

**SPECIAL CITY COUNCIL MEETING MINUTES
NOVEMBER 16, 2015**

CALLED TO ORDER

Pursuant to due call and notice thereof, the Special Meeting of the City Council was called to order by Mayor Deiss at 5:00 p.m. in the Conference Room located in the City Administrative Center.

MEMBERS PRESENT

Mayor Deiss, Council Members Kempf, Wiese, Niles and Uselman.

OTHERS PRESENT

City Administrator Brad Swenson, Dave Evans, Dan Kovar and Anna Erickson representing the Pioneer Journal.

WATER RATE STUDY

Dave Berg from DBC Consulting was present to review with the City Council the City Water Fund Rate Study that he has put together. He stated that the cities reserve level recommendation is 4 months of operating revenues. He went through the study as he prepared it and explained option 1 which is to end up with zero in reserves after a 3 year period at the end of 2018 and the rate increase would be approximately 40%. Option 2 would be to meet the 4 month goal in reserves at the end of the 3rd year and that rate increase would be approximately 52% increase in water rates.

The Council fielded some questions and did not take any action at this time.

Dave Berg left the meeting for another appointment.

ELECTRIC RATE STUDY

Tim Miller from Missouri River Energy Services started off stating that he has prepared a rate study for the City of Wadena for the Electric Utility. His recommendation is for a 3% increase over 4 years per year, for a total of 12.5% rate increase. He stated that about ½ of the rate increase is due to purchase power cost going up. His recommendation for reserves is about 51% of operating revenues.

Dave Evans reviewed the report and fielded any questions that the Council had and no action was taken at this time.

SEWER RATE STUDY

Dan Kovar and Brad Swenson reviewed with the City Council a proposal for a Sewer Rate

increase. They used a study period of 2015 through 2020 and that they used 900 cubic feet as an average on this and showed that if we did a 25% rate increase and went through the different rates showing what those rates would be. At the end of 2020 that we would end up with a negative reserve of \$117,889. Dan also explained to them in each year of the projections what the capital items would need to be added to the budget which causes this shortfall. A review of neighboring towns showing that Wadena is about in the middle of sewer rates for town going 30-40 miles in each direction from Wadena.

The Council talked about the 3 different rates and had questions about the last time that rates were increased. All rates were a little bit different and they asked for more accurate information. They would like to have more comparisons of what the electric, water and sewer bills are now and what the proposals would look like for different types of customers before they would make a decision. Brad Swenson stated that he had hoped that we could make a decision sooner rather than later so that we can get our rate increase in place with our January billing. Brad suggested if they want to give us some time to prepare more information for them to look at that we could add this to the December 1st Special City Council Meeting which is now set for the Special Assessment Public Hearing for the SE Wadena. The Council decided to add this item to that agenda. The Rate Study Meeting would start at 4:30 p.m. The Special Assessment Meeting would start at 5:30 p.m.

ADJOURNMENT

Motion by Kempf, second by Uselman to adjourn at 7:50 p.m.

Upon voting Mayor Deiss, declared the motion carried, all members voting aye.

Bradley A Swenson
City Administrator

George Deiss
Mayor