



**CITY OF LAWRENCE
Utility Service Board
April 11, 2017/5:30 p.m.
Regular Meeting
Public Assembly Room**

Members Present: Steve Hall, Dale Tekippe, Dave Parnell, Terry Gingles and Tracy Boyd

Staff Present: Controller Jason Fenwick, Utilities Superintendent Scott Salsbery, and Utilities Business Manager Cathy Retmier

Also Present: Jim Gutting, Corporation Counsel to the Utilities and two members of the community

Mr. Hall called the meeting to order at 5:30 p.m. and announced a quorum.

Mr. Hall asked for a motion to approve March 28 minutes; Mr. Parnell provided it and Ms. Boyd gave the second; they were approved 5-0.

Mr. Hall presented the Payment of Claims in the amount of \$335,892.33. The presented vouchers were \$109,127.93. Mr. Parnell moved to approve the payment of claims; Ms. Boyd provided the second. The motion passed 5-0.

Utility Superintendent Report: Mr. Hall asked Mr. Salsbery to give his report. Mr. Salsbery said Umbaugh had presented the administration with a second proposal for the water rate increase, including:

A minimum user fixed rate, 0-1,200 gallons, \$14.95 monthly, excluding sales tax

A minimum user fixed rate, 1,201-2,000 gallons, \$24.30 monthly, excluding sales tax

Mr. Salsbery explained the utility currently has three tiers of users, by quantity of usage:

0-15,000 = \$3.72 15,001-985,000 = \$2.24 985,001+ = \$1.86

He explained that packets with the specific amended proposal would be available on Wednesday at the Council's Committee of the Whole meeting. The board members asked questions about the proposal from Umbaugh. Mr. Salsbery and Mr. Fenwick responded. Mr. Fenwick said the urgency & necessity of the proposal is critical to financial stability and necessary improvements at the utility. He provided the data explaining its current shortfall at \$3.1 million, including the debt to the sewer, the reserve fund deficit, and the \$740,000 for the SRF qualification. Mr. Gutting said a tentative closing for the SRF is June 21 to be sure it is closed by the June 30 deadline. Mr. Fenwick said the 2.21% interest is low and would be beneficial to the city.

Old Business: There was none.

New Business: Mr. Hall reminded the board of the Committee of the Whole meeting tomorrow at 6:30 p.m.

Mr. Hall asked for Account Adjustments: Mrs. Retmier said there were two residential sewer adjustments:

1. 5302 Dustin Drive, for \$1254.28
2. 11629 Eldridge Drive, for \$253.04

Mrs. Retmier said LU recommends approval of both adjustments. Mr. Parnell provided the motion to approve the adjustments and Mr. Tekippe gave the second. The motion passed 5-0.

Mrs. Retmier said there were two commercial properties who requested sewer adjustments:

1. 4620 Englewood Drive
2. 10124 E. 46th Street

Mrs. Retmier said LU recommends denial of both adjustment requests to remain in compliance with USB Resolution 2014-1. Mr. Parnell moved to deny the adjustments and Ms. Boyd provided the second. The motion passed 5-0.

Remonstrations of Ratepayer Dispute Regarding Disconnect Notice: There were none.

Citizen Comments: Mr. Carlton Curry recommended strongly that the USB adopt a statement reflecting its support for the amended proposal for the water rate increase, per Scott's description to show the Council the USB supports the alternative proposal. Mr. Parnell provided a motion to support the alternative proposal of revision at 68% with provisions for senior citizens and others, based on water consumption. Mr. Tekippe gave the seconded. Ms. Boyd and Mr. Gingles expressed concern over just hearing about the amended proposal today, and not having the figures in writing. Mr. Hall called the question. The motion passed, 3-2.

There being no further business to come before the Board, Mr. Gingles motioned for adjournment at 6:04 p.m.; Mr. Parnell seconded the motion and it passed 5-0.

Steven Hall, President

Julie Kukolla, Recording Secretary

These minutes are not intended to be verbatim. They are a summary of discussions held, with the exception of the motions.