

City of Elk Run Heights  
Regular Council Meeting  
Located at Eddis Winstead Council Chambers  
April 13, 2021 - 6:00 p.m.

Mayor Lundy called the meeting to order at 6:00 pm. All present recited the Pledge of Allegiance. Roll call of Council Members: Present–Wilson, Bass, Sallis, Smock, and Ratchford. Quorum present.

Ratchford/Smock to approve of the April 13, 2021 Agenda. Ayes-Five. Motion carried.

Presentation from Chris McKee with Midwest Assistance Program discussing water and sewer rate analysis. McKee began by telling Council she has done a water and sewer rate study before. She summed up the study by stating that residential customers make up 98% of our billing. The other 2% are the large users, using over a million gallons a year equaling 88% of the expenses, but they are only paying 2% of the revenues. The recommendations are attempting to make usage more equitable and fairer to the residential users. In theory, large users will pay for their share of expenses rather than the residents. It is recommended to lower the monthly minimum usage to thousand gallons with a flat base rate and then charge \$1.00 for every thousand gallons after that; by doing that each household will pay for their own usage. This in turn will promote water conservation, lower expenses and make billing more affordable for the lower income households. Regarding the larger customers there are a few billing options, but the simple fact is their bills will be increasing considerably as they are using a majority of the water expenses.

McKee moved on to the sewer rate survey results; there was and will be a deficit if the rates stay where they are. The rates have not gone up since 2014, but expenses naturally raise about 2% a year. The recommendation is to base the sewer off water usage, again implementing a flat rate for the first thousand gallons and \$1.00 for each additional thousand. She recommended switching to monthly billing; if the City continues billing quarterly the rates will rise \$108/quarter to cover expenses.

Councilor Ratchford stated he felt this method would lose the City money and wanted some explanation as to how the City could profit from this. He asked if the City is breaking even on water right now. City Clerk Eastman responded yes but stated the true benefit to this change is how it will affect the sewer portion of the bills. With the proposed changes, the monthly bill could potentially be around \$73.00, which is close to what residents pay who make monthly installments, but that includes the increase for the Capital Project fund and Garbage fund. McKee pointed out the monthly expenses for the residential portion of users is only \$4,600, which is more than covered by the proposed base monthly rate. Ratchford continued to express his concern. Eastman stated there will be less revenue from residents however, the large users will be billed for the amount they use which will cover the expenses. Ultimately, the residents and businesses will become responsible for the portion of water/sewer they are using rather than splitting the expenses up amongst everyone in Elk Run Heights. Eastman was asked to provide Council with calculations with the proposed rate changes from before Covid-19. Mayor Lundy pointed out it was recommended to go to monthly billing. Councilor Smock agreed stating a lot of people would appreciate that.

Wilson/Ratchford to approve the Consent Agenda: A. March 9, 2021 regular meeting minutes, March 30, 2021 special meeting minutes. B. City Clerk's Reports as of March 31, 2021: Budget Report, Treasurer's Report, Investment Report. C. Approval of Building Inspection, Library, PeopleService Sewer/Water, and Police reports. Roll call vote: Ayes-Five.

Ratchford/Sallis to approve the Resolution Calendar: a. Resolution 3065 authorizing the payment of bills and transfers b. Resolution 3066 setting the date of Public Hearing for the FY21 Budget Amendments for May 11, 2021. Roll call vote: Five.

Ratchford/Bass to open Public hearing on proposed plans, specifications, form of contract and estimate of cost for the Elk Run Heights and Raymond WWTF Project at 6:32 p.m. Ayes-Five. Motion carried. Proof of publication on file and no public comments received. Ratchford/Wilson to close at 6:32 p.m. Ayes-Five. Motion carried.

Ratchford/Smock to approve Resolution 3067 finally approving and confirming plans, specifications, form of contract and estimate of cost for the Elk Run Heights and Raymond WWTF Project. Roll call vote: Ayes-Five. Consideration of bids for the Elk Run Heights and Raymond WWTF Project. Mayor Lundy stated the Sewer Committee recommended going with the lowest bid from WRH, Inc. for \$9,754,000.00. Councilor Ratchford asked if anyone inquired with the engineer what scope of work was not covered in the original cost estimate. Lundy explain there were unforeseen rises in costs due to several factors: Covid-19 increased cost of materials and cost of

labor is mandated by the government which was higher than expected. Ratchford expressed concern with the timing of when the bid letting was held. It was explained there were delays due to DNR approvals that held up the bid letting, and that holding off until next year may cause a higher cost increase. City Engineer Mike Dryden was asked his opinion and he stated the City could wait a year, but the scope of the project would need to be reduced, and with those changes the project would ultimately cost the same.

Wilson/Smock to approve Resolution 3068 awarding a contract for the Elk Run Heights and Raymond WWTF Project. The project is awarded to the low bidder WRH, Inc. of Amana, Iowa for \$9,754,000.00. Councilor Bass asked how this City is going to afford this increase. Mayor Lundy stated Maggie Burger from Speer Financial will attend the May regular Council meeting to discuss. Adding the City will be close to the bonding limit, but there is the capacity. City Clerk Eastman pointed out there was an email sent out on Friday and Monday with updated numbers from Maggie, including a 30-year option. Roll call vote: Ayes-four. Nays-Ratchford.

