



City of Grand Island

Tuesday, June 28, 2005

Council Session

Item G2

Approving Minutes of June 21, 2005 City Council Study Session

The Minutes of June 21, 2005 City Council Study Session are submitted for approval. See attached MINUTES.

Staff Contact: RaNae Edwards

OFFICIAL PROCEEDINGS

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL STUDY SESSION

June 21, 2005

Pursuant to due call and notice thereof, a Study Session of the City Council of the City of Grand Island, Nebraska was conducted in the Council Chambers of City Hall, 100 East First Street, on June 21, 2005. Notice of the meeting was given in the *Grand Island Independent* on June 15, 2005.

Mayor Jay Vavricek called the meeting to order at 7:00 p.m. The following members were present: Councilmember's Meyer, Whitesides, Pielstick, Gilbert, Nickerson, Cornelius, Pauly, Hornady, and Walker. Councilmember Haase was absent. The following City Officials were present: City Administrator Gary Greer, City Clerk RaNae Edwards, Finance Director David Springer, and City Attorney Doug Walker

Mayor Communication: Mayor Vavricek commented on the following:

- Informal Meet and Great Event on Friday, June 23, 2005 at 11:15 a.m. to meet Lela Lowry and Andrew Hills – candidates for the Emergency Management Director
- Introduced Wendy Meyer-Jerke, Public Information Officer

Presentation of Water Department Financial Status Report. Gary Mader, Utilities Department Director reported that the Water Department was an equipment and facilities intensive enterprise where a large percentage of revenue must be used for Capital Projects to meet growth and Operations and Maintenance costs of existing infrastructure. The philosophy of the department had been limit long term debt and “pay as you go” for operations, maintenance, and normal and routine system expansions. The last major increase was in 1994.

The following financial requirements were presented and discussed over the last five years:

Capital Projects

- Overall System Improvements
- Water Department Projects
- System Extensions for new subdivisions

Operation and Maintenance Costs

- Production Expenses
- Operating Expenses

Also presented were several immediate future projects such as expansion of the Well Field, replace motor on Burdick Pump Station Pump 1, extensions of major trunk lines, addition of a second water storage reservoir in west Grand Island, replacement of old electric switchgear at Well Field pumping station, construction of Water Mains, replacement of older fire hydrants, continued upgrade of older Well Field wells piping and closures, and regulation and control of the Platte River.

Mr. Mader recommended adding \$0.10 per 100 cubic feet which would increase revenue by \$500,000 per year covering the immediate shortfall. Presented were water rate comparisons with North Platte, Hastings, Kearney, Lincoln, and Omaha.

Discussion was held with regards to different rate structures. The following water rates were proposed:

Residential: 1,500 cubic ft. (11,220 gallons)

- GI Present: \$11.77
- GI Proposed: \$13.27

Commercial: 50,000 cubic ft. (374,000 gallons)

- GI Present: \$208.06
- GI Proposed: \$258.06

Commercial/Industrial: 1,500,000 cubic ft. (11,220,000 gallons)

- GI Present: \$4,306.06
- GI Proposed: \$5,806.06

Large Industrial: 6,000,000 cubic ft. (44,880,000 gallons)

- GI Present: \$16,726.06
- GI Proposed: \$22,726.06

The Council requested more information be brought back to them on different rate structures before they make a decision. City Administrator Gary Greer commented on the importance of increasing the rates this fiscal year because of the short-fall in revenues instead of through the budget process which would start in October.

ADJOURNMENT: The meeting was adjourned at 8:20 p.m.

RaNae Edwards
City Clerk