic rate and only .83 per 1000 gallons. Whalen advised that it would be better not to give any gallons with the base rate. Option #3 would be 1000 gallons with the basic rate and .93 per 1000 gallons over. Bond Counsel needs to have a decision on this by December 16, 2009. Council will pass the resolution of intent at that time. Thirty days after that or at the January 20, 2010 meeting he will be here for the public meeting. After the meeting a resolution will be approved with the rates agreed upon by council. Bond Council will prepare the notice that gets into the paper and the notices to be mailed out to the public. The Public hearing will be from 6:00pm to 7:00pm on January 20, 2009. Hammons stated that our basic rate is now \$34.50 and the city wanted to increase the gallons during the summer months and not punish the people who want to keep their lawns green. Whalen stated that It didn't work in Ronan and anytime you change the rate you need a public hearing. Whalen spoke to Bob Murdo about it and offered to include Hammons in a conference call also. Whalen stated, that Murdo can explain to everyone again. Phil Fisher asked why we have to pay the basic rate if we pay for the water used. Fran McCully asked where the authority comes from for this. Whalen answered; it comes from the MCA (Montana State Statutes). The city wanted to stay close to the \$34.50 basic rate. Whalen stated that 4000 gallons in the base rate is unfair to some people who would use less than that a month. Whalen explained figures he had on his chart. He explained that on most yards, 20 minutes every other day would keep grass green. Laura Schrader stated that it takes over 60,000 gallons to keep her lawn green. Whalen told her that was too much for the size yard she has. Phil Fisher agreed that only 20 minutes every other day would not keep his yard green either. Fran McCully asked why we look at this as giving water away. If we have the water available and we can pay the employees, maintain the system, and meet our debt service. Whalen stated that he is just trying to meet the requirements by charging the big users the most. Discussion followed. Don Banning asked if there is any other way to make the \$54,000 shown on his chart as additional revenue needed. Whalen answered; enterprise funds have to stand alone, but the shortage can come from someplace else, i.e. loans, etc.. However, if you don't use your meters, RD can step in. John Konzen asked why you would figure lowering the base rate and charging less for the 1000 gallons of usage. The billing changes once you have meters. This is the way it has to be done. Konzen also stated that if you don't water your lawns, you have a problem with keeping the EPA

dust down. Whalen said he didn't know that Troy had the same problems as Libby. Clint Taylor suggested a blended rate like the power company has. Users may pay higher in the winter to make up for the usage in the summer months. Again, Whalen stated that the meters have to be used.

Hammons clarified to council that the three options Whalen presented are not set. The City can still put its own options together.

STREET SWEEPER: John Konzen – The County has a street sweeper they traded the City of Libby for. Konzen heard the City of Troy was interested in acquiring it. The Corps is also interested. A new one is \$180,000, but the County will let the city purchase it for about \$500. The council's consensus is, yes, do this. This will be put on the agenda for the next Council meeting.

POND: Konzen stated that he is aware of a spillway down by Roosevelt Park. He volunteered the county's help with landscaping. It was Council's consensus to accept.

JUDGE REVIEW: Johnson presented the council with the names and information of the people interested. It was Laura Schrader's opinion to accept the local gentleman, Allen Dye's letter of interest. Larry Coryell wanted to make sure he passes the background check. Don Banning feels the same as Schrader and Coryell. Council asked that this be put on the agenda for the next Council meeting.

PUBLIC COMENTS: Laura Schrader-let everyone know that intent to annex certain properties with utilities not in the city will be on the next agenda. Fran McCully asked what the reasons are for wanting to annex. Schrader answered; It's the right thing to do. They are surrounded by city limits. They get the benefits of the city fire department; police department; plowed streets, utility services, and they don't have to pay city taxes. Mayor Hammons stated that he had spoke with John Clogston; he said to put his in. We need a letter from him. **Sandra Johnson** – let Council know there are several agreements on the agenda for the November 18 meeting. Discussion followed regarding CD funds. **Hammons-** let the Council know that the City of Libby did not give the Troy School District the CD funds. The funds were and still are intended to maintain the CD for the Senior Center. Fran McCully asked for the history on the subject. Discussion followed.

Meeting adjourned at 8:30 pm.

James C. Hammons, Mayor

ATTEST:

Sandra Johnson, Clerk