

LOWELL TOWN COUNCIL
WORK SESSION
NOVEMBER 22, 2021

A Work Session of the Lowell Town Council was called to order on Monday, November 22, 2021, at 6:15 P.M., by President Todd Angerman. Members present were Todd Angerman, John Alessia, John Yelkich, and Mike Gruszka. Councilman Shane Tucker arrived at 6:30 P.M. Also present were Clerk-Treasurer Judith Walters, Town Manager Craig Hendrix, Town Attorney David Westland via Zoom, Police Chief Jim Woestman, and one interested citizen. The purpose of the work session was general town business.

Discussion of sanitary billing rate - Corby Thompson of Krohn Associates presented a preliminary rate study of the Wastewater Utility. A decision needs to be made, when the Water Utility is sold to American Water, to either have a flat monthly rate or to obtain readings from American Water to continue billing based on water usage. Mr. Thompson reviewed the three options presented with an increase from 37.3% to 69.5% based on an average residential bill of 4,000 gallons. Option 1 is the minimum allowance required to maintain 125% debt service coverage, Option 2 includes the Capital Improvement Plan over the next five years, and Option 3 provides both the plan and allows for depreciation of the Utility Plant. Mr. Thompson pointed out that operating disbursements have been increased from the 3-year average because administrative salaries and some operating costs have been reallocated due to the water utility sale. It was noted that restructuring to a flat rate would impact the minimum users of up to 2500 gallons by more than double. Town Manager Hendrix stated American Water will charge \$565 monthly to buy the meter readings. President Angerman suggested passing along that cost to the customer. Mr. Hendrix said the minimum users have not been paying their fair share and the larger users and tap fees are subsidizing the utility. Councilman Alessia stated if you change a minimum bill to 4,000 gallons, you are not encouraging conservation and is worried the customers on fixed income won't be able to pay. Mr. Thompson stated the current minimum rate of \$20.40 needs to be at least \$28.00. Mr. Thompson said a rate increase is needed to cover your debt reserve requirements, and said there has not been a rate increase since 2008. Discussion followed on raising the rate in small increments toward the goal of the final rate when new bonds will need to be issued in the next three to four years. Mr. Thompson will rerun the numbers to determine what raising the minimum to 3,000 gallons and increasing \$5.00 per 1,000 gallons annually will generate. Readings will be continued to be used for sewer billing as the most fair way for all citizens.

Discussion of American Rescue Plan proceeds - As discussed at previous work sessions, a plan must be in place by December 31st to show how Lowell will be spending the \$2,242,598.60 American Rescue Plan Act funding received. Town Manager Hendrix reviewed the Resolution adopting a local plan to provide pandemic premium pay for essential workers allocated at \$174,771; and to extend sanitary sewer services west to Lake Prairie Elementary School located on SR2, east of US 41. Tri-Creek School is

pledging \$1,000,000 toward the project and it is assumed American Water will invest approximately \$60,000 toward sharing easement acquisition costs for their new water line. Total estimated sewer investment is \$2,067,827.60. The Resolution will be acted on during regular meeting. Mr. Hendrix stated the Memorandum of Understanding with Tri-Creek School is being reviewed by Attorney Westland after some changes from the school.


Review 2022-1 Community Crossing Grant Paving List - The next grant is due by January 3, 2022 and Mr. Hendrix will provide a list of streets to be reviewed at the next work session.

Discussion of new Grant Program for Downtown Businesses - This item will be discussed at a future work session.

No further discussion, the work session adjourned at 7:08 P.M.

Attest:


Judith Walters, Clerk-Treasurer


Todd Angerman, President