

**Public Hearing Minutes
City of Benton
March 17, 2025
City Hall**

Ordinance 15 of 2025 – An Ordinance Establishing Electrical Rates for Customers of the City of Benton, Arkansas; Repealing Electrical Rate Structures Adopted by the City in Ordinance 59 of 2022; and For Other Purposes.

The Mayor called the public hearing to order at 5:15 p.m. The purpose of the hearing was to give citizens an opportunity to speak concerning Ordinance 15 of 2025. The first reading of the ordinance was at the last council meeting. The Mayor asked if there was anyone here who would like to speak concerning this ordinance. Don White stated that he wanted to tell a story about Benton Utilities, not the last time but previous time that the freeze came in. My rates went up \$15, so I called customer service, and she told me the reason that my rates went up was because I was dripping my water. I asked what she meant and was told that for your pipes to not freeze up, you have to drip your water. I tried to explain that I was on a foundation and did not need to drip my water. She told me that was the reason that I got a price increase. We have a problem here, if they raise my rates, how many people on Benton Utilities do they service and multiply that number, and you will see how much of a raise Benton Utilities got. I have heard all along that Benton Utilities is autonomous from the City of Benton, but here they are before the city council asking for a rate increase. Sometimes you have to say no. I don't think Benton Utilities need an increase. This is just a step they are going through to try to get the city council to give them more money. I hope you think about that before you just automatically say yes to a rate increase. If they are autonomous then they should be standing on their own. The Mayor stated that they are on their own, the only thing that the council does is approve or disapprove the rates that are proposed. We are not voting on it tonight just having the second reading. Todd Pedersen, General Manager of Benton Utilities stated that the rate proposal is not an increase or decrease, it is the exact same thing, if anything going into the future, it could potentially be a decrease, because the current ordinance has built within it a CPI plus one percent increase that happens every year. We are eliminating that CPI plus 1 increase and just putting in a power cost adjustment that adjusts the rates monthly based on actual costs. The current rate and the rate going forward is the exact same number. It is not an increase or decrease but the restructuring. Depending on the power cost going forward, the power cost adjustment will adjust monthly based on what it cost to get it delivered.

Council Member Morrow asked Mr. Pedersen to address the drip issue, he was asserting that there was a drip charge. Mr. Pedersen stated that happened before. When temperatures get below freezing you hear on the news, drip your faucets to keep them from freezing, so people drip their faucets and sometimes it is not a drip, but stream and you use more water. I can't go back to that timeframe, but I can tell you now with the equipment that we have in place, with 90% of our customers, we are able to see their hourly usage and it will show exactly where that is. Mr. Drennon, City Attorney, stated that it is fair to say that no one had a rate increase because they dripped their faucet, they used more water but did not get a rate increase. Mr. Pedersen stated that there was not a rate increase during that time. They just had to pay more dollars because their usage went up.

The Mayor asked if anyone else would like to speak. Ruby Johnson stated that she was just trying to get clarity. She thought that we were looking at a rate increase. The Mayor stated

The Mayor asked if anyone else would like to speak. Ruby Johnson stated that she was just trying to get clarity. She thought that we were looking at a rate increase. The Mayor stated that it is not a rate increase. Council Member Morrow stated that for all the categories, there is not a rate increase, just a power cost adjustment. We are doing away with CPI plus 1% and doing power cost adjustment. Ruby Johnson stated she thought it was a blanket amount. Council Member Morrow stated that it could be a credit for one month and increase next, they have looked at the numbers and it is very minimal. Mrs. Johnson asked when this would occur. She was told June 1. Mr. Pedersen stated that he will be asking to adjust that to July 1. The Mayor stated that the rate per kilowatt hour is not changing. Council Member Brown stated that it is a structural change on how they get the total bill. Theoretically if power cost goes down over time that adjustment will go down because the adjustment is based on market cost.

The Mayor asked if anyone else had a comment. No one spoke up.

The Mayor closed the public hearing at 5:27 pm.

Tom Farmer, Mayor

Cindy Stracener, City Clerk