

Record of the Proceedings of the Governing Body
SPECIAL MEETING

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October 10, 2023

SPECIAL MEETING:

The La Cygne City Council met on Tuesday, October 10, 2023 at the La Cygne Community Building. Council Members present were: Thomas Capp; Keith Stoker; David Brenneman (via Zoom); Danny Curtis; and Jerome Mitzner

Others in attendance included, but not limited to: City Clerk (CC) Jodi Wade; Public Works Superintendent (PWS) Dan Nasalroad; City Attorney Burton Harding; Linn County Newspaper, Tony Furse; Linn County Journal Roger Simms (via Zoom).

CALL SPECIAL MEETING TO ORDER (6:00 P.M.)

Pledge of Allegiance – Mayor Debra Wilson

The Purpose the Special meeting was called for: Discuss and Review the Water Plant Analysis and Water Rates.

NEW BUSINESS:

WATER PLANT ANALYSIS

PWS Nasalroad refreshed the council on the progress to date on the Water Infrastructure Improvement Master Plan which included the replacement of mains, addition of new meter pits and automated meters, a new 150,000-gallon Tower, new electronic panels in the water plant, a new settling pond and replacement and repair of the transfer pumps. The next step in the plan is to address a few areas in the Water Plant which need improved or replaced. PWS Nasalroad walked the Council through the mechanical layout and flow process for the Water Plant. He explained the "bottleneck" location in the piping leading to the transfer pumps and the purpose behind the installation of a larger clearwell. PWS Nasalroad reviewed "best practice" procedures of operations to allow time for maintenance on the system and backwashing the filters. He highlighted the effects of the current system on the run time of the plant.

PWS Nasalroad proceeded with a review of two Estimates of Probable Project Costs (PER) from Midwest Engineering Group. One PER would restructure the plant to produce 512 GPM at an estimated project cost of \$813,593. The second PER would expand the plant to produce 700 GPM at an estimated project cost of \$3,865,453. PWS Nasalroad reviewed the line items included in each estimate. He also explained the estimated costs for the projects could be considered less because the council has already proceeded with some action to address some of the line items (eg. carbon Feeder/Building).

PWS Nasalroad proposed the question to the council of continuing as a regional supplier. PWS Nasalroad emphasized to the council how it benefits everyone on their rates to have a larger customer base. Water production facilities are built on the purpose of serving a large clientele base.

CC Wade then presented the financial review of the operation of the water plant. She began with an overview of the current operations, costs, improvements, customer base, water rates and capital improvement investment to date. She highlighted the average user per gallons falls in the range of 3,000 gallons or less. CC Wade indicated the current annual production expense per 1,000 gallons sold is \$9.91. CC Wade reviewed the current rate for the city customers and supplied rural

NEW BUSINESS CONTINUED:

WATER PLANT ANALYSIS

water districts. The current annual operation and maintenance expense total is \$552,438. The current annual revenue in water sales is \$483,592. CC Wade indicated she would be recommending a review of the water rates for the city and suppliers even if the city was not looking in to a capital improvement project. Inflation costs continue to rise. The city did implement an automatic annual 2.5% increase on the water rates in 2021. CC Wade then presented four scenarios showing the differences in production costs and water rates depending on how many suppliers are contracted with the Water Plant. The scenarios presented included the full costs to expand the plant to 700 GPM. CC Wade indicated the city would proceed with applying for various federal and state grants and look in to loan programs to finance the project and establish a water rate that would be feasible to all users. Council Member Curtis expressed the challenge of rate increases when everyone is feeling the pains of inflation costs. CC Wade indicated the importance for the council to consistently review the rate amounts and the structure of the rates for all utilities to create a balanced "package". The industry of Water, Sewer and Gas fluctuate and the costs or indebtedness for the city also changes, therefore reviewing the rates on a 2 to 3-year cycle is important. Council Member Mitzner shared his thoughts regarding the growth going on around the city and county and the importance for the La Cygne Water Plant to continue to be a regional provider. He continued by pointing out the financial burden the city would endure if they don't continue to market to additional customers.

EXECUTIVE SESSION:

❖ **Motion**

Council Member Capp motioned to go in to executive discussion for 15-minutes for consultation with an attorney for the city which would be deemed privileged in an attorney-client relationship and to return to the council table at 7:10pm. Motion seconded by Council Member Curtis, voted on, passed 4-0. 6:55pm.

Others in attendance: City Attorney Harding, CC Wade, and PWS Nasalroad. Council Member Brenneman was brought in by speaker phone.

OPEN SESSION RESUMED AT 7:10pm:

❖ **Motion**

Council Member Capp motioned to go in to executive discussion following a 3-minute bathroom break for 5-minutes for consultation with an attorney for the city which would be deemed privileged in an attorney-client relationship and to return to the council table at 7:20pm. Motion seconded by Council Member Mitzner, voted on, passed 4-0. 7:12pm.

Others in attendance: City Attorney Harding, CC Wade, and PWS Nasalroad. Council Member Brenneman was brought in by speaker phone.

OPEN SESSION RESUMED AT 7:20pm:

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GOVERNING BODY REMARKS

The council advised CC Wade to proceed with researching the funding sources available for the projected water plant expansion to 700 GPM. Council Member Stoker and Council Member Mitzner also suggested looking in to the structure of the water rates. They suggested reviewing residential rates per 1,000 and Commercial Rates per 1,000, stagnant increase over 2 years, and whether the base rate should be inclusive of a 1,000 gallons of water.

ADJOURNMENT:

❖ ***Motion***

Council Member Mitzner moved to adjourn the meeting. Motion seconded by Council Member Capp, voted on, passed 4-0. Time 7:24p.m.

I, _____ La Cygne City Clerk, do hereby declare
(Jodi Wade) the above to be true and correct, to the best of my knowledge, and do hereby subscribe my name on this 10th day of October 2023.