

**Committee of the Whole**  
**May 12, 2015**

Present: Mayor Mark S. Vulich, Council Members McGraw, Rowland, Determann, Wilke, O'Neill, Allesee, City Administrator, City Attorney, City Clerk, Press and interested citizens. Councilmember Gassman – absent.

1. Iowa American Water Company Overview – Gerry Freudenberg

Mr. Gerry Freudenberg presented an overview of Iowa American Water Company. He stated that the company employs 6,400 people, serves 47 states with 195,000 customers and delivers over one billion gallons of water a day. He continued in stating that there are approximately 10,000 customers in Clinton and Iowa American Water Company has four well fields, seven deep wells and over 150 miles of water mains. He continued in stating that the company will need to spend \$385 Billion to repair ageing infrastructure in the United States.

Mr. Freudenberg advised the Council that the company pays \$613,995.00 in property taxes and per agreement provides the City with 7 million gallons of water valued at over \$43,000. He stated that Iowa American pays over \$6,650 in permits. He continued in stating that the fire service fees range from \$78 to \$2,800 per year. Councilmember O'Neill inquired regarding whether the stand pipe fee is more or less than in Davenport. Mr. Freudenberg stated that it is the same and is mandated by the size and occupancy of a building in Clinton. He further stated that some customers have been given permission to have multiple connects through one pipe.

Mr. Freudenberg advised the Council that the water rates from 2013 to 2015 have gone down. He stated that customer satisfaction is rated at 94% and each year the company awards environmental grants to organizations in the community that support the company's goals. He continued in stating that they train with law enforcement and fire departments to protect the health and welfare of our employees and communities.

2. Solid Waste Fund Follow-up – Anita Dalton

City Finance Director Anita Dalton advised the Council that she has identified three options to address the solid waste deficit; borrowing to clear the deficit, clearing the deficit without borrowing; but having the deficit cleared in five years, and along with paying off the deficit; set aside money for an equipment replacement reserve. She stated that if the City borrows the money to clear the deficit there would be an interest cost of \$156,936.

Councilmember Rowland stated that the proposal to borrow, charge only those who use the service and charge everyone should be put on the ballot for the citizens to vote on. He continued in stating that it could be a non-binding referendum. Councilmember Wilke stated that he would welcome community input.

Councilmember O'Neill suggested that the City offer a compromise by using the third option, use Springsted's numbers and when debt is paid off the rates go down. Director Dalton stated that the option would not allow for an equipment replacement fund. Councilmember Determann stated that trucks should be bought on schedule. Mayor Vulich stated that there was \$1.1 million in a

replacement reserve and now the City owes \$1.6 million. The deficit is growing because the City is purchasing carts out of the truck replacement fund. He continued in stating that the equipment the City purchased from Elliott does not work and we should have never paid for it. The Council should look at taking action on default of contract. City Attorney O'Connell stated that there is a lawsuit in motion and the Council will hear the details soon. Mayor Vulich inquired regarding how much of the \$1.6 million is made up of containers. City Administrator Kinser stated that most of the \$1.6 million is containers.

Mayor Vulich stated that Finance Director Dalton will come back to the Council with a breakdown of how the set-aside money was spent.

### 3. Mayor & Council Member Updates

Councilmember O'Neill stated that he would hold a public forum on Saturday, May 16<sup>th</sup> at the Ericksen Community Center from 9:30 to 11:30.

Councilmember Determann stated that he attended a meeting in Springfield related to the Exelon Plant. He continued in stating that he attended the SMART Conference in Des Moines.

M/S, O'Neill-Determann moved to adjourn. All in favor.

Respectfully Submitted,

Pat Van Loo  
City Clerk