



**Utility Advisory Commission**  
**Monday, October 9, 2017, 6:00 pm**  
**Public Works – 2626 North Avenue**

**Utility Advisory Commission**

Public Works  
2626 North Ave.

**Newton Standridge, Chair**

**Commission Members:**

**Ric Graves**  
**Dan Merriman**  
**Tim Kalvig**  
**Aaron Uhl**

Luke Nelson, City Manager

Wayne Schwartz, Public  
Works Director

Joe Ballard, Assistant Public  
Works Director

Erika Isley, Council Liaison

Shelley Stravers,  
Administrative Coordinator

- 1) Call to order (roll call)
- 2) Approval of Agenda
- 3) Approval of Minutes from June 12, 2017
- 4) Declining Rate Structure
- 5) Foundation Drain Removal District 5
- 6) Sewer Rates Outside City Limits Update
- 7) Open Forum
- 8) Adjournment

**FUTURE MEETING DATES:**

December 11, 2017

**Norwalk Utility Advisory Commission – Regular Meeting**  
**June 12, 2017 6:00 pm**  
**Public Works Facility**

The regular meeting of the Utility Advisory Commission was called to order at 6:00 pm on Monday, June 12, 2017 by chair Newton Standridge. Members present at roll call: Newton Standridge, Tim Kalvig, Dan Merriman. Absent: Ric Graves and Aaron Uhl.

Staff present: Tim Hoskins, Public Works Director; Joseph Ballard, Assistant Director Public Works; Shelley Stravers, Administrative Coordinator and Chelle Klootwyk, Utility Billing Clerk.

Council Liaison Erika Isley was also present.

**Agenda**

*Motion by Merriman and seconded by Kalvig to approve Agenda with the addition of Item 7a. Water Shortage Plan. Approved 3-0.*

**Minutes**

*A motion was made by Merriman and seconded by Kalvig to approve the minutes of the May 25, 2017 meeting. Approved 3-0.*

**New Business:**

**Sewer rates outside the city limits -**

Hoskins reported that with the growth that Norwalk is experiencing, some of which is taking place on the fringe of the City, there are areas where we have sewer lines that pass through or are near locations where building is taking place and these residents wish to connect and avoid installation of private systems. In most cases, approval to connect was a stipulation written into easements when the sewer lines were installed.

We currently have three of these circumstances, and we don't have a provision anywhere in the code on what rate to charge them. Staff checked into other metro cities and they were all over the board with how they charged.

Hoskins noted that Warren Rural Water is the water provided, and they use the same meters as the City, which would enable us to read how much water they have used in order to know how much usage to bill for.

Since customers are not residents, staff believes that it is a municipal service that should be applied at an increased rate and recommend 1.5 times the current wastewater rate.

*A motion was made by Kalvig and seconded by Merriman to approve the sewer rate to residents outside the City limits at one and one half times the current residential sewer rate. Approved 3-0.*

**Irrigation rates –**

Hoskins informed Commission that staff has been working on assembling data for City Council to provide a good overview of water usage. While performing this research, it seems to be evident that our peak months are consistently in the in the summer months. This information leads us to believe that irrigation during the hot/dry months is the main cause of these peaks. With the City facing decisions on secondary water sources, we know that conserving water during these peaks will be pertinent. Realizing that irrigation is a luxury in an effort to keep yards green, we believe a user fee is the best way to address this issue. Staff requested permission to move to Item 7a to discuss Water Shortage Plan in an effort to explain a little deeper, and then move back to this item.

### **Water Shortage Plan –**

Hoskins explained that in 2014 we adopted a Water Shortage Plan as a result of the summer the City experienced in 2012. In 2012 the entire metro was experiencing a drought and everyone was in a bit of trouble with water. Des Moines Water Works was having trouble with their sources and meeting the demand of their customer. This Water Shortage Plan mirrors their plan. Norwalk's situation is unique with a single feed coming in and branching out for distribution filling the water tower. In 2012 no water was making it to the water tower and the pumps were working over time trying to keep up with the demand.

The City has two pumps, both are rated at 1.4 million gallons per minute. Our water tower measures at about 36 feet when near full. Today staff received a phone call from Des Moines Water Works stating they are concerned. The last 5-7 days both of our pumps are running full force and not getting a break. Usually they are staggered. Our water tower levels have continued to drop and this morning we were at 26 feet. Our system is designed to work with peak usages in the morning as people are getting ready for work, holds steady during the day, and then re-peak when residents are returning home for the evening. Then the tower is able to fill during the night. The tower is not able to fill during the night due to the distribution demand right now, which tells us that people are watering at night.

Commission asked Klootwyk if she has a way to contact all residents with irrigation meters. She said she has emails for almost all of the water residents. She said she would run a report for all irrigation meter customers and could then get a message out to those that she has current emails for.

