



2020 Water and Sewer Utility Rate Study Citizen Rate Committee Report

In support of the 2020 Water and Sewer Rate Study; a report on the process and outcomes of the Citizen Rate Committee review of the proposed rate and structure adjustments.

***Developed by: Tyler Palmer, Deputy City Supervisor-Public Works and Services
June 15, 2020***

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Executive Summary

In May of 2019, the City of Moscow contracted with FCS Group to assist in a Water and Sewer Utility rate study. Rate studies are conducted periodically to assure that the costs of services are in alignment with the revenue to the utilities, and that said costs are allocated in as equitable a manner as possible among the users of the system. A critical component to the rate study process is a Citizen Rate Committee review.

The City of Moscow (City) formally convened the Citizen Rate Committee (CRC or the Committee) on May 12, 2020. The mission of the CRC is to assemble diverse perspectives that represent our community to evaluate and advise on the City’s water and sewer rate structures. The CRC has three overarching purposes:

1. To represent and communicate the views of the community;
2. To provide input on rate structure options and associated customer impacts; and
3. To formulate a recommendation for Moscow City Council.

The CRC represents the constituency of the City’s customers and stakeholders including residents, the business community, environmental interests, the University of Idaho, and Moscow City Council. All Committee members are either ratepayers in Moscow, or represent an entity that is a ratepayer in Moscow. The meetings minutes, along with provided materials will be accessible to the public on the City’s website. Members of the CRC include:

Jon Kimberling Palouse Basin Water Summit Moscow Resident/Business Owner	Brian Johnson University of Idaho Moscow Resident
Kristie Mattoon Local Realtor Moscow Resident	Mike O’Brien Hospitality President, Moscow Chamber of Commerce
Kevin Clary Large Restaurant Moscow Resident	Dan Schoenberg Property Management Latah County Resident
Peter Mundt Medical/Hospital Moscow Resident	Patty Broehm Small Restaurant Moscow Resident
Erich Hanisch Grocery Moscow Resident	Art Bettge Moscow City Council Moscow Resident

The Committee was supported by City staff from Administration, Water, Sewer, Environmental Services, and Finance along with representatives from FCS Group.

CRC Activities

The COVID-19 pandemic presented unique challenges to the traditional rate committee review process. Staff was forced to come up with alternative methods to assure CRC members had the necessary information to make informed recommendations.

City staff produced a comprehensive introductory video, providing orienting information that would generally have been the content of a first in-person meeting. This activity was followed by a video-meeting where the specifics of capital needs, operation and maintenance expenses, revenue, and rate structure were discussed in greater detail. Committee members then submitted questions via email. A question and answer sheet (included) was generated and distributed to members in advance of the second meeting.

The second meeting of the CRC was held in a large room where social distancing could be accommodated. The room was equipped to accommodate online participants along with those able to participate in-person.

All Committee members but one were able to make both sessions. Staff offered make-up sessions to accommodate the Committee member who was unable to attend the scheduled meetings to ensure informed recommendations.

The following table lists the activities of the CRC:

CRC Activities		
Meeting	Date	Agenda
1	May 12, 2020	Welcome and introductory message, link to video provided. General instructions and goals presented.
2	May 22, 2020	Distribution of the in-depth rate presentation with a request to review and submit questions in advance of the first CRC meeting.
3	May 27, 2020	First CRC meeting (video-conference). Fielding of general questions. FCS presentation on capital, operations and maintenance, revenue, and rate structure. Discussion of proposal.
4	May 27-June 1, 2020	Submittal of questions by the CRC. Staff generation of a comprehensive question and answer sheet.
5	June 2, 2020	Question and answer sheet distributed to CRC.
6	June 3, 2020	Second CRC meeting (in-person and video-conference). Review of question and answer sheet. General group discussion. Individual comments, concerns, and recommendations. Group consensus poll.

