

ANNUAL MEETING OF PUBLIC WORKS DEPARTMENT UTILITIES
Meeting Minutes

July 13, 2022

5:30 p.m.

Wastewater Administration Bldg.
4075 Glen Koster, Idaho Falls, ID

Officials Present: Mayor Casper, Council President Dingman, Councilor Radford, Councilor Hally, Councilor Freeman, Councilor Francis, Councilor Burtenshaw (joined at 5:55 p.m.)

Officials Absent: None

Also Present: Director Chris Frederickson, Chris Canfield, Carl Utter, David Richards, Jordan Rechenmacher, Kent Fugal

Call to Order: Meeting called to order at 5:44 p.m.

Announcements: None

Introductions: Frederickson introduced the Public Works staff in attendance.

Discussion: Frederickson delivered a prepared presentation and led the discussion. The following is a summary of the presentation/discussion highlights:

Public Works Utilities Operations Update/Rate and Budget Overview and Future Policy Initiatives Discussion

Public Works Department Budget

- Reviewed overall budget numbers (expenditure and revenue) for the three PW enterprise operations.
- Proposed FY2023 compared to FY2021 and FY2022
- Public Works manages 10 of 33 funds in the City

Sanitation Division

- FY2023 budget request at 86.5% of prior year. Additional containers are major expenditure.
- FY2022 expenditures to date are at 75%, matching amount of time elapsed. Revenue anticipated to exceed budgeted projection.
- Assets
Number of containers is up and budget request includes significant additional containers. The largest percentage increase is in 30 cubic yard containers.
Fleet makeup was reviewed, current MERF balance is 51% of the total fleet replacement cost.
- Recycling
Cost to City for free recycling is \$49,380/year
Removes 765 tons/year from going to landfill
- Summary
Fund balance at approx. \$5M
Last rate increase in 2014
New rate analysis included in FY2023 budget request

Burtenshaw asked if autoloading charge by can has had an impact on collection or revenue. Rechenmacher said that there has been some residential revenue increase due to extra cans. Mayor discussed rates and that lack of increase since 2014 could mean that we were overcharging in 2014.

Questioned if rate increases should be done more often at smaller jumps.

Fredericksen mentioned that the growth in the number of customers served (rate payers increased) has provided needed revenue increase for operations.

Argument could be made that it is the Director's job to bring forth the appropriate budget request to take care of their employees.

Mayor and Council then take that information and balance the needs of the employees/departments against the taxpayer/ratepayer burden.

Rate increases tend to erode the idea that our low rates and high service offset our higher taxes.

- Discussion of philosophy of wages

IFP went out on their own

PW enterprise operations could do the same, but is that good for overall City operation?

Discussion of perception that grade determination doesn't truly recognize what certifications/qualifications are required.

Mayor mentioned that Power has data available that doesn't have a true equivalent in Water, Wastewater, and Sanitation.

Wastewater Division

- FY2023 budget request at 107.8% of prior year (\$22.9M).
- Dewatering project cost increase and double loan repayment are factors and may not have a loan payment in FY2024.
- Budgeted revenue at \$12.65M
- FY2022 revenue anticipated to exceed budgeted projection
- Assets
Increase in gravity lines, both sanitary and storm.
WWTP has capacity of 17 MG/D average flow of 9.5 MG/D.
- Discussion of staffing WWTP 24 hours
New facility plan would look at whether there are technologies that would help us get away from having to have operators present at all times.
Radford mentioned that software can take care of things, but at a very high cost.
Utter mentioned that there's no substitute for eyes on the operation looking out for things that don't look right.
Fredericksen showed maps of where the sanitary and storm lift stations are located.
- Fleet/Equipment
\$4.5M replacement cost
Current MERF balance is 65% of the total fleet replacement cost.
\$250K 50/50 grant for facilities, 20-year evaluation.
Collection - budget \$2M for line replacement (goal of 1% replacement per year).
Next major project - dewatering at \$9M.
- Summary
Fund balance in June 2022 of \$29.23M. Fund balance goal \$5M+.
Last rate increase of 1.3% for FY2022. Proposed 2% for FY2023.
Cogeneration – study complete
Septage receiving upgrades with dewatering project.

Water Division

- FY2023 budget request at 123.7% of prior year (\$22.6M)
\$4.3M increase
Water tower increases, ARPA/grant funding, and federal projects are factors
- FY2023 revenue budgeted at \$13.6M
- FY2022 expenditures through June 2022
Budget \$18.6M
Expenditures \$9.5M, 51% expended to date.
- FY2022 revenue anticipated to exceed budgeted projection
- 19 employees
- Assets
Discussed wells, miles of water main lines, fire hydrants valves, meters (31.5% increase in meter locations, 9.7% of meter locations have meters installed).
- 21 Wells
2021 average 25 MGD (8.2% increase)
2021 peak 59.4 MGD (2.8% increase)
2021 peak hour 86.0 MGD (11% increase)
Discussed that taking large peak users (golf courses and parks) off of potable water increases the head space we currently have of 97 vs 86 MGD.
System capacity 97 MGD
Well 19 currently a backup well.
- Fredericksen showed graph of 5-year production (use is very weather dependent).
- Fleet/Equipment
\$1.6M replacement cost
Current MERF balance is 45% of the total fleet replacement cost.
- Water Facility Plan underway - complete this fall
- Groundwater recharge
Site near Sandy Downs fed from Sand Creek
New site at 35th West would come from the Snake River
Discussed 2021 and historical mitigation
- Summary
Fund balance in June 2022 of \$18.4M, fund balance goal \$2.5M+
Last rate increase of 3.9% for FY2021
Proposed 5% for FY2023, also water service connection fee adjustments
Request for new FTE
- Metering
 - * Discussion points regarding metering included:
Residential meters
Continuing to seek grants for new meters
Estimating cost of commercial and residential vaults/pits installation
Lead/copper rule
 - * General comments from officials present included:
Start requiring meters for new construction
Implement surcharge for large lots in the interim
Metering is the "right" thing to do given arid nature of this region of the country
Interesting in polling to determine support of electorate toward metering
Consider upping the proposed water rate increase to develop balance for future grant matches.

- **Payment in Lieu of Taxes (PILOT)**
 - * **5% of revenue for each division****Does not include connection fees, which cannot go toward PILOT**
Francis mentioned desire for a written policy regarding PILOT

Additional Q&A

Comment was made about trying to get recycle bins out of the parks, where parking is at a premium

Adjournment: Meeting adjourned at 8:15 p.m.

Meeting Minutes by Kent Fugal



Memorandum

File #: 21-694

City Council Meeting

FROM: Chris H Fredericksen, Public Works Director
DATE: Wednesday, October 19, 2022
DEPARTMENT: Public Works

Subject

Minutes from Annual Meeting of Public Works Department Utilities.

Council Action Desired

- Ordinance
- Resolution
- Public Hearing
- Other Action (Approval, Authorization, Ratification, etc.)

Approve the minutes as described (or take other action deemed appropriate).

Description, Background Information & Purpose

Annual Meeting of Public Works Department Utilities held on 13 July 2022.

Alignment with City & Department Planning Objectives

The action is in accordance with Idaho Code 74-205(1) and supports good governance by demonstrating sound management and enabling trust and transparency.

Interdepartmental Coordination

N/A

Fiscal Impact

N/A

Legal Review

N/A

October 27, 2022
Approved 6-0

2022-075