



Agenda

City Council Work Session

Oelwein Community Plaza, 25 West Charles, Oelwein, Iowa

5:15 PM

April 26, 2021
Oelwein, Iowa

Mayor: Brett DeVore

Mayor Pro Tem: Warren Fisk

Council Members: Matt Weber, Renee Cantrell, Tom Stewart, Lynda Payne, Karen Seeders

Pledge of Allegiance

Discussions

- [1.](#) Discussion on Water and Sewer Rate Increase with high consumption users

Adjournment

In compliance with the Americans with Disabilities Act, those requiring accommodation for Council meetings should notify the City Clerk's Office at least 24 hours prior to the meeting at 319-283-5440

The Oelwein City Council will evaluate and vote on the proposed rate increase in March of 2021. Rate Increases will be effective July of 2021.

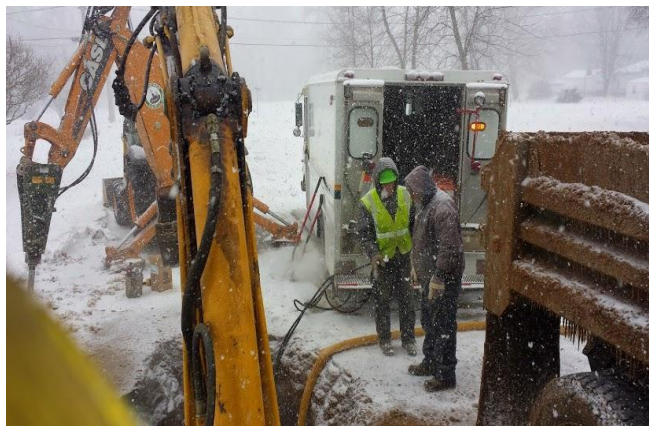
- July 2021 25 percent
- July 2022 6 percent
- July 2023 6 percent
- July 2024 2 percent
- July 2025 2 percent

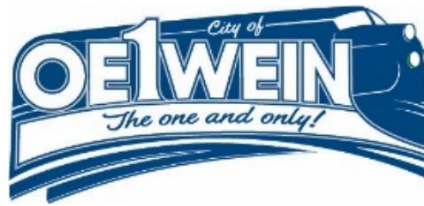
The City will remove the infrastructure fee. City Council determined that cost of water should be focused on usage and not a set fee.

The City of Oelwein is working toward an aggressive rate and fee schedule for the Water utility to complete several projects as shown below:

- \$779,500 loan for Water Infrastructure Project
 - Already awarded \$600,000 in CDBG funds
- \$1,300,000 for an additional project/projects
- \$100,000 annual revenue for capital improvement projects in water

Water main breaks are too common in the City of Oelwein. Old pipes that are no longer viable continue to be used. City staff is working with City Council on a plan that allows for the city to tackle projects on the city’s timeline and not because of an Iowa Department of Natural Resources Mandate, or because of failing infrastructure. Water delivery is the most important service in the City of Oelwein. City Council is committed to providing safe drinking water 24/7.





The Oelwein City Council will evaluate and vote on the proposed rate increase in March of 2021. Rate Increases will be effective July of 2021.

- July 2021 9 percent
- July 2022 5 percent
- July 2023 5 percent
- July 2024 2 percent
- July 2025 2 percent

The City will remove the infrastructure fee. City Council determined that cost of water should be focused on usage and not a set fee.

The City of Oelwein is working toward an aggressive rate and fee schedule for the Sewer/Wastewater utility to complete several projects as shown below:

- \$1,000,000 Reed Bed Expansion
- \$300,000 Nutrient Reduction
- \$200,000 Clean Out Equalization Basin Replace Liner
- \$200,000 Sewer Main Replacement
- \$135,000 UV Disinfection
- \$100,000 annual revenue for capital improvement projects in sewer/wastewater
- \$70,000 staffing level
- Infiltration/Inflow (INI Study)
- Improvements to 4th and 5th NE

Raising rates on a utility is not something that the City takes lightly. City staff has planned out several projects and worked the numbers for months to prepare a successful plan for City Council. The current council is serious and determined to make improvements to infrastructure. The determining factor is that City Council no longer wants to make this problem the next generations and take a proactive approach. The City continues to deal with tighter regulations from the Iowa Department of Natural Resources (DNR) and believes that rate increases will help the city stay in front of these regulations which will cost the city millions of dollars.



