

# CITY OF IVANHOE

## SPECIAL MEETING

### MINUTES

January 21, 2022

3:00 PM

Meeting was called to order by Mayor Bennett at 3:06 PM. A Quorum was established with Council members Skip Blackstone, John Craven and Tommy Morris present. Invited guests from Monarch Water Melissa Rich and Brian Bahr participated via phone. Due to technical difficulty the meeting was not livestreamed.

#### **Agenda Item #1 – Agreement renewal with Monarch Water**

Mayor Bennett explained the Monarch Water renewal agreement agenda item was supposed to be on the January 20<sup>th</sup> regular Council meeting agenda, but was overlooked. The agreement needs to be in place so Monarch can continue serving customers in Ivanhoe. She opened the floor to Council discussion:

Councilman Craven expressed concern about future rate increases being tied to the consumer price index which had a major jump during the past year. With a large number of senior citizens living in Ivanhoe a large increase rate increase would adversely affect those individuals. Mr. Bahr responded that the agreement caps the rate increase at 3% annually. Councilman Blackstone questioned why the first 2000 gallons included in the base rate isn't included in the base rate as it is for other Monarch Water customers in the state. Mr. Bahr said the possibility was considered, however the base rate is established based on the cost of maintaining and operating the water system infrastructure at each location, while the actual cost of water is a small portion of the billing for most residential users. When the original agreement was established in 2014 there was the option of allowing the TX Public Utility Commission to tie the rates to the statewide approved rate, which meant that customers could potentially see a major increase every 3 years. The option chosen in 2014 was to have rates tied to the consumer price index which resulted in annual increases that were more acceptable. If the city decides to challenge Monarch, the city will be responsible for its own legal costs and Monarch customers would have a "pass along" charge on their bill for Monarch's rate filing and litigation costs.

Councilman Craven noted that the elderly population (income limited) would prefer to know what to expect from one year to the next. Mr. Bahr said folks should factor in a 3% increase each year in their budget for water which led Councilman Morris to ask when the next rate increase will occur. Mr. Bahr responded within the next 3 months. Councilman Blackstone commented that sometimes folks do not get a water bill, or it comes in late and the next month's bill comes in within a day or two and a \$5 penalty is included in the second bill. There needs to be more consistency or Monarch accountability. Some folks do not have internet to check their water account and pay the bill. Mr. Mahr said the city should contact him regarding such billing issues. Councilman Blackstone said he had called Monarch customer service and left a detailed message and no one returned his call. Ms. Rich said she would get with the billing department to figure out what needs to be done so the problem does not continue.

With no other questions or comments presented Councilman Blackstone made the motion to approve renewing the contract with Monarch Water on the same terms as currently exist. Councilman Craven submitted the second and the motion passed unanimously.

#### **Agenda Item #2 – Adjourn**

Councilman Craven made the motion to adjourn with a second by Councilman Morris and the meeting was concluded at 3:27 PM.

Respectfully submitted,

C. D. Woodrome, City Secretary

Approved by Council February 17<sup>th</sup>, 2022

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Cathy Bennett, Mayor