

**CITY OF RANIER
CITY COUNCIL
SPECIAL MEETING MINUTES
RANIER COMMUNITY BUILDING
TUESDAY OCTOBER 31, 2017 @ 2:00 PM**

Mayor Dennis Wagner called the meeting to order at 2:05 pm. A quorum was present.

Council Present: Mayor Dennis Wagner, Councilmembers Todd Coulombe, JoAnn Kellner, Ron Wilcox

Absent: Bob Dunbar

Others present: City Administrator Sherril Gautreaux, Deputy Clerk Tara Mai, John Bruggeman, Gary and Deb Abrams, Mark Lessard, Bud Lessard

CALL MEETING TO ORDER

The meeting was called in order to discuss proposed increases in water rates from the City of International Falls.

- Review City of International Falls proposed conservation water rates.

The City of International Falls proposes a new rate structure based on MNDNR mandated conservation rates. The rates are tiered according to usage: Tier One \$1.27 per 1000 gallons, Tier Two (for 2,000 gallons plus) \$10.92 per thousand gallons, Tier Three (for 10,000 gallons plus) \$11.10 per thousand gallons. The proposed rate schedule will be about 4.4% increase.

- Tier 3 for using greater than 10,000 gallons.

The city of Ranier will be charged at the 10,000 gallon rate which is the highest tier because we purchase between 1,000,000 and 1.5 million gallons a month. Yet our customers do not use 10,000 gallons a month.

- 20% higher rate for out-of-town users vs. in-town users.

Out-of-town customers pay a 20% higher rate for water. What trouble are we to warrant the 20%? The city of International Falls sends the city of Ranier one bill for water usage, thereby reducing I'Falls administrative costs. The city of Ranier must meter and bill each individual customer. In addition, the city of Ranier maintains its own water mains, feeder lines and curb stops. We should be getting a discount as a bulk customer.

- Next Step

Draft a letter to the city of International Falls council regarding the proposed water rate increase.

In reviewing documentation from 2007, the International Falls Water Rates have increased 100% increase in 10 years.

The proposed rate increase will bill each of our customers at the 10,000 gallon tier. Our customers average around 2000 gallons; therefore, Tier 2 would be more appropriate.

Based on their revenue requirements, can they legitimately define why we deserve a 20% higher rate?

Disagree with the previous rate study of 2007:

Ranier shouldn't pay anything for water maintenance – this applies to the city of l'Falls water lines not the filter plant - 22%

Ranier shouldn't contribute to the administrative costs – 7%. l'Falls sends Ranier one bill not 450

Capital items – should be reduced – how much goes to the plant? How much to their lines, equipment, trucks, etc.

Depreciation – treatment plant yes - their lines no.

What are they charging water haulers?

We have put in measures to reduce our water loss by purchasing new meters, water main replacement. In addition, we have added customers through the Three Points North project thereby increasing the overall customer base.

We do recognize that the city of International Falls assumes the risks and liabilities of operating the water treatment plant. The city of Ranier does not take this lightly and appreciates the ability to get clean water for its customers.

Attend their meeting when they discuss this. Ask when it would be on agenda.

A motion to adjourn the meeting was made by Councilmember Coulombe; seconded by Councilmember Wilcox and carried unanimously.

MEETING ADJOURNED @ 3:00 pm.

Mayor Dennis Wagner

Date

ATTEST:

City Administrator Sherril Gautreaux

Date