

## Village of Laura Council

### Special Council and BOPA

7:00 PM

February 24,

2020

**Attendees:** Mayor-Ken James, Council Members-Angi Deere, Chris Foster, Mark May, Paula Jones, Thad Kauffman. BOPA Members-Jonathan Thompson, Bradley Ingle. Gretchen Slagle-Fiscal Officer. Residents of Laura.

Mr. James stated the purpose of the meeting was to discuss water tower issues and water rates.

Mr. James asked Mr. Thompson to explain the issues with our water tower and the proposal for a water rate increase.

Mr. Thompson stated in June of 2019, the Board looked into the cost of painting the water tower. The last time we painted it, the cost was around \$20,000. We received quotes of around \$60,000 to have it painted this coming cycle. Given the age of the tower and the increased cost of painting, the Board decided to have the tower evaluated. We worked with Susan Laux, of the engineering firm of Mote & Associates, to help find the resources to evaluate the tower. After evaluation, it was determined there were layers of lead, latex and epoxy paint on the tower. The galvanized steel of the tower reacted with the epoxy paint and as a result, any paint applied to the tower in the future will flake off. To fix the problem, the tower will have to be sandblasted and then repainted, at a cost of around \$550,000. Because of the lead paint, the sandblasting would be considered a hazardous waste project.

Our tower has wax on the inside to protect the steel from the chlorine in the water. The EPA no longer allows the use of wax, so we would also have to remove it and have the inside of the tower painted with epoxy paint, at a cost of around \$70,000. The total cost to make these repairs is around \$620,000. We will have to pay for these repairs ourselves; there isn't any grant money available for maintenance.

Another option would be to apply for a capital improvement grant. We could use this grant money to install a new water tower, at a cost of around \$865,000. The grant process takes around three years. Mrs. Laux had presented the BOPA and Council with different scenarios to show options for the grant. Residents were given copies of these scenarios. (attached) The Village would be responsible for paying \$95,200 for our share of the grant. We would have to secure our share before we would be able to get the grant.

We have completed an income survey through Miami County that would have allowed us to be able to apply for more grant money, but didn't receive the needed number of replies from residents to be able to be considered for additional grant money.

Mr. Thompson explained how raising the water rates by \$10 per month from \$32 to \$42, would raise enough revenue in three years to meet our share. With money already appropriated or money to be appropriated, we would have around \$107,000. This would give us some cushion also. After the three years, the Board would then use \$5.00 to maintain the loans, and review where the remaining \$5.00 would be best used. We would review the ordinance and make appropriate changes. Mr. Thompson noted he thought that this increase in rates would make the utilities stable enough that we shouldn't have to raise rates for a long time.

Mr. Foster presented a proposal that would raise the water rates from \$32 per month to \$38 per month for the first year. The water rate would increase \$5.00 more dollars the second and third year to \$42 per month. This proposal would raise \$100,000. See Attachment.

Mr. James asked if Council had any comments on the proposals. Mr. Kauffman stated he would be more comfortable with some cushion in the budget, we don't know the unknowns that might happen during the construction process, inflation might drive our costs up. Mr. Thompson noted Mrs. Laux had built in some extra costs for things like this.

There were residents concerned about water rates for businesses being just \$2.00 more than residential rates, business rates should be more than \$2.00 higher. Wagner Paving uses a lot of water, especially March-November. The restaurant also uses a lot more water than most of the other businesses. Maybe the town should consider installing meters. Meters would bring in revenue based on usage, making it fairer for a household of two people, compared to a household of six people. Mr. Thompson noted that installing meters would be expensive, a cost that residents might have to bear. Labor costs and costs to pay someone to read the meters could cost the residents more in the long run.

Mr. May stated that the business rates should be reviewed. He noted that the water rates are based on the cost of maintaining our water system, the costs of running the plant, maintaining waterlines, staff, etc., not how many gallons households use.

Discussion of meters. Mr. James asked if we could put meters on the businesses in town. Wagner Paving and Laura's Country Diner would be the biggest users of water of all the businesses. We will have to look into if we can meter just businesses.

Mr. May stated we can come up with an idea of costs for businesses. Mr. Thompson stated he could look at our costs for March-November to see if there might be an increase in supply costs.

Mrs. Deere asked if anyone would want to see some costs of how much it would be to install meters. We can look into things like pools, two person households versus eight people households, watering usage, etc. No one replied they would like to see these costs.

A resident asked about putting the cost of our share on taxes. This would be something that would have to be put on the ballot.

There was concern also from a resident about the bill being lowered, and now Council and BOPA wants to raise it again. If we had left the rates alone, we would only be raising the rates \$4.00. Other residents stated they appreciated it when we lowered the water rates when we didn't need the money.

Mr. Thompson asked the residents to let Council or the Board know if they had any other ideas. There would be three readings of the ordinance for the new water rates, he hoped he had the residents support for the increase.

Mr. Kauffman made a motion to close the meeting, Mr. May seconded the motion. All Yeas, the motion passed.

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Kenneth James, Mayor

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Gretchen Slagle, Clerk