WATER

Current 2020-2021 Rates				2021-2022 25% Increase				FY 2022 6% Increase		FY 2023-2024 6% Increase		FY 2024-2025 2% Increase		FY 2025-2026 2% Increase		FY 2026 2% Increase		FY 2027 2% Increase		
Usage	1st 75 cf included in base	Water \$8.90 min \$3.55/100	Increase per month	Usage	1st 75 cf included in base	Water \$11.13 min \$4.44/100	Increase per month	Water \$11.79 min \$4.70/100	Increase per month	Water \$12.50 min \$4.99/100	Increase per month	Water \$12.75 min \$5.09/100	Increase per month	Water \$13.01 min \$5.19/100	Increase per month	Water \$11.02 min \$4.40/100	Increase per month	Water \$11.24 min \$4.49/100	Increase per month	
																				0 usage-Minimum billing
2 person household	368	293	\$ 19.30	2 person household	368	293	\$ 24.14	\$ 4.84	\$ 25.56	\$ 1.42	\$ 27.12	\$ 1.56	\$ 27.66	\$ 0.54	\$ 28.22	\$ 0.55	\$ 23.91	\$ (4.30)	\$ 24.40	\$ 0.48
3 person household	700	625	\$ 31.09	3 person household	700	625	\$ 38.88	\$ 7.79	\$ 41.17	\$ 2.29	\$ 43.69	\$ 2.52	\$ 44.56	\$ 0.88	\$ 45.45	\$ 0.89	\$ 38.52	\$ (6.93)	\$ 39.30	\$ 0.78
4 person household	767	692	\$ 33.47	4 person household	767	692	\$ 41.85	\$ 8.39	\$ 44.31	\$ 2.46	\$ 47.03	\$ 2.72	\$ 47.97	\$ 0.94	\$ 48.92	\$ 0.95	\$ 41.47	\$ (7.46)	\$ 42.31	\$ 0.84
5 person household	1,089	1,014	\$ 44.90	5 person household	1,089	1,014	\$ 56.15	\$ 11.25	\$ 59.45	\$ 3.30	\$ 63.10	\$ 3.65	\$ 64.36	\$ 1.26	\$ 65.64	\$ 1.27	\$ 55.64	\$ (10.00)	\$ 56.77	\$ 1.13
6 person household	1,587	1,512	\$ 62.58	6 person household	1,587	1,512	\$ 78.26	\$ 15.69	\$ 82.85	\$ 4.59	\$ 87.95	\$ 5.09	\$ 89.71	\$ 1.76	\$ 91.48	\$ 1.77	\$ 77.55	\$ (13.93)	\$ 79.13	\$ 1.58
Industry	106,180	106,105	\$ 3,775.63	Industry	106,180	106,105	\$ 4,722.19	\$ 946.56	\$ 4,998.73	\$ 276.53	\$ 5,307.14	\$ 308.41	\$ 5,413.49	\$ 106.35	\$ 5,519.86	\$ 106.37	\$ 4,679.64	\$ (840.22)	\$ 4,775.35	\$ 95.71
Industry	37,883	37,808	\$ 1,351.08	Industry	37,883	37,808	\$ 1,689.81	\$ 338.72	\$ 1,788.77	\$ 98.96	\$ 1,899.12	\$ 110.35	\$ 1,937.18	\$ 38.06	\$ 1,975.25	\$ 38.07	\$ 1,674.57	\$ (300.67)	\$ 1,708.82	\$ 34.25
Industry	55,900	55,825	\$ 1,990.69	Industry	55,900	55,825	\$ 2,489.76	\$ 499.07	\$ 2,635.57	\$ 145.81	\$ 2,798.17	\$ 162.60	\$ 2,854.24	\$ 56.07	\$ 2,910.33	\$ 56.09	\$ 2,467.32	\$ (443.01)	\$ 2,517.78	\$ 50.46
Industry	45,500	45,425	\$ 1,621.49	Industry	45,500	45,425	\$ 2,028.00	\$ 406.51	\$ 2,146.77	\$ 118.76	\$ 2,279.21	\$ 132.44	\$ 2,324.88	\$ 45.68	\$ 2,370.57	\$ 45.69	\$ 2,009.72	\$ (360.85)	\$ 2,050.82	\$ 41.10
Business	20,316	20,241	\$ 727.46	Business	20,316	20,241	\$ 909.83	\$ 182.37	\$ 963.12	\$ 53.29	\$ 1,022.53	\$ 59.41	\$ 1,043.02	\$ 20.49	\$ 1,063.52	\$ 20.50	\$ 901.62	\$ (161.89)	\$ 920.06	\$ 18.44
Business	25,721	25,646	\$ 919.33	Business	25,721	25,646	\$ 1,149.81	\$ 230.48	\$ 1,217.15	\$ 67.34	\$ 1,292.24	\$ 75.08	\$ 1,318.13	\$ 25.90	\$ 1,344.04	\$ 25.91	\$ 1,139.44	\$ (204.59)	\$ 1,162.75	\$ 23.30
Business	3,500	3,425	\$ 130.49	Business	3,500	3,425	\$ 163.20	\$ 32.71	\$ 172.77	\$ 9.56	\$ 183.41	\$ 10.64	\$ 187.08	\$ 3.68	\$ 190.77	\$ 3.68	\$ 161.72	\$ (29.05)	\$ 165.02	\$ 3.30
Business	1,200	1,125	\$ 48.84	Business	1,200	1,125	\$ 61.08	\$ 12.24	\$ 64.67	\$ 3.58	\$ 68.64	\$ 3.97	\$ 70.01	\$ 1.38	\$ 71.40	\$ 1.39	\$ 60.52	\$ (10.88)	\$ 61.75	\$ 1.23
Business	5,637	5,562	\$ 206.35	Business	5,637	5,562	\$ 258.08	\$ 51.73	\$ 273.20	\$ 15.12	\$ 290.04	\$ 16.84	\$ 295.86	\$ 5.81	\$ 301.68	\$ 5.82	\$ 255.75	\$ (45.93)	\$ 260.97	\$ 5.23

