

Cloquet City Council Work Session
Tuesday, December 19, 2017

Present: A. Bailey, D. Bjerkness, K. Kolodge, S. Langley, R. Maki, J. Rock

Absent: Mayor Hallback

Staff: J. Barclay, N. Klassen, C. Peterson

Other: J. Peterson, Pine Journal; N. Qureshi, Progressive Consulting Engineers, Inc.

Utility Rate Study


- Mr. Qureshi, Progressive Consulting Engineers, Inc., was present to review the results of the water and sewer rate study. Mr. Qureshi noted the excellent cooperation he received from city staff while completing the study. Mr. Qureshi has been part of previous studies with the city and therefore is familiar with the city's trends.
- Mr. Qureshi reviewed current water rates, historic and projected annual water sales, the breakdown and total of operation and maintenance expenses, capital improvements and depreciation for water sales, annual increases from current rates, the cost of the water rate design process, and the 2016 cost of service analysis.
- The study recommends an increase in water rates by .035 for three years and then an increase of .40 from 2021-2026. Increase the fixed charge by \$2.00 with an annual increase of the fixed charge by .25 annually.
- Council questioned if a commitment for future rate increases can be made by the current Council. Mr. Reeves explained that future rates can be proposed and reviewed annually.
- Mr. Peterson shared a graph comparing Cloquet rates to other cities showing we are on the lower end.
- The recommendation for sewer rates is to increase rates by .40 from 2018-2026 and increase the fixed charge by \$1.00 every other year.
- Mr. Peterson summarized that the goal is to lay out a plan for incremental increases of both water and sewer rates with review each year.
- Mr. Reeves stated that if the Council approves the rate increases in January, we will start the notification process and implement the increase in April or June of 2018.
- Councilor Kolodge commented the public will not be happy with an increase of this size so justification is critical.

Other Discussion

Mr. Reeves updated the Council on the status of the water tower site RFPs. No RFPs were received from developers and feedback indicates it is because of the footings that remain at the site. After research by staff, it was decided the footings will be taken out by city staff for under \$10,000. Once removed, the RFP will be re-released.

There being no further business, the meeting adjourned at 6:55 p.m.

Respectfully Submitted,


Aaron Reeves
City Administrator