

**WAYZATA CITY COUNCIL
WORKSHOP MEETING MINUTES
June 5, 2018**

5:15 p.m. Review Water and Sewer Rate Study

Mayor Willcox called the meetings to order at 5:30 p.m. in the Community Room at Wayzata City Hall. Council Members present: Koch, McCarthy, Plechash and Tyacke. Also present: City Manager Dahl, Planning and Building Director Jeff Thomson, Interim Director of Public Works/City Engineer Kelly, and Steve McDonald, the City's Contracted Finance Director with Abdo, Eick & Meyers (AEM).

Mr. Dahl stated that on September 5, 2017, the City approved a contract with AEM to perform a Water and Sewer Rate Study to come up with a recommendation on rates in order to ensure financial sustainability with each of the respective enterprise fund. Over the last several months, AEM has engaged with staff in order to get the most accurate information from the City in order to come up with scenarios that will get both of the funds back in the black---long term.

Mr. McDonald reviewed the Water and Sewer Rate Study that had been prepared by AEM. Mr. McDonald explained that the City recently updated its Capital Improvements Plan. The Water and Sewer Funds show decreasing fund balances as the cost of future projects outweigh operational revenues coming in.

Staff recommended adjusting the water and sewer rates per the 5-year plan in Scenario 2, which would be approximately the following increases:

- a seven (7) percent increase in water rates in years 2019-2022;
- a three (3) percent increase in water rates for year 2023;
- a 14 percent increase in sewer rates for year 2019;
- a 13 percent increase in sewer rates for year 2020;
- a 12 percent increase in sewer rates for year 2021;
- and a 10 percent increase in sewer rates for year in 2022.

The actual increases would be inserted in the Fee Schedule for Council approval for each of those years.

The Council asked how we got into this position where costs exceed revenue. Mr. McDonald responded that the last water and sewer rate study was conducted five or six years ago. Some of the assumptions in that study were off, and that, coupled with several substantial water leaks that were repaired within the City as well as conservation efforts, has all contributed to the revenue deficit. Mr. McDonald stated that processes are now in place to catch these fluctuations sooner.

There was consensus from the Council that these increases were necessary in order get these enterprise fund back to a sustainable model. They requested that the study be updated annually so rate increases can be adjusted based on updated information.

6:00 p.m. Discuss Lake Effect Design Validation Alternatives

Mayor Willcox introduced this item at 6:00 p.m.

Mr. Dahl said that earlier this year, the City approved a contract with Civitas to lead the design of the Lake Effect Project. The first phase of the design process was to validate three key components of the Lake Effect Project:

1. Lake Street;
2. Lake Street Plaza; and
3. Depot Park.

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2 Mr. Dahl introduced Scott Jordan and Sarah Maas from Civitas.
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4 Mr. Jordan reviewed feedback from the design validation engagement process (open house, surveys, and
5 stakeholder feedback). They also discussed preferred alternatives, reviewed next steps, and provided
6 insight on a recommended process for the group representing the Minnehaha Streetcar Boat facility.
7
8 The group discussed the impact of the sidewalks being pushed into the current street space, and the
9 impacts of having more pedestrian and bike space along the Marquee Place block of Lake Street. This
10 change would have impacts for snow removal, traffic flow, and delivery/loading if the center lane were to
11 be removed on this block.
12
13 The Council indicated that they liked the direction that the Depot Park and Lake Street Plaza were
14 heading. However, they indicated that staff needed to provide some additional alternatives and
15 information for the Lake Street design.
16
17 The workshop meetings were adjourned at 6:55 pm.

18
19 Respectfully submitted,

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21 *Becky Malone 06-19-2018*

22
23 Becky Malone
24 City Clerk