



MINUTES

COUNCIL WORK SESSION - DISCUSSION ON PROPOSED FY 2025-26 WATER AND SEWER RATES AND MUNICIPAL FEE SCHEDULE

Thursday, May 29, 2025

4:00 PM

Village Hall – 21 East Church Street, Lake Orion, MI 48362

(248) 693-8391 ext. 102

1. Call to Order

The May 29, 2025, Village Council Special Meeting was called to order by President Rutt at 4:00 PM.

2. Roll Call and Determination of Quorum

PRESENT

President Teresa Rutt

President Pro Tem Stan Ford

Council member Michael Lamb

Council member George Dandalides

Council member Alex Comparoni Jr

ABSENT

Council member Carl Cyrowski

Council member Nancy Moshier

STAFF PRESENT

Village Manager Darwin McClary

Clerk/Treasurer Sonja Stout

DPW Director Wes Sanchez

MOTION made by Council member Lamb, Seconded by President Pro Tem Ford to excuse Council member Moshier and Council member Cyrowski.

VOTING YEA: Rutt, Ford, Lamb, Dandalides, Comparoni Jr

VOTING NAY: None

ABSENT: Cyrowski, Moshier

MOTION: Carried

3. Call to the Public

None.

4. Other Items

Council agreed to move the fee schedule discussion to the next work session on June 4, 2025, to allow the Village Manager time to review recent changes made by the Village Planning and Zoning Coordinator.

A. Discussion on FY 2025-26 Water and Sewer Rates

DPW Director Sanchez reviewed each page of the Water and Sewer Rates presentation, providing explanations and answering questions.

Council member Dandalides asked about the water purchase amount, capital improvements, and financial administration fees. DPW Director Sanchez explained that the water purchase amount is a fixed rate set by Orion Township, capital improvements include lead service line replacements, and the financial administration fees apply to both water and sewer accounts.

Council discussed equipment replacement assets and capital improvements. They also discussed meter replacements—whether all meters would be replaced, how funds for replacements are collected through water bills, and how those funds are tracked within the water and sewer accounts. Village Manager McClary stated that \$25,000 is currently budgeted annually for meter replacements, with a reserve balance of \$150,000. He noted that Council could revise this amount in the future.

Director Sanchez presented the final water analysis breakdown. There was discussion about the purchased water rate and whether Village residents pay the same rate as Township customers. He also reviewed commodity charges.

Michael Christensen inquired about the cost differences between living in the Village versus the Township, particularly regarding water rates and charges set by the Township.

Further discussion occurred between Council, DPW Director Sanchez, and Village Manager McClary regarding Township water charges, depreciation, operating expenses, and bond payments.

Brenda Byer expressed support for raising rates more now rather than deferring increases.

Michael Christensen also asked about future billing and rate increases. President Rutt explained the difference between base and commodity rates and emphasized the importance of balancing them to ensure expenditures are covered.

Council and Village Manager McClary discussed potentially implementing a fixed household charge to cover future costs.

Director Sanchez then reviewed the "Typical Bill Comparison" page, highlighting how increased water rates would impact residents. The possibility of charging a fixed dollar amount to cover future

costs was raised again. President Rutt recommended tabling that idea until sewer rates are reviewed.

DPW Director Sanchez next presented the current sewer charges and filled in missing information, including base rate charges and the number of meters, before proceeding through the remaining sewer-related slides.

Council member Dandalides asked about sewage disposal costs and financial administration fees listed under operating expenses. He also inquired about depreciation and the net position of the water and sewer accounts.

DPW Director Sanchez reviewed the final sewer analysis breakdown. Council discussed rising sewer rates and how to manage future increases.

Brenda Byer shared concerns about her condo's water bill and the need to follow proper procedures when implementing future Council legislation.

DPW Director Sanchez left the meeting at 6:05 PM.

Council then discussed the possibility of switching from quarterly to monthly water billing and the associated increase in postage costs.

MOTION made by President Rutt, seconded by Council member Dandalides to include the postage costs on the June 9, 2025 Village Council regular meeting agenda.

VOTING YEA: Rutt, Ford, Lamb, Dandalides, Comparoni Jr

VOTING NAY: None

ABSENT: Cyrowski, Moshier

MOTION: Carried

Discussion took place regarding how much of an increase in water and sewer bills residents could reasonably absorb. Brenda Byer stated that she would be willing to do whatever it takes to prevent others from facing similar challenges in the future.

Council member Dandalides left the meeting at 6:10 PM.

President Rutt suggested the possibility of creating a designated GL account to prepare for potential future charges to residents on their water bills.

B. Discussion on FY 2025-26 Municipal Fee Schedule

Postponed to June 4, 2025.

5. Call to the Public

None.

6. Adjournment

MOTION made by Council member Comparoni Jr, Seconded by Council member Lamb to adjourn the May 29, 2025, Village Council Special Meeting.

VOTING YEA: Rutt, Ford, Lamb, Dandalides, Comparoni Jr

VOTING NAY: None

ABSENT: Cyrowski, Moshier

MOTION: Carried

The May 29, 2025, Village Council Special Meeting adjourned at 6:15 PM.

Teresa Rutt
President

Sonja Stout
Village Clerk/Treasurer

Date Approved: as presented on June 9, 2025.