

**MOAB CITY COUNCIL MINUTES
SPECIAL MEETING
October 12, 2021**

Moab City Council held a Special Meeting on the above date. An audio recording is archived at utah.gov/pmn/index.html and a video recording is archived at youtube.com/watch?v=O7znqqRsBGo.

Mayor Emily Niehaus called the Special Meeting to order at 12:15 p.m. from the Council chambers. Participating remotely were Councilmembers Rani Derasary, Tawny Knuteson-Boyd, Karen Guzman-Newton, Mike Duncan and Kalen Jones. City staff participating were Acting City Manager Carly Castle, Acting Deputy Manager and Finance Director Ben Billingsley, Engineer Chuck Williams, Deputy Recorder Kerri Kirk and Recorder Sommar Johnson.

Sewer Rate Study Presentation

Mr. Billingsley opened the workshop with an overview of the \$221,000 shortfall in the sewer fund. He said sewer operations were operating on cash reserves, and reported he was working with Zions Finance and Bowen Collins and Associates to develop options to resolve the matter.

Engineer Williams gave an overview of the condition of the City's sewer infrastructure. Keith Larson of engineering consulting firm Bowen Collins and Associates reviewed results of the 2017 study of financing for the new water reclamation facility. He mentioned City Council at that time adopted a plan for aggressive rate increases. He cited various reasons for the revenue shortfall, including the current moratorium on construction of new overnight accommodations, COVID-19 impacts, slower than expected growth and higher than expected costs. He mentioned five to seven percent inflation of construction costs. Councilmember Duncan asked about the interest rate for the debt service, and it was confirmed that the interest rate was fixed. Duncan also noted population growth in the region was estimated to be three percent and asked what growth rate had been projected. Larson explained that the 50 new sewer hookups replacing septic tanks in Spanish Valley fell far short of the anticipated 250 new connections. He also cited development delays for the Utah State University campus and Mayor Niehaus reiterated the slowed growth of overnight accommodations. Councilmember Derasary brought up the proposed rate of sewer line replacements from the 2017 study. She asked what had changed. Williams explained unanticipated failures and repairs were responsible. Mayor Niehaus speculated that the new sewer camera could have also revealed the need for more repairs than previously thought. Councilmember Guzman-Newton asked about the increased costs and it was explained that the costs were associated with the sewer lines and not the facility. Williams also mentioned septage hauled from area parks also declined during COVID, and the waste haulers were using facilities in Price rather than the Moab reclamation facility. The main reason for the reduced revenues was attributed to the shortfall in new connections intended to replace septic tanks in Spanish Valley.

Aaron Montgomery of Zions Finance presented rate change scenarios. Councilmember Duncan asked about the need and purpose of the proposed South Trunk Line. Councilmember Jones asked for comparisons with sanitary sewer rates in other communities. After discussion regarding the timeline for the decision process, Mayor Niehaus directed staff to prepare for a public hearing.

Adjournment: Councilmember Guzman-Newton moved to adjourn. Councilmember Duncan seconded the motion. The vote was unanimous and Mayor Niehaus adjourned the meeting at 1:25 p.m.

APPROVED: _____
Emily S. Niehaus, Mayor

ATTEST: _____
Sommar Johnson, City Recorder