

Utility Committee meeting - 07-07-15 @ 6:00 pm, City Hall

Present:

Daryn Hamilton (committee chair), Tony Hammes (committee member), Steve Redinger, Scott Connely, Mike Harmon and Noel Howard

Absent:

Jessica Ledger-Kalen (committee member)

Noel Howard brought to the committee a suggestion that the city provide, as a re-seller through the water bill, insurance for homeowners for unexpected costs associated with water and sewer line work. This was brought forward due to a recent scam for insurance received by some residents.

Discussion centered on the question of "What benefit would utility customers gain buying a policy from the city that is available on the open market for less?" Currently the cities of Des Moines and Ottumwa offer this service to their customers.

Some further investigation would be done by calling the City of Des Moines about their program.

**No action was taken**

There is a USDA loan/grant funding opportunity available for upgrading the city's waste water and water treatment plants and their respective transmission lines. The application for this USDA loan/grant must be filed soon as the opportunity ends with the Federal Government's FY15 budget, October 1st. With the census information gathered in 2010 the city now falls into the low income per capita requirement needed for this loan/grant. The committee also discussed how the change from funding through the Clean Water State Revolving Fund (CWSRF) to the USDA loan/grant would affect the ability to complete the sponsored projects that have been proposed, one of which is the permeable surface parking lot at the new recreation facility. The committee also heard that the forgivable portion on the loan/grant could be anywhere from 55% to 75% of the amount borrowed for the projects. The current proposed improvement projects would need to be delayed for approximately four months or until the City finds out if it qualifies for the USDA loan/grant. There will also be more work required of the city's engineers to update the facility plans for both plants and transmission lines. Also more extensive archeology on project sites is needed to meet the USDA loan/grant requirements. The cost of this additional work is estimated to be approximately \$100,000. By applying for this USDA loan/grant the city is not guaranteed to receive this funding but the committee is recommending that the council support making this application and instructing our engineers to begin the necessary associated work.

**Action item required: Vote by council to delay current letting schedule and proceed with USDA loan/grant application and its associated costs up to \$125,000 to be paid from the utility fund**

A multiyear rate increase ordinance was discussed but was tabled.

**No action was taken**