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City Council Minutes – June 3, 2026

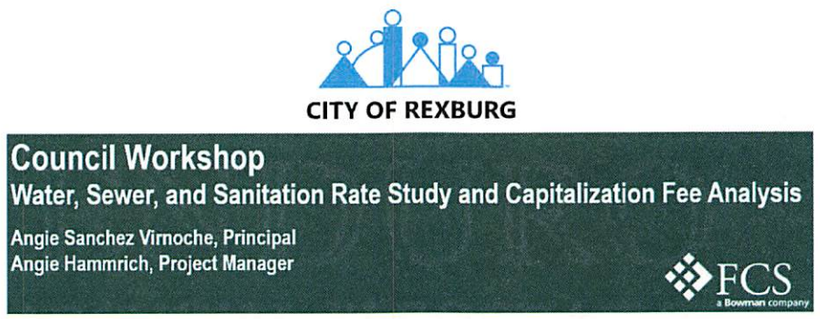
Mayor Jerry Merrill
Council Members:
Bryanna Johnson David Reeser
Colin Erickson Bill Riggins
Eric Erickson Alisha Tietjen

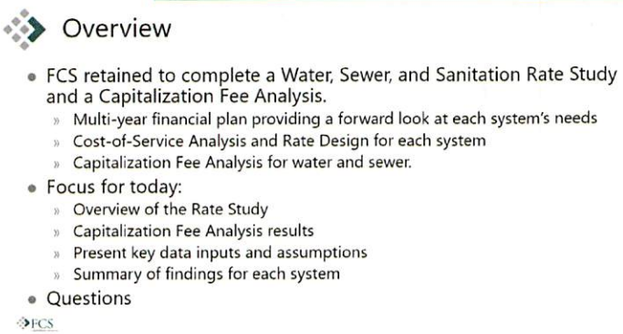
City Staff:
Spencer Rammell – City Attorney
Matt Nielson – Finance Officer
Keith Davidson – Public Works Director
Alan Parkinson – Planning & Zoning Administrator
Scott Johnson – Economic Development Director
Deborah Lovejoy – City Clerk

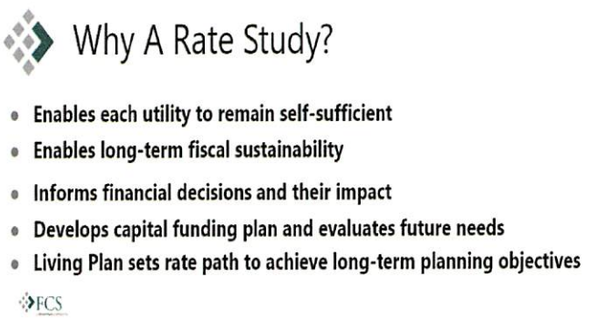
5:00 P.M. Work Meeting to Review Utility Rate Study – Set Public Hearing for Capacity and Utility Rate Changes for July 1, 2026, at 6:30 pm - Action Item

Council Member Riggins did not attend the meeting.

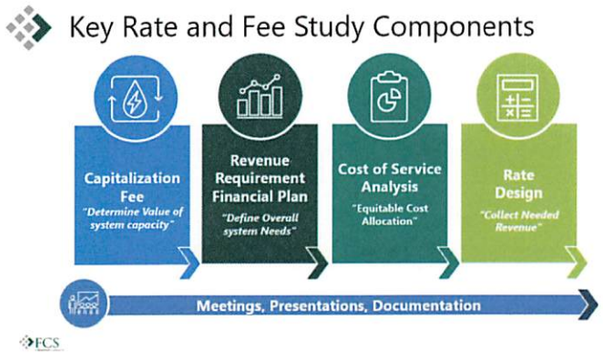
Angie Hammrich Project Manager with FCS explained that the purpose of the rate study is to evaluate the City's long-term financial and fiscal sustainability. The study is intended to provide information that will help guide future financial decisions and determine the impacts of those decisions over time. The analysis is not limited to a single year. Instead, it examines multiple years and considers the long-term financial needs of the utility systems. As part of the process, the team developed a capital funding plan and incorporated each system's Capital Improvement Plan (CIP) into the analysis. Various financial scenarios were developed based on the projected capital needs and operational requirements of the systems. She noted that the resulting plan is intended to be a living document that will continue to evolve after the completion of the study. Upon completion of the project, all financial models and planning tools will be transferred to City Staff. City Staff will then be able to use and update those models as conditions change and as future planning needs arise.

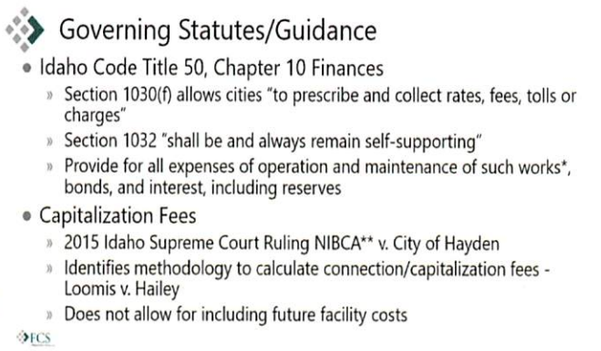




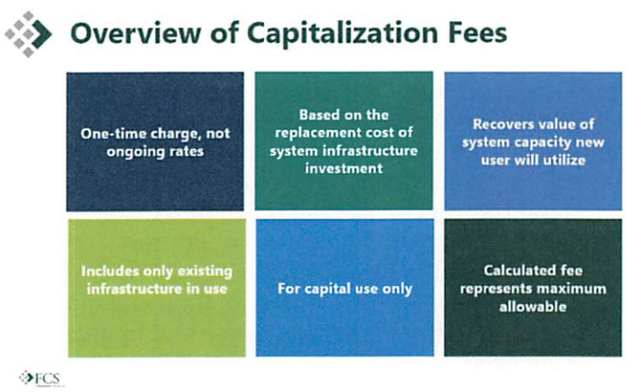


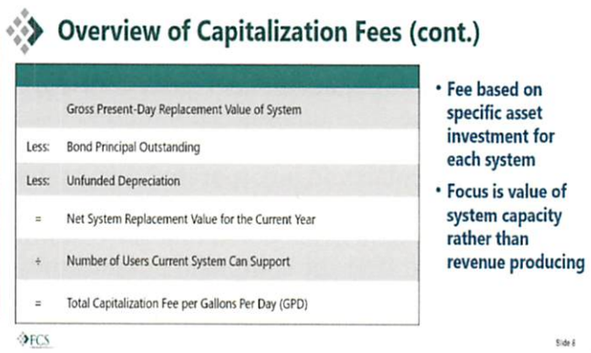
Ms. Hammrich reviewed the governing statutes and guidance that are used to conduct the study. Idaho Code Title 50 provided municipalities with the authority to collect rates, fees, tolls, and other charges for utility services. The statute also emphasized the importance of operating utility systems in a self-supporting manner. With respect to capitalization fees, the consultant noted that the methodology is guided by a 2015 Idaho Supreme Court ruling. That ruling established how capitalization fees are to be calculated and specifically prohibited the inclusion of future facility costs in the fee calculation. This limitation is identified as an important consideration under Idaho law.





Ms. Hammrich reviewed the methodology used to calculate capitalization fees. The process begins with determining the gross present-day replacement value of the system. From that amount, the outstanding bond principal is subtracted, along with unfunded depreciation. The 2015 Idaho Supreme Court ruling did not specifically define unfunded depreciation. As a result, the study used accumulated depreciation as the measure for unfunded depreciation, which has been the standard practice in previous analyses. After subtracting the outstanding debt and accumulated depreciation, the result is the net system replacement value for the current year. That value is then divided by the number of users the system could support, producing a capitalization fee expressed on a gallons-per-day (GPD) basis.





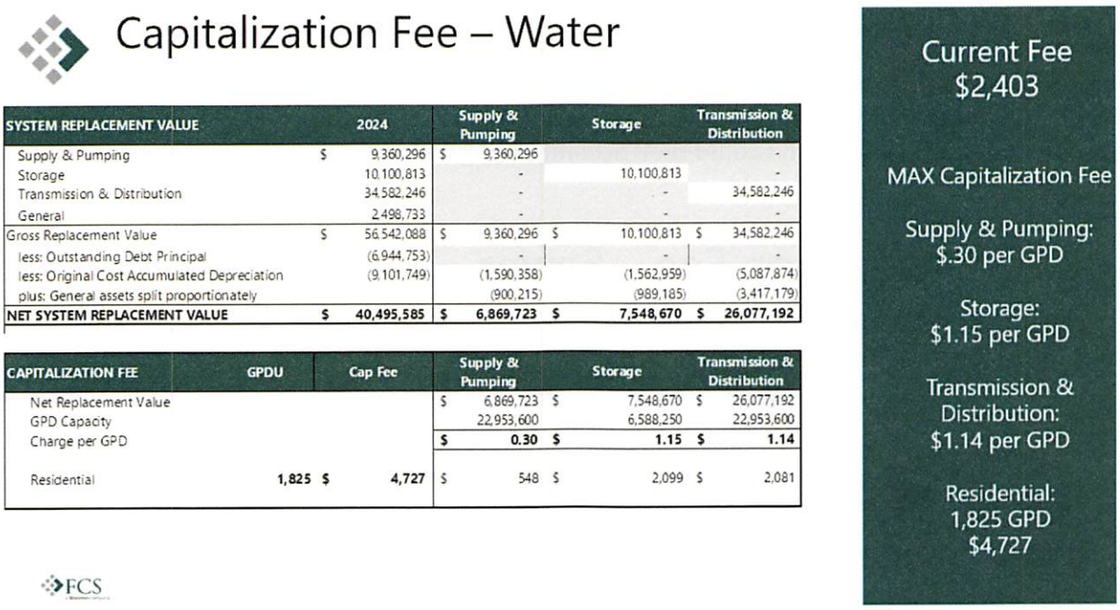
Ms. Hammrich reviewed the water system analysis. Using the 2024 system asset data, the gross replacement value of the water system was calculated. The outstanding debt principal and accumulated depreciation were then deducted. General costs were also allocated across the various utility functions to arrive at the net system replacement value. Rather than stopping with a single system-wide calculation, the analysis further allocated costs among specific functions within the water system. These functions included water supply and pumping, storage facilities, and transmission and distribution infrastructure. This functionalized approach provided a more detailed understanding of the value and costs associated with each component of the system.