Current 2020-2021 Rates				5% discount rate for East Penn										East Penn goes to regular rates?????					
Usage	High volume 150,00 cf rate \$8.90 min \$3.32/100		Increase per month	High volume 150,00 cf rate		High Volume 150,000 cf rate		High Volume 150,000 cf rate		High Volume 150,000 cf rate		Water		Water		Water			
				\$11.13 min \$4.15/100	Increase per month	Water \$11.79 min \$4.39/100	Increase per month	Water \$12.50 min \$4.65/100	Increase per month	\$12.75 min \$4.74/100	Increase per month	\$13.01 min \$4.83/100	Increase per month	Water \$11.02 min \$4.40/100	Increase per month	Water \$11.24 min \$4.49/100	Increase per month		
East Penn-Water	255,622	255,547	\$ 8,493.06	255,622	255,547	\$ 10,616.33	\$ 2,123.27	11,230.30	\$ 613.97	11,895.44	\$ 665.13	12,125.68	\$ 230.24	12,355.93	\$ 230.25	11,255.09	(1,100.84)	11,485.30	230.21

Sewer

Current 2020-2021 Rates				2021-2022 9% Increase				FY 2022-2023 5% Increase		FY 2023-2024 5% Increase		FY 2024-2025 2% Increase		FY 2025-2026 2% Increase		FY 2026 2% Increase		FY 2027 2% Increase	
	Usage	1st 75 cf	Sewer	Usage	1st 75 cf	Sewer \$15.91	Increase per	Sewer \$16.71	Increase per	Sewer \$17.55	Increase per	Sewer \$17.90	Increase	Sewer	Increase	Sewer	Increase per	Sewer	Increase
		included	\$14.60 min		included in	min \$6.62/100	month	min\$6.95/100	month	min\$7.29/100	month	min\$7.44/100	per month	\$18.25 min	per month	\$17.75 min	per month	\$18.11 min	per month
		in base	<u>\$6.07/100</u>		base														
0 usage-Minimum billing	0-75		\$ 14.60	0 usage-Minimum billing	0-75	\$ 15.91	\$ 1.31	\$ 16.71	\$ 0.80	\$ 17.55	\$ 0.84	\$ 17.90	\$ 0.35	\$ 18.25	\$ 0.35	\$ 17.75	\$ (0.50)	\$ 18.11	\$ 0.36
2 person household	368	293	\$ 32.39	2 person household	368	293	\$ 35.31	\$ 37.07	\$ 1.77	\$ 38.91	\$ 1.84	\$ 39.70	\$ 0.79	\$ 40.49	\$ 0.79	\$ 39.37	\$ (1.12)	\$ 40.17	\$ 0.80
3 person household	700	625	\$ 52.54	3 person household	700	625	\$ 57.29	\$ 60.15	\$ 2.86	\$ 63.11	\$ 2.97	\$ 64.40	\$ 1.29	\$ 65.69	\$ 1.29	\$ 63.88	\$ (1.81)	\$ 65.17	\$ 1.30
4 person household	767	692	\$ 56.60	4 person household	767	692	\$ 61.72	\$ 64.80	\$ 3.08	\$ 68.00	\$ 3.19	\$ 69.38	\$ 1.39	\$ 70.77	\$ 1.39	\$ 68.82	\$ (1.95)	\$ 70.22	\$ 1.40
5 person household	1,089	1,014	\$ 76.15	5 person household	1,089	1,014	\$ 83.04	\$ 87.18	\$ 4.15	\$ 91.47	\$ 4.29	\$ 93.34	\$ 1.87	\$ 95.21	\$ 1.87	\$ 92.58	\$ (2.63)	\$ 94.46	\$ 1.88
6 person household	1,587	1,512	\$ 106.38	6 person household	1,587	1,512	\$ 116.00	\$ 121.79	\$ 5.79	\$ 127.77	\$ 5.98	\$ 130.39	\$ 2.62	\$ 133.01	\$ 2.62	\$ 129.34	\$ (3.68)	\$ 131.96	\$ 2.63
