

**CITY OF PELHAM WATER BOARD**  
**Pelham City Hall – Conference Room**  
**September 22, 2014 – 6:30 P.M.**

**MINUTES**

Proper notice of the meeting of the Pelham City Water Board was given at least seven (7) days in advance of such public meeting and the notice remained posted through the scheduled meeting.

Members of the Pelham Water Board met September 22, 2014 at 6:30 p.m. in the Council Conference Room in Pelham City Hall. The meeting was open to the public.

Call to Order

The Pelham Water Board meeting was called to order by Water Superintendent Gary Waters at 6:35 p.m. The city clerk called roll and announced that all members of the board were present.

Present: Superintendent Gary Waters  
Board Member Rick Hayes  
Board Member Ron Scott  
Board Member Beth McMillan  
Board Member Maurice Mercer  
Board Member Karyl Rice

Media Present: Molly Davidson, Shelby County Reporter

Others Present: City department heads, city employees, and members of the public

Approve Minutes

Rick Hayes moved to approve the June 9, 2014 Water Board Minutes and Ron Scott seconded the motion. By voice vote the minutes were approved unanimously by those members present.

Old Business

1. Review of the Shelby County water rate increases and the impact on the Pelham water expenses.

Rick Hayes reviewed the rate increase for the purchase of Shelby County water which is 7% per year until 2018, amounting to an approximate 40% increase overall. Pelham purchases between 30% and 35% of our water supply from Shelby County.

Eddy Jowers reported an estimated 11,300 total water customers using Pelham water, of which 2,234 or 18.5% live outside the city limits. Minimum rate billed customers make up about 35% of the customer base.

2. Future Water/Sewer capital projects and projected costs.

Mr. Hayes reviewed capital projects in the Water and Sewer FY2015 budgets totaling \$790,000 and \$405,000 respectively. Consultant Chris Cousins discussed city wells.

3. Review Water and Sewer rates.

The board members discussed our current water rates and customer base. They compared Pelham's rates with neighboring municipalities' rates and determined our water rates were significantly lower than the water rates in our other communities in our area.

Mr. Hayes said that based on the discussions with our consultants, the logical approach for dealing with Shelby County's rate increases and the system's significant capital needs appears to be the reimplementation of in-city and outside-city rate classes. Potentially maintaining the current \$13.00 base rate for in-city customers and increasing the outside-city base rate to \$15.00 per month was discussed since the general fund is being used to pay for some Water and Sewer Department capital expenses and it would not be fair for these funds to be used to subsidize outside-city rates.

The minimum sewer rate currently is \$24.30. In comparing our rate with neighboring cities, our residential incremental sewer usage rate of \$7.30 per 1,000 gallons is noticeably higher than most. Prior to 2010, Pelham did not have an incremental usage charge. Mr. Hayes recommended that the board consider reducing the residential incremental sewer usage rate to \$6.00 per 1,000 so that it would not be as out of line with neighboring communities.

Mr. Hayes recommended a public hearing be scheduled for October 6, 2014 in conjunction with the next city council meeting. The board agreed to have a public hearing before voting on any rate changes.

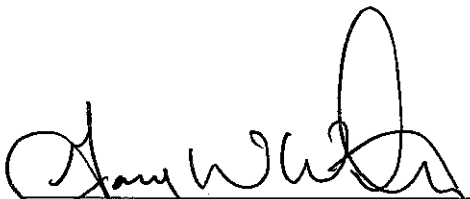
New Business - None

Adjournment

With no other business before the board, Karyl Rice moved to adjourn the water board meeting and Beth McMillan seconded the motion. The motion passed unanimously by voice vote of those members present and the meeting was adjourned at 7:10 p.m.

Respectfully submitted this 22<sup>nd</sup> day of September 2014,

  
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Marsha Yates, MMC, City Clerk

  
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Gary W. Waters, Mayor