CRC Recommendation

The CRC was unanimously in support of the structure and rates as proposed after a review of the utilities' capital, operations, rate structure, and projected needs.

A significant amount of time was spent reviewing the impacts of the proposed changes to the sewer rate structure. A number of recommendations were generated by the Committee about how to best implement the structural changes, and communicate them effectively to stakeholders. A summary of these recommendations can be found in the CRC meeting minutes included in this document.

Video Presentation

<https://youtu.be/b8ohQJMAoN8>

CRC First Meeting

<https://us02web.zoom.us/rec/share/tRwPqy360dOelXgxEqHXu0kPov3X6a81XQaqfdcyE96kb02nX6jFnlzuiDZHdUL>

Question and Answer Form

CITIZEN RATE COMMITTEE QUESTIONS

1. **Question:** *What is the estimated/possible impact for a specific customer.*
 - a. **Answer:**

Staff will gladly discuss the specifics of the rate study as it applies to any individual customer concerning projected financial effects upon request. A benefit of the proposed update to the sewer rate structure is that it will necessitate and incentivize a review of activities to determine appropriate categorization, so that billing will more accurately reflect contribution. City staff will work with all interested customers to identify uses, and opportunities to conserve.
2. **Question:** *Is the Phase 5 for the Water Reuse & Reclamation Facility (WRRF) the phase that deals with effluent temperature reduction? If so, does the rate study include the additional cost of electricity to run the chillers as part of the rate input costs?*
 - a. **Answer:**
 - i. The City of Moscow is starting a facility plan study update that will evaluate different alternatives to address temperature reduction. It is anticipated that a design will be accepted upon completion of that study. As noted in the presentation, the City plans to begin construction of Phase 5 improvements in FY2024. It is expected that the next rate study will consider O&M cost associated with the upgrades to the WRRF.
 - ii. Operating Cost impacts related to any capital improvement plan (CIP) items are not incorporated in the current rate study.
3. **Question:** *How do car washes fit into the scheme?*
 - a. **Answer:**
 - i. The California guidelines used to inform classification throughout this study identify car washes are low in BOD/TSS strength.

4. **Question:** *Churches get a blanket rate for both water and sewer. However, churches are frequently used during the “non-church hours” as daycare or other uses. Should there be some consideration of the more commercial aspects of “churches” that extend beyond their primary use?*
 - a. **Answer:**
 - i. The City will be conducting an Industrial Users Survey this summer, which will help identify user contributions from each commercial customer. This will help us to classify these customers by strength of the account, not only as a type of business. Under the strength-based rate structure, an account pays based on its concentration of flow, not type of business.
5. **Question:** *Do the water rate computations include the capital costs of maintenance and/or replacement of the reservoirs/water towers? I know we have been looking at the NW water tower up on Residence St. for a while. As I recall, there was discussion of the fact that the booster stations may obviate the need for that reservoir. If water reservoirs are to be continued, we need some capital accumulation to deal with that - and any additional reservoirs that may be necessary in the future due to city expansion.*
 - a. **Answer:**
 - i. Although Capital Improvement Plans do not specifically include reservoir rehab or replacement in the next five years covered by this study, rates currently are assumed to fund system reinvestment/depreciation, which can be used for all assets including reservoirs. The construction of a new reservoir is planned within the next 20-year planning horizon.
6. **Question:** *Some explanation of how water use and sewer use are going up 0.85 and 0.75% per year when the population growth is a pretty steady 1.0 - 1.2% per year. This does not, on the surface, make sense.*
 - a. **Answer:**
 - i. Growth rates were based on historical (2016-2019) actual general facility charge (GFC – new account connections) revenue for each utility. Data provided indicates estimated growth of 0.8%-0.9% for water and 0.7%-0.8% for sewer. The midpoint of those estimates was used. As more low-flow and other conservation devices are used, it is anticipated that the growth factor for the utilities will be slightly less than the population growth rate.
7. **Question:** *Has/is the U of I been part of this process? It seems they will be impacted by the sewer rates and assuring they know what’s being contemplated is necessary.*
 - a. **Answer:**
 - i. The U of I is currently part of the analysis. The current assumptions do not project an increase in U of I contribution or consumption.
8. **Question:** *On slide 19 of the presentation, “multi-family” Is listed as a “non-residential” use. But on slide 24, it seems to reappear as a residential use. I was a bit confused on that - clarification please?*
 - a. **Answer:**
 - i. This is related to classifying them into the Water Non-Residential Class, and keeping them separate for Sewer. On the water side, accounts with individual meters, which are still multi-family, are treated as residential. Accounts on a master-meter are treated as non-residential.

