

COUNCIL PROCEEDINGS
Special Meeting
Tuesday, May 26, 2020

CALL TO ORDER: By Mayor Ridge on Tuesday, May 26, 2020 at 6:00 p.m. via conference call.

PRESENT VIA TELECONFERENCE: Councilmembers Baker, McRae, Dyer, Weissenborn, Mayor Pro-Tem Armitage, Mayor Ridge, City Clerk Terpstra and City Manager Guetschow.

PUBLIC COMMENT: No public comment.

Council member Hoogstra joined at 6:06 p.m.

ITEMS OF BUSINESS:

BUDGET DISCUSSION -UTILITY RATES:

City Manager Guetschow explained that DPW Director Gilson would be giving the presentation on the utility rate study.

Director Gilson explained that water and sewer is an enterprise fund, therefore utility rates pay for everything in this fund. She stated that it is recommended that we carry a three month balance in the fund. Some things included are pump station maintenance, pumping water to the wastewater plant, drinking water and sanitary sewer. Capital outlay included in this budget include; odor control for the Tirrell Lift Station; scum pit inspection and repair; electrical at the Tirrell Lift Station; ultraviolet disinfection bulbs and hydraulic cylinder. There are many unfunded mandates from the state that have to be done such as asset management in the amount of \$65,000; SCATA System maintenance (computers that run the plant); State fees, \$6,000; Sludge removal and required testing.

On the water side, some things included are; cross connection in the amount of \$15,000; Cleaning of Well #7, \$30,000; purchase of water

meters and remote meters; utility replacement and service lead replacements for services with either lead or galvanized piping. There are 3,000 services in town that have to be verified on piping.

Council member McRae asked for clarification on what is included in utilities, hydrant rental, MVP and operating transfers.

Council member Weissenborn asked what was included in the contractual services.

Director Gilson explained that contractual services include garbage service, lawn mowing, back flow prevention and electrical work.

Council member McRae asked about professional services.

Director Gilson stated that professional services include design and construction engineering costs.

Director Gilson explained the labor and benefit costs and that the number of water customers is different from the number of sewer customers because there are a few houses that have wells.

She stated that the billing is done per 1,000 gallons. She explained the fixed rate and how that is figured with the water usage. She also explained the different fixed rates based on the size of the water meter.

She presented two scenarios for consideration. One would be an increase in approximately \$11.00/per month and the other \$8.00/month.

City Manager Guetschow stated that the reserve amount needed in the fund is driven by the ordinance for bond payments. The current bond is for three more years and then there will probably be another bond needed.

Director Gilson stated that any increase that goes into effect would not be implemented until the October billing.

Mayor Ridge explained that the rate increase is partly left over from last year as the council only implemented part of that increase at that time.

Mayor Pro-Tem Armitage asked if he could get a percentage that the increase would be.

Council member Baker stated that each year we get farther behind if the increases aren't kept up with.

PUBLIC COMMENT: No public comment.

Council member Baker moved, seconded by McRae to adjourn at 7:00 P.M. Carried. 7 Yes. 0 No

Mayor Yvonne Ridge

Ginger Terpstra, City Clerk, CMMC