

MINUTES OF THE HELPER CITY SPECIAL COUNCIL MEETING

Thursday, August 27, 2015

6:30 p.m.

Helper Auditorium

Council Chambers

19 South Main

Helper, Utah 84526

ATTENDANCE:

City Staff

Mayor Edward Chavez

Council Members:

Kirk Mascaro

Chris Pugliese

Robert Bradley

Gary Harwood

Jason Llewelyn (Absent)

City Recorder Jona Skerl

Chief Trent Anderson

Attorney Angela Sampinos (Absent Excused)

Citizens: Ellie, Jones, Joan Burgess, John Serfustini, Roger and Ruth Metzger, Ed Wilson, Mike James, Joe Sanchez, Erin S Seely, Joe Busio, Sherry and Alex Arroyo, Rose Marie Star, Lorna O'Berto, Mr. and Mrs. Ray Roberts, Terrie Cunningham, Hazel and Roy Hyde, Eric Franson, Shawna Jensen, Joy Bradley, E.M. Benash, Richard Gallegos, Tom Pacheco, Charlie Felice, James Callor, Ralph Fossat, Steven Giacoletto, Tino Gutierrez, Delores Slavensky, Rocky Felice, Gene Carlson, Grant Babcock, Martin Martinez, Mary Gomez, Orlando Ochoa, Charlie Hamilton, Brenda Rachele, Richard Passman, Grant Howell, B. E. Booth, Earlene Warren, John & Tawna Magnuson, Gay Howell, Gaylene Powell, Melba Nielsen, Gaylene and Gary Nelson, Al Spensko, Chuck Ghirardelli, Jerri and Elliott Burgess, Jack and Pam Matekovic, Catherine Farish, Brenda Fish, Harold Jones, Brian & Sonja Evans, Pat & Arrie Sosa, Maria Camacho, Cindy Nielsen, Kathleen Rushnow, Kenneth and Carolyn Turner, Brenda Zobell, Rachelle Collins, Rudy Sanfelice, Michelle Fidell, Pat Wilson, Gene Vea.

PLEDGE OF ALLEGIANCE

Mayor Chavez directed the Pledge of Allegiance.

The special meeting of the Helper City Council was called to order by Mayor Chavez at 6:30.

A PUBLIC HEARING ON \$2,450,000 WATER REVENUE BONDS SERIES 2015 AND IMPACT ON WATER RATES AND RELATED MATTERS.

Mayor Chavez requested a motion to open the public hearing on both water and sewer rates.

Council Member Bradley moved to open the Public Hearing at 6:32 P.M. to receive comments on the impact on water and sewer rates. Council Member Mascaro seconded the motion. Motion Carried. Pugliese, Bradley, Mascaro, and Harwood voting yes.

Council Member Bradley stated it is no surprise to anyone here that there is a massive infrastructure replacement and nor is it a surprise bond debt already exist. The city has held several public meetings discussing the bonds and debt. Council Member Bradley explained with the current debt of \$647,000 annually and with the current rate structure there is a short fall of \$125,000. When combined with the new bond payment of \$160,000 the total payment will be \$807,000 annually, and with the new rate structure the revenue generated will be \$840,000. This will be enough to cover the payment plus reserves needed to obtain the new bonds. Council Member Bradley stated if the city does not acquire the bonds, the Eastside and Main Street will not be upgraded.

Eric Franson, with Franson Engineering, explained working with the state on the loan and grant funds, they use certain numbers and thresholds on what a community can pay for their water and sewer. The board takes the Medium Adjusted Gross Income, takes 1.4 % of this number to calculate an average sewer cost and 1.7% to calculate the average water cost. The state determined that Helper City could receive 4.5 million grant and loans at 0% interest. Monthly rate repayments debt, the reserve fund, operation, and maintenance cost. The State will take all of these items in consideration on what the monthly rate should be. The charge of \$46 on water and \$45 on sewer is what they are willing to accept in order for Helper to receive the loan and grant funds. The infrastructure in Helper has not been replaced for many years. As a result the infrastructure is crumbling and failing right under your feet. Mr. Franson explained the original plans were not to replace all the roads or sidewalks, curb and gutter. When construction began the roads in the first areas crumpled under the construction machinery and had to be replaced. There were many unforeseen mishaps that caused the cost of the project to increase. Helper's ageing infrastructure is to the point there is no other option but to replace it. The city has received 12 Million dollars in grant funds for this project because of the efforts of the city council.