9. **Question:** *I would like a bit more emphasis/explanation of how the sewer rates are set as regards the impact of low-medium-high users. Are the rates based on actual cost of service to deal with the biosolids/FOG produced? How did we parse-out those rates?*

a. **Answer:**

- i. The Cost-of-Service Analysis (COSA) looked at cost drivers (customer/flow/strength). The functional allocation and cost classification separates costs by those cost drivers and allocates them to classes of service. This is done by reviewing the design criteria of the plant in service and allocating each expense in alignment with the design of the plant or specific nature of each expense.
- ii. The cost of service identified the costs associated with strength costs (BOD/SS) based on industry standards. Slide 18 summarized strength related costs at a total of 34% representing \$2.9 million of the annual revenue requirement. Costs are allocated to low/medium/high customers based on slide 24 strength allocation factors. The differences in strength and resulting cost allocation assign the following factors to determine the proportion of the total strength costs assigned - Low range 200 mg/l, medium 400 and high 600.
- iii. Slide 25 shows the results of the cost of service analysis. Class cost of service adjustments are not recommended at this time due to the change in rate structure and the potential for customers to change categories and change their use which has potential to change the results of the cost of service. All customer class rates are getting the overall average increase of 2.25% (individual account impacts may vary). This transition period will allow for adjustments to the new structure before a strict COSA application. Otherwise, rates could vary significantly through the settling period.

10. **Question:** *Overall, I am a bit concerned that the study is weighted to reducing base rates, and then providing increasing costs depending on actual flow. The study is fundamentally based on that to “balance the cost vs service” that we need to maintain. However, the structure of the rate system encourages conservation (a very good thing), but does the study include enough “buffer” to allow for sufficient funds to be generated if both residential use (wise scaping/toilet replacement) and commercial use (watering landscaping, in-house water use) decrease their consumption/output dramatically in order to reduce their costs? I worry that if usage decreases, we will find ourselves in a revenue/capital shortfall.*

a. **Answer:**

- i. The study currently does not assume elasticity or reduction of use. Moscow already has one of the lowest per-capita water-use rates in the State. While we are confident that we will continue to experience success with our conservation programs, reductions in use within this rate study period are not anticipated to be on a scale that will cause a shortfall with the proposed structure.
- ii. A higher emphasis can be placed on fixed charges through either a higher fixed fee, or retaining the extra unit charge for master meter accounts.
- iii. Adding elasticity (i.e. conservation driven revenue reductions) impacts would result in higher rate impacts for all classes.

11. **Question:** *What if many of the commercial clients ask for, and are granted a reduction in their classification? Has the impact of that on the revenue stream been contemplated?*

