



**CITY OF LAWRENCE
Utility Service Board
February 28, 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: Mayor Steve Collier, Controller Jason Fenwick, Utility Superintendent Scott Salsbery, DPW Director of Code Enforcement William Anthony, and Deputy Controller Jason Streeter

Also Present: Kristina DeWitt from Umbaugh, Jim Gutting, Corporation Counsel to the Utility 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 approval of the February 14, 2017 minutes. Mr. Parnell moved to accept the minutes; Mr. Gingles seconded the motion. The motion passed unanimously. **Mr. Hall asked for approval of the February 21, 2017 meeting;** Mr. Parnell moved to accept the minutes; Ms. Boyd provided the second and the motion passed 5-0.

Mr. Hall presented the Payment of Claims in the amount of \$302,157.95. The presented vouchers were \$110,630.84. Mr. Parnell moved to approve the payment of claims; Mr. Gingles provided the second. The motion passed 4-0.

Utility Superintendent Report: Mr. Hall asked Mr. Salsbery to give his report. He said the annual contract with Barnes & Thornburg is on the agenda and asked the board to approve it this evening. Mr. Salsbery also said additional funds would be needed for the Oaklandon Tower bidding project, as the Utility hopes to move forward on it soon. The vendor is Tank Industry Consultants. He also said they will begin spring flushing April 23.

Old Business:

1. The board discussed the Umbaugh Report, which was presented during a special meeting February 21. Ms. DeWitt reviewed the report in detail, including Phase I and Phase II and provided historical information and data which impacts the current rate. Ms. DeWitt then answered questions from the board. Mr. Tekippe asked if they would work with the SRF and she said yes. He asked if the SRF has approved the funding yet. Mr. Salsbery said it has not yet been approved, but approval is anticipated in March or April of this year. Ms. DeWitt said the SRF is interested in funding the project but approval stages from the USB and Council are next steps. Mr. Gingles asked if we can finance or lease the amount and Ms. DeWitt said yes. Mr. Hall asked about the base meter and will it change? She replied yes. Mr. Parnell commented that if the USB chooses to do nothing, the system will continue to decline. Ms. DeWitt agreed and also said the water utility cannot incur more debt from the sewer utility, as that \$1.5 million in debt needs to be returned to the sewer utility; and making the improvements will enable the city to continue

to provide safe and reliable drinking water. Ms. DeWitt said a full presentation will be made to the Council so they are fully informed. Mr. Hall said customers are taxed when they purchase bottled water (sales tax). Ms. DeWitt confirmed the sales tax charge and said the last increase for the City of Lawrence was 2004. Mr. Gutting said the SRF deadline is June 30 and has \$30 million to fund the rate of 2.25% if our project is ready to go; he suggested we take advantage of the best rates. Ms. DeWitt said the rates will replenish the cash balances. Mr. Hall asked if there be increases for other charges such as tap fees? Ms. DeWitt said she did review these and a tap fee was discussed and based on conversations with the utility management and controller, it was decided to leave the tap fee alone, but there were small increases to the NSF fee, after hours service call fee and the addition of a small printing fee, that will be charged to customers requesting printed bills after the full roll out of electronic billing. Mr. Hall asked about programs to provide help for those in need and to improve proficiency. Ms. DeWitt said she is not aware of any. Mr. Salsbery said the Utility has standard policies such as the payment extension plan, which will continue to be offered but that there are no specific programs being adopted by the Utility beyond what is presently offered. Mr. Salsbery also mentioned that the Utility is using advanced technology with regard to water meters and that there will soon be a mobile app available for customers with the new Badger E-Series meters that will be very helpful to customers in allowing remote water use monitoring and enhanced water conservation awareness. Mr. Tekippe asked if there would be a program to assist citizens on fixed incomes since the increase could be approximately \$20 per month for the average residential customer using 4,000 gallons. Mr. Salsbery said the Township Trustee is available to provide assistance and service organizations and local churches in the community may be able to assist too. He said he plans to promote the sources for assistance in *The Lift* and on the city's website. Ms. DeWitt said reviewing water rates and charges periodically and not so infrequently would assist citizens and the Utility.

New Business:

1. Mr. Hall accepted Mr. Tekippe's motion to accept the Barnes & Thornburg contract for legal services; Mr. Parnell gave the second and it passed 5-0.
2. Mr. Hall accepted Mr. Parnell's motion to adopt Resolution 2017-2, to approve the report of the financial advisor and approve a change in water rates; Mr. Gingles provided the second and it passed 5-0.
3. Mr. Hall accepted Mr. Parnell's motion to approve the Tank Industry Consultants contract, subject to legal changes by Mr. Gutting; Mr. Gingles gave the second and it passed 5-0.

Mr. Hall asked for Account Adjustments: There were none.

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

Citizen Comments: There were none.

There being no further business to come before the Board, Mr. Parnell motioned for adjournment at 6:20 p.m.; Mr. Gingles 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.