Isley noted that we need to stay ahead of this. She suggested allowing staff the ability to move through stage 1 and stage 2 until we see the level of the tower properly maintained. Anything beyond stage 2 would require UAC and City Council's approval.

Hoskins noted that we can start with stage 1 and if we don't see any impact on the water tower level, then we can move onto stage 2. Levels will continue to be monitored.

*A motion was made by Merriman and seconded by Kalvig to allow staff at its discretion to move through Stage 1 and Stage 2 of the Water Shortage/Conservation Plan, with constant monitoring, until we see the level of the tower maintained. If no improvement*

*is seen and staff feels further action is necessary, approval from the Utility Advisory Commission and City Council will be needed. Approved 3-0.*

**Irrigation rates (continued) –**

Isley commented that special irrigation rates are not uncommon in the metro area and Hoskins agreed.

Commission agreed that this is necessary to help residents to understand that irrigation is a luxury. The City is experiencing alarming numbers daily and this would be a good message to get to residents so they understand the urgency of our situation.

Klootwyk reported that the current irrigation rate is \$5.64 per thousand gallons and is scheduled to increase to \$5.93 on July 1. Hoskins reported this is the potable rate.

*A motion was made by Kalvig and seconded by Merriman to increase the irrigation rate to two times \$5.93 (\$11.86) as soon as possible. Approved 3-0.*

**Hydrant meter deposit and bulk water/hydrant meter water rate increase –**

Hoskins reported that it was brought to our attention that our Agreement for Hydrant Meter Usage needs some updating, along with the deposit that does not reflect the current cost to replace a hydrant meter if it would not be returned. With there being a growing demand for these meters, we probably need to add more this summer, as we only have 5-6 in our supply. Staff recommends jumping the refundable deposit from \$950 to \$1,800, which bring things more in line with the equipment costs.

In addition, Hoskins noted that the rate we charge for the water for those meters is quite low and staff recommends increasing that rate to 1 ½ to 2 times the current rate, which is the same as the irrigation rates, since it is used for similar purposes as irrigation water.

*A motion was made by Kalvig and seconded by Merriman to increase the refundable deposit for hydrant meters to \$1,800 and increase the water rate to the same as irrigation rates to two times \$5.93 (\$11.86) as soon as possible. Approved 3-0.*

**Impervious area calculation corrections ~**

Hoskins reported that in January 2010 a formal policy was adopted for calculating a Storm Water Drainage Utility Charge. When this calculation was entered into the billing system the rate was entered incorrectly and some properties have incorrect measurements which affect the amount of the fee. Staff has audited every account and measured the square fee of impervious area of each location, then re-calculated the units billed with the correct rate for each commercial property. The measurement of square feet for each property was provided by Community Development and will

continue to be provided to the Utility Billing Clerk for any new commercial properties. The correct rate also needs to be entered into the utility billing software.

Staff recommends giving customers sufficient notice that the correct rate is going to be applied on January 1, 2018. That would give customers time to make adjustments in their budgets for the following year.

*A motion was made by Kalvig and seconded by Merriman to start charging correct rate on January 1, 2018, giving sufficient notice to customers affected. Approved 3-0.*

*Standridge called the meeting to adjournment at 7:18 pm.*

Next Regular Meeting October 9, 2017.

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Newton Standridge, Chair

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Shelley Stravers,  
Administrative Coordinator



**BUSINESS OF THE CITY COUNCIL  
AGENDA STATEMENT**

For Meeting of 10-9-17

**ITEM TITLE:** Declining Rate Structure  
**CONTACT PERSON:** Luke Nelson, Wayne Schwartz, Chelle Klootwyk

**SUMMARY EXPLANATION & HISTORY:**

During the March 2017 UAC meeting there was discussion about an industrial user rate for water and sanitary sewer service. The request came after discussions with Loffredo regarding the 2016 rate changes. Loffredo experienced a significant rate increase when their temporary agreement expired. Loffredo explained that the City had told them we would pursue industrial rates at some point in the future. The UAC discussed the matter and ultimately recommended that industrial rates not be considered. The purpose of this Agenda Statement is to revisit the concept with recent updated information.