- a. **Answer:**
- i. We anticipate the number of reclassifications to be quite low. In the event that this occurs, rates can be adjusted in the following fee schedule to meet funding requirements.
12. **Question:** *Slide 6: perhaps I misheard, but the two reserves cited here are 'one time' pools of funds---are they not? It appears we hope to grow them over time (as the value plant and operating costs may increase), but if they remain untapped, there is not a need to newly replace the reserve in each successive year. Is that right?*
- a. **Answer:**
- i. Water may use some reserves (\$197k FY2021-FY2023), but overall, in total, both utilities have enough cash right now to meet reserves. Therefore, since they meet the requirement, they will not be replenished unless unanticipated needs force the expenditure of reserves below minimum targets.
 - ii. Water capital reserves stay around \$4.0-\$5.0 million (above target) and build up slightly before the Reservoir Project in FY2035 and Water Operations Building in FY2037 end our projection in FY2039 with \$3.7 million.
 - iii. The sewer utility builds up reserves starting in FY2029 and by the end of the projection period. This is because average CIP is below depreciation starting FY2026 except for a couple of peak years in FY2028 with disinfection updates, and the FY2035 operations facility. The current main concern is the construction of Phase V. Once the project is constructed, if future CIP is going to continue at the reduced level, annual depreciation funding can be reduced and adjustments modified.
13. **Question:** *Slides 12 and 14: the proposed sewer increase of 2.25% annually creates enough of a cash pool to fully fund the big phase 5 improvements anticipated at the plant.....but I'm left wondering if the rate is then 'too high' (or perhaps still too low) for subsequent years. It seems there may be value in a longer look at the CIP (beyond the six years shown here), to ensure we've accounted for the full array of capital needs. Perhaps the six year window is perfectly adequate.....*
- a. **Answer:**
- i. We are starting the analysis with \$8.9 million in cash. We are funding \$1.6-\$2.5 in cash every year, and spending \$1.6 million per year on average from FY2020 through FY2024 before Phase V. Over 5 years we accumulate the additional funds needed to build the project, and assure compliance with our NPDES Permit. Our projections into the future are sufficient to meet the needs. After the projected increased growth from new accounts, adjustments will be modified. It is likely that they will be even closer to base inflationary numbers of 1.75-2.00%
 - ii. As discussed in the previous answer, the upcoming cost driver is Phase V. Once the City gets through this project, if the annual CIP, besides the two large projects, stays below depreciation levels, depreciation funding may be adjusted and increases reduced. This assumes no need to fund future Phases of the treatment plant. After the 5-year period covered by the study rate adjustments will be re-evaluated, with future CIP taken into consideration.
14. **Question:** *Slide 24: where does the data for flow/BOD/TSS for the various accounts come from? Why are BOD and TSS always the same figure, for a given customer?*

a. **Answer:**

- i. The data used through the study was based on California guidelines. Extensive and comprehensive data was used to form said guidelines, and subsequent work has verified their accuracy for the categorization. What the figures imply is that if you are, as a customer, above one of the thresholds, you will be in that class. Without specific monitoring data for each individual business, the established categorization is the best method to gauge use. We are, however, proposing an appeal process by which a business who feels that their operations do not meet the categorization, can submit monitoring data for consideration of reclassification.

15. **Question:** *Slide 25: I'm confused by differences here.....seem to say the fact that two Classes jump well beyond the industry norm of +/- 5%, we need to reevaluate COSA in next study. Does that mean we won't uniformly apply the 2.25% annual increase to sewage costs to all customers in this rate cycle....or that we will.....or ?*

a. **Answer:**

- i. This means Non-Residential Medium and High need to go up more than average, and residential needs to go down. To avoid double stacking (compounding) impacts for Non-Residential we are proposing to increase each class' revenue by 2.25% (which may vary by individual account) and re-evaluate the results again once the reclassification is completed. The slide shows the results of the cost of service; however, the recommendation is to defer implementing the results until data can be collected under the new rate structure. After a couple of years of data under the new rate structure, cost of service can again be evaluated to determine if the initial cost of service trends exist and the City can begin phasing in results of the cost of service with much more confidence, or if results are showing different results and a recalibrated approach is warranted. The reason for the caution when implementing cost of service under changing conditions is to minimize the risk of rate swinging dramatically from one study to another.

