

Kindred City Council Special Meeting
Thursday, May 17th, 2018 @ 7:00pm
Kindred City Hall

Present: CMs Spelhaug, DuBord, Stoddard. Absent: Mayor Wanner and CM Amerman. Also present: Brandon Oye of Moore Engineering, Jeremy Sheeley of ND Rural Water Systems, PWS Rich Schock, and City Auditor Tabitha Arnaud.

Call to Order – 7:05pm

1. Water Tower Update – Mr. Oye provided an update on the water tower project.
 - a. Maguire Iron decided not to be involved in soil contamination and well abandonment. Moore Engineering will request contractors to submit bids for work and will present to council.
 - b. Will ask for quote from current excavator, however, DOH now wants multiple quotes. Possible conflict if one contractor is hired for soil contamination and another is hired for foundation. Mr. Oye will push with DOH to keep original excavator. Well abandonment bid requests will be out by Friday 5/18/18, soil contamination bid requests will be out next week.
 - c. Braun Intertec was on site today for the soil boring. Preliminary results indicate project could be moved about 12 feet to the SE in out slope of the contaminated soil. Once in clean soil, testing will not be needed.

Motion to approve Braun Intertec Project Proposal QTB078344 – by Stoddard, second DuBord; RCV, MP.

- d. Will get quotes to council. If well abandonment quote comes within planned costs, Council stated it was ok for Moore Engineering to accept.
 - e. This will result in a revised schedule from Maguire Iron. Could possibly not get tower painted until 2019.
 - f. Discussed Sweeney Controls status on the control panel for the pump station. Not ready yet, still in progress.
2. Major budget discussion postponed as CPA Rotunda was unable to attend this meeting.
 - a. Review of water rates and rate structure. Currently, residents are billed as follows:
 - Service Rate: \$28.23 per month (includes 2000 gallons of water)
 - Water Usage Rate: Additional \$6.61/1000 gallons used
 - Sewer Service Rate: \$5.31 per month (included 2000 gallons of water use)
 - Sewer Usage Rate: Additional \$0.31/1000 gallons used

Earlier this year, ND Rural Water Systems provided the City with a water audit using 2017 City expenditures and the City's average number of service connections. NDRWS employee, Jeremy Sheeley, reported that the main recommendation would be to remove the included 2000 gallons of water from the base rate, as that is basically giving away guaranteed income each month. A city's utility rates should be used to sustain the city's infrastructure and all utility related expenses. Estimating for the water tower bond payment and creating reserves for capital improvements, water meters and hydrants, and emergencies, a suggested water service rate is \$25.00/month/residential account.

Discussion was had regarding how to best fund the City's costs of the water tower project. Could add special assessments to each city property or increase property taxes. It was decided that it would be incorporated into the utility billing. Discussed adding a separate fee/line item to the utility bills and calculated different variables to determine the most effective way to increase funds while minimalizing the impact on residents.

Motion to retain the current water usage rate of \$6.61/1000 gallons and the current base service rate of \$28.23/month, while removing the previously included 2000 gallons of water to be effective immediately. – by DuBord, second Stoddard; RCV, MP.

For City of Kindred residents who use above 2000 gallons of water per month, this will increase their monthly bill by \$13.22/month. ($\$6.61/1000\text{gal} \times 2000\text{gal} = \13.22). These funds will be allocated towards the water tower bond, a capital improvement plan, an emergency reserve fund, and a water meter and hydrant fund. This will allow for being proactive with the City's infrastructure instead of being reactive.

This change will be applied to the next billing cycle that will be completed next week; the first billing with the new billing software. Tabitha will add a notice to residents on the back of the billing postcards, which will outline all of the changes.

Motion to adjourn at 8:26pm – by DuBord, second by Stoddard; RCV, MP.

Tabitha Arnaud, City Auditor

Jason DuBord, Mayor