

**UTILITY COMMISSION  
WORK SESSION MINUTES  
October 7, 2016**

**CALL TO ORDER**

Pursuant to due call and notice thereof a Utility Commission work session of the City of Rosemount was called to order on October 7, 2016 at 3:03 p.m. in the Conference Room of the City Hall, 2875 145<sup>th</sup> Street West, Rosemount.

President Connolly called the meeting to order with Commissioners McDonald and Nelson, City Administrator Johnson, Public Works Coordinator Watson, Public Works Interim Director John Morast, and Recording Secretary Erin Fasbender attending.

**Water, Sewer, Storm Water Rate Review**

The Utility Commissions' focus for this work session is to focus specifically on general costs; see what the impact is on second water meters and getting clarification with sanitary sewer fees and how it ties into the rate structure.

Of all the Rosemount households, fewer than 13% of users have a second meter. In the February Utility Commission meeting there were several comments made regarding the second meters. The data from this meeting shows that we are finding that second meters are not causing a significant spike in water usage compared to single meter households.

Connolly raised a question of where are the two meter households located in the city. Are they located more on the east side where there is newer construction? Utility Commission has requested from staff to create a map that will show the locations of where the second meters are located. Johnson mentioned, one item to take into consideration is that some developments require an irrigation system.

McDonald would like to know what the financial costs are and is there a revenue loss for the city over these meters? Watson responded that there is a loss of revenue over single meters as we are not collecting certain fees. Johnson clarified, we set the rates to get the revenues we need and the better way to question it is - are some users making up the difference for the lost revenue? The high users who don't have a second meter end up paying less for sanitary and lower users pay more. McDonald also questioned, what is the cost to replace the meters? Johnson responded that the service fees are not such to recoup the cost to replace the meters and we don't have a meter replacement fund as all fees get mixed into one water utility fund.

Connolly pointed out he compared our rates to a few other cities and Rosemount is lower than several of those cities.

McDonald raised the concern of how do we educate people about water conservation. Watson offered the suggestion of letting top users know where they are at for usage compared to an average user. In the past, we discussed mailing a flier out to high end users showing the comparison. Also, including a monetary value to those fliers could be even more effective.

McDonald would like to know how these meter billing and second meter changes were explained in the past to residents? Approximately twenty years ago, the city went from Q1 billing to a full year. If we could look back at minutes and determine how this was handled, it could be beneficial to how we may potentially inform resident going forward with any changes we could make. Johnson's concern is how we possibly inform low water users that their bill is going to go up about 10%. Connolly's point was if it goes that way for the low users, it is being confident in knowing that this is right and fair to the greater community.

As Johnson mentioned earlier, some developments require an irrigation system; for example Glendalough. Utility Commission would like staff to review this development and see how many of those residents have a second meter. Of those who have second meter, what is their water usage compared to a single meter user. Morast stated second meters are not the problem; it is the folks with the irrigation system that we as a city need to educate more.

Utility Commission is requesting staff to provide the following prior to the Utility Commission regular meeting in January:

- Create a map of where all the second meters are located
- Bigger sample size of Glendalough Developments and compare the second meters and their usage
- Impact and change of revenue if we go with charging meters at higher rate
- Look back at old council agendas and see what communication was sent to residents in the past
- The number of low users that could potentially be affected

Action items for November's regular Utility Commission meeting:

- Water conservation education
  - Clarity on who has responsibility commission wise, to promote education and making decisions on what we will do.
  - Who is in charge of updating utility commission policies?

## **ADJOURNMENT**

Connolly adjourned the meeting at 4:13 p.m.

Respectfully submitted,

Erin Fasbender  
Public Works Secretary