

**WATER & SEWER COMMITTEE MEETING MINUTES
JULY 7, 2004 - 6:00 P.M.**

Chairman Marzahl called the Water & Sewer Committee Meeting to order at 6:00 p.m. Committee members present were Aldermen Hinterlong, Perkins and Marzahl. Alderman Dikun was absent. Also present were Alderman Nolan, Administrator Nelson and members of the press.

WATER/SEWER RATES

The Committee reviewed Administrator Nelson's memo with respect to water billing charges and the maintenance fee. Moved by Perkins, seconded by Hinterlong to approve Dave's recommendation to increase the maintenance fee from \$5.00 to \$7.50 per billing period for the next three years effective January 1, 2005. Roll call vote: Perkins, aye; Hinterlong, aye and Marzahl, aye. Motion approved three to zero.

Administrator Nelson noted that his recommendation for a 5% increase (year one - 2%; year two and three - 1½%) in water charges over the next three years would maintain the city's current status quo with the operation of our business. Alderman Marzahl proposed that the water billing charge be increased by 3% each year for the next three years. Alderman Nolan asked the Committee to consider increasing the water billing charges to 5% and using the additional funds that would be generated for a curb and gutter program. Currently, there are seven miles of city streets without curb and gutter in addition to older curb and gutter that will need to be replaced. If water rates were increased to 5% instead of 2% the first year, the average increase per home would be approximately .75 per month, and the additional \$30,000 that would be generated per year could improve one city block with curb and gutter. Also discussed was increasing the water rates by 5% in years two and three to allow for more curb and gutter to be improved and asking residents to participate in the cost. Moved by Perkins, seconded by Hinterlong to increase the water billing charges effective January 1, 2005, by 5% each year for the next two years at which time the program will be re-evaluated and that the additional 3% in year one and 3½% in year two would be used towards the curb and gutter program. Administrator Nelson was directed to compile realistic numbers as how much money would be generated towards the curb and gutter program and report back to the Committee. Roll call vote: Hinterlong, aye; Perkins, aye and Marzahl, aye. Motion approved three to zero.

WASTEWATER TREATMENT PLANT CONSTRUCTION

Administrator Nelson reviewed future wastewater treatment needs in ten or fifteen years. The current improvements will add 300,000 gallon capacity to our existing location and will set the foundation for the future developments that the City is dealing with today, but the existing location will be at capacity in the future and will have an impact upon business and commercial uses. The current plant location does not have sufficient room for additional increases and planning for new facilities through IEPA and NIPC will take at least six years. Administrator Nelson suggested the possibility of locating additional smaller satellite wastewater treatment facilities: one to the south and one to the north or the west, each rated at 250,000 - 300,000 gallons. There are two methodologies for constructing wastewater treatment plants: one is a custom plant with equipment put in that is specially made for the plant; the other would be a pre-fabrication. Tim Hartnett of Smith Engineering reviewed various options and will provide the Committee with a list of different types of styles, the pros and cons of each style, and the dollar cost per gallon. Administrator Nelson stated he would like to set the city's direction in four to six months in planning wastewater treatment and will report back to the committee with some possible locations and dollar amounts.

TAP ON FEES

The Committee reviewed Administrator Nelson's recommendation to increase the water and sewer tap-on fees 7.5% each year for the next three years, with the first increase effective May 1, 2005. Alderman Perkins submitted two alternative proposals and asked the committee to consider a larger increase on the water tap on fee and to reduce the overall increase on the sewer tap on fee to make the fees more even with other communities. Moved by Hinterlong, seconded by to recommend Alderman Perkin's Proposal #2, for the next three years; the first increase to become effective May 1, 2005, as follows:

	<u>Sewer Tap On</u>	<u>Water Tap On</u>	Total
1 st year	\$2,631.88 (0%)	\$ 733.07 (60%)	\$3,364.95 (8.8%)
2 nd year	\$2,829.27 (7.5%)	\$ 788.05 (7.5%)	\$3,617.32 (7.5%)
3 rd year	\$3,041.47 (7.5%)	\$ 847.53 (7.5%)	\$3,889.62 (7.5%)

Roll call vote: Perkins, aye; Hinterlong, aye and Marzahl, aye. Motion approved three to zero.

WELL & STORAGE

Administrator Nelson noted some preliminary discussions for a new deep well and storage facility to be constructed on Buralli's property. More details to be forthcoming in four to six months.

Moved by Perkins, seconded by Hinterlong to adjourn the meeting. All ayes. Motion carried.

Submitted by:
Chairman Marzahl