

KINDRED CITY COUNCIL SPECIAL MEETING MINUTES

09-23-2020 at 7:00 pm

Virtual Meeting Via MS Teams

Present: Mayor DuBord, CMs Spelhaug, Amerman, Stoddard, and Peraza.

Also present were Brandon Oye and Jim Sepp of Moore Engineering, PWS Rich Schock, and City Auditor Tabitha Arnaud.

Meeting called to order at 7:01pm.

1. Deputy Auditor Position

Barbara Sullivan had to resign from her position due to family medical matters in home state of OR. Her last day was September 1st. The position was posted and resumes are being excepted currently. Due to the ever-evolving position and need for City Auditor back up, discussion was held on whether to pursue a full-time replacement or consider two part-time assistants. This could provide flexibility and additional back up for all office staff. Another option is to consider temporary part-time office assistants to fill the need while continuing to search for the right full- or part-time employees. Temporary employees would not receive benefits (health care, retirement, PTO, or paid holidays) and wages would be set at \$15.00/hr.

MOTION, passed – To hire temporary office assistants as needed until a permanent deputy auditor or office staff can be hired;

Peraza moved, Amerman seconded. RCV; Motion carried unanimously.

2. Water/Sewer Rate Study

Moore Engineering has assisted with reviewing the City's annual expenses and revenues for water and sewer utility services and how that relates to the upcoming sewer/lagoon expansion project. Discussion points were whether to include depreciation values into the budget for water/sewer related infrastructure. This would essentially build reserves to be used for smaller repairs/replacements of the utility services or to use for larger project expenses, such as a loan down-payment. Study worksheets were presented for depreciation values of \$0, \$40K, and \$80 annually. The other unknown item currently is the exact project cost for the lagoon project. Since we do not yet have a land purchase agreement in place, the total project estimate used for this study was \$1.1 million from the original site project. Based on the number of users and the expenses/revenues of each water/sewer fund, the potential increase on base rates could range between \$20-\$30 depending on the total annual amount to contribute to the depreciation value. Discussion was held regarding sewer-only users who live outside city limits and are only connected to the City's lagoon. Woodlawn Subdivision, Evergreen Association, and Braaten Addition include 38 total users that are billed a flat sewer-lagoon fee of \$6.25/connection. The force mains from these developments are private property until they connect to the lagoon. There was discussion about the need to locate these force mains for the lagoon project, especially if the lagoon is moved further out of town then the need to know where the waste water is discharged and moved is extremely important. Who pays those costs of locating and potentially rerouting? Sewer users in city limits, connected to city water services, are billed a base sewer rate of \$5.31. A rate that was last increased in September 2007. With a system that has required very little mechanical maintenance and has continued to be self-operating (ie: untreated water, no filtering/aerating, etc), these rates may seem sufficient. However, with a lagoon system that has been nearing capacity since the late 2000's, planning to grow with the community and reviewing the rates after a 13-year hold is a responsible move, as CM Peraza stated. CMs shared that having true meaning and data behind an increase is necessary, and wanted to review the data further potentially setting the depreciation values at \$15K-\$20K annually to reduce the larger sticker shock on user rates. Agreed it would be best to keep residents informed and attempt a gradual increase avoiding a large increase after the lagoon project is completed. Council and staff will try to contact the subdivisions/developments that are connected to the City's lagoon to discuss individual options with them.

Meeting adjourned at 7:57pm.

Tabitha Arnaud, City Auditor

Jason DuBord, Mayor

Date approved