

**MINUTES  
UTILITY COMMISSION MEETING  
JUNE 9, 2016**

The meeting was called to order at 7:05 p.m.

Present: Bernstein, Deloach, Groschen, Pehrson; Town Board Liaison: Kermes;  
Clerk: Short; Finance Officer: Kelly.

Absent: Hesse and McCune with notice.

**APPROVAL OF AGENDA (Additions/Deletions):** Bernstein moved approval of the agenda as submitted. Deloach seconded. Ayes all.

**APPROVAL OF APRIL 12, 2016 MEETING MINUTES:** Deloach moved approval of the April 12, 2016 Meeting Minutes. Bernstein seconded. Ayes all.

**CONSENT AGENDA:** Bernstein moved to approve the Consent Agenda as follows: 4A) Receive Monthly Sewer & Water Reports; 4B) Receive EDAB Meeting Minutes; 4C) Receive Missed Pick-Ups Refuse & Recycling Report. Pehrson seconded. Ayes all.

**COMMISSIONER'S REPORT: Southeast Area Sanitary Sewer Lining – Authorization of Services:** The Town Board approved the expenditure of an amount not to exceed \$1,650.00 for TKDA's meeting preparation for the two neighborhood meetings for the sewer lining project, with funding provided from the Sewer Fund. The southeast area of the Town sanitary sewer is constructed mostly of old short sections of 8" vitrified clay pipe with some sections of 10" VCP. This area was installed as one project in 1965. Through the years, the pipe has begun to deteriorate. Most of the sanitary sewer system in this area was televised in 2007, showing varying levels of deterioration. Public Works cleans the lines annually by jetting the sanitary sewer collection system and vacuuming the manholes. They have found more deterioration, cracking of the pipe, and root intrusion. These failures impact other utilities, roads, yards, etc. and are costly. **Pine Hill Subdivision:** The development consists of 28 single family homes between Centerville Road and I-35E, south of County Road H-2. They hope to have a few model homes completed this fall. This development will provide Town sewer and water. There are 11 or 12 homes on the north side of County Road H-2 who do not have municipal water. With the water system to the development, there would be an opportunity for those properties to hook up to Town water, if they so

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choose. There would be no assessment for anyone hooking up. They would only be responsible for a hook up charge.

**PUBLIC WORKS DIRECTOR REPORT:** The Clerk reviewed the Public Works Department Activity report for the month of May, 2016. **Taylor Avenue Culvert Replacement:** The contractor and Town Engineer are monitoring ditch levels. As soon as the water goes down the project can start. **Treatment Plant #1:** The rehabilitation work has been completed and the plant operational testing has begun. The plant will be in production soon. The rehabilitation of the seepage pond, at Treatment Plant #1 has been completed. **Overlake Sanitary Sewer Line:** The sewer line from Hugo Road west to Auburn Avenue has been cleaned and will be lined in the near future.

There was discussion regarding complaints of discolored water. The Clerk reported that John Berrigan, TKDA, specializes in water treatment systems and has been working with staff on the problem of discolored water. The level of polyphosphate has been raised which may help the matter. The additive, if added in too low a dose, may not be effective. Pentair, a Township business which manufactures filters has also been involved. They test the residue of oxidized iron which may be large enough to be visible and are captured in the filter. They will test by lot and send a report to the Town.

**UTILITY RATES REVIEW:** The Finance Officer reported that in May the Utility Commission reviewed the proposed utility rate changes. From that review the Commission requested the following changes:

**Water:** Requested to recalculate rates to reduce revenues by \$100,000.00.

**Storm Water:** Requested the rate be rounded up to \$20.00.

**Sanitary Sewer:** Recommended increasing the flat rate. It was requested that the volume rate be increased 25% each of the next 5 years. This was tried but the fund could not sustain this rate and had negative cash flows for all years projected and negative cash balances for all years. Instead, the rate was doubled for the next 2 years, then increased 25% for 3 years, and 5% thereafter.

