

Water and Sewer Committee Meeting

Minutes

July 29th, 2019

5:15PM

Present: Dan Smith, Kysa Rasmussen (via phone)

Absent: Ken Koffler

Visitors: Mayor Norby, Clerk/Treasurer Redfield, PWD Jeff Hintz, Utilities Manager Anderson, Jordan Mayer of Interstate Engineering and Adam Smith, Richland County Public Works Director

1. Dry Red Water/Richland County Sewer Extension: Mr. Mayer stated that Richland County has been having issues with the Sidney Circle subdivision, and they want to get sewer from Sidney to Sidney Circle. He stated that by doing this via Dry Red Water (DRW) it will be more costly than a drainage field, but will serve more people and be a better solution. He stated that currently DRW has 50 structures on water, 16 of which have sewer. He stated that at most it would be 130 lots that would get services, which includes unplatted or built lots. Mr. Mayer stated they are looking for approval from the City to move forward, then the same process would be done with the current DRW contract. Alderman Smith asked if impact fees would apply, and UM Anderson stated that they are already connected with meters and have paid the impact fees, so no additional fees would be charged. Mr. Mayer stated DRW has 2 connection points with 4 inch meters that they paid the impact fees on, and no new connections would be needed. Mayor Norby asked if it would be household waste only, and Mr. Mayer stated anything industrial or oil field related would have to be treated separately by the person producing it. Alderwoman Rasmussen asked if this additional area would be included in the study the city is pursuing, and UM Anderson stated that the study is for City storm water, not sewer, so it would not be included. UM Anderson also stated that the industrial or oil field waste is covered under the current contract with DRW. Mr. Mayer stated that anytime the contract is extended to cover more area, it will need to be revised and reapproved, but those items would remain. UM Anderson stated that everyone will need to be on water to get sewer, as the City contract with DRW states that they will not receive more sewer than they do water. Mr. Mayer stated that the water mains are installed to do this, and that they would be metering to ensure that didn't happen. Alderman Smith asked who pays the City for this service, and UM Anderson stated the contract is with DRW so they pay the City and then charge the users. He further stated they also charge hook-up and Richland County repayment fees for the installation of the services. UM Anderson stated that he has no issues unless DRW needs to negotiate for more water, which will cause the City to have to move forward with the new treatment plant, which they will have to pay a share of. Mr. Mayer stated DRW is currently only using about half of the contracted water, so does not foresee them needing more. He further stated that DRW rates are set to increase with the City's increases to compensate for increases. UM Anderson stated that he felt what is good for the County is good for the City, and RC PWD Smith stated that Richland County can use money saved in other ways in the community. Alderwoman Rasmussen asked what direct costs this would have for the City, and PWD Hintz stated that it won't cost the City anything other than the increase in treatment, which will be compensated for via the rates. Mr. Mayer stated that the County is paying for the installation and engineering and then DRW will be responsible for the maintenance and operation. It was the general consensus of the Water and Sewer Committee to recommend moving forward with this.

2. Water Department Budget: City Clerk/Treasurer reviewed the FY19-20 Water Department budget. She stated there was an increase in supplies from \$130,000 to \$150,000 and an increase in fixed charges for insurance from \$13,000 to \$16,000. She stated they are also budgeting \$50,000 to replace the valve exerciser, \$50,000 for meter replacement, \$25,750 for the water department's portion of street equipment, and \$1,500,000 for the water main project next to the high school, which is part of the rate increase plan and will be borrowed. City Clerk/Treasurer Redfield stated the Inter-Cap loan only has 2 payments remaining, so they are budgeting to pay that loan off this fiscal year to alleviate budget authority for next fiscal year with the loan for the water main work at the high school. City Clerk/Treasurer stated the revenue for metered water sales is budgeted to increase from \$1,200,000 to \$1,300,000, but because the rate increase was only in place for half of FY18-19 and another rate increase happening in FY19-20 that revenue should be even higher than budgeted. She stated that the interest revenue has been increased substantially from \$3,000 to \$55,000 with the new setup of the Stockman Bank accounts. City Clerk/Treasurer Redfield stated that the Water Department Budget will be using approximately \$36,000 out of cash, but that with budgeted cash expenditures that is expected. City Clerk/Treasurer Redfield stated that the water impact fees will expend all that is available, but that at this moment before closing there does not appear to have any cash in that account, but that might change.
3. Sewer Department Budget: City Clerk/Treasurer reviewed the FY19-20 Sewer Department budget. City Clerk/Treasurer Redfield stated there are no changes in the supplies or purchased services from the previous year. She stated that although the purchased services was under budget last year, it is important to keep it at the amount because that is where the City would pay for last minute contract help. City Clerk/Treasurer Redfield stated the changes in the Sewer budget include: \$50,000 for the sewer portion of the meters, \$25,750 for the sewer portion of street equipment, \$225,000 for the treatment of the sludge at the treatment plant to ease the cost of phase 4, the remaining \$200,000 not used in the previous year for CIPP lining, and \$4,000,000 for the remaining of phase 3. City Clerk/Treasurer stated the sewer service charges only increased by \$50,000 for this fiscal year, but it should revenue more for the same reasons as the water department. She stated that the interest was also increase, for the same reasons as the water. She further stated that the sewer will be spending approximately \$152,000 out of cash, but with over \$400,000 in cash projects this fiscal year the department is doing well. City Clerk/Treasurer Redfield stated that the sewer impact fees has approximately \$55,000 at this moment to expend on the Waste Water Treatment Plant phase 3.

Meeting was adjourned at 6:04 pm.

Jessica Redfield, City Clerk

Dan Smith, Committee Chair