

CITY OF SHELLEY
WORK MEETING
MINUTES

February 25, 2026

PRESENT: Mayor Kim Westergard

Council Members: Leif Watson, Don West (Zoom), Sean Kress, Louis Street

Department Heads: Justin Johnson, Jordon Johnson, Chad Purser

Deputy Clerk: Tori Pacheco

Others: Dave Noel and Ted Hendricks

The meeting was opened at 5:59 p.m.

This work meeting was held to discuss water rate increases, water meter rates, and private water service line financing.

Dave gave a summary from the previous meeting on the different options and the one that was talked about more was the \$57 flat rate and about \$2.00 per thousand gallons used. Ted mentioned that he was worried that the \$57 per ERU may not cover all of the cost and also about the city not reading the meters and only bill on the bas for two to three years until all meters are in because currently the city does not charge water meters the same as sewer. The recommendation is to adopt the \$57 base rate and \$2 per thousand gallons used over 5,000 for residents. The other would be to recalculate businesses and assign a user rate similar to sewer demands and they used Golden Vally as an example. They currently have 14 sewer ERUs and the city may want to charge for 14 water ERUs. Another example was the schools, if they have 47 ERUs possibly charge for the 47 water ERUs. Dave recommends the sewer ERU and water ERU be the same because ERUs are based on domestic use. The third recommendation is wo implement option two and those who currently have meters pay the new rate and unmetered will pay the new base rate only. Those unmetered would read meters in phases or wait until project is done and then read all at once. Ammon did theirs in phases, read the meters but didn't charge for one year. Justin mentioned to not charge anyone until the end of the project and then give one year after the last meter is installed. Mayor Kim mentioned giving a year per phase. Sean asked if there were any other fees connected to the \$57 besides the \$2.00 per thousand gallons over 5,000. Ted said that the \$55 will only pay the debt

and fund the reserve. Sean gave examples of other city rates and most do not offer free water; residents are charged base fee plus flow rate per thousand gallons. Sean asked if we were to charge \$57, we should charge flow rate and not give first 5,000 gallons free. Justin mentioned to Sean that the idea of the base rate plus 5,000 gallons came from him and he thought it would help roll into the project versus base rate plus the flow rate. Dave said that the city would need to have an average collection of \$76 per ERU is needed to pay for all of the infrastructure. Sean mentioned about having the base rate at \$57 and \$2 per thousand gallons after 5,000 for everyone on meters already and offer the "free" water to residents only. Commercial would not have the "free" water. It was also suggested about charging the \$57 and \$2 per thousand gallons after 5,000 for residents would be charge \$55 and for \$1.75 for commercials. Home businesses could be billed to pay the base rate and \$1.75 per 1,000 gallons, they are already metered and already know the flow with no grace period. It was mentioned that council could not make a decision in this meeting.

Dave mentioned that financing for the private water service line is covered. Dave recommended to putting this into the project to allow people to put the meter where it needs to go. Have this be a one-time deal and when the road is done, the contractor will not go back. Louise asked if they had to meet certain criteria. It was mentioned that the lines must be galvanized/copper/PVC pipe. If poly line must come from somewhere else. The line from the city would connect to existing line unless it is not wanted.

Adjourned: 7:17 p.m.

APPROVE: W. W. Stanger ATTEST: J. L. L. L.