

**SEPTEMBER 12, 2022 UTILITY COMMISSION MEETING MINUTES
CITY OF EDGERTON**

Chairperson Kapellen called the meeting to order at 5:30 p.m.

Present: Candy Davis, Jim Kapellen, Todd Wescott, Lawanna Schieldt, Denise Langan, Paul Davis and Rick Petersen

Others Present: City Administrator Ramona Flanigan, Municipal Services Director Howard Moser and citizens.

Flanigan confirmed the meeting agenda was properly posted on Friday September 9, 2022 at the Post Office, Edgerton Library, City Hall and the City's website.

MINUTES: A Lawanna Schieldt/Todd Wescott motion to approve the August 8, 2022 Utility Commission meeting minutes passed on a 7/0 roll call vote.

PAY REQUEST #3 FROM KS ENERGY FOR THE 2022 PRIVATE SIDE LEAD LATERAL REPLACEMENT PROJECT: A Candy Davis/Rick Peterson motion to approve pay request #3 for KS Energy for the 2022 private side lead lateral replacement project in the amount of \$153,142.34 passed on a 7/0 roll call vote.

PAY REQUEST #1 FROM BKS EXCAVATING FOR THE 2022 PUBLIC SIDE LEAD LATERAL REPLACEMENT PROJECT: A Denise Langan/Rick Peterson motion to approve pay request #1 for BKS Excavating for the 2022 public side lead lateral replacement project in the amount of \$184,774.53 passed on a 7/0 roll call vote.

VOUCHERS PAYABLE: A Jim Kapellen/Candy Davis motion to approve vouchers payable in the amount of \$433,786.24 passed on a 7/0 roll call vote.

LEAK CREDIT: A Jim Kapellen/Rick Peterson motion to approve a leak credit at 401 Lyons Street for sewer only in the amount of \$200 passed on a 7/0 roll call vote.

2023 WATER & SEWER FORECAST/RATE INCREASE: Staff presented updated financial forecasts for the water utility and the sewer utility. The forecasts are largely driven by capital projects and equipment.

The water utility forecast includes almost 1.8 million in capital projects over the next five years. The projects budgeted for 2023 include Quigley St, public and private lead laterals, hydrants, and meters. Additionally, operating costs have increased due to supply chain issues and lead lateral work. Four water utility forecast scenarios were offered and discussed:

1. No rate increases over the next five years, do not continue with the lead lateral replacement program, and borrow \$1,000,000 for capital projects in 2024.

2. No rate increases, continue with the lead lateral replacement program with the utility paying 50% of the public and private side cost and borrowing \$1,000,000 for capital projects in 2024.
3. A 4.5% rate increase 2023, continue with the lead lateral replacement program with the utility paying 50% of the cost for private laterals and borrowing for the public side laterals, and also borrowing \$1,000,000 for capital projects in 2024.
4. A 4.5% rate increase in 2023, a 3% increase in both 2025 and 2027, continue with the lead lateral replacement program with the utility paying 50% of the cost for private laterals and borrowing for the public side laterals, and also borrowing \$1,000,000 for capital projects in 2024. Staff recommends the third scenario, meaning there would be a \$3 per quarter increase in costs for the average residential customer and the lead lateral program would continue.

A Rick Peterson/Todd Wescott motion to approve scenario three for the water utility with the option to revisit future rate increases passed on a 7/0 roll call vote.

The sewer utility budgeted capital projects for 2023 include Quigley St, manhole replacement, irrigation meters, and a new mower for the WWTP. Two sewer utility forecast scenarios were offered and discussed: (1) no rate increase and no borrowing for any projects; (2) no rate increase, no borrowing for any projects, paying an extra \$37,400 to reduce the loan term on the WWTP Rural Development loan. Staff recommends the second scenario, meaning the sewer utility make a prepayment of the WWTP loan 2023 and reevaluate future prepayments with next year's forecast.

A Candy Davis/Lawanna Schieldt motion to approve scenario two for the sewer utility passed on a 7/0 roll call vote.

Being no other business before the Commission, a Candy Davis/Denise Langan motion to adjourn passed, all voted in favor.

Howard Moser/mjf
Municipal Services Director