

24 Follow-up Questions to the Pinedale Community Workshop #1

- 1) **I believe capital projects tend to be more expensive when publicly, rather than privately, funded. Will you please demonstrate how you will economically and wisely use our money and avoid wasting it?**

The Town will provide project costs for each Capital Improvement Project on its website. Pinedale's leadership team has an excellent track record of delivering important capital projects on time and under budget.

- 2) **Is Pinedale's growth driving capital costs? Is this growth, particularly in Bloomfield, paying its fair share?**

The short answers are "yes" and "yes." The town collects a standard tap fee for new connections that requires new customers to buy fairly and equitably into the system. To varying degrees over the 50-plus years, different developers and state grants have funded most of Pinedale's water-related infrastructure. The result is an inconsistent hodge-podge of inequity, aging infrastructure and cost. StepWise Utility Advisors is carefully analyzing -- and will likely recommend that Pinedale implement -- fair and equitable user-fee adjustments in 2013. Moving forward, Town leaders are working to strengthen the likelihood that Pinedale will secure maximum grant funding, while also ensuring that user-fees will generate the revenue necessary to cover all water and sewage service costs.

- 3) **Meters**

- a) **How much do meters cost?**

The cost of a residential meter installed in the crawl space of typical home ranges between \$900 and \$1,200. However, the cost of a meter installed outside the home in a meter pit will range between \$2,700 to \$3,200. The cost for retrofitting an existing meter with a remote readout device will range between \$400 and \$600. Stantec is in the process of analyzing the most cost-effective meter and reading system options for Pinedale.

- b) **Are these meters nicer than they need to be?**

No. They will, however, use state-of-the-art technology.

- c) **Who will pay for the meters?**

State grants will pay for a portion of meter costs. The remainder of the cost will be subsidized through below-market interest rates, which the federally funded State

Revolving Fund offers local communities. Customer will neither directly pay for the applicable meter nor its installation.

d) How are water meters read?

Most likely, via radio signal. No one will enter your house to read your meter.

e) Do I need to power the water meter? How are meters powered?

The answer depends on the model selected. If battery powered, please note that the battery typically has a 20-year useful life.

f) Will Town and County government buildings that have water service also have a water meter?

Yes. The system will be structured to treat water users fairly and equitably. All water users, including the Town and County governments, will have a meter and will pay user-fees/rates to the applicable enterprise fund(s).

g) Will Town and County government water users (town hall, library, etc.) pay for their water use?

The short answer is "yes." Please participate in and help shape the outcome of the rate design and policy workshop tentatively scheduled for August 2012.

h) I don't want a meter in my house. Can we please place the meter in the public right-of-way?

Yes. We can construct, at cost to you, a meter pit in the public right-of-way.

i) Installing water meters outside will increase the risk of freezing pipes, correct?

Not necessarily. Though significantly more expensive, specially insulated outdoor water meter boxes do exist. (Think Alaska!)

j) What is more expensive, meters installed inside or outside the house?

Installing a meter inside the house is significantly less expensive.

k) State statute says nothing about water meters. Why do we need them?

It is correct that state statutes do not require meters to be installed. However, in order to increase the likelihood of grant funding, Pinedale must follow Wyoming Department of Environmental Quality (DEQ) and State Land Investment Board (SLIB) guidelines that require water meters.

l) Will water meters be activated before new water lines are installed?

The short answer is "yes." Please participate in the rate design and policy workshop tentatively scheduled for August 2012.

4) Will there be a specific line-item in the budget to show consultant costs?

Yes.

5) Will there be a program to forgive undetected leaks or must we pay for leaked water?

As yet undetermined. Please participate in and help shape the outcome of the rate design and policy workshop tentatively scheduled for August 2012.

6) How much do bleeders contribute to wastewater flows in the winter? Do we have to size the plant for this? Will water rates be adjusted based on the use of bleeders/overflow in the winter?

As yet undetermined. Please participate in and help shape the outcome of the rate design and policy workshop tentatively scheduled for August 2012.

7) Will there be irrigation rates? There is concern that volume-based user-fees will result in some ceasing to watering their lawn thereby turning our Town brown.

As yet undetermined. Please participate in and help shape the outcome of the rate design and policy workshop tentatively scheduled for August 2012.

8) I never had to bleed my line before, but after recent street improvements I now do! Why?

Excavation and repacking soil to specification sometimes causes a deeper frost line.

9) What will business water rates look like under current financial projections?

StepWise Utility Advisors distributed a Rate Projection Table for all customer types. This table is posted in the Town's website.

10) Why do we need that tank project? How much is it going to cost? Doesn't the West Loop Pipeline project do the same thing for fire flows as the proposed storage tank?

There is a difference between treated and untreated water and the storage capacity required of each. The West Loop Line project and the proposed storage tank project, although connected to the same water system, serve different purposes.

The West Loop Line physically loops two sections of the Town's water distribution system, allowing for improved fire flow through larger lines to the southwest side of the system. This line will also improve water taste and quality by rerouting water from the system's entry point to the existing end of the system. This will help ensure a uniform mix of water throughout our

system, and help with the Town's corrosion control plan by more evenly distributing freshly treated water throughout the system.

The proposed storage tank serves multiple purposes. The tank will improve firefighting ability by maintaining a large quantity of treated water that would be available at all times throughout the system. The tank would also give the Town the ability to temporarily shut down the water treatment plant for maintenance or in an emergency situation, while still supplying safe clean drinking water to the town for consumption and fire suppression.

The tank project is projected to cost \$3M total, of which \$2M is grant funded.

