

**UTILITY COMMISSION
REGULAR MEETING MINUTES
August 19, 2019**

CALL TO ORDER

Pursuant to due call and notice thereof the regular Utility Commission meeting of the City of Rosemount was called to order on August 19, 2019, at 5:30 p.m. in the Upper Conference Room, City Hall, 2875 145th Street West, Rosemount.

Commissioner Demuth called meeting to order with Commissioner Cahn, Mayor Droste, City Administrator Martin, Finance Director May, Public Works Director/City Engineer Erickson, Public Works Coordinator Watson, and Recording Secretary Barikmo. Commissioner Rome was absent.

ADDITIONS OR CORRECTIONS TO AGENDA

None

AUDIENCE INPUT

APPROVAL OF MINUTES

Motion by Demuth **Second** by Cahn

Motion to approve the minutes of the June 17, 2019 Utility Commission meeting.

Motion carried.

PUBLIC HEARINGS

OLD BUSINESS

NEW BUSINESS

7.a. Utility Rate Models

Public Works Director/City Engineer Erickson gave a brief summary of the rate models and phasing out the fixed rates.

Public Works Coordinator Watson summarized that 2020 will be the second year of the three-year phase out. Usage rates will increase 10% to make up the difference in revenue. The models include additional full-time maintenance positions for Utilities in 2020, 2021, and another in 2022 for a water treatment plant operator.

Mayor Droste questioned if there would be a significant cost to switch to monthly billing. Finance Director May confirmed billing costs would increase. Staff time would also increase due to the volume of work. Mayor Droste requested that we include information in future utility bills and/or newsletters explaining how the water utility funds are spent. Mayor Droste stated that if residents have a better understanding of how the funds are spent, they would be more accepting of rate increases.

Commissioner Cahn questioned what the motive was with the tiers and how they were established. Public Works Coordinator Watson explained the tiers are set up in a way to encourage water conservation, with 25% increases between tiers 1, 2 and 3, and a 50% increase for the highest tier. The tiers are printed on the utility bill for residents' reference. Commissioner Cahn questioned why the second meter isn't billed at the

highest rate. Commissioners Demuth and Cahn requested that staff update the model to show the impact of the following changes:

- All irrigation usage billed at the highest rate
- Reduce from 4 tiers to 3 tiers
- Steeper increases between tiers

An updated model that reflects these changes will be presented at the September or October Utility Commission meeting.

Commissioner Cahn inquired about the abundance of rainfall. Public Works Director/City Engineer Erickson advised that the Storm Water Specialist has been working on coordinating future projects that will help with managing stormwater.

Commissioner Demuth questioned if the smart well field is included in the 2020 budget. Public Works Director/City Engineer Erickson confirmed that the grant has been received and Summit Envirosolutions is working on it.

Commissioner Demuth inquired when the City will need the next well. Demuth requested that she and Public Works Coordinator Watson work through the Metropolitan Council's formula to see when Rosemount needs their next well.

Commissioner Cahn asked for an update on the proposed streetlight utility. Administrator Martin explained that the item will be brought back to the Utility Commission in Fall 2019. Finance Director May and Administrator Martin are currently looking into the utility.

Public Works Coordinator Watson expressed concern with too many utility billing changes all at once, with the fixed rate phase out and the requested changes to the tiers. Administrator Martin agreed that it may be too soon to implement the changes. Staff will present the updated models at the September or October Utility Commission meeting for further discussion.

7.b. 2020 Utility Budgets

Public Works Coordinator Watson gave a brief introduction of the budget.

Commissioner Demuth questioned the current park maintenance and whether the mower deck could be raised to not cut the grass so short. Public Works Director/City Engineer Erickson stated that the Parks & Recreation Director, Dan Schultz, should be included in any decision making on park and field maintenance.

Commissioner Demuth questioned if the budget could be recommended for approval if the utility rates have not been approved. Finance Director May stated that the changes to the tiers will be constructed so that the overall revenue stays the same as the current model; therefore, the budgets can be approved before a final decision on the rates is made.

Motion by Demuth **Second** by Cahn

Motion to recommend City Council approval of the 2020 Utility Budgets.

Motion carried

EXECUTIVE DIRECTOR'S REPORT

8.a. Well Pumping Report

Public Works Director/City Engineer Erickson introduced the well pumping report and opened the item up for discussion. Staff was aware that Well 7 had a bad meter and had been providing inaccurate readings for much of 2018 (readings were approximately 50 MG too low for the year). A new meter was installed late in 2018.

Public Works Director/City Engineer Erickson briefly discussed the water main break by Wexford Place that occurred on August 16. That event and flow testing on August 8 will affect the next well pumping report. Commissioner Demuth questioned if the contractor working on the Wexford Place project will be responsible for the cost of water lost. Staff advised that they are working through insurance for the cost of the damages.

8.c. Set Next Meeting Agenda for September 16, 2019.

Commissioner Demuth requested the DNR Water Supply report be added to the September meeting agenda to discuss goals.

OTHER UPDATES

ADJOURNMENT

Demuth adjourned the meeting at 6:50 p.m.

Respectfully submitted,

Jessie Barikmo
Public Works Secretary