16. **Question:** *Slides 28 onward.....don't apply to UI (correct?). What is the total cost UI should expect to pay in the coming years for sewage? With ever declining enrollment, should volumes be reevaluated to ensure 'fair share' usage is captured?*

a. **Answer:**

- i. Right now, UI is being applied the overall 2.25% increase similar to all other customer classes. Since rates are not being set on COSA, everyone is applied an across-the-board average. Even if we reevaluate the University's contribution, unless we decide to implement COSA results, it will be based on the overall system average adjustment.

17. **Question:** *Clarification on slide 24, Non-Residential - Low, - Medium, - High. Almost identical # of customers, but higher ccf for medium. Confused by difference between flows and % fund allocation for high and medium.*

a. **Answer:**

- i. The average account in the medium category (84ccf/month/account) contributes more flow per account compared to the high category (56ccf/month/account).
- ii. Due to this, even though the account allocation is equal at 1.0% the flow allocation is different due to greater per account usage in medium.

- iii. The reason why the BOD/TSS shift the allocation back to High is that we weigh the flow by a greater concentration (mg/l) for high. Once the greater weighting is applied the weighted flow becomes similar for both classes.

18. **Question:** *What have other communities done in response to virus, delay for a year?*

a. **Answer:**

i. Majority of the communities are still trying to evaluate the impacts of COVID and acquire enough data. There is typically a lag in information due to timing of billing and consumption. For the Communities that have acted, we have seen the following:

1. No change in action.
2. Deferred rate action several months. This was more in line with municipalities that planned rate action around the March/April timeline.
3. Considered deferring rate action until the following year.
4. Because this is so new, the majority of communities are still trying to figure out an appropriate response based on their financial abilities.
5. There are many factors that go into those decisions as well, in terms of existing financial outlook and performance, bond covenant requirements and System maintenance levels.

19. **Question:** *Adversely affected customers, will the City be conducting outreach?*

b. **Answer:**

- i. City staff will absolutely be conducting outreach to our customers, especially those that will see significant increases due to the Non-Residential class restructuring.

Email Questions

1. **Question:** *This question is related to the charges assessed on new meters, specifically the General Facilities Charge (GFC) charge. For a new meter there is a \$2,550.00 GFC charge (5/8" inch meter) for new capacity. If I have an existing duplex that is served by one meter and I wish to install a new second meter so each unit is served by separate meters it would seem that we are not adding any new capacity to the building. No additional flow will be used to serve the building. How does the GFC apply to existing buildings that are being split?*

a. **Answer:**

i. On the technical side, and in line with industry standards, water system capacity is certainly increased by adding another meter. But on the functional side the opposite may be true given that individually metered accounts are paid for by individual tenants, leading to increased personal responsibility for water use and therefore decreased water consumption. In this specific case, where building occupancy capacity and use type does not change, we agree that waiving the GFC for the additional meter is appropriate given the increased accountability of tenants for their consumption and the conservation potential. Property owners are still responsible for the cost of the new meter installation itself, and if any future improvements/additions are made to the property that could increase occupancy then the waived GFC would be reinstated.

2. Question: *Multifamily (residential) sewer charges are a set monthly fee that is the same for different buildings/unit size, whether it is for one bedroom or four bedrooms. The proposed changes to the Non-residential classes (moving towards more weight on consumption-based charges) are intended to increase equity among customers so that those who contribute more to the system pay more for the services provided. Shouldn't Multifamily use the same kind of system?*

a. Answer:

