



Town Council

Work Session

January 18, 2007

4:00 P.M.

At approximately 4:00 p.m. in Town Council Chambers, Mayor Dora Sullivan called to order the Town Council Work Session. In addition to Mayor Sullivan, present were Council members Mary Harris, John Burdiss, and Chris Bannon. Councilman Brown arrived at approximately 4:10 p.m. Also present were Town Manager Tim Krawczel, Town Clerk Joy Pelletier and approximately three members of the public.

Business

Mayor Sullivan announced the business for the day was to discuss the Utility Capital Project Expenditures and Revenue.

Tim Krawczel took the floor, presented the attached agenda commenting on each.

Highlights follow:

- Demand for water & sewer service has increased steadily over the past seven years; however, long term projections show a dramatic increase when considering the complete build-out of the Town including the Bay Creek and Marina areas and the STIP. A study of the proposed projections was provided for the Council.
- Even in the short term, the costs of improvements to the existing plants would be significant. Long term projections include construction of new facilities which are anticipated to cost in the neighborhood of \$20,000,000. Supporting documentation was made available.
- To fund the cost of development of the existing and new facilities, grants would be sought. Other options presented and discussed was User Fees; possibly raising the charges for water and for connection fees for new construction.
- Charts and documents were provided and discussed for revenue potential of connection fees.
- Comparisons of water/wastewater facility fees and connections fees as provided by Draper Aden Associates were examined.

- Construction costs have increased a minimum of 13.7% since the current connection fee and facility fee was established in May, 2004. To keep pace with inflation, it was suggested the fees should be adjusted upward at least \$548.
- Revenues generated by the monthly charges for water and sewer service were examined and showed that although some contribution to reserve was generated, it was not sufficient to significantly offset future capital costs.
- Proposed options for revising monthly rates included equalizing the monthly rates for the Historic Town and Bay Creek, increase the charges for individual accounts that use more than 15,000 GPM or a combination of the two which would address concerns of affordability, equality and progressive charges for higher uses in order to encourage conservation.
- Options for revising commercial and industrial connection charges were presented with supporting documentation.
- The final recommendations included revising the monthly fees and revise the pertinent sections of Town Code.

Motion made by Mary Harris, seconded by John Burdiss and unanimously approved to adjourn the meeting.

Mayor

Town Clerk