Ms. Hammrich said that capitalization fees are sometimes confused with connection fees, although they serve different purposes. She continued explaining the analysis of the water system by allocating costs among the system's major functions, including supply and pumping, storage, transmission and distribution. Each function is evaluated based on its available capacity, and the associated costs are used to calculate a capacity fee on a gallons-per-day (GPD) basis. Using allocation data and supporting documentation provided by City staff, the consultant calculated a recommended residential capacity fee. The analysis determined that the maximum allowable residential capacity fee was approximately $4,727. In comparison, the City's existing residential capacity fee was approximately $2,004. The presentation included a breakdown of how the calculated fee is derived.

Ms. Hammrich recommended adopting a single capacity fee regardless of whether a property is located inside or outside the city limits. Under the proposed approach, the same allowable fee would apply to all connections. Finance Officer Nielson clarified that the recommendation addressed only the amount of the fee and did not affect the City Council's discretion regarding service outside city limits. The City could still decide whether to provide utility service to properties located outside its boundaries. Finance Officer Nielson further explained that, historically, when the City had approved utility connections outside city limits, it had generally charged a capacity fee that was 50 percent higher than the fee charged to properties located within the city.

Council Member C. Erickson asked about properties that were already connected to City utilities while remaining outside city limits. Finance Officer Nielson explained that the fee applied only to future capacity fees. Existing customers have already paid their one-time capacity fees when they connected to

the system, so no changes would be made retroactively. He clarified that outside-city customers currently paid higher monthly utility rates. While the capacity fee is a one-time charge paid at the time of connection, customers outside city limits continued to pay approximately 30 percent more in monthly utility charges. The proposed recommendation affected only the one-time capacity fee and would not alter the ongoing monthly rate structure.



Ms. Hammrich reviewed the sewer system analysis. Using the same general method applied to the water system, the sewer system is divided into several functional categories, including treatment, collection within Rexburg, and shared collection. General costs are allocated proportionately among these functions, and capacity calculations were performed for each component of the system. Based on the analysis and planning projections provided by City staff, the consultant calculated a residential sewer capacity fee of approximately $2,151. The City's current sewer capacity fee was approximately $1,869. She noted that the difference between the existing fee and the calculated maximum allowable fee is relatively modest compared to the difference identified in the water system analysis.

Ms. Hammrich also explained that the sewer capacity fee equated to approximately $10.86 per gallon per day of capacity for a Rexburg connection. For comparison, the City's published fee is approximately $11 per gallon per day, while the water capacity fee equated to approximately $1.33 per gallon per day. Council Member Tietjen asked whether the sewer capacity fee is also a one-time charge. Ms. Hammrich confirmed that it is and explained that capacity fees are paid only once, at the time of the initial utility connection.

Council Member Tietjen asked whether a new property owner would be required to pay the fee again after purchasing an existing home. Ms. Hammrich clarified that the fee applied only to the initial connection of the property to the utility system. Once the capacity fee has been paid for that service connection, future property owners would not be required to pay it again. Finance Officer Nielson said the calculated amounts represented the maximum fees the City can legally charge. The City Council retained the authority to adopt lower fees if desired; however, he does not recommend charging less than the calculated amounts because doing so would reduce the system's ability to recover the value of existing infrastructure capacity.

Council Member Johnson asked why it would not be legally defensible to charge a higher capacity fee to customers located outside city limits, particularly since those customers did not pay city property taxes. Ms. Sanchez explained that capitalization fees are based on the value of the existing utility infrastructure and the investment that has been made in the system. Because the infrastructure investment is the same regardless of whether a customer is located inside or outside city limits, there is no direct cost difference that would justify charging a higher capacity fee to outside customers.

Angie Sanchez Virnoche, Principal with FCS further explained that courts generally require a rational nexus, or direct connection, between the cost incurred by the utility system and the fee being charged. Since the City's investment in the infrastructure is not greater for outside-city customers, the necessary connection between additional costs and a higher fee is lacking. As a result, charging a higher capacity fee solely because a customer is located outside city limits is considered less legally defensible.

Council Member Tietjen asked whether Sugar City and Teton are considered outside-city customers for purposes of the analysis. Finance Officer Nielson clarified that there are intergovernmental agreements with those communities for wastewater treatment services. Under those agreements, Rexburg treated wastewater generated by Sugar City and Teton but did not provide water service. Public Works Director Davidson further explained that Sugar City and Teton previously purchased a certain amount of treatment capacity in the City's wastewater treatment system. Because they have already paid for that reserved capacity, additional capacity fees will not apply until their actual usage exceeded the amount of capacity they have purchased. Based on the most recent information available, Sugar City and Teton are utilizing approximately 60 to 70 percent of their purchased capacity. Mayor Merrill noted that if those communities experienced rapid growth, they would reach their purchased capacity limit more quickly and could then become subject to additional capacity fees for future expansion.

Capitalization Fee – Sewer

				Shared Collections		
				54%	21%	25%
SYSTEM REPLACEMENT VALUE	**2024**	**Treatment**	**Collection Rexburg**	**Collection - Sugar City**	**Collection - Teton**	**Collection - Rexburg**
Treatment	$ 46,803,313	$ 46,803,313	-	-	-	-
Collection Rexburg Only	33,167,309	-	33,167,309	-	-	-
Collection Shared	341,147	-	-	184,483	-	-
		-	-	-	70,279	-
		-	-	-	-	86,385
General	349,341	-	-	-	-	-
Gross Replacement Value	$ 80,661,110	$ 46,803,313	$ 33,167,309	$ 184,483	$ 70,279	$ 86,385
less: Outstanding Debt Principal	-	-	-	-	-	-
less: Original Cost Accumulated Depreciation	(20,805,322)	(14,231,215)	(6,443,333)	(14,362)	(5,471)	(6,725)
plus: General assets split proportionately		133,939	109,891	700	266	328
NET SYSTEM REPLACEMENT VALUE	**$59,855,787**	$ 32,706,037	$ 26,833,867	$ 170,821	$ 65,075	$ 79,988

CAPITALIZATION FEE	**GPDU**	**Cap Fee**	**Treatment**	**Collection Rexburg**	**Collection - Sugar City**	**Collection - Teton**	**Collection - Rexburg**
Net Replacement Value			$ 32,706,037	$ 26,833,867	$ 170,821	$ 65,075	$ 79,988
GPD Capacity			6,000,000	6,000,000	181,440	69,120	84,960
Charge per GPD			$ 5.45	$ 4.47	$ 0.94	$ 0.94	$ 0.94
Rexburg:							
Residential - Single Family	198	$ 2,151	$ 1,079.30	$ 885.52	$ 186.41	$ 186.41	$ 186.41
Residential - Multi Family/Apart	135	$ 1,467	$ 735.89	$ 603.76	$ 127.10	$ 127.10	$ 127.10
Residential - Student Housing (j	37.3	$ 405	$ 203.32	$ 166.82	$ 35.12	$ 35.12	$ 35.12

MAX Capitalization Fee **Current Fee: $1,869** **Residential – 198 GPD: $2,151**

Rexburg Capitalization Fee:

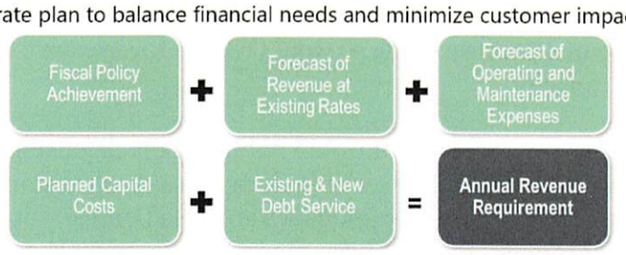
Treatment: $5.45 per GPD + Collection Rexburg: $4.47 per GPD +Shared Collection – Rexburg: $.94 GPD = $10.86 per GPD

Shared Collection – Sugar City/Teton: $.94 per GPD each + Treatment $5.45 per GPD for each

Ms. Hammrich reviewed the revenue requirements and financial planning portion of the rate study, focusing first on the water utility system. The purpose of this analysis is to determine the level of revenue necessary to meet all financial obligations while maintaining long-term financial stability. Water, sewer, and sanitation utilities were each evaluated independently to ensure that each system remained financially self-supporting. The analysis considered all major financial obligations, including operating expenses, debt service, reserve requirements, and capital improvement needs. Various funding scenarios were evaluated to determine how each system could maintain adequate revenues while funding future infrastructure investments.

Revenue Requirement Overview

- Determine the amount of annual revenue necessary to fund all financial obligations on a *standalone basis*
  - Operating expenses | debt service (principal & interest) | capital
- Meet financial parameters and targets (coverage | reserves)
- Evaluate revenue sufficiency over a multi-year period
- Develop a rate plan to balance financial needs and minimize customer impacts

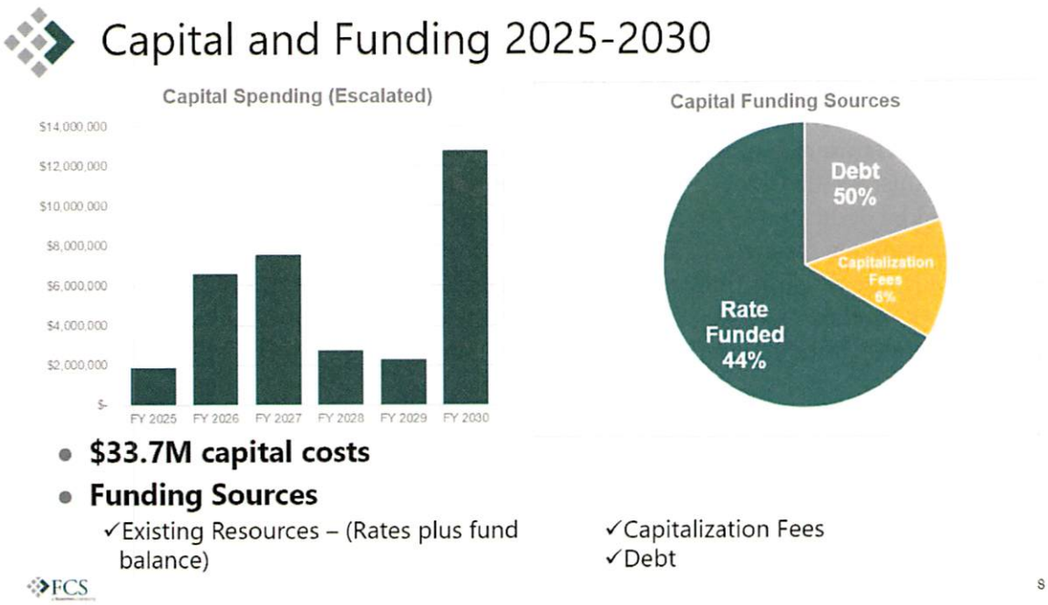


FCS

Ms. Hammrich reviewed several of the key assumptions that were used throughout the financial modeling process. The City's target operating reserve is set at 120 days of operating expenses. Customer growth is projected at approximately 2.15 percent annually. For the water utility, annual rate revenues are estimated to range between $4.6 million and $5 million. Inflation assumptions included general inflation of approximately 3.5 percent and employee benefit inflation of approximately 4 percent per year. The water utility began the study period with a fund balance of approximately $9.85 million and existing debt of approximately $6.9 million. The capital improvement plan incorporated into the

analysis included approximately $33.7 million in projects over the planning horizon, with costs escalated to account for future inflation. The funding strategy for the capital improvement program anticipated that approximately 50 percent of project costs would be financed through debt, 6 percent through capacity fees, and 44 percent through utility rate revenues.