Mayor Chavez explained to the residents 2 minutes per person will be allowed and please do not repeat what someone has already stated.

Steven Giacoletto: I am a long time resident of Helper. Here are some water rates from the Emery County area and they are lower than our rates right now. Why did we not borrow enough money to do the whole project to begin with? Mr. Franson: I just explained what happened. Mr. Giacoletto: Did the Helper Jr High have a flooding issues? The LDS Church had a big flooding problem, why did you not start on oldest part of town? Council Member Pugliese: The residents living on 2nd, and 3rd North would disagree with you. Mr. Giacoletto: I agree that has been a long time issue, but we should have spent the money there instead of the Junior High. I don't feel we pushed hard enough for grant. This is going to be a hardship on the landlords in this town. We are going to see a lot of empty homes and people are not watering their lawns now. They can move to Price or Emery County and have cheaper utilities. This is going to be a strain on the elderly.

John Magnuson: My concerns center around the fact we are trying to repay bonds but we are raising the rates twice what it would take to cover the bonds, I would like you to explain that. We paid good money to hire a engineer firm to give us an estimate of the project that was so low that it took away 1/3 of the project. How can you (Franson) not be held responsible for that? I don't understand why the citizens of Helper have to foot the bill. There was supposed to \$300,000 savings per year in maintenance cost, no one has talked about that. Where has that money gone, are we saving it or was that just a pie in the sky? I'm not against the project it needs to be done, but it needs to be fair to the citizens and what is being proposed is not fair. Your total amount of bonds is \$4,767,000 and the new rate will bring in \$9,540,000. Council Member Bradley: You are not adding in the additional bonds which we are short \$125,000 in payment. Mr. Magnuson: Did we not raise that enough too? Council Member Pugliese: The CIB and State Drinking Water Board wanted us to raise the cost of the water to \$72 per month, which we have fought them on for several years. Mr. Magnuson asked why our rates are higher than the cities that have a water treatment plant. Council Member Pugliese: Our springs needed work done to keep them up dated and in compliance.

Sherry Arroyo: This project should have been done 20 years ago when the mines and power plant were still opened. Where did all that revenue go from the taxes that were paid? Council Member Pugliese: There were no mines or the power plant is in our city limits. I agree this project should have been done 20 years ago. Ms. Arroyo: I worry about the elderly residents that only get \$500 per month, what are they going to have to give up to order to pay this bill.

Ralph Fossat: Have you awarded the bid for the eastside already and if you have how do you do that without securing the money? Why are we here if this has already been done? Council Member Pugliese: We have had several public hearings on the bonds already Mr. Fossat: I have only received notice on this one public hearing. Mayor Chavez: The meetings are always posted at the City Hall, Council Chambers, and Public Notice Website and published in the Sun Advocate. There is no sense being here if this is not going on the ballot. Council Member Bradley: If there was enough opposition this may be placed on an election ballot. Mr. Fossat: Why is no one here from the water board organization, did you invite them? Council Member Bradley: This meeting was required by the lending organizations, Department of Environmental Quality and Division of Drinking Water. Maybe someone should talk to these water

board members or do we need to go higher up? A year ago you raised our sewer \$10 now what will stop PRWID from raising the sewer again? Council Bradley: PRWID can raise the rate again and we would have to increase the rate to cover it. Mr. Fossat: I think the council should have considered the economy of Helper and Carbon County with the power plant closing it has been really effected.

