

**WEST POINT TOWN COUNCIL
WORK SESSION
MINUTES
May 27th, 2014
6:00 p.m.**

I. Water Rates

Mr. Edwards stated that if the Water Department continues to operate on the current water rates they will be operating in the red by approximately (\$113,756.00). The Public Works Committee has reviewed options for the Water Rates and are recommending Town Council adopt Option 3 that would increase the bi-monthly base rate from \$30.00 to \$40.00 and \$5.00 for each 1,000 gallons usage after the base, the base minimum usage is 10,000 gallons. Option 3 would reduce the negative balance to \$1,510.00.

Mr. Hudson stated that the Water Rates have not been increase since 2007. The Water Department operates as an enterprise fund and should not operate with a negative balance.

Walt Feurer, Director of Public Works stated that in the past when Water Rates are increased the consumer reduces the usage. Therefore sometimes raising the rates does not always work when you reduced usage.

Jack Lawson stated that in order to operate the Water Department as an enterprise, Option 2 would be the best option for the Water Rates.

Mr. Edwards stated that if the projection is correct, Option 2 should have an end of the year balance of \$26,024.00.

Paul Kelley asked if Option 2 would allow the Town to move ahead and not to be in the same position in two years.

Mr. Edwards stated that he would like authorization to advertise for a public hearing on the Water Rates at the June 24th 2014 Town Council meeting.

James H. Hudson, III
Mayor

ATTEST:

Karen M. Barrow
Town Clerk