Finance Officer Nielson noted that he had previously informed the Councilmembers that significant capital improvement plans for both the water and sewer systems would likely require the issuance of revenue bonds within the next several years, if the City chose to proceed with the projects as proposed.

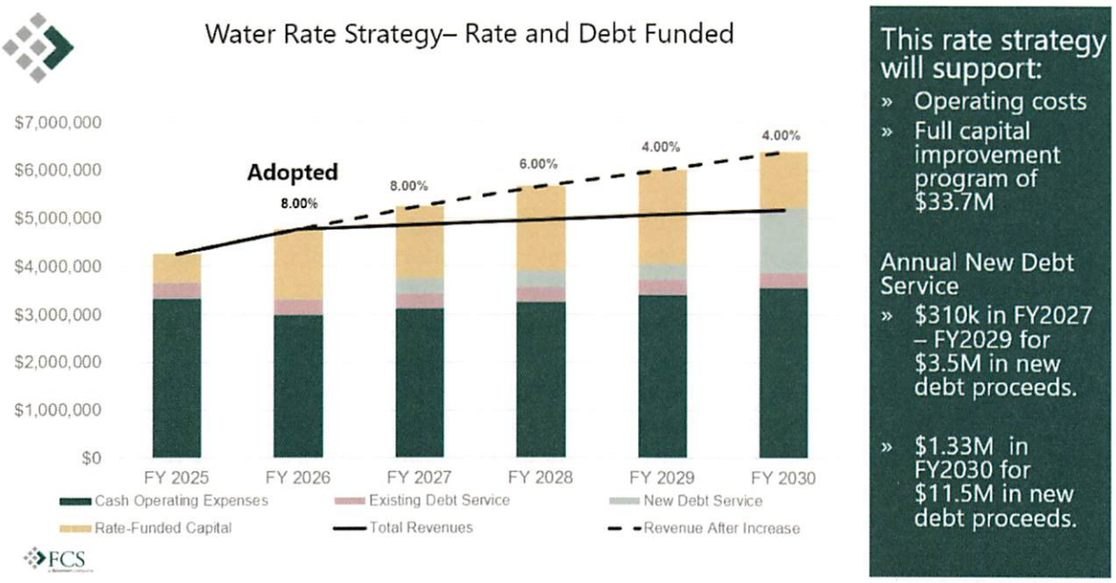
Ms. Hammrich said that the City had already adopted utility rate increases, which were reflected in the financial model. The 2026 projections included an 8 percent rate increase that had previously been approved. The financial forecast illustrated the major cost components affecting future water utility rates. Operating expenses represented the largest category and showed a decrease between 2025 and 2026 due to the removal of right-of-way and asset security charges. After that adjustment, operating costs gradually increased over time. The forecast also included the repayment of the existing $6.9 million in debt. Based on the proposed capital improvement plan, the consultant recommended issuing additional debt beginning in 2027. The analysis assumed approximately $3.5 million in new debt financing, resulting in an additional annual debt service obligation of roughly $310,000.
Further debt financing was projected by 2030, with approximately $11.5 million in additional debt proceeds anticipated to support capital projects. As a result, annual debt service payments were projected to increase to approximately $1.33 million by 2030. Based on these assumptions and projections, the consultant presented a recommended rate strategy that included annual water rate increases of 8 percent, followed by increases of 6 percent, 4 percent, and 4 percent in subsequent years under the modeled scenario.

Finance Officer Nielson clarified that the City will likely not issue separate bonds for each individual capital project as shown in the model. Instead, the City would attempt to delay borrowing as long as practical and then issue a larger bond that would fund multiple projects over a longer planning horizon. Ms. Hammrich explained that the forecast simply reflected the timing of projects included in the current Capital Improvement Plan and assumed that those projects would proceed as scheduled.

Council President E. Erickson asked whether the projected debt issuances shown in the forecast are based on completing all projects included in the Capital Improvement Plan. Finance Officer Nielson confirmed that the forecast assumed the City would move forward with the projects as currently planned. If projects are delayed or modified, the timing and amount of future borrowing could also be adjusted. Ms. Hammrich agreed and noted that the financial model is directly tied to the Capital Improvement Plan. Any future changes to project schedules, costs, or priorities would require corresponding updates to the financial forecast. Finance Officer Nielson further explained that the Capital Improvement Plan is reviewed and updated annually. During those reviews, the City Council can evaluate whether major projects could be postponed or reprioritized, which could reduce or delay future borrowing needs and affect projected rate increases.

Council Member Reeser asked for clarification regarding the chart being presented and asked whether it represented annual capital improvement expenditures. Ms Hammrich explained that the chart illustrated the overall revenue requirement for the water utility system, including operating expenses, debt service, reserve requirements, and capital improvement funding. The purpose of the analysis is to determine the total amount of revenue needed to support all utility obligations under the current plan. Council Member Reeser summarized his understanding of the graph, noting that the solid line appeared to represent the utility's financial position if rates remained unchanged, while the dashed line represented the outcome if the recommended rate increases are adopted. Under the proposed rate strategy, the utility would generate sufficient revenue to cover both operating expenses and planned capital improvements. Ms. Hammrich confirmed that interpretation.

Council Member Reeser also questioned why the portion of the graph representing rate-funded capital improvements decreased significantly in later years, even though utility rates would continue to be collected. Ms. Hammrich explained that the reduction is largely due to the addition of new debt service obligations. As the City borrows funds to complete major capital projects, a larger share of utility revenues would be dedicated to repaying debt. Consequently, a smaller portion of annual rate revenue would remain available for directly funding capital projects. She emphasized that the forecast represented only one possible financial strategy based on the current Capital Improvement Plan and assumptions. As conditions changed and new information becomes available, the City will continue to revise and update the model to reflect actual project schedules, funding needs, and financial priorities.



Ms. Hammrich summarized the overall rate strategy and how utility rate increases would be phased in over time. In addition to the recommended rate adjustments, the financial plan included a system reinvestment component intended to improve the long-term sustainability of the utility system. The reinvestment strategy began by funding 20 percent of the system's depreciation-related needs in 2026 and 2027, increasing to 40 percent in subsequent years and gradually reaching 100 percent by 2030. She explained that the calculation is based on the system's accumulated depreciation and incorporated new capital projects as they are added to the utility system. The purpose of the reinvestment funding is to create an ongoing source of capital for future infrastructure replacement and rehabilitation projects. By gradually increasing the amount dedicated to system reinvestment, the City would be better positioned to address future infrastructure needs without relying entirely on debt financing.

Ms. Hammrich noted that the study intentionally did not recommend funding 100 percent of the reinvestment target immediately. Doing so would have required significantly larger rate increases in the

near term. Instead, the funding is phased in gradually over several years to reduce the immediate impact on utility customers while still moving toward full funding of infrastructure replacement needs.

Water Rate Strategy – Rate and Debt Funded

Adopted

Across-the-Board Rate Schedule	Existing FY 2025	ATB FY 2026	ATB FY 2027	ATB FY 2028	ATB FY 2029	ATB FY 2030
Annual System-Wide Rate Increase	**2.70%**	**8.00%**	**8.00%**	**6.00%**	**4.00%**	**4.00%**
Months Effective	*12*	*8*	*12*	*12*	*12*	*12*
System Reinvestment		20%	40%	60%	80%	100%
		$165,812	$384,194	$666,807	$932,786	$1,211,678

- Revenues meet annual operating needs
- Funds $33.7M in capital projects
- System Reinvestment Funding Phased – In, fully funded by FY2030

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Ms. Hammrich explained that the previous portion of the study focused on determining the total amount of revenue required to operate and maintain the utility system. The next phase examined how those costs should be distributed among the various customer classes. The cost-of-service analysis evaluates how different customer groups use and affect the utility system. Customer classes included residential, commercial, and multifamily users. She explained that each class would be analyzed separately to determine its specific impact on the system and the costs associated with serving that group. Based on that analysis, the City would be able to calculate more accurate unit costs for each customer class rather than applying uniform rate increases across all customers. The City's previous rate adjustment had generally applied the same percentage increase across customer classes. In contrast, the cost-of-service study took a more detailed approach by evaluating whether each customer class is paying an amount proportional to the costs it imposed on the utility system. She explained that this analysis would help determine whether certain customer classes are paying too much or too little relative to their actual use of the system and would provide a more equitable basis for future rate design decisions.

Cost of Service Analysis

- Distribution of costs to customer classes based on their proportional demands on and use of the system(s).
  - Use of industry standard methodologies*/practices
- Cost distribution considers usage characteristics and facility requirements
  - City specific usage and demand
  - Planning, engineering, and design criteria
- Determines unit costs as foundation for rate design
  - Total cost by class (equity)
  - Unit costs ($/usage; $/meter/account/ERU)

Fundamental Question:

Do cost differences exist to serve different customer classes of service?

