

Michigan City Council
Special Meeting
May 20, 2014

The Michigan City Council held a Special meeting on Tuesday, May 20, 2014 at 5pm in the City Office. Mayor Lauri Rysavy called the meeting to order. In attendance were Council members Scott Gilbertson, Rod Fisk and Kathy Gilbertson. Scott Midstokke was absent. Also in attendance was Eric Volk, Executive Director of the North Dakota Rural Water Association.

Mayor Rysavy introduced Eric Volk. Mr. Volk gave the Council his background information and stated that he was here by request in order to help the Council evaluate their water and sewer rates.

Eric stated that the only way the City has to pay for water and sewer expenses is through the Utility bills of 181 users at this time. Mr. Volk talked about average use and the median average income of Michigan residents and the need to increase rates to at least a break even status. Also when setting rates he stated the need to factor in cost, price, and value to equal affordability of the water/sewer system for the City residents.

Per USDA loan documents, Letter of Conditions the City of Michigan “must maintain a rate schedule that provides adequate income to meet the minimum requirements for operation and maintenance, debt service and reserves.”

Various rate sets were discussed including Basic sewer charges according to water gallon usage. Eric Volk will work up different number options for the Council’s next meeting. He will also attend a Public meeting to explain the rate increases.

The new Balance Sheet of 5-19-14 was reviewed. Rod Fisk made a motion to cash CD #102220, which matures on 6-21-14 and transfer those funds to the General Savings account.

A letter from the DOT requesting a meeting regarding the bypasses was discussed. Les Noehre from the Grand Forks District of the Dept of Transportation will attend a Public Meeting to be held on Wednesday, 5-28-14, at 6 PM in the Civic Center.

Scott Gilbertson made a motion to adjourn the meeting, seconded by Kathy Gilbertson. Meeting adjourned. The next regular meeting of the Council is 6-2-14 at 5 pm.