

Norwalk Utility Advisory Commission –Regular Meeting
August 12, 2019 6:00 pm
Public Works Facility

The regular meeting of the Utility Advisory Commission was called to order at 6:00 pm on Monday, August 12, 2019 by Public Works Director, Wayne Schwartz. Members present at roll call: Ric Graves, Amy Hock, Heidi Hasselbalch and Kris Kunze. Absent: Tim Kalvig.

Staff present: Wayne Schwartz, Public Works Director; Joseph Ballard, Assistant Director Public Works; Shelley Stravers, Public Works Administrative Coordinator, Luke Nelson, City Manager, and Kaylen Petullo, Utility Billing Clerk.

Schwartz welcomed our two new members to the group, Heidi Hasselbalch and Kris Kunze.

Agenda

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

Minutes

A motion was made by Graves and seconded by Hock to approve the minutes of the May 6, 2019 special meeting as presented. Approved 4-0.

Elect New Chairperson

Graves nominated Hock as the new Chairperson. No other nominations were made.

A motion was made by Graves and seconded by Kunze to elect Amy Hock as the new chairperson for Utility Advisory Commission. Approved 4-0.

Hock took over the meeting as the new chairperson.

Present Service Award to Dan Merriman

Luke Nelson presented an award to Dan Merriman and thanked him for his 13 years of service to the Utility Advisory Commission and the City of Norwalk. Merriman feels the most notable task accomplished during his years of service was more planning with the water lines and being more proactive and less reactive.

Responsibilities and Duties of Commission Members

Jim Dougherty was not able to attend the meeting, so this will be on the next agenda.

Discussion on Purchased Water Capacity

Nelson went over the difference between purchase capacity and system capacity. There has been some confusion in the past, and with new members on board it is a good time to provide an explanation of the difference so everyone has a good understanding.

Purchase capacity is the amount of water we can use within a 24 hour period and maintain our standard fee structure with Des Moines Water Works. That amount is 1,965,000 gallons.

System capacity is the amount of water our system can provide (amount of water we can pump) to customers within a 24 hour period. That amount is currently 1,950,000 gallons. This number will increase to 3,534,000 gallons within the next two years (after we complete two water system improvements).

If we use more than our purchase capacity in any given year, the following year we will pay a "blended rate." In the past the City purchased capacity in the DMWW system. In order to do that the City took out a loan to pay for that capacity. Each year the City makes a bond payment. If that bond payment is more than the cost of a higher rate plus the purchase capacity overage, we can determine it would have been a lower cost to just pay the "blended rate."

Discussion Regarding Large Water Users

Nelson reported that a large water user was looking at coming to our community and this group was contacted to see about having a large water user rate. That rate was for customers that used over 450,000 gallons a month. Anything over that 450,000 gallon mark would be at a reduced rate.

The determination by the Commission at that time was that we take our actual cost out the door and tack on a dollar per thousand gallons. There wasn't any real formula for this rate.

We've had some rate increases over time and we've had some concerns come up from some of our heavier users. We've done some comparisons and we are still higher than a lot of communities. We are at about the 75 percentile.

Nelson met with Petullo, Utility Billing Clerk, to see what kind of impact there would be if we would lower the threshold from 450,000 gallons a month to 350,000 gallons a month. She ran the numbers over a 6 month period of time, which includes some winter months and some summer months. Worst case scenario, we have seven users that would exceed the threshold in the worst months. This would not include Michael Foods because they are not online yet.

Commission discussed whether the school should be considered one large account in order to receive the discount; or should they be considered individual accounts. Schwartz noted the ordinance is set up for industrial users. Nelson said if the Commission would like to look further into that and make a recommendation to Council on that later they could.

The impact of changing the threshold from 450,000 gallons to 350,000 would lower the water revenues by approximately \$12,000 and the sewer revenues also by approximately \$12,000.

Nelson recommends lowering this to 350,000 to help out with the businesses. The impact of helping the businesses is quite large, while the negative impact on the City's revenues is quite minimal. The ordinance is currently written with irrigation meters exempted and staff would like to make sure this did not change.

Discussion held regarding incentivizing heavy usage customers to lower consumption by doing things such as installing high efficiency fixtures, recycling water to other uses of the building, etc. Schwartz noted that we want to make sure during the winter months that we keep our consumption up when there is not irrigation, so our revenues don't go way down.

There was concern regarding Michael Foods' consumption and how lowering this threshold could really impact the City if their consumption is 250-350,000 gallons per day. Schwartz noted lowering the large water user rate now could have a large impact on our revenue later when a consumer such as this comes online. He would prefer to run those numbers before any changes are made.

The group decided to give it some time before making any changes. Staff will work on this and bring more information back to the Commission.

HomeServe Update

Stravers reported that HomeServe is sending out the first campaign. Jim Dougherty has released his edits to them. Their proof has been approved and we are now waiting on the date they are sending out to our residents. We are expecting that very soon.

Water Pumping Numbers

Schwartz reported on the water pumping numbers. He provided a handout to the Commission members. We set a record this year for our daily water use. We pumped 1.87 million gallons, with about 100,000 gallons of that going to Cumming. He reminded members that two years ago we had to issue the water conservation ordinance because we were having trouble keeping up. Since then we have put a lot of money into our pump station with new pumps, rebuilt pumps and we installed another connection to the water main to increase our supply. It is obvious that all the work we have done is paying off.

Utility Bill Breakdown

Nelson reported that he and Hock had met and she came up with a dollar bill graphic to try and explain to residents how their dollar is being spent on utilities. This is a work in progress and they will continue to tweak this before it goes out to residents. It is broken out by percentages as to how much of your dollar goes for what. They will be adding better explanations. It was requested to add storm water to this also.

It was suggested to combine all the utilities together on the same dollar bill, along with trash and recycling somehow.

Graves asked for a foundation drain update at the next meeting. Schwartz said we would make sure we have that information.

Schwartz reported that the City is working on a new booster station by Maffitt Reservoir to bring water to Norwalk through Cumming. The building is all up and the water main is in. Right now we are just waiting on pumps, which should be in this month. Hopefully late fall or early winter we will be pumping water this way instead of the other way. Tomorrow staff members will be taking a tour of the new booster station.

Schwartz also noted that the City has budgeted money this year to buy land for the new water tower.

Open Forum

Graves asked about all the fiber work that is being done all over town. How is that being controlled? Schwartz answered any utility that goes into the ROW is required to get a ROW permit through our office. They are also required to have all current utilities located and restore the area when they are finished. By taking out the ROW permit we have all their contact information and can reach them if there is a problem with the project. Ballard also noted that we put out memos to these entities when they take out the ROW permits letting them know the parameters where they need to be in. These permits are reviewed in detail.

Graves asked about the timeframe of the franchise agreement and if anyone knew when it would be up for review again? Nelson noted that utilities do have the right to work in the ROW in the public utility area. He will look into the date on the franchise agreement and report back at the next meeting.

Hock called the meeting to adjournment at 7:25 pm.

Next Regular Meeting scheduled November 11, 2019.

Amy Hock, Chair

Shelley Stravers,
Administrative Coordinator