Industry	17,700	17,625	\$ 1,084.44	Industry	17,700	17,625	\$ 1,182.69	\$ 1,241.65	\$ 58.96	\$ 1,302.41	\$ 60.76	\$ 1,329.20	\$ 26.79	\$ 1,355.99	\$ 26.79	\$ 1,318.48	\$ (37.51)	\$ 1,345.27	\$ 26.80
Industry	37,883	37,808	\$ 2,309.55	Industry	37,883	37,808	\$ 2,518.80	\$ 2,644.37	\$ 125.57	\$ 2,773.75	\$ 129.39	\$ 2,830.82	\$ 57.06	\$ 2,887.88	\$ 57.06	\$ 2,807.98	\$ (79.90)	\$ 2,865.05	\$ 57.07
Industry	55,900	55,825	\$ 3,403.18	Industry	55,900	55,825	\$ 3,711.53	\$ 3,896.55	\$ 185.02	\$ 4,087.19	\$ 190.65	\$ 4,171.28	\$ 84.09	\$ 4,255.37	\$ 84.09	\$ 4,137.64	\$ (117.73)	\$ 4,221.73	\$ 84.10
Industry	45,500	45,425	\$ 2,771.90	Industry	45,500	45,425	\$ 3,023.05	\$ 3,173.75	\$ 150.70	\$ 3,329.03	\$ 155.29	\$ 3,397.52	\$ 68.49	\$ 3,466.01	\$ 68.49	\$ 3,370.12	\$ (95.89)	\$ 3,438.61	\$ 68.50
Business	20,316	20,241	\$ 1,243.23	Business	20,316	20,241	\$ 1,355.86	\$ 1,423.46	\$ 67.60	\$ 1,493.12	\$ 69.66	\$ 1,523.83	\$ 30.71	\$ 1,554.54	\$ 30.71	\$ 1,511.54	\$ (43.01)	\$ 1,542.26	\$ 30.72
Business	13,280	13,205	\$ 816.14	Business	13,280	13,205	\$ 890.08	\$ 934.46	\$ 44.38	\$ 980.19	\$ 45.74	\$ 1,000.35	\$ 20.16	\$ 1,020.51	\$ 20.16	\$ 992.28	\$ (28.23)	\$ 1,012.45	\$ 20.17
Business	3,500	3,425	\$ 222.50	Business	3,500	3,425	\$ 242.65	\$ 254.75	\$ 12.10	\$ 267.23	\$ 12.49	\$ 272.72	\$ 5.49	\$ 278.21	\$ 5.49	\$ 270.52	\$ (7.69)	\$ 276.01	\$ 5.50
Business	1,200	1,125	\$ 82.89	Business	1,200	1,125	\$ 90.39	\$ 94.90	\$ 4.51	\$ 99.56	\$ 4.66	\$ 101.60	\$ 2.04	\$ 103.64	\$ 2.04	\$ 100.78	\$ (2.86)	\$ 102.82	\$ 2.05
Business	5,637	5,562	\$ 352.21	Business	5,637	5,562	\$ 373.12	\$ 403.27	\$ 30.15	\$ 423.02	\$ 19.75	\$ 431.71	\$ 8.69	\$ 440.41	\$ 8.69	\$ 428.23	\$ (12.18)	\$ 436.93	\$ 8.70

Current 2020-2021 Rates				2021-2022 9% Increase				FY 2022-2023 5% Increase		FY 2023-2024 5% Increase		FY 2024-2025 2% Increase		FY 2025-2026 2% Increase		Sewer		Sewer	
	Usage	1st 75 cf	Sewer	Usage	1st 75 cf	Sewer \$15.91	Increase per	Sewer \$16.71	Increase per	Sewer \$17.55	Increase per	Sewer \$17.90	Increase	Sewer	Increase	Sewer	Increase per	Sewer	Increase
		included	\$14.60 min		included in	min \$6.62/100	month	min\$6.95/100	month	min\$7.29/100	month	min\$7.44/100	per month	\$18.25 min	per month	\$17.75 min	per month	\$18.11 min	per month
		in base	<u>\$5.81/100</u>		base														
East Penn-Sewer	107,418	107,343	\$ 6,251.23	East Penn-Sewer	107,418	107,343	\$ 7,122.02	\$ 7,477.05	\$ 355.03	\$ 7,842.85	\$ 365.81	\$ 8,004.22	\$ 161.36	\$ 8,165.58	\$ 161.36	\$ 7,939.66	\$ (225.92)	\$ 8,101.04	\$ 161.37