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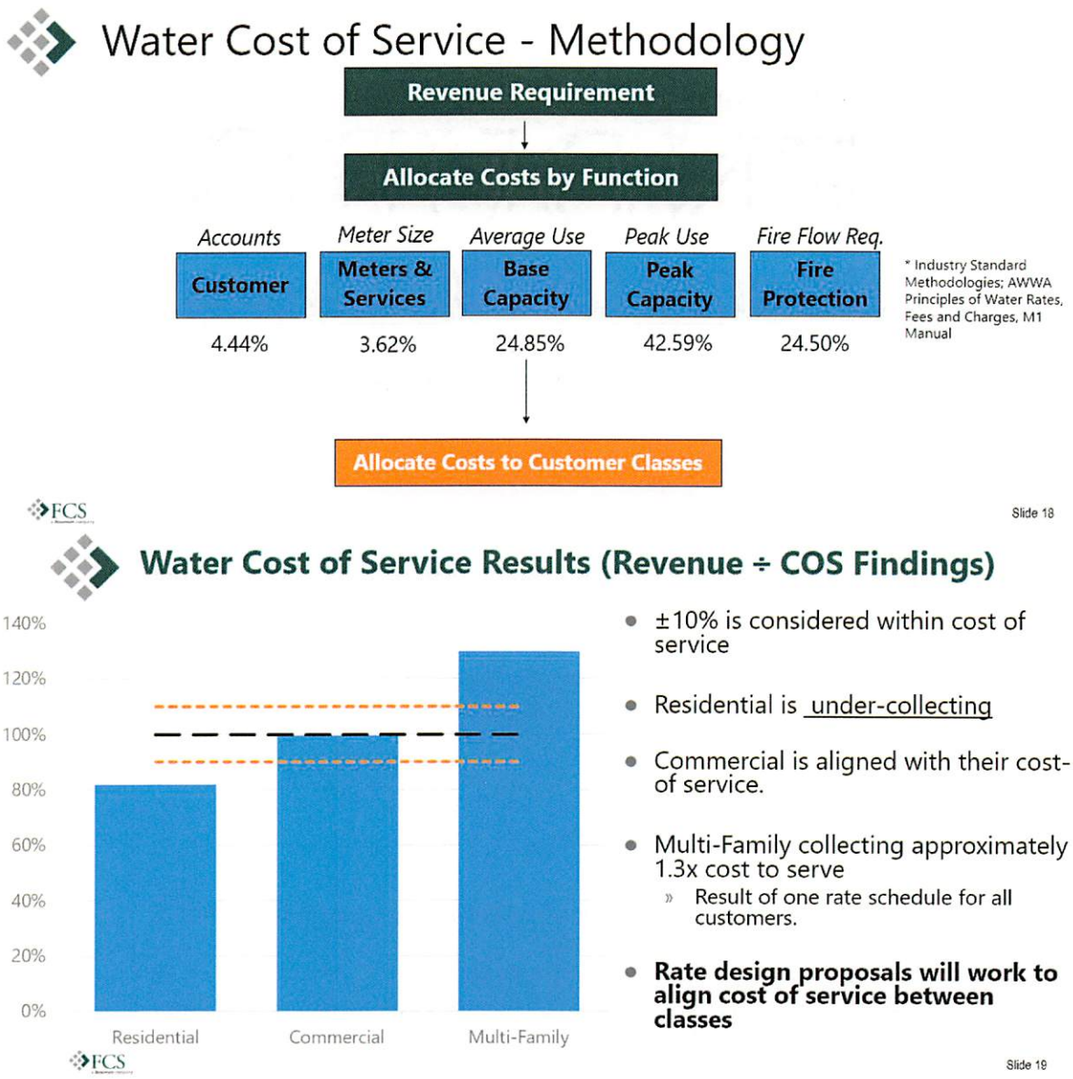
* Industry Standard Methodologies; AWWA Principles of Water Rates, Fees and Charges, M1 Manual

Slide 17

Ms. Hammrich reviewed the cost-of-service methodology used in the study. The process began with the overall revenue requirement that had previously been developed. Those costs were then allocated among various system functions, including customer meters and services, base capacity, peak capacity, and fire protection. These categories are specific to the water system and that different functional categories will be used when evaluating the sewer and sanitation systems. After costs were allocated by function, they were distributed among the various customer classes based on each class's demand and usage characteristics. This process allowed them to compare the amount each customer class is currently paying with the actual cost of providing service to that class. The results of the water system analysis indicated that residential customers are paying less than the calculated cost of service and are therefore under-contributing relative to the costs associated with serving that class. Commercial customers are found to be paying amounts that are generally consistent with their cost of service. Multifamily customers, however, are paying more than the calculated cost of service and were therefore over-contributing relative to the costs assigned to that class. She explained that the study identified multifamily customers as paying approximately 1.3 times their calculated cost of service. As a result,

adjustments were developed to gradually bring the customer classes into closer alignment with the cost-of-service results.

Ms. Hammrich noted that the goal is not necessarily to achieve perfect alignment immediately, but rather to move customer classes toward a more equitable distribution of costs over time. Under the proposed approach, residential rates would gradually increase relative to the cost-of-service findings, while multifamily rates would be adjusted to reduce the degree of over-collection. Commercial rates would remain largely unchanged because they are already closely aligned with the calculated cost of service.



Ms. Hammrich reviewed the proposed rate adjustments for both the water and sewer systems included changes designed to align meter charges with industry-standard meter capacity equivalents. These capacity equivalents established the relationship between different meter sizes and the amount of system capacity each meter could potentially use. The meter size ratios used in the analysis, beginning with the standard 5/8-inch residential meter and continuing through larger meter sizes, including 3/4-inch, 1-inch, 1.5-inch, 2-inch, and larger commercial meters. Under the proposed rate structure, the monthly base charges for different meter sizes would be adjusted to more accurately reflect their relative capacity and potential demand on the utility system.

Ms. Hammrich noted that some customers will experience increases while others might experience decreases as a result of this realignment. These adjustments are intended to bring the City's rate structure into compliance with American Water Works Association (AWWA) standards for meter capacity equivalents. The same methodology is applied to both the water and sewer systems.

Finance Officer Nielson provided an example using the City's single customer with an 8-inch water meter. Under the proposed rate structure, that customer's monthly base charge would increase significantly because the AWWA capacity-equivalent standards recognized the substantially greater capacity associated with an 8-inch meter. However, he explained that the same customer would also benefit from a reduction in the volumetric water rate charged for actual consumption. As a result, while the monthly base charge would increase, the overall impact on the customer's total utility bill would be moderated because a large-volume water user would pay a lower rate for water consumption. He

emphasized that the complete effect of the proposed rate changes could only be understood by considering both the base meter charge and the volumetric usage charge together rather than evaluating either component in isolation.

Ms. Hammrich explained that the residential base rate would remain at $24.07 through 2027 under the proposed rate design. Most residential customers are served through standard 5/8-inch meters, although a small number have larger meter sizes. Under the proposed structure, all accounts classified as residential would continue to pay the same residential base rate regardless of meter size. She explained that the significant meter-size adjustments discussed earlier primarily affected non-residential customers. For residential customers, the base charge would remain unchanged at $24.07, but changes would occur in the volumetric water rate. Under the existing rate structure, customers paid a volumetric charge of approximately $1.28, which included the first 6,000 gallons of water usage. Under the proposed rate structure, residential customers would instead pay approximately $1.15 for all water consumed. Although the per-unit charge would be lower, customers would pay for all water usage rather than receiving an included usage allowance. She described this as the primary offset in the proposed rate design.

Council Member Johnson asked for clarification regarding whether residential and non-residential customers with the same meter size would pay the same base rate. Ms. Hammrich confirmed that, for a standard 5/8-inch meter, the base charge would be the same. The distinction is not strictly between residential and non-residential customers but rather between customer classifications and meter capacities. Historically, some single-family residential properties are connected to larger 3/4-inch or even 1-inch meters, particularly for irrigation purposes. This had created complications in the City's rate structure and had been the subject of City Council discussions several years earlier. The proposed rate design simplified the system by focusing on customer classification rather than meter size for residential accounts. Under the proposal, all single-family residential customers would pay the same residential base fee regardless of the size of their service connection. This approach eliminated inconsistencies that had arisen when residential customers with larger irrigation meters are charged differently despite belonging to the same customer class.

Proposed Water Rate Schedule (Inside City)

ATB Increases:		8.00%	8.00%	6.00%	4.00%	4.00%
Base Charge		**2026**	**2027**	**2028**	**2029**	**2030**
Residential		$ 24.07	$ 24.07	$ 25.51	$ 26.53	$ 27.60
Non-Residential						
	0.63	$ 24.07	$ 24.07	$ 25.51	$ 26.53	$ 27.60
	0.75	24.07	36.11	38.27	39.80	41.39
	1.00	60.18	60.18	63.79	66.34	68.99
	1.50	108.32	120.35	127.57	132.67	137.98
	2.00	156.46	192.56	204.11	212.28	220.77
	3.00	228.67	361.05	382.71	398.02	413.94
	4.00	288.84	601.75	637.86	663.37	689.90
	6.00	577.68	1,203.50	1,275.71	1,326.74	1,379.81
	8.00	866.52	1,925.60	2,041.14	2,122.78	2,207.69

Volume	**Over 6,000 Gallons**	**Per 1,000 Gallons**	**Per 1,000 Gallons**	**Per 1,000 Gallons**	**Per 1,000 Gallons**
Residential	$ 1.28	$ 1.15	$ 1.30	$ 1.43	$ 1.56
Commercial	$ 1.28	$ 1.10	$ 1.20	$ 1.20	$ 1.20
Multi-Family	$ 1.28	$ 1.07	$ 1.07	$ 1.05	$ 1.05

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Slide 20

Proposed Water Bill Impacts (Inside City)

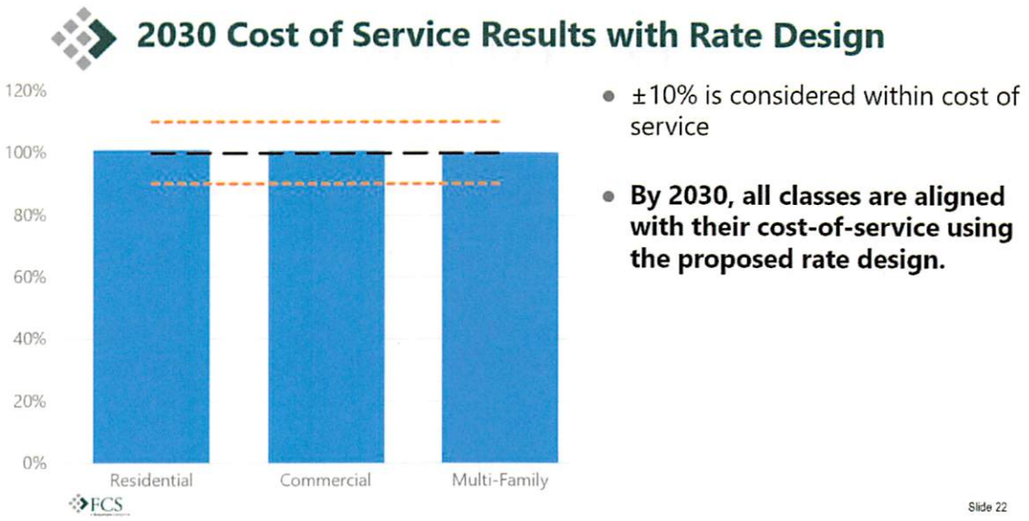
Sample Bill Comparison	**Volume**	**2026**	**2027**	**2028**	**2029**	**2030**
Residential (6,000 gals)	6	$ 24.07	$ 30.97	$ 33.31	$ 35.11	$ 36.96
Difference			$ 6.90	$ 2.34	$ 1.80	$ 1.84
Percentage Change			28.7%	7.6%	5.4%	5.2%
Residential (25,000 gals)	25	$ 48.39	$ 52.82	$ 58.01	$ 62.28	$ 66.60
Difference			$ 4.43	$ 5.19	$ 4.27	$ 4.31
Percentage Change			9.2%	9.8%	7.4%	6.9%
Commercial (3/4" Meter, 82,000 gals)	82	$ 121.35	$ 126.31	$ 136.67	$ 138.20	$ 139.79
Difference			$ 4.96	$ 10.37	$ 1.53	$ 1.59
Percentage Change			4.1%	8.2%	1.1%	1.2%
Multi-Family (2" Meter, 62,000 gals)	62	$ 228.14	$ 258.90	$ 270.45	$ 277.38	$ 285.87
Difference			$ 30.76	$ 11.55	$ 6.92	$ 8.49
Percentage Change			13.5%	4.5%	2.6%	3.1%
Multi-Family (1" Meter, 62,000 gals)	62	$ 131.86	$ 126.52	$ 130.13	$ 131.44	$ 134.09
Difference			$ (5.35)	$ 3.61	$ 1.31	$ 2.65
Percentage Change			-4.1%	2.9%	1.0%	2.0%

