

Consider Alternatives –

During the October 26th, 2021 special meeting, the council considered alternatives to selling the water system. Council concluded that water rates would need to be increased annually to put money aside for capital improvement projects. Water rates would need to be increased at least 8% each year. M/S Pray and Rehr, carried to agree that the annual increased to water rates each year, for at least the next 20 years would be the alternative to selling the utility to Iowa American Water.

Fair Market Value –

During the December 10th, 2021 regular council meeting, the council determined that the fair market value of the water utility is \$649,550. This amount included the city hall/pump house building and property. The depreciated replacement cost of the land and improvements is \$649,550 which establishes the fair market value of the utility. The fair market value of \$649,550 includes the value of the water wells and city hall/pump house building which the city would retain and not sell to Iowa American Water.