

**WATERVILLE CITY COUNCIL  
WORK SESSION/SPECIAL MEETING**

**October 17, 2023, 6:00 p.m.**

There was a special meeting that the Waterville City Council held in the Council Chambers at 6:00 p.m. on October 17, 2023.

**Call to Order / Roll Call/Pledge of Allegiance**

**Present:** Mayor Bill Conlin, Council members: Tim Smith, Roy McIntier, and Jennifer Grobe

**Also Present:** Administrator Teresa Hill, Abdo Financial Solutions Annett Storm Victoria Holthaus, and Debi Stainbrook

**Absent:** City Engineer Jason Femrite, City Attorney Jason Moran, and Council Member Dave Wollin

Mayor Conlin called the meeting to order at 6:00 p.m. Announced present members of Council and Staff and then led the Pledge of Allegiance.

**Approval of Agenda/Additional Items to Agenda**

**Motion by Smith, Seconded by McIntyre to approve the agenda as written Motion Carried 4-0 .**

**New Business**

**Water and Sewer Rate Study**

**Administrator Hill** introduced the presenter of the Rate Study Annette Storm from Abdo **Presenter Storm** conveyed to the Council the current water and sewer rates. A five-year Rate Study was reviewed with provided scenarios. All complied with the best practice of cash reserves equaling three months operating expenses along with next years debt service. With the two different water scenarios, it was recommended that Waterville would update to the tier structure that is mandated by the DNR to promote water conservation. It was also suggested for water usage to be billed on a per-gallon usage basis. The tier structure is only to be applied to the water and not the sewer. Discussion was held on the water conservation rates. Presenter Storm stated that Waterville could set their rates and ranges of the tier however they felt would fit the community best. A base fee would replace the existing minimum charge with no usage included, along with the tier structure being applied to the amount of water used. The tiers will be in four different groupings of usage. Those proposed tiers being: 0-3,000 gallons, 3001-5000 gallons, 5001-7000 gallons and 7001 and up. In 2024 the rate structure will vary dependent on the amount of consumption per user. In years 2025 to 2028 will have an annual increase to both the base fee and the cost of water per-gallon. **Presenter Holthaus** mentioned the water fund is currently operating at a deficit. A base fee will cover the fixed costs that it takes to run the water portion of the plant. As for the tiers, this is to detour the higher residential users to consume less water. **Presenter Storm** presented the two sewer rate study scenarios. The first scenario starting at an 8% increase in 2024 steadily increasing to 12% in 2028. Scenario two starts at a 12% increase in 2024 fluctuating between 12% and 13% until 2028. The main drivers are the increases in overall costs to operating expenses, maintenance, and operation of the water and sewer plant. There was further discussion to include the base fees for multi-units, and to possibly run the study with a 50% Capital Long Term Debt instead of the suggested 100% of Debt Service. Council discussed: different amounts for a base fee for both water and sewer scenarios, changing the rate intervals, applying different percentages for the annual increases, and having a conversation with the Water Wastewater Supervisor on Capital Improvements to see if the cap on Capital Expenses can be met. **Motion by Smith, Seconded by McIntyre to set a Special Council Meeting for the Rate Study for October 26, 2023 at 4:30 pm. Motion Carried 4-0.**

**Adjourn**

**Motion by Smith, Seconded by McIntyre to adjourn. Motion Carried 4-0.** The meeting adjourned at 8:27 p.m.

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William Conlin, Mayor

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Teresa Hill, Administrator-Clerk