**WATER RATES:** The Finance Officer reviewed the original and proposed rates. The rate schedule is as follows:

	<u>Gallons</u>	<u>Current Rate</u>	<u>Proposed</u>	
			<u>Original</u>	<u>Current</u>
Base Rate		\$17.75	\$19.25	\$19.20
Volume Rate				
Tier 1	0- 20,000	\$ 1.95	\$ 2.20	\$ 2.01
Tier 2	20,001 – 32,000	\$ 2.15	\$ 2.42	\$ 2.21
Tier 3	32,001 – 44,000	\$ 2.57	\$ 3.03	\$ 2.76
Tier 4	44,001 +	\$ 3.86	\$ 4.54	\$ 4.14
Irrigation				

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Residential	\$ 2.57	\$ 3.03	\$ 2.76
Commercial	\$ 2.57	\$ 3.03	\$ 2.76

The Finance Officer reviewed the Water Fund. He noted that there is a reduction in volume due to wet weather and conservation. He reported that in 2016 Treatment Plant #1 was rehabilitated. He will prepare another list of projects based on 2016-2020 Capital Improvement Plan. After review and comparisons, it was the consensus that the rates listed under "Current" be recommended for Town Board approval.

Bernstein moved to recommend to the Town Board that the water rates listed in the "Current" column and as reviewed by the Finance Officer be approved. Deloach seconded. Ayes: Bernstein, Deloach, Groschen. Nay: Pehrson.

**SEWER RATES:** The Finance Officer reported that the Utility Commission recommended increasing the flat rate with the volume rate increased 25% each of the next five years. He reported that he tried to calculate the rates using 25% but the fund could not sustain this rate and would have a negative cash flow for all years projected and negative cash balances for all years. Instead, he doubled the rate for the next 2 years, then increased it by 25% for 3 years and 5% thereafter. Based on those calculations the sewer rates would be as follows:

	<u>Current Rate</u>	<u>Proposed Original Rate</u>	<u>Final Proposed Rate</u>
Base Rate:			
Residential	\$46.39	\$46.00	\$48.38
Commercial	\$40.58	\$40.60	\$42.82
Volume Rate:			
Residential	\$ 1.02	\$ 1.08	\$ 2.00
Commercial	\$3.15	\$ 2.50	\$ 5.00

Groschen and Pehrson felt that the base charge is too low. The volume rate is okay but the base rate is too low.

Pehrson moved to recommend to the Town Board that the sewer rate base charge is too low. Groschen seconded. Ayes all.

The Finance Officer reviewed the Sanitary Sewer Fund. He reported that the Metropolitan Council Environmental Services has indicated that there will be a 7 % increase this year and for the next several years. He reported that he has included that increase in the Sewer Fund under Metropolitan Charges.

**Storm Water Rates:** The Finance Officer reviewed the Storm Water Fund. He noted that the Utility Commission recommends rounding the storm water rate to \$20.00. It was the consensus that there is too little money for all the necessary storm water projects. The Commission asked if there is any way that a list could be compiled outlining storm water projects since it is difficult to establish a rate if it is not known how

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many projects there are and what they will cost. The Clerk will talk with the Town Engineer and see if the list we have could be updated. It was the consensus that storm water projects need considerable study and public input.

The Finance Officer reported that as recommended by the Utility Commission he rounded the Storm Water rate to \$20.00. Following is the recommended rate compared to last year.

<u>2015 Rates</u>	<u>2016 Rates</u>	<u>Proposed Rates</u>
\$ 12.48	\$ 17.00	\$20.00

Pehrson thought that the storm water rate should go up another \$1.00. It was the consensus to stay with the \$20.00 per quarter rate for now.

Pehrson moved to recommend to the Town Board that the Storm Water Rate per quarter be \$20.00 and that the Town Board look into a comprehensive report on storm water street projects. Deloach seconded. Ayes all.

**ANNUAL TOUR:** The annual tour will be Well #5. The Clerk noted that the Utility Commission has visited this site previously but that it has been rehabilitated and the upgrades would be of interest to the group.

**NEXT MEETING DATE / AGENDA ITEMS:** The next meeting is scheduled for Thursday, July 14, 2016.

The meeting adjourned at 8.56 p.m.

Respectfully Submitted,

Joan J. Clemens  
Recording Secretary