Within the past couple months there has been renewed discussions about an industrial/declining rate structure. We have learned new information. First, we recently discovered an old email confirming that the City had told Loffredo that the temporary rates provided to them would be an interim solution until we could review their usage and understand the costs for water production. Since that time the City had staffing changes and this review did not happen. Second, the City has secured a contract for a hydraulic study that will result in a variety of recommendations for capital improvements. Future capital improvements will result in rate changes. This lead Council to include a rate study as part of the hydraulic study. During early discussions with McClure Engineering, contracted engineering firm, we found justifications of a declining rate structure. Below are several factors supporting a declining rate structure:

- System costs decline (on a per gallon basis) as consumption increases (economies of scale)
- Comparisons to other growing communities trying to entice industrial users
- Comparisons to other communities
- Concept of equal cost for the first 15,000 gallons each day (this shows that every customer is paying the same for the first 15,000 gallons)
- Increased tax value from industrial customers
- Increased tax revenue for the School, City and County
- Further balancing of our tax base helps overall costs for all of our citizens
- Comparing industrial users to irrigation customers is not a fair comparison. Irrigation is “spike” usage where it occurs through only ¼ of the year and therefore produces minor revenues. However, the City is obligated to provide a water system capable of handling this usage throughout the year.
- Large users generally have lower peak to average demand. This means that large users are more efficient at consuming the capacity we build into our system.
- Industrial users are consistent users throughout the year and provide consistent revenues.

**FUNDING:**

The concept of “funding” in this situation is actually the fact that with declining rates we will have less revenue compared to our current flat-rate structure. However, it should be noted that if project Stallion happens we will actually have increased revenues (just not as much).

If we use 15,000 GPD as the threshold there are only two entities that would likely see an impact from this declining rate structure. One is a potential industrial project with the code name “Stallion.” The other is Loffredo Produce. Below is a potential scenario based on early numbers from our consulting engineer.

		<b>Stallion</b>	<b>Loffredo</b>
<i>Annual Usage (total gallons)</i>		<i>30,000,000</i>	<i>9,000,000</i>
<b>Current</b>			
Water	\$5.93	177,900	53,370
Sanitary Sewer	\$9.64	289,200	86,760
Total Annual	\$15.57	467,100	140,130
<b>Proposed</b>			
Water	\$3.20	108,285	41,085
Sanitary Sewer	\$5.90	193,830	69,930
Total Annual	\$9.10	302,115	111,015
<b>Annual Difference</b>		<b>(164,985)</b>	<b>(29,115)</b>

<b>Other Community Benefits</b>			
Valuation		\$25,000,000	\$2,700,000
City Tax Revenue	\$15	337,500	36,450
School Tax Revenue	\$19	427,500	46,170
Jobs Provided		300	250
Daytime Traffic			

**ALTERNATIVES:**

1. Recommend that City Council adopt the declining rate structure.
2. Recommend that City Council adopt a different rate structure.
3. Take no action.

**RECOMMENDATION:**

Norwalk is working expeditiously to grow our commercial and industrial tax base. While Norwalk is experiencing growth it is important for us to remain competitive. We have found that other communities utilize a declining rate structure. We can't automatically do what other communities do but we can use others as a guide and balance. The review performed by our consulting engineer provides sound basis for a reduced rate for heavy/industrial users. These reduced rates are key to the final decision of the Stallion company. The Stallion project is important for the future success of our community. **Staff recommends Alternative 1.**



**BUSINESS OF THE UTILITY ADVISORY COMMISSION  
AGENDA STATEMENT**

**For Meeting of** 10-09-2017

**ITEM TITLE:** Foundation Drain Removal District 5

**CONTACT PERSON:** Public Works Department

**SUMMARY EXPLANATION:** At the February 16, 2017 City Council meeting, City Council re-arranged the Foundation Drain Removal Districts and made them smaller in order to accommodate the budget. Our next district is District 5 (see attached map) which covers a portion of the Echo Valley area. This district has 70 houses in it total.

With the age of houses in this district, we are estimating there to be 60-70% of the homes that would be noncompliant. Unfortunately, our current budget is only \$4,000. At \$750 per home, if we had 60% that would partake in the program, our total cost would be \$31,500, surpassing our budget by \$27,500.

