

# Village of Bellaire

## PUBLIC WORKS COMMITTEE

**Butch Dewey, Acting Chairman**

**Trish Drollinger**

**Laurie Sexton**

### COMMITTEE MEETING MINUTES

April 8, 2013

1. **Call to Order:** Chairman Dewey called the meeting to order at 10:00 a.m.

#### Attendance

**Present:** Chairman Dewey, Laurie Sexton

**Absent:** Trish Drollinger

**Staff Present:** WWTP Supervisor Russ Fillmore, DPW Supervisor Ken Stead,  
Treasurer Cathy Odom, Clerk Janet Koch

**Also Present:** Mike Engels from the Michigan Rural Water Association

2. **Approval of Agenda:** The agenda was approved as written.

**Motion by Sexton, seconded by Dewey, to approve the agenda as presented.**

**Motion carried by voice vote.**

3. **Approval of the Meeting Minutes:** The minutes were approved.

**Motion by Sexton, seconded by Dewey, to approve the minutes of October 2, 2013 as presented. Motion carried by voice vote.**

4. **Public Comment on Agenda Items:** None presented.

5. **Old Business:** None presented.

6. **New Business**

- a) **Results of Water-Sewer Rate Study** – Mike Engels from the Michigan Rural Water Association (MRWA) presented the results of the study that he performed for the village in February. He said that what he was going to present to the committee was not so much a rate evaluation as a budget evaluation. He had assessed the needs of the water/sewer system and was presenting a budget that would provide for adequate maintenance for the coming years.

He added that MRWA recommended that a rate study be performed every five years to ensure that the budgeting projections were on track. He stated that the water/sewer budgets he was providing were living documents.

Engels then showed the committee the results of his analysis of the sewer budget and rates. The sewer fund is showing increasing losses over the last four years with the 2012 calendar year showing a loss of over \$46,000.

Water use in Bellaire has reduced 2% over the last four years which means an automatic loss of revenue. Engels added that raising rates typically results in a small decrease in usage. He also stated that best practices recommendations are to have at least half of the

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water/sewer revenues be collected through base rates (ready-to-serve fees) and half through usage fees to ensure a reliable revenue stream if usage decreases. Currently, the village collects 39% of its sewer revenues through the base rate and 61% through usage. For water, 55% of the revenue is collected through base rates and 45% through usage.

The water fund is showing a profit, but the profit has been steadily decreasing over the past four years. In addition, the well replacement scheduled for this year will deplete the reserve water fund dramatically. However, even if water rates are increased, that increase will not raise sufficient funds to pay for the structural improvements recommended in the hydraulic study recently completed by the engineering firm Fleis and Vandenbrink.

Dewey said he recognized the necessity to change the rates and said he'd like to see something done by July. There was a discussion of the next step to take. Engels said that in other communities, he has made a similar presentation to council members two at a time. This way the entire council has a working knowledge of the rate study and the accompanying recommendations, giving the council a solid basis for a decision regarding rate changes.

It was agreed that presenting the information to the rest of the council would be an appropriate way to move forward. The committee tabled making any recommendations to council on the matter.

7. **Discussion Items:** None presented.
8. **Communications/Informational:** None presented.
9. **Member/Public Comment:** None presented.
10. **Adjournment:** Meeting adjourned at 11:05 a.m.

Minutes compiled by Janet Koch, Clerk

Approved: \_\_\_\_\_  
Butch Dewey, Acting Chairman

Date: \_\_\_\_\_