11) Is Sublette County part of the Town's General Fund?

No. Sublette County government and its General Fund are entirely separate from the Town of Pinedale and its General Fund.

12) Since Sublette County impacts the Town of Pinedale, has Sublette County contributed to funding projects in the past?

Yes, Sublette County has provided funds as recently as fiscal year 2011 when it provided \$1.5 million for the Town's UV disinfection facility and \$1.0 million for the Phase VI water and sewer line replacement project.

13) We are Sublette County residents too. Why won't Sublette County help fund the Town of Pinedale's water and sewer infrastructure needs?

It appears that Sublette County will no longer help fund local water and sewer infrastructure projects, primarily because its claims that oil and gas extraction activities do not directly impact local water and sewer infrastructure. Ultimately, your elected Sublette County Commissioners make this decision. They may change their position at any time. However, until and unless Sublette County Commissioners change their minds, it would be fiscally reckless for the people of Pinedale to rely on County funding for water and sewer infrastructure.

14) What's the deal with the EPA's copper and lead mandate? Are Pinedale's levels of copper and lead high?

Pinedale has clean, high-quality source water. However, particularly in older homes, water piping often consists of copper or lead and often includes lead solder joints and/or other fixtures that contain lead. Consequently, over time, as those pipes inevitably corrode, homeowners will often begin to experience high copper and/or lead levels in their drinking water. The soda ash feed that is part of the Town's corrosion control plan effectively lowers water corrosiveness and thereby lower potential lead and copper contamination.

15) Will rates go down after we build-out these capital projects?

Possibly. StepWise Utility Advisors calculated rate projections 10 years into the future. Over that time we foresee little likelihood of rate decreases. However, rates may decrease following those 10-year projections. Due to multiple variables we are uncomfortable projecting rates beyond that 10-year horizon.

16) What are other towns doing to combat rate increases? I've seen towns poorer than us with lower rates.

Other towns take advantage of the 5th or 6th percent tax to help fund capital projects. They also have different capital needs based on their system design or age. For that reason, comparing rates between communities is difficult.

17) Can the 6th Penny Tax count as a water and sewer enterprise fund subsidy? I thought our water and sewer enterprise funds must be 100% independent.

The 5th Penny Tax, as it is called, funds specifically identified infrastructure projects. The County submits its list of urgent infrastructure project funding priorities to county voters. If voter-approved, the County collects the 5th Penny Tax solely for the purpose of funding those projects. Once paid for, the 5th Penny Tax automatically goes away. Assuming *both* Sublette County Commissioner approval *and* county-wide voter approval, the 5th Penny Tax may be a possible source of funding.

18) Costs will change, but will your plans change, too? For example, if projects cost less than estimates, will you reduce rates?

That's the beauty of the enterprise system. By definition, user fee revenues must equal cost. To responsibly and transparently operate Pinedale's new water and sewer enterprise accounts, the Town will annually analyze the relationship between user fee revenues and costs and adjust accordingly to avoid over-collecting or under-collecting user-fees.

19) Water and sewer boards are great for promoting efficiencies! Why can't we have one?

State Statute 15-7-401 states, "*Any city or town which owns and operates a municipal waterworks, a sanitary sewer system, a sewage disposal plant or an electric utility distribution system MAY establish a board of commissioners to be known as the board of public utilities. The board of public utilities shall manage, operate, maintain and control such plants and make all rules and regulations necessary for their safe, economical and efficient operation and management. The board may also improve, extend or enlarge the plants as provided in this article.*"

Independent water and sewer boards are typical in larger cities. In the Town of Pinedale, (population 2,200), the Town Council is the public utilities board. Adding another layer of bureaucracy would be like using a sledgehammer to drive carpet tacks.

20) Is relying on state grants and loans to fund local infrastructure sustainable policy in the long run?

The short answer is "probably not." However, the Town intends to pursue every available grant and low-interest loan to keep user-fees/rates as low as possible.

21) How many paying customers have you used to derive the \$17,000 per customer fee?

1,276 customers

22) I recently read a newspaper article about Big Piney water and sewer fees. Why are Pinedale's rates so high in comparison? Will rates change from year to year?

Big Piney/Mableton's infrastructure is small compared with Pinedale's. Additionally, Pinedale has more water and sewer mains to maintain than Big Piney. Much of Pinedale's infrastructure is well-past its useful life and is failing. Pinedale is wrestling with an unsustainable backlog of deferred maintenance and changing Federal and State regulatory environments. The existing flat-rate structure exacerbates the existing problem by failing to fund essential annual maintenance and capitol replacement.

Depending on the level of annual grant funding received, rest assured Town leaders will be delighted to lower user-fees/rates.

23) Why rely on user-fees/rates to fund the \$11.3M in infrastructure needs?

Establishing fair and equitable user-fees/rates is essential to fund water and sewer enterprise accounts. The enterprise model, prohibits Town leaders from tapping the Pinedale's General Fund to subsidize the enterprise accounts. Remember user-fee revenue plus grants must cover 100% of the service cost. These user-fee-funded enterprise accounts fund operations, maintenance, and future replacement and growth needs. State grants combined with responsibly managed enterprise accounts will enable the Town to maintain the lowest possible user-fee rates. **NOTE:** Again, in the event that Sublette County Commissioners change their respective minds and issue annual water and sewer infrastructure grants, the Town of Pinedale leaders will happily reduce rates accordingly.

24) Has the implementation of a 1-cent sales tax been explored to help fund these improvements?

No. Voters habitually reject proposed in Sublette County sales tax increases.