

**CITY OF EYOTA
CITY COUNCIL WORK MEETING MINUTES
AUGUST 18, 2014**

Members Present: Mayor Tyrel Clark, Tony Nelson, Ray Schuchard and Kurt Holst

Members Absent: Bryan Cornell

Staff Present: Marlis Knowlton, Clerk/Treasurer; Financial Advisor Mike Bubany, David Drown Associates and Engineer Bill Angerman, WHKS & Co.

Call to Order: Mayor Clark called the meeting to order at 6:35 p.m.

Agenda: Tonight's meeting is to discuss proposed projects, the feasibility, estimated cost, how to finance them and the affect it will have on taxes and/or fees. Projects include: Fifth Street SW storm sewer issues, water utility infrastructure replacement in original part of town, GIS mapping of utilities, street signs, light poles, trees, sidewalks, etc., review the Capital Improvement Plan, sanitary sewer rate analysis for needed rate increase and other topics that come up and deemed important.

Fifth Street SW Storm Sewer Issues: Two driveways on the south side of Fifth Street SW, between Madison and Jefferson Avenue, are lower than the street which results in storm water and road debris washing in the driveways. That area had a ditch which was filled in years ago. Curb, gutter, catch basins and storm sewer were discussed as possible options to alleviate the problem. As a quick estimate for curb, gutter, storm sewer, catch basins, fix street edge, replace driveway aprons, sod, etc. the project could be as much as \$80,000 to \$100,000. Normally a project like this would include improvement assessments placed on the properties.

Council consensus: the estimated project cost is considerable for the number of parcels currently negatively affected. Council suggested the property owners be contacted by staff and asked specifically if they are willing to be assessed for the improvements; preferably by petitioning the City for the improvement by one hundred percent (100%) of the affected owners.

GIS Mapping: Geographic Information System GIS mapping is already being used by WHKS. The sanitary sewer lining and manholes, along with the most recent street project features have been entered. This mapping is a beneficial tool to map almost anything, for instance, utilities, street signs, light poles, trees, sidewalks, etc. Many mapping layers can be added to record dates and locations of failures or improvements. It can be used to record detailed data information of features like hydrant year, make, model, size, flow rates, etc.

Council agreed GIS mapping would be very beneficial for documentation and time savings. Staff will research exact cost of the different options for the Council's future consideration. Depending on cost this could be implemented in 2014 or for consideration during 2015 budget preparation.

Water Utility Infrastructure Replacement: There is a considerable amount of four inch (4") water mains in the original part of town and Madison Avenue NW. Four inch mains are undersized, no longer allowed in new construction, a safety concern for fire protection and are potentially prone to failures due to age. The Council previously discussed to begin planning to replace the water mains and requested staff to investigate what areas and what other improvements to make to instruct the engineers to prepare a cost estimate to create a feasibility study of this infrastructure replacement project. The Council and Angerman discussion included: all the areas of town that have four inch water mains and include storm water, curb, gutter and street improvements. This would not include sanitary sewer; sanitary sewers were inspected and lined within the last few years.

This large project was very roughly estimated to be four to five million dollars.

Capital Improvement Plan (CIP): Bubany reviewed the current CIP. The estimated cost of the water infrastructure replacement project was entered and analyzed. Current and future debt payment obligations were reviewed and the proposed infrastructure project had the least negative impact on tax payers and utility customers by splitting construction over three years with the first construction beginning as early as 2015. Bubany will create an updated CIP with this information for the Council's review and consideration at a later date.

The water rates have not been increased since 2004. The water fund has maintained adequate operating and reserve balances. However, with the proposed infrastructure improvement project, a rate increase is required to build funds.

After analyzing projected cash reserves, operating expenses and debt obligations Bubany recommended a water rate increase of two percent (2%) on both base rate and volume rate immediately.

Sanitary Sewer Rate Analysis: Sanitary sewer rates have not been increased since February of 2011. However, the Dover Eyota St. Charles Sanitary Sewer District has made significant improvements to the sewer plant and has increased the fees the City is required to pay them: 2012 15%, 2013 10%, 2014 7% and future increases include 2015 5% and 2016 through 2022 3% each year. The cash reserves in the sewer fund are declining and a utility rate increase is required to maintain operating funds.

After analyzing projected cash reserves, operating expenses and debt obligations Bubany recommended a sewer rate increase of five percent (5%) on both base rate and volume rate immediately.

West Side Connection Trail: The Council discussed their concern with waiting until spring to begin construction when the grant has a completion deadline of the end of June 2015.

Adjourn: Mayor Clark declared the meeting adjourned at 8:45 p.m.



Tyrel Clark
Mayor



Marlis Knowlton
Clerk/Treasurer