

Minutes

**MAYOR AND COUNCIL
SPECIAL MEETING WORK SESSION**

The City of Douglas Mayor and Council met in a **Special Meeting Work Session** on Wednesday, **April 28, 2021 at 5:30 p.m.** in the Council Chamber of City Hall, 425 10th Street. The Honorable Mayor Huish called the meeting to order.

1. **CALL TO ORDER:** 5:30 p.m.
2. **PLEDGE OF ALLEGIANCE:** by Council
3. **ROLL CALL.**

	PRESENT	ABSENT
MAYOR, DONALD C. HUISH	X	
MAYOR PRO TEMPORE, MARGARET MORALES	X	
COUNCILMEMBER, MITCH LINDEMANN	X	
COUNCILMEMBER, DANYA ACOSTA	X	
COUNCILMEMBER, RAY SHELTON		X (excused)
COUNCILMEMBER, MICHAEL BALDENEGRO	X	
COUNCILMEMBER, JOSE GRIJALVA	X	
INTERIM CITY MANAGER/CITY TREASURER, LUIS PEDROZA	X	
CITY CLERK, ALMA ANDRADE	X	

4. **PRESENTATION/DISCUSSION pertaining to WATER and SEWER UTILITY RATE STUDY.**

Luis Pedroza stated last fall the City of Douglas commissioned 65th North Group to conduct a water and sewer rate study. Mr. Pedroza introduced David Ross who presented a summary of the results.

David Ross provided a brief introduction and background information regarding his work experience. Mr. Ross presented on the following:

[PowerPoint Presentation \(destinyhosted.com\)](#)

Mayor Huish requested Mr. Ross to explain why residential irrigation water rate is separate from residential water rate. (Slide 11)

Mr. Ross stated residential irrigation required a separate meter set up outside of the house, sewer charges are not applied to the meter, and it has a separate rate attached to it. Furthermore, Mr. Ross stated it was not used for drinking water, it was intended for residential irrigation.

Mr. Pedroza explained that customers who wish to separate the irrigation component from the regular meter benefit by not paying the base fee, they only pay for the consumption of water. Therefore, customers can purchase their own meter and dedicate it for irrigation

purposes. Additionally, Mr. Pedroza stated the irrigation meter is utilized by the Douglas commercial sector more than the Douglas residential sector.

Mayor Huish inquired what the recommendation was for a healthy percentage regarding unrestricted cash. (Slide 18)

Mr. Ross stated utilities are different than general funds. He continued by stating he was uncomfortable with utilities under 25% for total unrestricted but he also wanted to see a minimum of 1.5 x debt service coverage ratio. For this case, Mr. Ross stated 90% was very healthy and he suggested a 60–75% range at minimum. Mr. Ross continued with the presentation to discuss the four options. Mr. Ross stated all options are based on an assumed average of 10,000 gallons of water and ¾ inch meter.

Mayor Huish stated he did not want the community to be confused by the costs in the presentation because the presentation is focused solely on the water costs. Mayor Huish clarified the City of Douglas water bill includes sewer, sanitation, and solid waste fees.

Mr. Ross added the presentation is based on an assumed average of 10,000 gallons of water and ¾ inch meter. Mr. Ross stated the consumption rate will also differ amongst households. Mr. Ross continued comparing options.

Mayor Huish inquired if the consumption rates on Slide 24 were per one thousand gallons.

Mr. Ross confirmed.

Council Member Lindemann inquired how the group came up with the average number of gallons.

Mr. Ross explained the City of Douglas average consumption is 12,000 gallons, but 10,000 gallons were used as the average for this presentation.

Mayor Huish suggested Mr. Pedroza to breakdown the CIP in the future to compare outside versus inside and what would overlap. Mayor Huish commented it would be valuable information to use towards a decision. (Slide 25)

Regarding faulty meter reads, Mr. Lindemann commented all the meters have been switched over to electronic so there should not be a problem with the meter reads.

Mr. Ross explained it was a legitimate concern for someone to report an increased use of water and believe it to be caused by a faulty meter read. Mr. Ross stated he hoped the incredible accuracy of the meters would not cause concerns.

Furthermore, Mr. Pedroza stated customers can be provided with reports of the amount of water consumed per hour.

Mayor Huish asked if this should be looked at every 5 years.

Mr. Ross confirmed.

At the conclusion of the presentation, Mayor Huish thanked Mr. Ross for the clarity and invited the Council Members to ask any questions.

Council Member Lindemann inquired what the garbage fees were.

Mr. Pedroza stated the residential garbage fee was \$20 a month.

Mayor Huish clarified the garbage fees were not going to be increased.

Council Member Baldenegro asked if the potential Bay Acres annexation was considered in the report.

Mr. Ross confirmed and added the anticipated additional revenue was included in the projections to develop the recommended options.

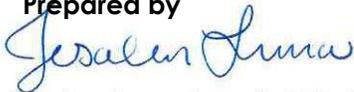
Mayor Huish encouraged the Council Members to formulate their own thoughts on how to implement or not implement this project. Mayor Huish also informed the Council Members if there were scenarios brought up tonight that they wanted to look further into, to communicate with Mr. Pedroza or Public Works to see if it is feasible.

Mayor Huish thanked Mr. Ross for his presentation.

5. **ADJOURNMENT.**

Motion by Council Member Morales, **second** by Council Member Acosta to adjourn the meeting at 6:16 p.m.

Prepared by



Jesalen Luna, Deputy City Clerk