FCS

Slide 21

Ms. Hammrich noted that the proposed rate adjustments would be phased in over time. By 2030, the goal is to have all customer classes aligned more closely with the results of the cost-of-service analysis

and positioned near the target range established by the study. The objective is to create a rate structure that more accurately reflected each customer class's impact on the utility system while maintaining fairness and financial sustainability.

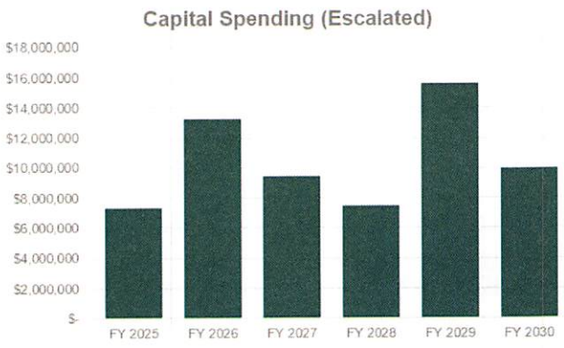


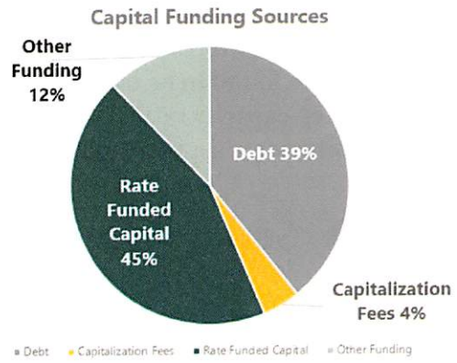
Ms. Hammrich reviewed the sewer utility financial analysis with some of the same assumptions of the water system. She explained that unlike the water system, the sewer utility had a larger capital improvement program planned over the forecast period. The City has paid off approximately $800,000 in debt during 2025 and began the planning period with a fund balance of approximately $12.2 million.



Ms. Hammrich reviewed the capital improvement plan and noted that, while there were several funding sources available, most of the projects would be funded through a combination of debt financing and utility rate revenues. The financial analysis used the same general framework as the water utility study. Operating expenses, debt service, reserve requirements, and capital improvement funding were all incorporated into the forecast. Operating expenses showed a slight decrease in 2026 because right-of-way and asset security charges had been removed from the projections. She recommended approximately $3.5 million in new debt proceeds, like the recommendation for the water utility. However, the sewer utility forecast also anticipated an additional $20 million in debt financing beginning in 2029. She noted that the timing and structure of future debt issuances could change depending on how projects were grouped and financed. The projected debt amounts increased in later years because significant capital improvements were planned. The forecast included approximately $2 million in additional debt financing in both 2029 and 2030 to support the completion of those infrastructure projects.

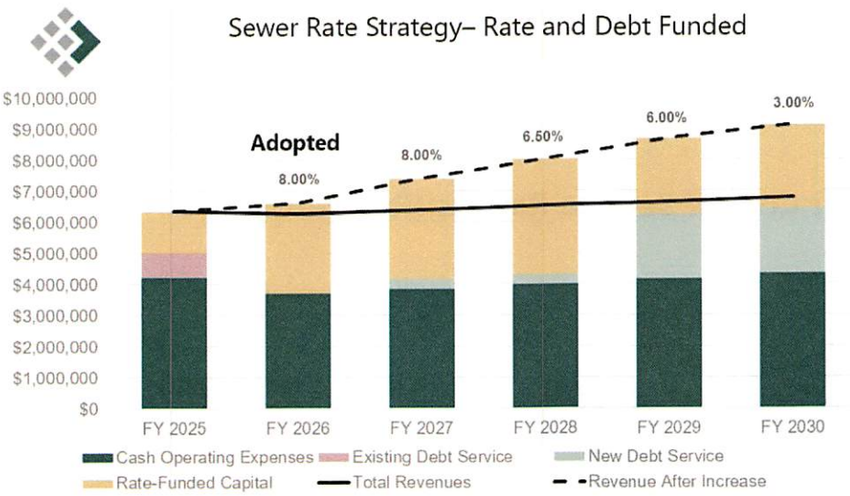
Capital and Funding 2025-2030





- **$63M capital costs**
- **Funding Sources**
  - ✓Existing Resources – (Rates plus fund balance)
  - ✓Debt
  - ✓Other Funding - Grants
  - ✓Capitalization Fees

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This rate strategy will support:

- » Operating costs
- » Full capital improvement program of $63M

Annual New Debt Service

- » $310k in FY2027–FY2028 for $3.5M in new debt proceeds.
- » $2.08M in FY2029 – FY2030 for adding $20M in new debt proceeds.

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Ms. Hammrich explained that the sewer utility used a similar system reinvestment strategy as the water utility. Funding for infrastructure replacement will gradually increase each year until it reaches 100 percent of the estimated annual depreciation amount by 2030.

Sewer Rate Strategy – Rate and Debt Funded

Adopted

Across-the-Board Rate Schedule	Existing FY 2025	ATB FY 2026	ATB FY 2027	ATB FY 2028	ATB FY 2029	ATB FY 2030
Annual System-Wide Rate Increase	**0.0%**	**8.0%**	**8.0%**	**6.5%**	**6.0%**	**3.0%**
Months Effective	*12*	*8*	*12*	*12*	*12*	*12*
System Reinvestment		*20%*	*40%*	*60%*	*80%*	*100%*
		$ 302,174	$ 710,871	$ 1,179,596	$ 1,692,557	$ 2,426,998

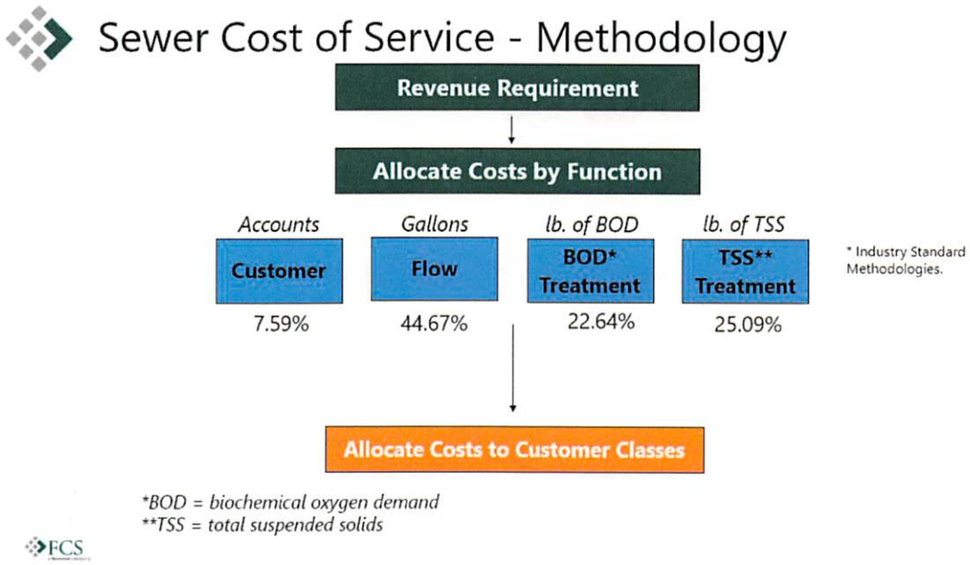
- Revenues meet annual operating needs
- Funds $63M in capital projects
- System Reinvestment Funding Phased – In, fully funded by FY2030

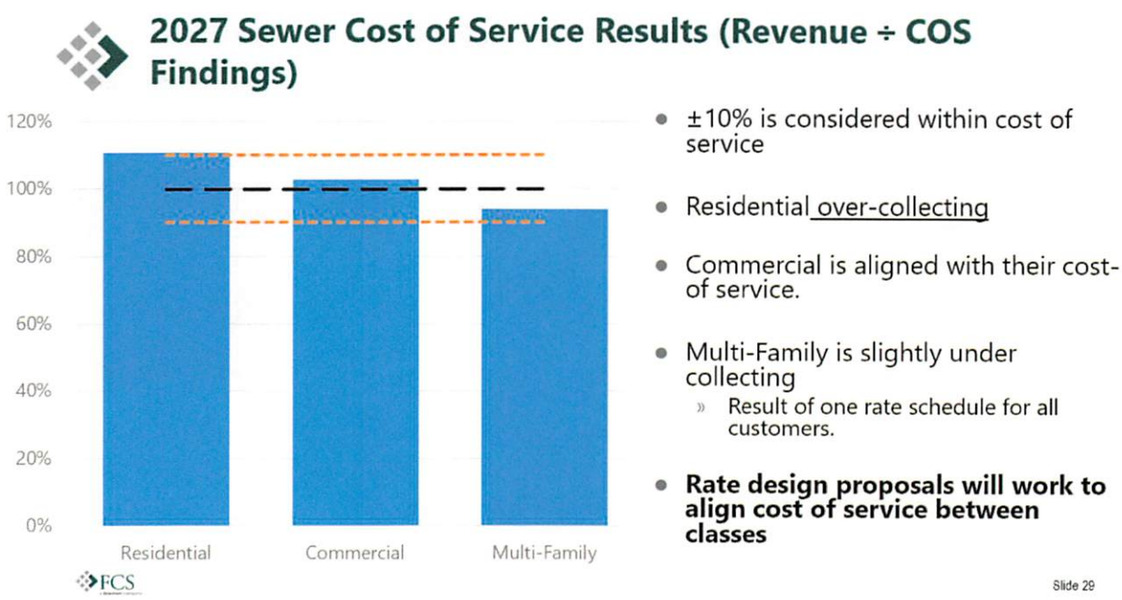
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Ms. Hammrich reviewed the sewer cost-of-service analysis. While the overall methodology is similar to the water study, sewer costs were allocated differently. The analysis considered wastewater flow and strength factors, including biochemical oxygen demand (BOD) and total suspended solids (TSS), and allocated those costs among residential, commercial, and multifamily customer classes. The results showed that residential customers were paying more than their calculated cost of service, commercial

customers were generally paying their appropriate share, and multifamily customers were paying less than their calculated cost of service. Unlike the water system, however, the differences were relatively modest. As a result, the recommendation is to primarily adjust the meter capacity equivalent (MCE) ratios rather than making significant changes to volumetric sewer rates. The proposed changes included reducing the standard residential monthly sewer charge from $19.83 to $16.95 because residential customers were found to be overpaying. Non-residential rates would also be adjusted to align with updated meter-capacity ratios beginning in 2027. She noted that sewer charges would continue to be assessed uniformly on a per-thousand-gallon basis across all customer classes.





