

City of Elk Run Heights
Regular Council Meeting
Located at Eddis Winstead Council Chambers
February 1, 2022 – 6:00 p.m.

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

Sallis/Bass to approve of the February 1, 2022 Agenda. Ayes-five. Motion carried.

Presentation from Chris McKee with Midwest Assistance Program discussing water and sewer rate analysis. Mayor Smock introduced Chris McKee. McKee began the presentation by pointing out that the amount the City is billed for water usage and the additional expenses compared to the current billing structure for residents; the City is losing money. The loss has and will continue to add up over the years. McKee recommends changing from quarterly billing to monthly; resulting in residents being able to pay the bill easier and brings in revenue more frequently. McKee explained that the City is paying \$2.71 to Waterloo per gallon, the City is charging \$2.31 per gallon, thus losing .40 cents per gallon. It was also observed that due to the high minimum usage of 30,000 gallons per quarter, residents have been covering the cost of the high-water usage of commercial customers which is about 70% of the overall usage. She recommends changing the base rate to \$20.00 for the first 1,000 gallons monthly, any usage over 1,000 will be an additional charge. Leaving residents and commercial customers to pay for what they use. She also explained the importance of building up the reserves for emergencies. Councilor Wurtz agreed and stated the City has eaten up most of its reserves over the years by not raising the rates. McKee recommended adding to the ordinance that there will be an automatic yearly 2-3% increase per year. Discussion continued to go over different billing options and different ways to be cost effective for residents which included options for billing rates over the 1,000-gallon base and billing commercial customers at a reasonable rate.

Council began to review the proprietary funds budget proposal. Jordan Cooper with PeopleService began discussing repairs and replacements for the water fund budget for next fiscal year. He stated that there are two broken valves that need replaced in the amount of \$14,500.00. Cooper would also like to add a valve near the intersection of Sutton Ave. and Gilbertville Rd. because there is no valve in that area to turn off the water when needed. Additionally, there are 2 hydrants that will need to be replaced for \$13,800.00.

Jordan Cooper with PeopleService explained the manhole rehab that was discussed at the FY22 budget meeting to be include in FY23 sewer fund budget. He requested a generator maintenance program for the lift station generators which will ensure they are running in top condition.

City Clerk Eastman began going through the water revenue amount which is based off the presentation with Chris McKee and are not fixed. The numbers will be discussed in more detail during the codification meeting. Councilor Wurtz asked about the large increase from FY22 to FY23 budget. Eastman explained that due to the lack of rate increase the fund has been operating in a deficit therefore the increased revenue amount includes the rate increases plus a percentage to help build the reserve. Once an ordinance is adopted there only be an increase of 2% to 3% yearly. Which will minimally impact the bills and still keep up with rising costs of the economy. She stressed this is a preliminary number and can be revised with no issue to the budget. She explained the revenue and expense lines and their purpose. She pointed out the repair requests have been included in the watermain maintenance and repairs line. With the revenue and expenses as entered the City will be adding roughly \$75,000 towards the reserve. The remaining funds were reviewed. Again, Eastman explained that the revenue amount for the sewer fund is based on the recommendation of Chris McKee; and can be adjusted as Council sees fit.

Mayor Smock updated Council in law enforcement and provided different options to consider.

Wurtz/Sallis to adjourn at 8:10 p.m. Ayes-five. Motion carried.

Attest:

Lisa Smock, Mayor

Julie Eastman, City Clerk