

## **Nashville Utility Service Board**

### **Meeting Minutes**

**August 11, 2023**

Commission members present: President Gould, Vice-President Alyn Brown, Secretary Nancy Crocker, Member Scott Dick and Member Tom Roberts. Also in attendance: Water/Sewer Operator Robin Willey, Chief Administrator Phyllis Carr, Municipal Operations Consultant Dax Norton, Nashville Town Manager Sandie Jones and ms consultants Representatives: Nathan Delisle and Dan Cutshaw.

#### **1. Opening the Meeting**

President Gould called the meeting to order at 10:02am and called the roll.

#### **2. Approval of Minutes: 7/14/2023**

Secretary Crocker moved to approve the minutes dated 7/14/2023 as presented. Vice-President Brown seconded the motion. All were unanimously in favor by roll call vote.

#### **3. Consider Adjustment Requests**

W/S Operator Willey stated that Billing Clerk Goodwin and Town Manager Jones worked hard adhering to the privacy standards. President Gould thanked them for their hard work. President Gould asked W/S Operator Willey if he was satisfied with the repairs that were completed in the adjustment requests. He advised that he gave his approval by signing off on the adjustment requests.

Vice-President Brown made a motion to approve the adjustments as approved by W/S Operator Willey. Secretary Crocker seconded the motion. All were unanimously in favor by roll call vote.

#### **4) Monthly Reports**

##### **A. Budget/Revenue Management Report-MOC Norton**

MOC Norton reported that the sanitary sewer expenditures are in the black this month. He, Phyllis, and Robin talked over where we are and do not see any large expenditures coming. An economic development project is coming. It will take some water appreciation out, but not a big ask. MOC Norton is pleased with the financials this month. The water utilities, for the most part, are strong. They could be stronger but noted that they do not want to take extra money/rate funds until we know what the capital projects are. They have been advised that we are on the SRF fundable list for the sewer rehab project. The ask will be about 7.5 million for forgivable loan/grant/creative finance from IFA to enable us to get the project done and keep the sanitary sewer rate as close to the \$85 mark, which is the threshold for IFA. We will be looking at 9.5 million in Federal & State assistance to rehab the majority of the sanitary sewer system.

Secretary Crocker wants to clarify that they do not have confirmation that we are getting any money. We are on the list to get money, but we do not have official confirmation at this point.

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MOC Norton reported there are no packages sent to us at this time. We have done our due diligence to get everything we need to, to IFA and SRF, telling them what we need, since we are fundable. MOC Norton asked Dan Cutshaw or Nathan Delisle, how long it typically takes. Nathan Delisle stated that we probably would not know anything concrete until 60 days before closing which would be the end of the year, or first part of next year. Dan Cutshaw said they wait to give official notification, until you have bids in-hand. They will give a verbal that it looks good but will not tell you until bids.

Vice-President Brown wanted to know if they need to start getting bids. What is the next process while we wait on this? Nathan Delisle said we are proceeding with design. Last month we put together a schedule that shows bid opening in February of next year. Those bids then go to IFA and then they start the process of how much money. You are at a waiting point until then. Secretary Crocker asked if we are keeping up with the timeline. Nathan Delisle replied yes, you are. President Gould wanted to know if the bid opening is in February, does that work with the end of this year. Nathan Delisle said, their fiscal year does not run on calendar year, their fiscal year is July 1 to June 30.. Secretary Crocker asked if we still have that 2 million that is hanging out there. Dan Cutshaw answered yes, the award is still in place.

President Gould asked at what point we start talking about budget 2024. MOC Norton said typically, he would work with Clerk-Treasurer Young and Town Manager Jones to get an understanding of percentages employees are paid by multiple funds. How much of that comes out of Utility. Last year we plugged that in. MOC Norton asked Manager Jones to confirm that we really do not have that information yet. Manager Jones said she thinks she will have something for him next week. MOC Norton, once she has those, he would plug in the percentages based on like a 3% increase. You all can talk about that afterward, just a placeholder for payroll. Then, his suggestion is sometime early September that they do a USB budget workshop and plug numbers into the spreadsheets. MOC Norton advised the task for them is to get those payroll numbers.

President Gould thought that last year they did a percentage across the board and did not really compare it to previous years. She would like them to drill down a little bit harder on it. Do the comparison of how close we got to budget or how under we went. President Gould wants to encourage everyone to look at it and be prepared to look at it line by line.

### **B. Operations/MRO Report- W/S Operator Robin Willey and Phyllis Carr**

W/S Operator Willey advised that they have started the second-round sampling lead copper testing. We will turn samples in next week. Cleaning up around Kelly Hill tanks, many trees removed, that were close to the tank. The contractor re-graveled there. It looks very nice.

### **C. Water Loss Report- W/S Operator Robin Willey**

W/S Operator Willey said the water loss was down by 40% and that was before we the Park came online. They have fixed a couple of leaks at the hotel, and there was a significant leak at the Harden Holler that was repaired. The park came online last week and is using about 50,000 gallons a day right now. President Gould asked if that project is about complete. W/S Operator

Willey said he thinks they have a little work to do inside the park. President Gould asked how many different meters are in the park. W/S Operator Willey advised that there is one flow meter in there that they read.