Proposed Sewer Rate Schedule (Inside City)

ATB Increases:		8.00%	8.00%	6.50%	6.00%	3.00%
Base Charge		**2026**	**2027**	**2028**	**2029**	**2030**
Residential		$ 19.83	$ 16.95	$ 18.05	$ 19.13	$ 19.71
Non-Residential						
	0.63	$ 19.83	$ 16.95	$ 18.05	$ 19.13	$ 19.71
	0.75	19.83	25.43	$ 27.08	$ 28.70	$ 29.56
	1.00	19.83	42.38	$ 45.13	$ 47.84	$ 49.27
	1.50	89.23	84.75	$ 90.26	$ 95.67	$ 98.54
	2.00	128.89	135.60	$ 144.41	$ 153.08	$ 157.67
	3.00	188.37	254.25	$ 270.78	$ 287.02	$ 295.63
	4.00	237.95	423.75	$ 451.29	$ 478.37	$ 492.72
	6.00	475.89	847.50	$ 902.59	$ 956.74	$ 985.45
	8.00	713.84	1,356.00	$ 1,444.14	$ 1,530.79	$ 1,576.71

Volume - per 1,000 gallons						
Residential	$ 5.53	$ 5.97	$ 6.36	$ 6.74	$ 6.94
Commercial	$ 5.53	$ 5.97	$ 6.36	$ 6.74	$ 6.94
Multi-Family	$ 5.53	$ 5.97	$ 6.36	$ 6.74	$ 6.94

* Revised to AWWA MCEs standards, and the strength level remains at less than 200 mg/L

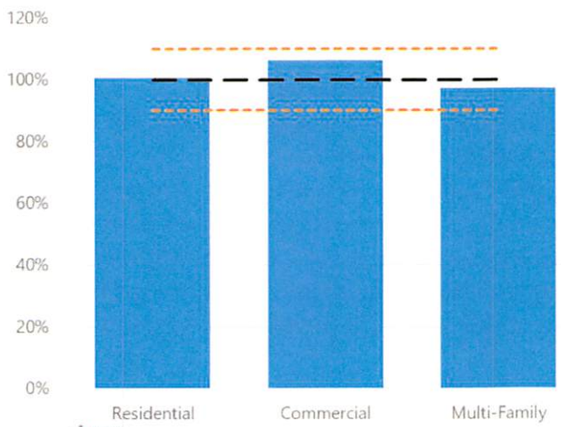
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Proposed Sewer Bill Impacts (Inside City)

Sample Bill Comparison	Volume	2026	2027	2028	2029	2030
Residential (6,000 gals)	6	$ 53.01	$ 52.78	$ 56.21	$ 59.59	$ 61.37
Difference			$ (0.23)	$ 3.43	$ 3.37	$ 1.79
Percentage Change			-0.4%	6.5%	6.0%	3.0%
Commercial (3/4" Meter, 10,000 gals)	10	$ 75.13	$ 85.14	$ 90.68	$ 96.12	$ 99.00
Difference			$ 10.02	$ 5.53	$ 5.44	$ 2.88
Percentage Change			13.3%	6.5%	6.0%	3.0%
Multi-Family (2" Meter, 5,000 gals)	5	$ 156.54	$ 165.46	$ 176.21	$ 186.79	$ 192.39
Difference			$ 8.92	$ 10.75	$ 10.57	$ 5.60
Percentage Change			5.7%	6.5%	6.0%	3.0%
Multi-Family (1" Meter, 10,000 gals)	10	$ 75.13	$ 102.09	$ 108.73	$ 115.25	$ 118.71
Difference			$ 26.97	$ 6.64	$ 6.52	$ 3.46
Percentage Change			35.9%	6.5%	6.0%	3.0%

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2027 Sewer Cost of Service Results With Updated Rate Design



- ±10% is considered within cost of service
- **By changing the meter rate schedule to the MCE ratio, all classes are aligned to their cost of service.**

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Council Member C. Erickson asked how sewer charges were calculated and whether they were based on water usage. Finance Officer Nielson explained that sewer charges are determined using a customer's average water consumption during the winter months when outdoor irrigation is not occurring. Specifically, the City used water meter readings collected between November and April to establish sewer billing averages.

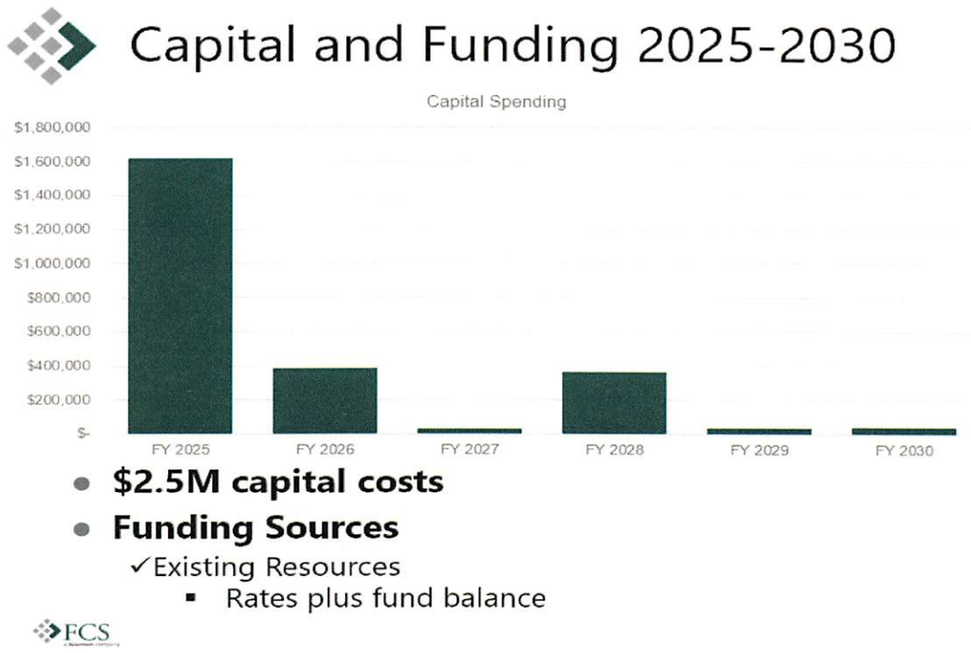
Ms. Hammrich reviewed the sanitation utility analysis and explained that the same general assumptions were used. Unlike the water and sewer utilities, the sanitation fund had no associated debt. The sanitation fund began the planning period with a balance of approximately $2.2 million and had a smaller capital improvement plan totaling approximately $2.5 million. She explained that all planned sanitation capital projects were expected to be funded through rates and existing capital resources, with no new debt recommended. The financial forecast recommended a different rate strategy for sanitation than for the other utilities.

Financial Forecast Key Assumptions

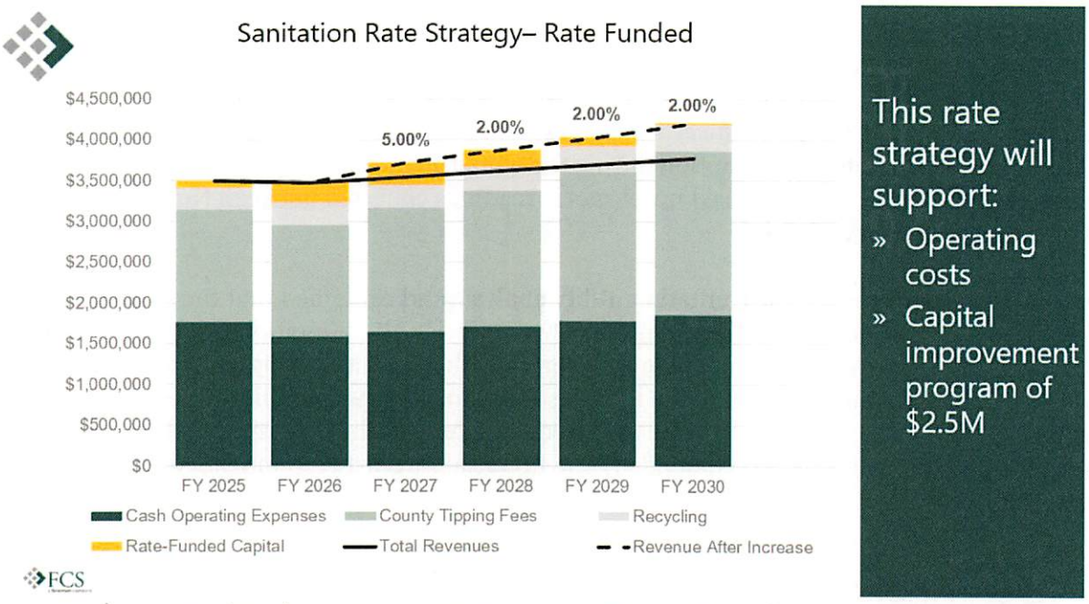


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Slide 34



Ms. Hammrich reviewed the major cost components, beginning with cash operating expenses. The Madison County tipping fees were then added and represented a significant portion of total sanitation costs, amounting to nearly 50 percent of the operating expenses. Recycling costs were also included in the forecast. The sanitation fund had enough rate-funded capital capacity to support the planned $2.5 million in capital improvements. Based on the analysis, the recommended rate strategy included a 5 percent rate increase followed by 2 percent increases in later years. The sanitation utility was able to fund system reinvestment at 100 percent of depreciation immediately without significantly affecting rates. Because the sanitation fund is financially stable, the full reinvestment amount could be included from the beginning of the forecast period.