i. Equity is definitely increased with consumption-based billing. All residential accounts (Single family and Multi-family) are currently charged a fixed monthly sewer bill. That amount is determined by computing the total flow and associated strength of sewer contributions for the category and the cost to convey and treat it is then spread throughout the number of units. With all of the changes we have made to the commercial sewer rates it would be quite difficult to make this happen in this cycle. The amount of time required to model these changes is significant, and may take more time and resources than we have before we must move forward with the municipal budget process. Additionally, there are several administrative changes that must be considered (e.g. software capabilities, that are different from the Non-residential classes). But it is definitely worth considering. You have highlighted an area of disparity that we were not aware of, and we now have the ability to apply that information. The same type of comment in 2017 started the process that lead us to where we are now with reorganizing the Non-residential classes. These incremental changes can add up to achieving our goals of equity and fairness in the long run, and although it means a slower process overall, it does provide some benefits. Making a few changes at a time allows the City to more easily evaluate the narrow changes that have been made, and the effects it has on our customers, their consumption habits, and how the utility must respond. If the changes are successful, then it becomes easy to take another step in that direction and evaluate again. The City's current rate is a commonly-used fixed structure for residential sewer bills. Many jurisdictions use this rate structure to improve revenue stability. A movement away from this fixed rate structure would inject uncertainty into the revenue stream and should be made thoughtfully. Additional analysis and evaluation would be required to understand the associated revenue risk.

CRC Second Meeting

https://us02web.zoom.us/rec/share/5cxrdavyp3llTonf42_iep8TF6X-X6a82ncW_fdeyVatcKUUmZSbluGnS1Ah0Y4 Password: 3f^+343@

CRC Second Meeting Minutes



City of Moscow 2020 Citizen Rate Committee Second Meeting

Wednesday June 3, 2020
5:00pm – 7:00pm

Second Meeting
University Inn Best Western Silver Room
<https://us02web.zoom.us/j/81739976438>

The meeting was called to order at 5:05 p.m.

Agenda Items:

1. Welcome and Introductions

Tyler Palmer started the meeting off explaining the goal of the meeting was to gather as much feedback from the Committee members as possible and a short presentation. He also stated there may be a follow-up meeting if deemed necessary. Introductions were then made.

Committee Members Present: Mike O'Brien, Best Western; Kristie Mattoon, Real Estate Agent; Brian Johnson, University of Idaho Facilities; Jon Kimberling, Farmers Insurance; Art Bettge, City of Moscow Council Member; Dan Schoenberg, Palouse Properties Manager; Erich Hanisch, Safeway Manager; Patty Broehm, Kitchen Counter Owner; Peter Mundt, Gritman Medical Center

Also in Attendance: Tyler Palmer, City of Moscow Deputy City Supervisor; Evan Timar, City of Moscow WRRF Manager; Mike Parker, City of Moscow Water Manager; Gary Riedner, City of Moscow City Supervisor; Ty Thompson, City of Moscow Compliance Coordinator; Jenifer Rossini, City of Moscow Administrative Assistant; Angie Sanchez, FCS Group; Sergey Tarasov, FCS Group; Wyatt Zimbelman, FCS Group.

2. Rate overview and review

Gary Riedner gave a brief explanation for the reasoning behind the rate study. Tyler did a quick review of the Cities Water and Sewer systems. He talked about why it was so important to take care of these essential systems as they age. Tyler stated that Water and Sewer services are shared between the whole community and there is a cost to these services; a cost that needs to be shared among everyone using the services. The City maintains these systems as efficiently as possible, establishes what it costs, and then works to distribute this cost as equitably as possible. Jon Kimberling mentioned the Palouse Basin Aquifer (PBAC) and how the work they are doing ties into the rates and conservation within the City of Moscow. Tyler went on to say that this point does tie into one of the questions in the Questions and Answers section of the study. Tyler summarized the question, "*what happens if we make a shift to a cost of service rate of what resident actually uses accurately, what if people start to use a lot less?*" Tyler stated that Moscow already has the lowest per capita water use in the State and that gives the City confidence to transition to this new service rate structure.

3. **Objectives, structure, format**
4. **Responses to submitted questions**

Please refer to Question and Answer document for full response to each question

Question 1: Tyler went on to say that the City can better look at each account and work with the account owner to determine the direct impact. Dan Schoenberg shared that there was a concern over the water and sewer rate fees (annually) for multifamily residential costing more than the taxes on the property. Gary replied stating Idaho Law dictates that the City can only charge a reasonable fee for the service. And that is why these rate studies are so important. Dan shared more concerns over the affordability and holding the City at a higher level of accountability. Gary agreed with the affordability of these utility rates, and that with the help of FCS Group and other programs, are helping with this. Tyler talked about how affordability is a major concern locally and nationwide.