**D. Wastewater Rehab Project Update**

Nathan Delisle gave the following report:

- a) Working with W/S Operator Willey on equipment selection and contacting equipment vendors. This part of detail design is beginning.
- b) Mobilized environmental wetlands group to do wetlands and streams crossing-reporting on Salt Creek for the gravity sewer crossing -do the Washington Street permit application to IDEM.
- c) Easement Status- We received the survey in, for that gravity sewer crossing. Has the Town made initial contact with the landowners? President Gould said not the Town per say, but there would very likely, be a transfer of ownership of that property. She has not gotten final word. Board Members and Nathan Delisle, discussing the property transfer workings. Nathan Delisle asked if there is a timeline when they will start the transfer. President Gould thought it would be a couple of months. Nathan Delisle added from a timeline perspective, we would need the easement in place by the end of the year. We will continue to move forward with the preparation of the easement document.

**E. IDEM Compliance Report**

MOC Norton said everything is in compliance. Next report filing will be in October.

**5. Recommendation to Council Regarding Rate Impact Study**

Impact on bills sampled for residential and commercial customers in and out of town were reviewed. Town Manager Jones reported that Financial Advisor Jarrod Hall looked at the minimum, which was 2,000 gallons.

Secretary Crocker asked if the catalyst behind this study, from the Council member, was to reduce people's bills. Vice-President Brown thought they were trying to help people with the water bill and the bigger issue, the people using 1400 gallons, are paying for 2,000. The idea is, we did not want people paying for what they did not use. If they remove the 2,000 gallons minimum, they will lose \$127,000 in revenue. FA Hall suggested to increase the base rate by 91%, and that would make up for the difference. FA Hall advised that most towns do not have a minimum and base fee, so just the base fee sounds like a good idea and paying for only the water that is used is a good idea. I do not know whom it benefits, but a reasonable way to do it. A lot of discussion of how it will affect the community.

Member Dick commented that they are basically, we are shifting the cost around. He is concerned about what the perception will be. Secretary Crocker would like the consultant's opinion. Mr. Cutshaw commented that having a base rate and minimum is unusual. The minimum is there so you can meet debt services, so you can pay your bills no matter how much is used. You have created a way to change the burden onto the high-end users. It really is up to you all, if that is how you want to get your revenue. You are just moving it to someone else.

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Overall, you will probably have more people paying more money, rather than more people paying less. I think the people under the minimum is 45%, so most of the people, if you make this change, will pay more on their bills. It is the cost of doing business and of having the water available.

President Gould commented that it is beneficial living in a location that has a utility taking that burden off. Secretary Crocker commented that if they move forward with this, we are going to have to have a good rationalization for doing it. Explanation to the public is vital. President Gould said she would be happy to make a presentation to the Town Council next week with a summary statement unless someone else would like to do this.

Vice-President Brown said the only reason he gets behind this is, if we agree it is fairer if people do not pay for water they are not using. The message is the way this is set up right now. We have a minimum of 2,000 gallons per month per user, whether you use it or not. Member Dick reported that the Council members asked them to do this; we did it and paid for the study. He would like this information to back to the Council and tell them, this is what we have come up with, based on their request and here is what it is going to do with the rates. We will see what their opinion is. Town Manager Jones asked for a motion from the USB on this.

Secretary Crocker moved to present new findings and recommendations to eliminate the water minimum and increase the base rate by 91% to the Council at their next Council meeting. Vice-President Brown seconded the motion. All were unanimously in favor by roll call vote.

### **6. IU Health Medical Building Water Connection**

MOC Norton reported that IU will be building a new medical facility at the southeast corner of Maple Leaf Boulevard and State Road 46. There is no water at this location, and they will need a 6" main to the site for future development. Mr. Delisle gave recommendations that reduced the total fee to run that pipe to \$100,000. The developer said that the water line was not in their budget at a cost of \$100,000. They asked the Utility to consider assisting. MOC Norton explained that the developer is responsible for getting utilities to their site. MOC Norton advised one potential proposal would be an economic development Agreement with IU Health that states the Town will assist with the installation of that water line up to \$20,000 out of the water appreciation account, if IU Health super voluntarily annexes into the town. MOC Norton advised that the Utility Service Board would have to approve this proposal.

Pam Gould asked what the purpose is of asking them to annex. They will be paying \$4.00 more per thousand gallons as an out of town customer. What benefit would that be to the Utility? MOC Norton explained that if we want to continue to annex east, by super voluntarily annexation, every single parcel will have to be annexed. You could get into some trouble, if you miss one, you will likely be in trouble in that revenue produced in that tax, will not come in the town's TIF or will never be in the town's borders from the perspective of Economic Development, but you are right Pam, it will not benefit the Utility at all. MOC Norton believes they will build regardless of the incentive plan. In the event members of the Council and the USB want to consider collaborating, maybe we could come up with something. Discussion.

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MOC Norton advised that we have been very fair and up front with them. If your answer is no, you cannot financially do it right now, then the answer is no. Will they still build? I think so. President Gould asked if anything further is need from the Board? MOC Norton nothing further is needed. He was tasked to bring this request before the board so we can give them our thoughts about it. Our decision could state, we discussed this on the Utility side and financially just not a feasible thing to do right now because the water Utility building their reserves. This is the situation right now.

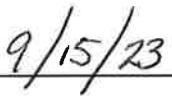
**7. Any other Business to come before the Board**

Secretary Crocker reported that many people thanked the USB for working with Habitat for Humanity on the hook-on fees to their new build and thanked us for supporting them.

**8. Adjourn**

Vice-President Brown made motion to adjourn the meeting. Seconded by Member Dick. President Gould adjourned the meeting at 11:43am.

  
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President Pam Gould

  
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Date