Smock/Wilson to approve Resolution 3069 to fix a date for a public hearing on proposal to enter into a Sewer Revenue Loan and Disbursement Agreement and to borrow money thereunder. Date of public hearing set for May 11, 2021 at 6:00 p.m. at Elk Run Heights City Hall. Roll call vote: Ayes-Five.

Wilson/Sallis to approve Ordinance 270 Amending the Code of Ordinances of The City of Elk Run Heights, Iowa, by amending chapter 13.16, wastewater treatment user charge, third reading. Roll call vote: Ayes-Five.

Ratchford/Smock to approve Ordinance 271 granting to MidAmerican Energy Company, its successors and assigns, the right and non-exclusive franchise to acquire, construct, erect, maintain and operate in the city of Elk Run Heights, Iowa, an electric system, and communications facilities and to furnish and sell electric energy to the city and its inhabitants and authorizing the city to collect franchise fees for a period of 25 years, second reading. Roll call vote: Ayes-Five.

Ratchford/Sallis motion to suspend the rules requiring the 3rd reading and place on file final adoption of Ordinance 271. Roll call vote: Ayes-Five.

Ratchford/Smock to adopt Ordinance 271. Roll call vote: Ayes-Five.

Ratchford/Bass to approve Ordinance 272 granting to MidAmerican Energy Company, its successors and assigns, the right and non-exclusive franchise to acquire, construct, erect, maintain and operate in the city of Elk Run Heights, Iowa, a natural gas system and to furnish and sell natural gas to the city and its inhabitants and authorizing the city to collect franchise fees for a period of 25 years, second reading. Roll call vote: Ayes-Five.

Ratchford/Sallis motion to suspend the rules requiring the 3rd reading and place on file final adoption of Ordinance 272. Roll call vote: Ayes-Five.

Ratchford/Smock to adopt Ordinance 272. Roll call vote: Ayes-Five.

Ratchford/Smock to approve Ordinance 273 an ordinance of the City of Elk Run Heights, IA, amending chapter 13.24, sanitary disposal of garbage and refuse, section 13.24.160, schedule of fees, rates, and charges to \$13.25 per month, first reading. Roll call vote: Ayes-Five.

Request from PeopleService to have lift station maintenance and repairs done to the Sutton Ave. lift station in an amount not to exceed \$24,583.00 by Dependable Maintenance Systems of Clinton, Iowa, to be billed in FY22. Ayes-Five. Motion carried.

Request from Garnet Philo to discuss the light pole located on his property, but in City easement area: he has been providing electricity to for years. Mr. Philo explained he had originally installed the light years ago, but after the construction on Lafayette Road it is now on City property. Mayor Lundy pointed out that it is a security light and not a streetlight. City attorney added it would be beneficial to have the same light system added and the light owner can have the current light removed. Council discussed and agreed to have a streetlight added and have the security light removed. City Clerk Eastman will contact MidAmerican Energy to find out the cost.

Request from David Hawley for community room rental refund of \$70.00 due to weather preventing the use of the room for 2 of the days it was reserved. Council agreed to allow Mr. Hawley to reschedule the days at no additional cost.

Ratchford/Sallis to approve request from Reverend Jason Minikus of Faith Assembly of God Church to have a local walk-a-thon fundraiser for the “End-It” movement on June 19<sup>th</sup>, 2021 and the approval of the 3 routes. Ayes-Five. Motion carried.

Ratchford/Smock to approve setting the date for City-wide Garage Sale for June 4th, 5th, and 6<sup>th</sup>. Ayes-Five. Motion carried.

Public Discussion: John Magnuson from 100 Mable Lane presented Council with a proposal to use the two baseball diamonds for tournaments although acknowledging there are major projects currently underway. Councilor Sallis questioned the City Engineer concerning the current plans. Dryden responded those plans are due at the DOT the following week. Councilor Smock stated that the theory of this idea is great but changing the plans to move the trail at this point in the project would be a problem due to blueprints and archaeological survey’s that have already been performed. The plan is to remove the diamonds because it is partially located outside of the City’s property line and the plans would alleviate that liability. Magnuson added the league he has in mind is for the fields is fall league, which would not interfere with shelter usage. Ratchford confirmed that would require the use of both diamonds. Dryden stated the bid opening for the project will be July 20<sup>th</sup>, and once those are received, we will know if there is room for the requested changes to the plans. Lundy validated the current plans have the trail going through where the second diamond currently is. City Attorney Prendergast pointed out the question of liability insurance, which brought up additional concern. It was agreed to revisit this after the bids are received in July.

A resident raised concerns with illegal firework usage. It was explained the police need to witness them and was encouraged to call the police when it occurs.

A resident asked about the property values increasing. He was advised to contact the Black Hawk County Courthouse.

Ratchford/Wilson to adjourn at 7:31 p.m. Ayes-Five. Motion carried.

Attest:

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Kristi Lundy, Mayor

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Julie Eastman, City Clerk