Question 2: Sergey did say FCS did not include the operating side since the planning stages aren't complete in all components, but they do have an operating contingency included in analysis. He says they didn't want to double stack expenses and potentially have greater pressure because the contingency would be in-line with the operating costs. There is not a direct plan for those costs, but there are other components that they try to account for the unknowns in the future.

Question 3: Angie Sanchez clarified why FCS used California guidelines. California has done more rigorous studies with these classifications which provide an industry wide standard documents that people use to categorize rates. Dan asked a question in regards to future sewer rates, which Tyler explained was a question that will be brought up later in the Q&A portion.

Question 4: Art Bettge asked for more clarification in regards to classification for churches. Art would like to see if Multifamily could be noted as a residential function for clarity. Tyler explained that by simplifying the classification the City is adding nuances to the system. Tyler continued; classification will be based on the function of the facility rather than the name of the facility.

Question 5: No further explanation was needed.

Question 6: No further explanation was needed.

Question 7: U of I is on a separate contract with the City and any updates to their flow and loading assumptions will need to be discussed.

Question 8: Art made a suggestion in regards to making sure it is clear that multifamily is still a residential function.

Question 9: No further explanation was needed.

Question 10: Tyler provided a quick re-cap of the answer to this question; the City will establish the costs associated with each class. Kristin Mattoon asked if the appeal process will stay the same. Tyler responded with the appeal process doesn't have a limit on it. Tyler also went on to talk about how conservation may affect revenue with new service rates. He says even if revenue is affected by a few percentage points, it can be made up later in a different rate study.

Question 11: No further explanation was needed.

Question 12: No further explanation was needed.

Question 13: No further explanation was needed.

Question 14: No further explanation was needed.

Question 15: No further explanation was needed.

Question 16: No further explanation was needed.

Questions 17: No further explanation was needed.

Question 18: Gary also informed the group that the new Storm water Utility system that was supposed to start up in fall 2020 has been pushed back a year. The utilities that have sufficient reserves and healthy cash flows, that do not have critical capital needs, will be delayed. Jon made several comments being sensitive to the citizen's feelings regarding these changes.

Question 19: Gary added some clarification to how the rates are adjusted with the information given to them from FCS Group.

5. General discussion

Each member's final thoughts/summary of meeting:

Art: Well-articulated, well laid out. Art feels it needs a more condensed, executive summary for citizens. Outreach will be key.

Jon: Suggested a survey on how the City stacks up to other cities.

Dan: Moscow's population will not drop, even if the University loses students. Mentioned that stormwater is coming and would like to know the impact of this utility sooner than later. He appreciates FCS Groups' data as well.

Brian: Asked for greater clarity on when and how the rate increases will be imposed.

Erich: Seeing the new bill on paper will help make it clearer. Perhaps a forum for people who have questions in regards to their bill.

Kristine: Appreciation to FCS Group and City employees for all their work. New rates make sense. She understands the need to keep infrastructure up and agrees with the auditing inclusion.

Mike: Very fair and thought out.

Patty: She believes the City Water Department is heading in the right direction. She's happy that there will be a process for citizens to address their rates, if they feel they are inaccurate.

Peter: Appreciates the level of detail and preparation. He is in support of simplifying the classifications and allocating a more proportional part of the burden to the highest volume users.

Kevin: It seems straight forward, well thought out and makes sense. Charging customers more accurately based on their usage and planning for future needs. I know more about sewage now than I ever thought I would!

Group Poll: The group expressed unanimous support for the rates and structure as presented.

Also Discussed: Tyler wrapped up meeting and stated that the general consensus of the group was in support of the new concept.

6. Adjourn 7:10 p.m