

# LOCALNEWS

## City may consider taking part in larger water study

Prompted by January increase, Pavleck urges city to consider whether water can be provided at a lesser rate

BY LAUREL BEAGER  
Editor

Prompted by another 5-percent jump in water rates effective Jan. 1, Koochiching County Commissioner Wade Pavleck Monday asked the International Falls City Council to consider taking part in a multi-government comprehensive study of the community's water structure that may lead to less cost for water for all customers.

The Jan. 1 water and sewer increase is part of a three-year series of increases that was first implemented in January and calls for 5-percent increases in each 2013, 2014 and 2015.

Pavleck, who represents the city of Ranier and other rural water customers, said the idea for a larger study came from Ranier Mayor Dennis Wagner during meetings of a local economic response team created to assist the community to move forward following the elimination of 265 jobs from the local paper mill this year.

"I would love to see an equalization of water rates," said Pavleck. "Water is becoming a hardship ... I hear from people, even in International Falls, that water rates are an issue."

International Falls sells water to the city of Ranier, which distributes it to about 350 customers, and to com-

mercial water haulers who provide it to other rural areas outside the city limits.

The water rate for an International Falls resident jumped from \$17.40 for the 2,000-gallon minimum in 2012 to \$18.27 in 2013. It will increase to \$19.18 in January and \$20.14 in 2015 for the same amount.

The rate for nonresidents increased from \$20.88 for the 2,000-gallon minimum in 2012 to \$21.92 in 2013. In January it is scheduled to increase to \$23.02 and \$24.17 in 2015.

After the minimum charge, people living outside the city limits are charged \$9.64 per 1,000 gallons; people within the city limits are charged \$7.81 per 1,000 gallons. The city of Ranier is charged the same price as people living outside the city limits.

In addition, sewer rates will increase from the current \$24.64 for the 2,000-gallon minimum in increments to \$25.88 for the same amount in January and \$27.17 in 2015.

Pavleck said that Wagner and others on the team wondered if a comprehensive study could result in less water costs for all users. The



Wade Pavleck

costs to provide water services, he said, may be more cost effective if handled as a service district.

He suggested a study of the water system be funded by the county, city and Ranier, noting that he'd not yet discussed the idea with fellow county commissioners.

"Is there room to save money? I don't know," he told the council. "If it can't be done for less money, then (with a study) we would know. If it can be cheaper — less costs or stabilized for the future — then we would know."

Councilors told Pavleck they have budgeted for a water cost study to find out whether the city's rates are on par with other communities.

But International Falls Mayor Bob Anderson said Pavleck is suggesting a more detailed study that would determine if it would be more cost effective to handle water through a water district.

Pavleck said a study of the benefits of a district that involved all water users was considered several years ago, but put on hold as conflicts over annexation and other issues involving the county and Ranier played out in the community. He said taking part in the city would help the city regain credibility lost a few years ago during that time.

Councilor Cynthia Jaksa, a long proponent of the resident and nonresident rate structure, reiterated that residents living within the city limits support repairs and maintenance of the city's water treatment plant through their taxes, while residents outside the city do not. City services, she said, can only be extended through annexation of property into the city limits.

"I am here to protect the city residents and the future tax base of International Falls," said Jaksa, who later listed how much money the city will provide in 2014 to the library, airport and local recreation commission, which she said benefits residents outside the city limits.

Jaksa also said the answer to the issue of increasing water rates is selling more water, which will come with more jobs and more people in the community.

But Pavleck said her point was supporting his argument. "The only way to increase volume is more customers outside the city,

which would give the opportunity to bring volume up to keep the rates stable," he said.

Pavleck said county residents also provide funding and services, such as assessing properties, that benefits city residents.

He also reminded the council that construction of the city's water plant was funded with tax increment financing money, which captured the increase in taxes on a major expansion of the Boise paper mill in 1989-90. While the city captured the additional taxes, the Falls school district and Koochiching County did not gain from the mill expansion tax increase, Anderson pointed out previously.

And Pavleck said annexation, to be successful, must be a willing partnership. "But it's no reason to deny services if it's beneficial to everyone, including the city," he said. "There are economies of scale. I want to drop the parochial antagonisms and look at what's best for everyone."

Councilors Gail Rognrud and Paul Eklund were absent from Monday's meeting.

Jaksa said she would be open to studying the water rate issue. "Cooperation is key and essential," she said.

Koochiching Development Authority Board Director Paul Nevanen also spoke to the council about how the water rates in the city may play a role in Borderland competing with other communities for economic development.

He urged the council to consider the "big picture" when looking at infrastructure and utilities.

In other business Monday, no comment from the public was heard when the council recessed the regular meeting to conduct a public hearing on the proposed tax levy and budget for 2014. Following an explanation of the proposal and adjournment of the hearing, the council reconvened the meeting and adopted a \$2.1 million levy to be collected from city property owners next year.

## Ranier approves new city councilor

### Ron Wilcox will fill vacant seat

BY SPENSER BICKETT  
Staff Writer

**RANIER**—After hearing from two of three candidates, the Ranier City Council Monday appointed a replacement councilor to fill a vacant seat.

Ron Wilcox will replace Councilor Fred Woods who in November, handed in his resignation letter stating his intent to vacate his seat starting Dec. 31.

Wilcox, Jennifer Lahmayer, and Jeff McHarg applied for the vacant position, and Lahmayer and Wilcox explained at Monday's meeting why they wanted to be on the council. McHarg was unable to attend because he was in the Twin Cities for real estate training, his wife Amy McHarg, said.

On a 3-0 vote, the council agreed to appoint Wilcox to fill the vacant seat. Woods abstained from the vote. It was not an easy decision, Councilor Todd Columbe said, and it was one he "con-

templated all weekend."

Councilor Tony Cole added he thought all three candidates brought something good to the table.

"I like Jen's youth, I like Jeff's experience, and I like Ron's commitment to the city," he said.

Born and raised in Ranier, Wilcox said he's been retired and living in Ranier for seven years, after living in Alaska for 30 years. Wilcox is a member of the zoning and ordinance development committee in Ranier, and worked in city government in Anchorage for 20 years, he said. Using his time and experience to serve his fellow citizens is what drew him to the open position.

"I find it an honor to serve all citizens of this beautiful city and make it into a place where visitors want to come and stay," Wilcox said.

Before the regular coun-



Ron Wilcox

cil meeting, Ranier held its Truth in Taxation hearing, where it certified its final tax levy for 2014. The council approved a final levy of \$150,000 for 2014, an increase of \$10,000 from the \$140,000 collected in 2013. While the total levy increased, City Administrator Kim Nuthak said the tax rate decreased.

"If people's homes have now increased in value, obviously their taxes will increase as well," Nuthak said. "But the city's tax rate has actually went down."

The property tax rate in Ranier is the lowest in Koochiching County, Nuthak said. If someone's property taxes increased, it's because their home was reassessed to a higher value, Mayor Dennis Wagner said.

In other business, the council approved pay raises for 2014 based on evaluations held in a closed meeting before the Truth in Taxation hearing. The actual raise varies for each employee, Wagner said, but the average increase is two percent.



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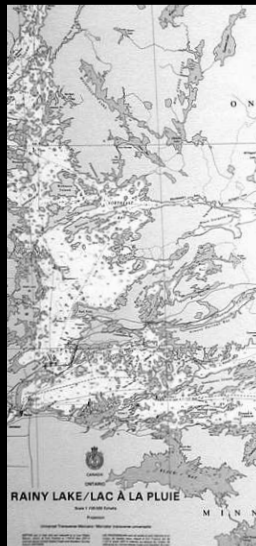
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