

**CITY OF BYRON  
MINUTES OF THE COMMITTEE OF THE WHOLE  
SPECIAL MEETING  
WEDNESDAY, SEPTEMBER 16, 2020, 5:00 PM  
BYRON CITY HALL**

Mayor Rickard called the meeting to order at 5:00 pm.

**1. ROLL CALL:**

**MEMBERS PRESENT:** Alderman Todd Isaacs, Alderman Emily Gerdes (by phone), Alderman Mittzi Fulrath, Alderman Dan Reilly, Alderman Zeke Hobbie, Alderman Jessica Nehring, Alderman Mike Gyorkos, Alderman Christy Hanlin

**MEMBERS ABSENT:** None

**OTHERS PRESENT:** City Attorney Kim Krahenbuhl (by phone), Mayor John Rickard, Clerk Caryn Huber, Public Works Director Aaron Vincer, Police Chief Todd Murray, Byron Water Utility Billing Clerk Deb Johnson, Citizens Bill Pirnat and Pam Kultgen

- 2. APPROVAL OF MINUTES – SEPTEMBER 2, 2020 – Motion by Alderman Reilly to approve, as presented, the minutes of September 2, 2020. Motion seconded by Alderman Hanlin. Roll call vote: Gerdes, AYE; Fulrath, AYE; Reilly, AYE; Hobbie, AYE; Nehring, AYE; Gyorkos, AYE; Hanlin, AYE; Isaacs, AYE. Motion passed: AYE, 8; NAY, 0; ABS, 0.**
- 3. WATER RATE STUDY –** Director Vincer explained that we have an aging water and sewer system. We are fixing things, but not at the rate they are failing. It is important that we remain solvent. If we don't keep up with repairs, the EPA will assist, but will then set our rates for us. Several steps have been taken to address water loss: Water meters are being kept up to date to ensure accurate readings; We have worked to make sure industrial users were being charged correctly; We have begun charging organizations (Fire Department, churches) for water use; the Fire Department has been reporting water usage on hydrants (we have one meter available for this purpose); We are working on leak detection. We now need to calibrate or replace our master meters to ensure accuracy on how many gallons are being pumped. We need to look for leaks and start replacing old infrastructure. Replacing water mains may lead to additional sewer work as well as street repairs. We are also creating new revenue, such as taking wash water from Glendenning Trucking. That has made us \$15,000 this year. Our average water loss over the last 13 months is 23.66% which is down significantly from the 37% noted in the water rate study. Rural Water and EPA consider 15% the ideal percentage of water loss. Page 1 of the water rate study shows a loss of \$14,445.58 in water. Page 2 gives an example of revenue generated by changing the base rate from 2,000 to 1,000 gallons. Alderman Isaacs asked how much water the average household unit uses – it is estimated at 4-5 gallons. Smaller users, such as those living alone or on a fixed income, may not experience a rate increase if they stay under 2,000 gallons. With this base rate change, we will have a 7% gain in water revenue. Page 3 presents a scenario of being at a 20% surplus, which is a healthy place for a utility to be. This raises the rate by \$1.00/1,000 gallons. Page 4 shows existing wastewater rates, and shows a loss of \$370,522. Page 5 shows the impact of changing the base rate from 2,000

to 1,000, but it still shows a loss of \$309,274. In order to get to a goal of 19% surplus, the consumption charge would need to raise by \$5.48 per 1,000 gallons, as shown on page 6. Alderman Hobbie asked when we would break even – Director Vincer estimates 2022. Alderman Gyorkos asked how these rates compare to neighboring communities. Director Vincer can find out, but cautioned the council in comparing rates because all community water systems are different, and we have miles more of water main than most communities. Alderman Reilly asked how we have been recouping this revenue shortfall. Alderman Vincer said we defer maintenance and use our reserves. The reserves include a EPA payment for the superfund site. In at least the last 15 years, there has been no rate increase other than COLA. Alderman Reilly asked if we raise the rates over a period of years, do we have sufficient funds to address emergencies. Director Vincer replied that it depends on the type of emergency, but Alderman Isaacs added that a rate increase would show future income, and therefore increase our ability to borrow money. Alderman Vincer added that the surplus revenue is for maintenance, and not only emergencies. Alderman Fulrath asked what an ideal surplus would be, and Director Vincer said \$500,000. Mayor Rickard reminded council that a recent repair on Well #5 cost \$800,000. Alderman Gyorkos believes that there needs to be a definite plan in place to justify a surplus. Alderman Reilly believes we need a surplus to prepare for future maintenance. Alderman Hanlin added that there are many projects to do, but we do not have the money. Alderman Isaacs believes maintenance should be done on our terms, rather than reacting to emergencies. As we proceed, we can review. Director Vincer suggested beginning increases in Fall, when the impact on residents will be less, and agrees that we need to continue to update and review annually. Alderman Fulrath said the RFP will help us identify a capital improvement plan. Alderman Gerdes addressed the capital improvement increase, and Alderman Isaacs said that the money was going to be used to pay down 20 year loans at the 10 year point, in order to increase our bonding ability. However, this money has been used to fund the shortfall in water and sewer. Attorney Krahenbuhl gave the water and sewer charges for Oregon, which are significantly higher than ours. Alderman Hanlin believes it is important to show residents how our rates compare to others. Alderman Gerdes expressed concern over the possible closing of the Exelon plant, but Alderman Isaacs said that will not change our water and sewer needs.

4. Mayor Rickard suggested continuing the discussion at a Committee of the Whole meeting at 5:00 pm on Wednesday, October 7. He adjourned the meeting at 5:59 pm.

Respectfully submitted,

*Caryn A. Huber*, City Clerk of Byron, Illinois