

Norwalk Utility Advisory Commission – Special Meeting
April 16, 2018 6:00 pm
Public Works Facility

The special meeting of the Utility Advisory Commission was called to order at 6:03 pm on Monday, April 16, 2018 by chair Newton Standridge. Members present at roll call: Newton Standridge, Tim Kalvig and Aaron Uhl. Absent: Ric Graves and Dan Merriman.

Staff present: Wayne Schwartz, Public Works Director; Shelley Stravers, Administrative Coordinator; Luke Nelson, City Manager; and Jean Fuller, Director of Finance.

Agenda

Motion by Kalvig and seconded by Uhl to approve Agenda as presented. Approved 3-0.

Minutes

A motion was made by Uhl and seconded by Kalvig to approve the minutes of the February 12, 2018 meeting as presented. Approved 3-0.

Water and Sewer Rate Increases – Jean Furler

Furler explained that staff continues to monitor the enterprise fund cash flows and related revenues and expenses. A major component of water and sewer expenses includes the Des Moines Water Works (DMWW) and the Water Reclamation Authority (WRA) operational costs. Another driving factor of rates is the City's infrastructure maintenance and growth related needs. The City continues to experience residential growth and most recently commercial and industrial growth. Many factors are measured when considering utility rate increases including:

- Growth of community/utility customers
- DMWW increases 7% April 1, 2018 & April 1, 2019. It has been indicated by DMWW that cities should plan 10% each year thereafter.
- WRA is approximately 66% of the sewer budget and will increase due to planned capital improvements by the WRA board.
- Operation and maintenance costs including personnel, benefits, building maintenance, engineering and consulting fees, etc.
- City capital improvement projects, i.e. western feeder project, founder's district, meter replacements tower maintenance, north parallel 16" feeder main, Delaware sewer extension and Windflower sanitary sewer. A potential water tower is projected in the next 4-5 years with an estimated cost of \$3-6M depending on the size of the tower.

Staff is recommending a one year increase of 4% to both water and sewer rates be considered at this time. We are not recommending an increase in storm water fees. Due to the nature of the City's growth and ever changing projects and requests it is

believed a rate review will be necessary each year and therefore staff is not recommending a multi-year increase.

The water rate increase will be an additional \$78,400 in revenues, which is approximately \$1.19 per month for an average (5,000 gallon) household bill. Sewer revenue will increase \$75,300, which is approximately \$1.93 per month per customer (also based on 5,000 gallons). The large quantity water rate for customers who use more than 15,000 gallons per day will increase from \$3.20 to \$3.34 which equates to approximately \$1,800 in increased revenues. Michael Foods is scheduled to start paying this rate July 1, 2020. Per council direction the goal is to ensure that the large user fee is increased to the point that we are covering the full impact of DMWW increases.

General discussion was held by the group. Calvin asked how this information was going to get out to the general public since the water and sewer rates have kind of been a hot button on social media. Nelson answered that staff will put something out explaining the increases the City will be experiencing including those from DMWW and WRA and will attempt to be clear and concise in the message.

Motion by Uhl and seconded by Kalvig to approve for recommendation 4% water and sewer rate increases by July 1, 2018. Approved 3-0.

Standridge called the meeting to adjournment at 6:24 pm.

Next Regular Meeting June 11, 2018.

Newton Standridge, Chair

Shelley Stravers,
Administrative Coordinator