

Norwalk Utility Advisory Commission – Special Meeting
May 6, 2019 6:00 pm
Public Works Facility

The special meeting of the Utility Advisory Commission was called to order at 6:00 pm on Monday, May 6, 2019 by chair Newton Standridge. Members present at roll call: Newton Standridge, Ric Graves, Tim Kalvig, and Amy Hock. Absent: Dan Merriman.

Staff present: Wayne Schwartz, Public Works Director; Joseph Ballard, Assistant Director Public Works; Shelley Stravers, Public Works Administrative Coordinator and Jean Furler, Finance Director.

Agenda

Motion by Graves and seconded by Hock to approve Agenda as presented.
Approved 4-0.

Minutes

A motion was made by Kalvig and seconded by Graves to approve the minutes of the February 11, 2019 regular meeting as presented. Approved 4-0.

Utility Rate Adjustment

Furler reported to Commission that staff has and 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 now also commercial and industrial growth. Factors considered when looking at utility rate increases are:

- 1) Growth of community/utility customers.
- 2) DMWW increases, 7% April 1, 2018 & April 1, 2019. It has been indicated by DMWW that cities should plan 10% each year thereafter.
- 3) WRA is approximately 60% of the sewer budget and will remain at that level due to planned capital improvements by the WRA board.
- 4) Operation and maintenance costs including personnel, benefits, building maintenance, engineering and consulting fees, etc.
- 5) City capital improvement projects; i.e. western water feeder project phases 5-6, Founder's District water main replacement, meter replacements, water tower maintenance, Delaware sewer extension phases 2-3 and Windflower sanitary sewer improvements. A potential water tower is projected in 5-10 years with an estimated cost of \$3M-\$6M depending on the size of the tower.

Staff recommended a one year increase of 5% to water and 2% to sewer rates to be considered at this time. They did not recommend 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 did not recommend a multi-year increase.

The water increase will be approximately \$1.54 per month and the sewer \$1.00 for an average (5,000 gallons) household bill. The large quantity rate for customers who use more than 15,000 gallons per day will increase \$3.34 to \$3.49 and \$6.14 to \$6.26 for water and sewer respectively.

Members discussed our current purchase capacity and what it will look like if we have to pay a blended rate in the near future. Luke Nelson and Jean Furler have done research to see how long we could pay that blended rate before it would be more beneficial for us to purchase more water capacity. Furler said we could go for several years before it would make sense to purchase any more capacity. Schwartz said that would give the regional water authority some time to get organized and see where that is going before we would make such a large commitment to DMWW.

A motion was made by Graves and seconded by Hock to approve recommended utility rate increases. Approved 4-0.

Hock noted that prior to making rate increases, she would like staff to get notification out to all residents making it very clear as to why these changes are being made and how it will impact their bills.

Standridge called the meeting to adjournment at 6:32pm.

Next Regular Meeting scheduled June 10, 2019.

Newton Standridge, Chair

Shelley Stravers,
Administrative Coordinator