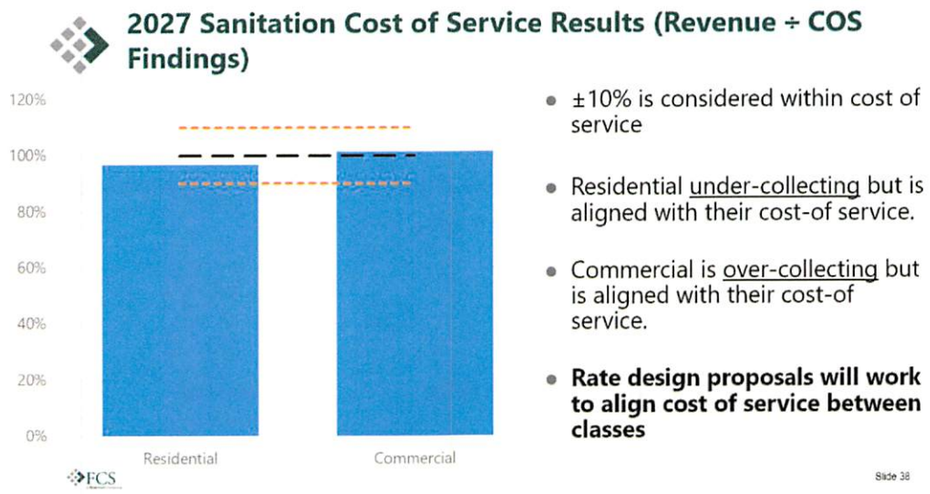
Sanitation Rate Strategy – Rate Funded

Across-the-Board Rate Schedule	Existing FY 2025	ATB FY 2026	ATB FY 2027	ATB FY 2028	ATB FY 2029	ATB FY 2030
Annual System-Wide Rate Increase	**0.00%**	**0.00%**	**5.00%**	**2.00%**	**2.00%**	**2.00%**
Months Effective	*12*	*8*	*12*	*12*	*12*	*12*
System Reinvestment		100%	100%	100%	100%	100%
		$203,483	$211,211	$211,875	$219,230	$219,995

- Revenues meet annual operating needs
- Funds $2.5M in capital projects
- System Reinvestment Funding – Fully Funded

Ms. Hammrich explained that cost-of-service analysis showed that residential customers are paying slightly less relative to their calculated cost of service, while commercial customers are paying slightly

more. However, the differences were minimal, and both customer classes were generally aligned with the cost-of-service results.



Ms. Hammrich reviewed the proposed sanitation rates. One of the most significant proposed changes involved the pricing of additional garbage containers. The recommended monthly rate for standard weekly residential sanitation service was approximately $29.21. The cost-of-service analysis determined that the charge for an additional container should be approximately $43.37. She explained that the City's previous pricing structure effectively treated an additional container as requiring a separate collection trip, resulting in a much higher charge. The cost-of-service study found that an additional container did not create the same level of cost because collection crews were already stopping at the residence. The additional work involved only collecting and emptying the extra container rather than making an entirely separate trip. The analysis also removed the recycling component from the additional container calculation, which further reduced the recommended charge. As a result, the proposed additional-container fee decreased from approximately $56.06 to $43.37, bringing it more closely in line with the actual cost of providing the service.

Finance Officer Nielson clarified the proposed sanitation rates for bi-weekly sanitation services. The green container service is collected on a bi-weekly schedule. Under the proposed policy, customers would no longer have the option of maintaining two green containers. Instead, customers who needed additional collection capacity would be required to subscribe to a standard black garbage container, which received weekly service. A second black container charge will be an additional $14.16 per month. The change is intended to simplify the service structure and eliminate the practice of providing multiple bi-weekly green waste containers for a single customer.

Finance Officer Nielson noted that the city has very few remaining customers using two-yard commercial dumpsters. The two-yard commercial dumpsters will eventually be phased out.

Proposed Sanitation Rates

Customer Classification	2026	Rexburg Rates 2027	COSA Rate Design 2027	2028	2029	2030
ATB Rate Increases		5.00%	5.00%	2.00%	2.00%	2.00%
Residential						
90 Gallon Roll-out (Black) - weekly	$28.03	$29.21	$29.21	$29.80	$30.40	$31.00
+ 1 additional can (total bill)	$56.06	$43.37	$43.37	$44.24	$45.13	$46.03
90 Gallon Roll-out (Green) - bi-weekly	$19.86	$15.04	$15.04	$15.35	$15.65	$15.97
Pick ups Per Week (1.5 yards)						
1	$49.08	$55.59	$55.59	$56.70	$57.83	$58.99
2	$98.16	$111.18	$111.17	$113.40	$115.66	$117.98
3	$147.24	$166.77	$166.76	$170.09	$173.49	$176.96
4	$196.32	$222.36	$222.34	$226.79	$231.33	$235.95
5	$245.40	$277.95	$277.93	$283.49	$289.16	$294.94
6	$294.48	$333.54	$333.51	$340.19	$346.99	$353.93
Pick ups Per Week (2 yards)						
1	$59.93	$67.06	$67.06	$68.40	$69.76	$71.16
2	$119.86	$134.12	$133.20	$135.86	$138.58	$141.35
3	$179.79	$166.77	$199.33	$203.32	$207.39	$211.54
4	$239.72	$222.36	$251.71	$256.74	$261.87	$267.11
5	$299.65	$277.95	$314.63	$320.93	$327.34	$333.89
6	$359.58	$333.54	$377.56	$385.11	$392.81	$400.67
Pick ups Per Week (3 yards)						
1	$81.67	$89.08	$89.08	$90.86	$92.68	$94.53
2	$163.34	$178.16	$177.24	$180.79	$184.40	$188.09
3	$245.01	$267.24	$265.40	$270.71	$276.13	$281.65
4	$326.68	$356.32	$353.57	$360.64	$367.85	$375.21
5	$408.35	$445.40	$441.73	$450.57	$459.58	$468.77
6	$490.02	$534.48	$529.89	$540.49	$551.30	$562.33

Ms. Hammrich reviewed a summary of the overall utility rate impacts, combining the effects of the proposed water, sewer, and sanitation rate adjustments. The examples showed that a typical residential customer would experience an overall utility bill increase of approximately 4.3 percent. Customers with larger meter sizes, such as a two-inch meter, would see an estimated increase of approximately 9.3 percent, while a non-residential customer with a three-quarter-inch meter would see an increase of approximately 8 percent.

Council Member Tietjen asked about a service fee that appeared on a resident's utility bill and requested clarification regarding its purpose. City Utility Clerk Rawson explained that the service fee represented the base charge associated with providing utility service.



Bill Examples

Rexburg Utilities Sample Bills — New Fiscal Year 2027 — Effective Date 10/1/26

REXBURG RESIDENT -SAMPLE BILL		FY2026	FY2027		
Residential	Monthly Average	OLD	NEW	INCREASE	INCREASE
SEWER (Gallons x 1000)	7	58.54	58.74	0.20	0.3%
WATER (Gallons x 1000)	25	48.37	52.82	4.45	9.2%
GARBAGE	90 G Weekly	28.03	29.21	1.18	4.2%
LIGHTING	1	0.00	0.00	0.00	0.0%
TOTAL		134.94	140.77	5.83	4.3%

REXBURG APARTMENT COMPLEX -SAMPLE BILL					
2 Inch Meter	Monthly Average	OLD	NEW	INCREASE	INCREASE
SEWER (Gallons x 1000)	46	383.28	410.22	26.95	7.0%
WATER (Gallons x 1000)	62	228.08	258.90	30.82	13.5%
GARBAGE	3 yd Bin x 2 Weekly	163.34	177.24	13.90	8.5%
LIGHTING	28	0.00	0.00	0.00	0.0%
TOTAL		774.69	846.36	71.67	9.3%

REXBURG BUSINESS -SAMPLE BILL					
3/4 inch Meter	Monthly Average	OLD	NEW	INCREASE	INCREASE
SEWER (Gallons x 1000)	25	158.08	174.68	16.60	10.5%
WATER (Gallons x 1000)	82	121.27	126.31	5.04	4.2%
GARBAGE	3 yd Bin Weekly	81.67	89.08	7.41	9.1%
LIGHTING	1	0.00	0.00	0.00	0.0%
TOTAL		361.02	390.07	29.05	8.0%

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Council Member C. Erickson expressed concern that the study focused solely on Rexburg's utility systems and did not provide comparisons to rates in other communities. He questioned whether some of the projected capital improvement needs were uncertain and cautioned against increasing rates too aggressively based on projects that might ultimately be delayed or modified. He expressed his concerns about collecting additional revenue from residents for future capital improvements that might not occur as planned.

Mayor Merrill noted that the City Council reviewed utility rates and capital plans annually. Ms. Hammrich agreed and emphasized that the financial forecasts presented in the study are intended to serve as planning tools rather than fixed commitments. All financial models and capital improvement plans would be reviewed and updated each year to reflect actual conditions, project schedules, and funding needs.

Finance Officer Nielson said if the utility rates are approved, the new rates will not be implemented right away because it will require a major undertaking to implement in the software. He wanted everyone to be aware of the complexity involved.

Council Member Johnson moved to approve to Set a Public Hearing for Capacity and Utility Rate Changes for July 1, 2026, at 6:30 pm; Council President E. Erickson seconded the motion; Mayor Merrill asked for a vote:

Those voting aye	**Those voting nay**
Council Member Tietjen	none
Council Member Johnson	
Council Member C. Erickson	
Council Member Reeser	
Council President E. Erickson	

The motion carried.

Adjournment 6:34 P.M.

6:30 P.M.
Council President E. Erickson said the prayer.
Mayor Merrill led the pledge.

Roll Call of Council Members:
Attending: Council Member Johnson, Council Member Tietjen, Council Member C. Erickson, Council Member Reeser, Council President E. Erickson and Mayor Merrill.

Council Member Riggins did not attend the meeting.

Public Comment: Items not on the agenda; limit of 3 minutes; issues may be considered for discussion on a future agenda. Please keep comments on point and respectful.

Staff Reports:
A. Police Department: - Kellen Whetten
1. Approval of Surplus DRMO 1992 International Continental Mixer Trailer - Action Item

City Clerk Lovejoy reviewed the surplus item DRMO 1992 International Continental Mixer Trailer. The trailer was used by the SWAT team; it slept up to four people and had served as a headquarters or command center during operations. The trailer was originally a military trailer that was repurposed for use as a command center. It is extremely heavy and generally requires a one-ton pickup truck or larger vehicle to tow it and is difficult to maneuver because of its weight. The team did not use the trailer often because it was not configured in a way that met their operational needs. As a result, it has seen limited use in recent years. There is also an issue with the title of the trailer, they cannot locate it. As a result, it is expected to be declared surplus and sold at auction. Potential buyers will need to resolve the issue with the title themselves, likely by applying for a lost title or completing other required documentation.