Orlando Ochoa: I have lived Castle Gate Subdivision for 40 years, I don't remember it ever flooding there, and now we have more than 20 drains. We did get new water lines and when they were putting them in, the construction company ran over the gutters and damaged them. My house was damaged by all the vibration of the heavy equipment.

Charlie Felice: I just have a few questions what was the amount of the winning bid? Mr. Franson: It was about \$8,500,000, I don't know the exact number. I would like to ask Council Member Pugliese, why you voted against the bonds the first time? Council Member Pugliese: I voted against the bonds because I felt it is an extremely large number and this project should have been done with the money we already have. I know that the project needs to be done, especially when you have sewer and water lines on top of each other. I was mad and upset, but we still have to go forward on the project we cannot leave 1/3 of the city not taken care of because of incorrect estimates and unforeseen conditions like rocks, school foundations, and river beds.

Brain Evans: We see the construction company tearing up the road three times, would it save money to just dig it up once?

Richard Passman: We are losing our populations here in Helper, what are we going to be paying when there is only 900 people left? We need incentives to have new businesses and people come to Helper.

Joe Sanchez: I'm glad my street is done I was flooded 23 times and the city said it was my fault. I only receive \$900 per month, it is hard to pay these bills.

Mrs. Roberts: The city should do more for the residents and control the money better.

Delores Slavensky: A lot of the people are upset about this project but it needs to be done. Where does the gross income figures come from and is that information correct. Mr. Fransen: These numbers come out every year based on tax returns filed by residents of Helper. There has been other cities that have disagreed with the figures and it is worth looking into. Ms. Slavensky: A very large group in Helper do not file tax returns, so that could make a difference.

Tom Pacheco: I feel that the city council should be taking care of the residents and this is their fault. Mayor Chavez: We are taking care of the infrastructure now we cannot say why it wasn't done years ago. Mr. Pacheco: The city employee wages should be froze so we are not paying out more money.

Harold Jones: I think that we need to focus on getting new residents and new business and more efficient management.

Gary Nelson: I have lived here 37 years, I don't know if you have looked around this town but it does not look very good. I have rentals and it is hard enough to rent them now, younger couples cannot afford the current utilities. All the taxes are going up in the county not just here and that is causing a lot of frustration with all of us.

Jeri Burgess: Our water pressure is terrible and I cannot wash and water my lawn at the same time.

Cindy Nielson: Why did you not use native soil and is the city going to clean out the drain ponds on the old railroad beds? Council Member Harwood: The ponds do not belong to the city they are in the county. Native soil was used and the extra soil at the cemetery is from installing the pipe.

Claudia Felice: We have all these beautiful rocks from the project, why don't we sell those? Council Member Harwood: We are selling them and putting the money back into the project.

Catherine Farish: I have no water pressure at my house at all. Council Member Harwood: Your service line is only a 3/4" pipe, you would have to change your pipe to get more pressure.

Mike James: Are you sure that you have enough money to finish the project. Mr. Franson: We needed to wait and get the final number from the contractor so the money should be enough to finish the project.

Roy Hyde: I'm paying too much now and I water my lawn just enough to keep it alive.

Council Member Bradley moved to close the Public Hearing at 8:00 P.M. Council Member Mascaro seconded the motion. Motion Carried. Pugliese, Bradley, Mascaro and Harwood voting yes.

A RESOLUTION 2015-10 TO INCREASE WATER RATES BY \$16.50 TO \$46.00 PER MONTH FOR BASE WATER RATE AND INCREASING SEWER RATES BY \$10.00 TO \$45.00 PER MONTH.

Council Member Bradley moved to approve Resolution 2015-10 to increase water and sewer rates. Council Member Harwood seconded the motion. The Council roll call vote is as follows: Council Members Pugliese, Bradley, Mascaro, and Harwood in favor. Resolution 2015-10 passed by unanimous roll call vote.

I hereby certify that the fore going represents a true, accurate, and complete record of the Helper City Council meeting held on Thursday, August 27, 2015

Edward Chavez
Mayor

Jona Skerl
City Recorder

Approved on September 3, 2015