



Watertown City Council Work Session

Mayor Steve Washburn
Deborah Everson
Lindsay Guetzkow
Adam Pawelk
Michael Walters

10/13/2020 - Minutes

1. Call To Order And Roll Call

Mayor Steve Washburn called the City Council workshop to order at 5:30 p.m. on October 13, 2020.

Council Members present: Washburn, Michael Walters, Deborah Everson, Adam Pawelk, and Lindsay Guetzkow

City Staff present: City Administrator Shane Fineran, City Engineer Andrew Budde, Utilities Superintendent Doug Kammerer, and Clerk/Treasurer Lynn Tschudi.

Guest: Seth Peterson from Bolton and Menk.

2. New Business

2.1. Preliminary 2021 Enterprise Fund Budgets And Utility Rates

City Administrator Fineran reminded council of the long-range enterprise fund plan set forth in 2017 to assure utility rates could support operations and future capital investments. Fineran explained that the plan was conservative, and the City has been able to exceed their revenue budgets due to an increase in new home permits. Year to date there have been 47 new home permits issued and the utility rate study is based off 17 new homes per year. The initial study was to help plan for the waste-water treatment facility expansion in 2022. Fineran said the City is also planning on receiving outside funding from grants and low interest loans. He explained that there are hurdles with funding sources at the state level. Fineran is recommending following the utility rate study with a 1% increase in water, 4% increase in sewer, and 5% increase in storm water. The overall change averages to about a 2% increase to the average utility bill.

Fineran explained the changes in the water, sewer and storm operating budgets for 2021 from 2020.

Mayor Washburn asked council if they have any concerns with the proposed increases. Council Member Pawelk said he is comfortable with the rates. He asked Fineran what the plan would be if there would be no funding from the state. Fineran said if the City was willing to give up the \$7M from the state, then it may be worth looking at how to pay for the facility out of pocket and increase rates more than the proposed amounts. If the City is wanting to wait for state funding, then the proposed rates should be enough to cover the future project.

Council Member Everson asked if the COVID relief reduction of business ERU's is affecting the utility budgets. Fineran said most of the businesses have gone back to normal and others are at 50%, but

overall, it is a small amount. Council Member Walters is not in favor of increasing rates any more than necessary. Council Member Guetzkow approves the proposed utility rate increase. Council discussed having Northland Securities develop multiple scenarios of funding for the wastewater treatment facility. Guetzkow said council is also willing to speak with legislatures to pressure them for funding.

Mayor Washburn asked Engineer Budde about the timing of the future water tower construction. Engineer Andrew Budde said the timing is flexible, however the 5,000 population is what would trigger construction of the water tower. Mayor Washburn asked about soil borings at the possible wastewater treatment expansion location. Budde stated the soil is good, but some would need to be removed and additional concrete would need to be brought in.

Guetzkow asked how the construction at the WWTF will affect the Lions sheds on the property.

Fineran said this project will not be a problem, but the sheds will need to be moved for the public works salt shed project.

3. Adjournment

Mayor Washburn adjourned the workshop at 6:15 p.m.

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