

**IRON RIVER CITY COUNCIL
SPECIAL MEETING – WATER CHARGES
THURSDAY, MARCH 15, 2001
10:30 A.M.**

The meeting was called to order at 10:30 a.m., in the legion Room of the Iron River City Hall, with Mayor Charlotte Soderbloom presiding.

Members present included Councilman Ray Coates, Alfred Perlongo, Tom Beber, Mayor Charlotte Soderbloom, City Manager Rosalie King and City Clerk Peggy Shamion. (Safford absent – medical)

Others attending included Suzanne Johnson, Kathy Anderson and Dickie Anderson.

Soderbloom stated that according to the Open Meetings Act, you can add something to the agenda of a special meeting, as long as it's something minor.

Beber moved to add to the agenda the item of Watershed to be discussed at the end of the meeting. Coates supported. All were in favor. Motion carried.

The board was given a water rate abatement form and there seems to be some confusion of the purpose of the form. King wanted the office staff to alert the board that if they make a change to the ordinance, what the ramifications would be to the city.

There was some discussion on the Ready to Serve Charge that Iron River South charges on their water bills: Iron River Central and North do not charge this. Perlongo felt that the charge should be across the board, or no charge at all. When the water is off at a building in I.R. South, they only bill the \$13/Ready to Serve charge and not the flat rate water charge of \$22.50. Iron River Central and North bill their minimum rate of \$21.00 (I.R. C.) and \$18.50 (I.R. N.) for buildings when the water is off.

Previously Wayne Wales was at a meeting asking if the board would consider giving him a break on his apartment complex until all the units are occupied for a first time.

Dick Anderson stated that if you make an exception for an apartment building, you have people who go away for the winter and they should be considered for an exception. This would be a loss of revenue to the city, if they allow such an exception. Anderson explained that the residents are still connected to the water system, ready to use at their convenience. Everyone needs to pay the debt retirement bond.

It was the general consensus of the board that everyone should pay the same.

Previously in Iron River South, when people had their water turned off, they wouldn't pay; however, with the new water project the city needed the revenue and put the Ready to Serve charge of \$13.00 in effect when the water is off. Former Stambaugh Board members said that they knew they would have to revisit the rate structure as time went on with their water project.

The discussion touched on meters for Iron River North. Dick Anderson said that we have the bodies for meters, but we would have to order heads.

Dick Anderson said that the Debt Retirement on the projects may vary due to the amount of money that is being borrowed for the projects. The operating fee per thousand, should be the same.

Sue Johnson, Treasurer for the City, informed the board that if they did away with units in the city, and not be charged when the water is off, Iron River South would lose \$897/a month and could not meet their bonding payment, along with the operation and maintenance costs. She went on to say that Mineral Hills is only billed a flat rate per month because they get their water from the township. What they are billed only covers that \$1,500/month and does not allow any money to be used for work to be done on their water system.

Johnson also suggested billing the homeowner for the water bill each month, because ultimately they are responsible to pay the bill in the end. This change should generate more revenue for the city and keep the receivables down.

Johnson also remarked, that the projects have to be kept separate, so it's easy to track what the expenses would be for each system.

Perlongo moved to have the City Attorney review the water ordinance and amend it to read that the water/sewer/garbage bills be sent directly to the homeowner each month, in all three units of the city. Coates supported the motion.

Roll Call: Ayes: 4 Nays: 0 Absent: 1 – Stafford Motion passed.

Peggy Shamion, Clerk for the city asked what the boards decision was going to be to allow an adjustment for unforeseen circumstances in a house where the water usage increases. Previously, the old City of Iron River would give an adjustment ONE TIME ONLY by taking an average of the past six months and double the amount.

Clerk Shamion will come up with a method for the board to review, if they want to consider allowing an adjustment for unforeseen circumstances that take place in a building.

Perlongo moved that on the recommendation of the office personnel, leave the Ready to Serve charge as is and no abatement be considered for anyone, at the present time. Beber supported this motion.

Roll Call: Ayes: 4 Nays: 0 Absent: 1 – Safford Motion carried.

The Watershed Council has applied for a grant for the Appleblossom Trail, but they can't apply, the city has to. They are asking that the city submit the grant. The Recreation Committee of the city is negative about the city applying for the grant.

The state is holding \$312,000 from the Hanna Mining Case for the Apple Blossom Trail and the Watershed Council wants that money to use on the Trail and for other things. The state wants the city to do the grant.

Because the Recreation Committee is applying for a grant for Nelson Field, the council felt they could not jeopardize that project, and decided against getting involved with the Apple Blossom Trail project and the state.

Beber moved with Coates supporting to adjourn the meeting at 11:50 a.m.

Peggy Shamion, CMC
City Clerk