

MINUTES OF REGULAR MEETING MAY 1, 2023

The meeting of the Municipal Utilities Advisory Board was held on May 1, 2023 at 1902 Sunset Drive at 3:00 p.m.

Members present: Littles, McSpadden, Cornman, with Schalk presiding.

DISCLOSURE OF INTEREST

There were no conflicts of interest that dealt with either any item on the printed agenda or with any matter discussed at a previous meeting from April 3, 2023 any Advisory Board members present at the May 1, 2023 meeting.

READING OF MINUTES:

The minutes of the previous meeting held April 3, 2023 had been distributed with the agenda for the May 1, 2023, meeting prior to the meeting. Motion was made by McSpadden, seconded by Littles, and carried to approve the minutes as presented.

CHECK REGISTER REPORTS:

The check register reports for the Electric and Water-Sewer Departments were read and checked. Motion was made by Littles, seconded by McSpadden, and carried that the bills be approved as presented and certified to the Mayor and City Council for payment thereof. The motion covered Electric checks #30648-#30767, Water-Sewer checks #18916-#19013 and payroll direct deposits dated April 6, 2023 through April 28, 2023. The above motion also covered Electric check #30682 in the amount of \$677.57 which represents the Manager's mileage and Electric check #30690 in the amount of \$45.30 which represents Manager's expense.

FINANCIAL STATEMENTS:

Financial statements and investments were presented to the Board and discussed. Motion was made by McSpadden, seconded by Cornman, and carried to approve the financial statements and investments for the Electric and Water-Sewer Departments.

BUSINESS:

Proposed Water Rate Increase

Manager Bach stated he will present a proposed water rate increase at the City Council meeting tonight. He stated in 2008 the citizens passed a bond issue to secure monies from the State Revolving Fund for the Water Treatment Improvement Projects. He stated the revenue bond requires the City to make sure that our rates will continually cover all expenses, cover our debt ratio, minimum cash reserves, and optimal operating income.

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Manager Bach stated recently, Utility Financial Solutions, LLC completed a cost of service and rate design study for the water department. He stated this study includes the cost of service, financial projection, and the five (5) year rate track for the water department. He stated this proposed rate track will bring us into compliance with the revenue bond requirement

	<u>Current Rates</u>	<u>2023 Proposed</u>	<u>2024 Proposed</u>	<u>2025 Proposed</u>	<u>2026 Proposed</u>	<u>2027 Proposed</u>
Customer Service Charge	\$12.43	\$14.50	\$17.00	\$17.50	\$18.00	\$18.50
Cost Per 1,000 Gallons	<u>\$2.88</u>	<u>\$ 3.04</u>	<u>\$ 3.18</u>	<u>\$ 3.385</u>	<u>\$ 3.608</u>	<u>\$ 3.84</u>
Avg. Residential Customer Monthly Cost-4,500 Gallons	\$25.39	\$28.18	\$31.31	\$32.73	\$34.24	\$35.78

Manager Bach stated the average residential customer uses 4,500 gallons, which reflects an increase of \$2.79 per month for the proposed 2023 increase

Motion was made by Littles, seconded by Cornman, and carried to recommend to City Council the approval of the proposed water rate increase.

Proposed Sewer Rate Increase

Manager Bach stated he will also present a proposed sewer rate increase at the City Council meeting tonight. He stated in 2012 the citizens passed a bond issue to secure monies from the State Revolving Fund for the Wastewater Treatment Plant Improvement Projects. He stated the revenue bond requires the City to make sure that our rates will continually cover all expenses, cover our debt ratio, minimum cash reserves, and optimal operating income.

Manager Bach stated recently, Utility Financial Solutions, LLC also completed a cost of service and rate design study for the sewer department. He stated this study includes the cost of service, financial projection, and the five (5) year rate track for the sewer department. This proposed rate track will bring us into compliance with the revenue bond requirements.

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	<u>Current Rates</u>	<u>2023 Proposed</u>	<u>2024 Proposed</u>	<u>2025 Proposed</u>	<u>2026 Proposed</u>	<u>2027 Proposed</u>
Customer Service Charge	\$14.50	\$15.50	\$16.50	\$17.75	\$19.00	\$20.25
Cost Per 1,000 Gallons	<u>\$ 3.00</u>	<u>\$ 3.08</u>	<u>\$ 3.17</u>	<u>\$ 3.24</u>	<u>\$ 3.32</u>	<u>\$ 3.40</u>
Avg. Residential Customer Monthly Cost – 4,500 Gallons	\$28.00	\$29.36	\$30.77	\$32.33	\$33.94	\$35.55

Manager Bach stated the average customer uses 4,500 gallons, which reflects an increase of \$1.36 per month for the proposed 2023 increase.

Motion was made by Littles, seconded by McSpadden, and carried to recommend to City Council the approval of the proposed sewer rate increase.

Solar Interconnection Agreement

Manager Bach told the Board he is still working on the solar interconnection agreement. He stated he hopes to have it ready for the first meeting in June.

There being no further business to come before this meeting of the Advisory Board, motion was made by McSpadden, seconded by Cornman, and carried to adjourn.

Respectfully submitted,



 Todd Talkington, Chairman

Approved JUNE 5, 2023 , 2023.