

CITY OF BAYFIELD
SPECIAL MEETING
PUBLIC WORKS COMMITTEE
July 21, 2014

Meeting called to order by Bryan at 8 a.m. at City Hall. Present: Don Albrecht, Gene Brevold, Vincent Kelly, and Jim Bryan; City employees Tom Kovachevich, Nick Wszalek, Dionne Johnston and Linda Goodlet; Mark Van Vlack and Mayor Larry MacDonald; David Eades. M/Brevold S/Kelly to approve agenda. Approved. Minutes from July 11, 2014, meeting approved on a motion by Brevold S/Albrecht. No public input was offered on the agenda.

1. Water Rate Increase

On May 2, 2014, the Committee agreed to submit an application to the Wisconsin Public Service Commission to increase water rates. Since 2007, the City has made major improvements to water infrastructure (\$5 million between 2007-2009 and more is being done now) but rates have not kept pace. For two years, the utility has had insufficient revenue to return to the City an appropriate tax equivalent amount. The last major rate increase was 37% in 2001. The increase applies only to the water portion of the utility bill.

Four different scenarios, prepared by Mark Van Vlack, demonstrate different rates of return on investment based on variable percentage rate increases, and the resulting tax equivalent amounts and cash generated with each scenario. The Public Service Commission will determine final allocation amounts based on the City's application, which is due on August 1.

M/Kelly S/Brevold to submit the application with a suggested percentage increase of 47% with a return on investment of 6.5% that would generate a tax equivalent amount of \$66,109, providing \$110,339 in additional cash to the utility. Motion carried.

Adjournment

Adjournment: M/Kelly S/Brevold. Motion approved at 8:25 a.m.