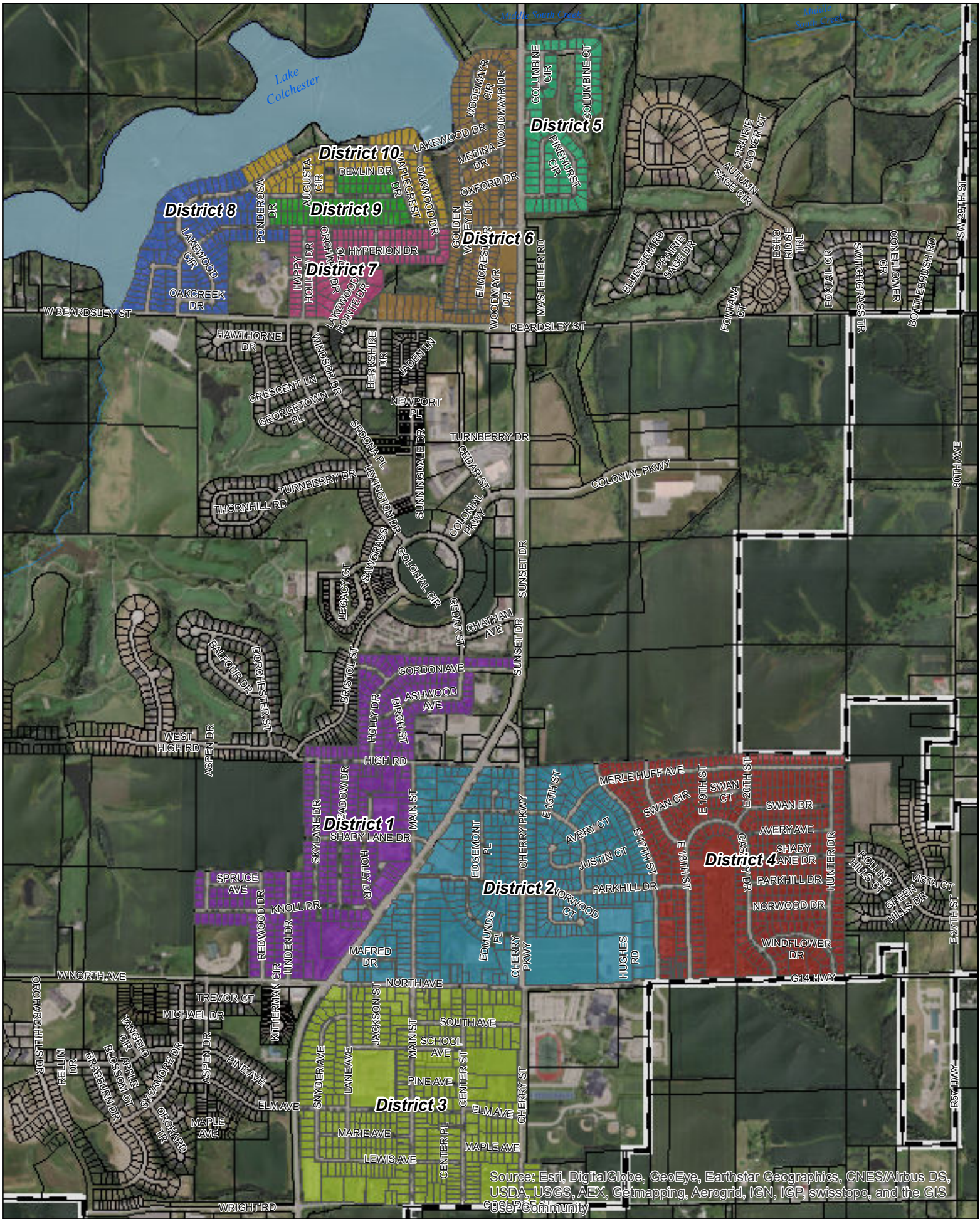
The Building Inspection Department actually runs this program, so we had a meeting with them to discuss what would be the most practical for them. They would prefer to do the entire district at one time, but would be willing to split the district into halves if that be best for the budget. Anything smaller than that is not feasible for their staff to hold meetings for the residents, etc. They also mentioned that residents are not usually very favorable about having the work done in the winter months, so staff mentioned possibly holding off until the spring with this district. In doing that we could begin the district with the \$4,000 we have budgeted for this fiscal year and then staff could budget enough money in the next fiscal year to cover the rest of the district.

**FUNDING:**  
Sump Pump Reimbursement Fund

- ALTERNATIVES:**
1. Recommend that we move forward with District 5, using reserves to fund anything beyond the \$4,000 that we have budgeted for this fiscal year.
  2. Recommend that we wait until spring to move forward with District 5, making sure that we have budgeted more in the next fiscal year to cover the rest of the district.



3. Recommend breaking District 5 into two separate districts, two separate fiscal years, using reserves to fund anything beyond the \$4,000 that we have budgeted for this fiscal year.
4. Do not move forward with District 5 at this point, and budget more money in the future to allow for district to be complete.



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS community



**Norwalk Foundation Drain Districts**





**BUSINESS OF THE UTILITY ADVISORY COMMISSION  
AGENDA STATEMENT**

**For Meeting of** 10-09-2017

**ITEM TITLE:** Sewer Rates Outside City Limits - Update

**CONTACT PERSON:** Public Works Department

**SUMMARY EXPLANATION:** At the June 12, 2017 meeting, UAC agreed to take to Council a recommendation of an ordinance that would increase sewer rates for anyone outside of the City limits to 1.5 times the current sewer rate. At that time, current staff was preparing the Agenda Statement for the next City Council meeting and realized that we already have an ordinance in place. The current ordinance states that we charge anyone outside limits two times the current rate of sewer. Not seeing a need to make any changes with an ordinance already in place, staff did not move forward with anything and left the ordinance as is.