Council Member C. Erickson moved to approve the Surplus of DRMO 1992 International Continental Mixer Trailer; Council Member Reeser seconded the motion; Mayor Merrill asked for a vote:

Those voting aye	Those voting nay
Council Member Tietjen	none
Council Member Johnson	
Council Member C. Erickson	
Council Member Reeser	
Council President E. Erickson	

The motion carried.

Mayor's Report/Business:

Mayor Merrill reported that he attended the Eastern Idaho Community Action Partnership (EICAP) annual meeting as a member of the EICAP Board. The purpose of EICAP is to help individuals break the cycle of poverty, become self-sufficient, and improve their quality of life. Each year, EICAP highlights a client who has successfully benefited from its programs. During the meeting, a particularly inspiring story was shared about a woman who had grown up in extreme poverty and had very few resources. With assistance from an organization like EICAP, she was able to obtain an education, enter a profession, and ultimately achieve significant success. Her story illustrated EICAP's mission of helping people gain education and opportunities that lead to self-sufficiency.

Mayor Merrill said EICAP also operates Head Start programs throughout the valley, providing young children with opportunities to begin their education on a strong foundation. He noted that it is an excellent program and expressed appreciation for the annual meeting, particularly because participants can hear firsthand stories from individuals whose lives have been positively impacted.

Mayor Merrill also reported on numerous Flood 50 events scheduled for that week. Information about these events is available on the City's website. Among the featured attractions is the Flood 50 exhibit located at City Hall. He encouraged residents, particularly college students, to visit the exhibit to learn more about the history of Rexburg and the significance of the term "pre-flood" and "post-flood," which are commonly referenced in the community. Council Member Tietjen clarified the display is a Flood 50 exhibit rather than a permanent museum. She emphasized that the exhibit should not be mistaken for an official museum.

Mayor Merrill reported that he attended the Water Law and Resources Conference. The conference provided an opportunity to meet with legislators, representatives from the Bureau of Reclamation, and other water resource professionals. One session focused specifically on the Teton Dam and lasted approximately two hours. Presenters reviewed many of the factors that contributed to the dam's failure

and discussed advancements in engineering and technology that have since improved dam safety. The Teton Dam failure has become an important case study used worldwide to help engineers design and construct safer dams. He expressed that if the Teton Dam were ever rebuilt, modern knowledge and technology would allow it to be constructed much more safely than before.

Council Member Tietjen mentioned the America 250 Youth Art Contest will end on June 8th. She encouraged community members to submit their coloring sheets and T-shirt designs before the deadline, as additional T-shirt design entries are needed.

Mayor Merrill mentioned the upcoming Russell Dickerson concert, which is scheduled to take place on the evening of July 3rd at Bobcat Stadium. The event is part of the Independence Day celebrations and will be followed by both a drone show and a fireworks display. He encouraged students and community members to help promote the event by visiting the City's website and social media platforms, including Facebook and Instagram, and share information about the concert. He said help from students in spreading the word would be greatly appreciated and would contribute to the event's success. Approximately 1,600 to 1,700 tickets have been sold.

Discussion regarding several upcoming Flood 50 community events. A ribbon-cutting ceremony at the dam site is scheduled for Friday. A float trip is scheduled for the following day for those who have previously registered from the dam site to Hog Hollow. While registration for the float trip may have been full, bus tours are still available for interested participants. The downtown tours will be available on Saturday. The motorcycle ride is scheduled for Saturday, and participants can find details about the ride, including the meeting location, on the event website. The Teton Dam Marathon, which is also scheduled for Saturday, is a major community event.

Items for Consideration: NONE

Calendared Bills:

A. Second Reading: Those items which have been first read: NONE

B. Third Reading: Those items which have been second read:

1. Ordinance No 1336 Amendment to Ordinance No 1225 Animal Control Prohibiting the Sale of Animals in Certain Situations in the City of Rexburg – Spencer Rammell Action Item

CITY OF REXBURG
ORDINANCE 1336

SALE OF ANIMALS IN PUBLIC PLACES AND RETAIL STORES PROHIBITED

AN ORDINANCE PROHIBITING THE SALE OF ANIMALS IN PUBLIC PLACES; PROVIDING EXCEPTIONS FOR ANIMAL SHELTERS, NON-PROFIT ANIMAL RESCUE ORGANIZATIONS, AND CITY ENFORCEMENT OFFICERS; PROHIBITING THE SALE OF DOGS AND CATS IN A RETAIL BUSINESS OR COMMERCIAL ESTABLISHMENT IN THE CITY OF REXBURG; PROVIDING EXCEPTIONS FOR ANIMAL SHELTERS, HUMANE SOCIETY, AND NON-PROFIT ANIMAL RESCUE ORGANIZATIONS THAT DO NOT BREED DOGS OR CATS FOR COMPENSATION; PROVIDING PENALTIES FOR THE VARIOUS VIOLATIONS OF THIS ORDINANCE; AMENDING ORDINANCE NO 1225 AND ALL OTHER ORDINANCES OR PORTIONS THEREOF IN CONFLICT HEREWITH; PROVIDING FOR THE EFFECTIVE DATE OF THIS ORDINANCE

Council President E. Erickson moved to approve **Ordinance No 1336** Amendment to Ordinance No 1225 Animal Control Prohibiting the Sale of Animals in Certain Situations in the City of Rexburg and consider third read; Council Member C. Erickson seconded the motion; Mayor Merrill asked for a vote:

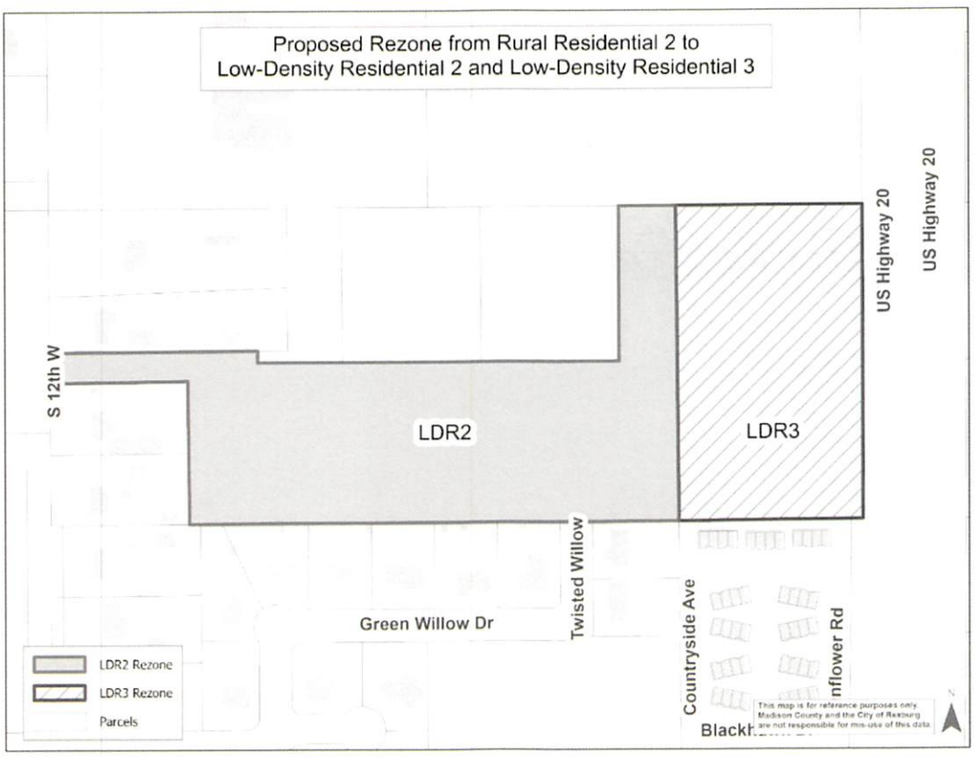
Those voting aye	**Those voting nay**
Council Member Johnson	none
Council Member Tietjen	
Council Member C. Erickson	
Council Member Reeser	
Council President E. Erickson	

The motion carried.

2. Ordinance No 1347 Rezone 401 S 12th W from Rural Residential 2 (RR2) to Low Density Residential 2 (LDR2) and Low Density Residential 3 (LDR3) Zones (26-00094) – Alan Parkinson Action Item

ORDINANCE NO. 1347
Rezone 401 S 12th W from Rural Residential 2 (RR2) to Low Density Residential 2 (LDR2) and Low Density Residential 3 (LDR3) Zones

AN ORDINANCE AMENDING AND CHANGING THE ZONING MAP OF THE CITY OF REXBURG, IDAHO, AND PROVIDING THAT THE ZONED DESIGNATION OF THAT CERTAIN PROPERTY HEREINAFTER DESCRIBED, SITUATED IN REXBURG, MADISON COUNTY, IDAHO, BE CHANGED AS HEREINAFTER DESIGNATED; AND PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE.



Council Member Johnson abstained from voting.

Council Member Reeser moved to approve **Ordinance No 1347** Rezone 401 S 12th W from Rural Residential 2 (RR2) to Low Density Residential 2 (LDR2) and Low Density Residential 3 (LDR3) Zones and consider third read; Council Member Tietjen seconded the motion; Mayor Merrill asked for a vote:

Those voting aye	**Those voting nay**
Council Member Tietjen	Council Member C. Erickson
Council Member Reeser	
Council President C. Erickson	

The motion carried.

Consent Calendar: The consent calendar includes items which require formal City Council action, however, they are typically routine or not of great controversy. Individual Council members may ask that any specific item be removed from the consent calendar for discussion in greater detail. Explanatory information is included in the City Council's agenda packet regarding these items.

A. Minutes from FY Budget Meetings & May 20th, 2026, Meeting - Action Item
B. Approve the City of Rexburg Bills - Action Item
C. Approval of 2026 Fireworks Stands - Action Item

Council Member C. Erickson moved to approve the Consent Calendar containing the minutes, city bills and 2026 Fireworks Stands; Council Member Johnson seconded the motion; Mayor Merrill asked for a vote:

Those voting aye	**Those voting nay**
Council Member Johnson	none
Council Member Tietjen	
Council Member C. Erickson	
Council Member Reeser	
Council President E. Erickson	

The motion carried.

Adjournment 6:55 P.M.

APPROVED:

Jerry Merrill, Mayor

Attest:

Marianna Gonzalez, City Deputy Clerk