

**BOARD OF PUBLIC WORKS  
PUBLIC HEARING  
RATE INCREASES  
DECEMBER 17, 2018  
5:00 P.M.**

At the appointed time, Mr. Lennie Rosenkrans called the Public Hearing to order.

Mr. Hall welcomed everyone to the meeting and stated the purpose of the Public Hearing was to receive public comment on the following rate increases the HBPW is proposing to take effect January 1, 2019.

The proposed revenue increases include **Water (7.5%)**, with no increases for Electric, Sewer, or Stormwater.

**Customer Comments**

Michael Hagan, Hannibal Citizen, asked "How many companies have picked up specs for bids?" Heath Hall replied, "Four as of Friday morning, there is a pre-bid meeting tomorrow to get a better indication of how many companies will show up since it's a requirement of bidding. Michael Hagan asked, "You have come up with a 17 million dollar project cost that's including 3 million dollars of contingencies, is that correct?" Heath Hall replied, "I do not know the exact number of contingencies, but our engineer Black & Veatch gave us a project estimate and that's where the 17.5 million dollars of bonding that went to the voters. Lennie Rosenkrans noted, "I think the original estimate is 14.5 million dollars so it would be 2.5 million dollars over that, and the bonding people wanted us to have a buffer over that in case anything could go wrong. Heath Hall noted, "The suggestion from the financial advisor was that we don't want to go back to the voters more than one time for the same bonding approval. We settled in the middle of their estimate suggestion to be plenty over the engineers estimate."

Michael Hagan asked, "Do you know what Hannibal Missouri's current credit rating is?" Heath Hall replied, "No, our four funds, water specifically will have a credit rating of its own and is yet to be rated. We will know something in the next few weeks." Michael Hagan asked, "Do you expect it to be a high rating? You've lost a lot of customers." Heath Hall replied, "I have no idea, we had a sewer rating here three years ago and I would call it a moderate rating. We will most likely be in a similar spot but we do have quite a bit of debt in water so that is not going to help." Lennie Rosenkrans asked, "When they grade us, what customers have we lost?" Abe Gray responded, "Ralls County, they will not be a customer in a few more months." Lennie Rosenkrans replied, "We did increase from the expansion at General Mills, so that will buffer the future loss of Ralls County."

Michael Hagan asked, "Have you investigated any type of federal, state, or any other types of grants?" Heath Hall replied, " Yes, the main thing we investigated was state revolving loan funds which was about half of the interest rate of the market, maybe 2%, that's what we got in 2015 at the water plant. The thing we have going against us is that we are in compliance right now, which is a good thing, but in order to qualify for state revolving funds you mostly have to be out of compliance and go to the top of list. So we do not qualify for that at this time." Michael Hagan asked, "Would we qualify later?" Heath Hall replied, "Not for this project. One of the other negatives to government funding is that it really slows down a project quite a bit and our time table is pretty set in stone. We would not be able to meet the time frame."

There being no further comments from the audience, William Fisher made a motion to adjourn. Motion seconded by Stephan Franke and carried unanimously. The Public Hearing was adjourned at 5:11p.m.



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Heath Hall  
General Manager

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William Fisher  
Secretary