

**MINUTES
UTILITY COMMISSION MEETING
JULY 17, 2019**

The meeting was called to order at 7:02 p.m.

Present: Bernstein, DeLoach, Fredericks, Groschen, Hesse; Advisor: Christopherson; Public Works Director: Reed; Commissioner: McCune; Town Finance Officer: Kelly; Town Finance Analyst: Olinger.

Absent: Pehrson, with notice.

APPROVAL OF AGENDA (Additions/Deletions): Bernstein moved to approve the agenda as submitted. DeLoach seconded. Ayes all.

APPROVAL OF MINUTES OF JUNE 13, 2019: Hesse moved the approval of the June 13, 2019 Minutes. DeLoach seconded. Ayes all.

CONSENT AGENDA: DeLoach moved to approve of the Consent Agenda as follows: 4A) Monthly Sewer & Water Report; 4B) Receive Republic Services Monthly Service Report; 4C) Solid Waste Abatement Report. Hesse seconded. Ayes all.

COMMISSIONER'S REPORT: Commissioner McCune was present to report on the **lake level lawsuit continuation**. The Courts agreed to hear the appeal. This appeal and the last appeal were different. In terms of press, there is news from the courts but nothing from the plaintiffs. McCune noted that the Public Works Director will cover the news about **GIS Implementation**, the **Pavement Management Updates**, and the **Stormwater Projects** later in the meeting. The renovation on the **Administrative Building** will begin soon, with the outside landscaping starting first and will be done by the end of summer. The Administrative Building will see improvements on security, a substation, wallpaper and carpeting updates, digitized technology, etc. The **Employee Handbook** is also being updated. And the **Stable Property** has been appraised. Town Staff are moving towards getting it sold yet this year to a contractor.

PAVEMENT MANAGEMENT PLAN – UPDATE: The Public Works Director summarized the Pavement Management Plan and where the Town currently stands in relation to the work getting done. The Town Board approved the mill and overlay at a previous Town Board meeting and awarded the contract to Schifsky & Sons, Inc. It was noted that by this time of the year most construction crews are filled up with projects

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and the cost of materials is high. The bid came in at 10% higher than the Engineer's estimate. It was also noted that this project will go quickly, as the Town has scaled down the Pavement Management Plan since winter so the tax burden is lighter on residents.

There was discussion on bonding and assessments. If the Town bonds now, the first year all that will be due is the interest, with any principal payments not due beginning in 2021. The funds for the Pavement Management Projects will come from bonding. Bonds will be repaid by assessments, water, stormwater, sanitary sewer, tax levy, and Capital Improvement Funds. It was also noted that the Town can lower the tax levy for residents if other funds are available, but cannot raise it.

STORMWATER PROJECTS – UPDATE: The Public Works Director explained the three projects on agenda to have completed by the fall. First is the emergency project on Portland that was first brought up at the July 1st Town Board Meeting and the bid was awarded to Penn Contracting at the July 15th Town Board Meeting to be completed as soon as possible. The pipe extension from the pond had collapsed or corroded away, so it is the Township's responsibility to fix that quickly. The second of the two projects are St. Anthony and Park Avenue projects.

There was discussion of other projects on the list discussed at the April Utility Meeting. The Public Works Director was pleasantly surprised how everything has drained from the wet, wet spring. It was noted that if and wherever possible, Reed would squeeze in projects wherever he can to get the maximum number of projects completed per year.

PUBLIC WORKS DIRECTOR REPORT: The Public Works Director was present to discuss the Public Works report for June 2019. The bids for **Lift Station #9** were received on June 13th and preparations for that project are underway. Core & Main has begun installing **water meters** as of July 8th. It was noted that Core & Main's goal is to complete the installation of 200 meters per week in order to be finished by October at the latest. There is a sign up opportunity on the website, they are also knocking on doors when in neighborhoods. It was noted that notices were sent out in the July utility bills.

UTILITY RATE CHANGES – DISCUSSION: The Town Finance Officer and Finance Analyst were present to discuss the projected utility rate changes. Kelly explained that every year he puts together the utility rate changes projecting future goals and expenses that come up. The Town Board wants the projected budget to cover 100% of the expenses and 75% of depreciation. With the implementation of the new meters, Kelly reduced water usage by 8%.

The sewer rates are based on water usage and separated by interior and exterior usage. Personnel and benefits, include staff wages and benefits, etc. increased those items by 7% as the union contract has a 2% cost of living increase on January 1st and 1 ½ on July 1st. It was noted that the budget projects health insurance increases by 7 to

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15% each year. He used the Capital Improvement Plan to show the most recent funds available, explaining that the Town will use bonding for the next 10 years to pay for improvements listed in the pavement management plan. This is shown under "Estimated New Debt".

There was discussion on the Sewer Fund and how the spreadsheet shows a little bit of a negative balance. Kelly explained that if there is a negative balance it will be balanced by 2020. As money goes out for repair and people pay their assessments for the sewer lining project in the next year or two for those repairs, the money will be replenished.

On page 28 the boxed areas are the proposed rates going forward. There was discussion on the reduced rate of 8%. There was discussion of the new water meters and whether or not the Town is confident that these meters will read the water rates more efficiently. It was the consensus that with the newer technology, these meters will read more efficiently, and therefore the 8% reduction is accurate, though the Town has enough cash to absorb any potential change in the new meter reading rates. A question was brought up of the stormwater fund spending \$360,000 annually including salaries of those working with stormwater. The Finance Officer explained that the Public Works department fills out the timesheets with which area they worked in and the funds for the salaries are pulled from those areas. It was noted that Public Works spends about 10% of its time on stormwater and it has increased in the last couple years.

There was discussion on the "no irrigation ban" because of last year's lawsuit.

Page 39 shows what residents will see on bills and there was some discussion on why high users' costs are going down while low users' costs are going up. It was the consensus that that should be reevaluated. Other than this item, it was the consensus that the proposed utility rate changes look good.

Fredericks recommended the Town Board to accept the Finance Officer's proposed utility rate plans. Bernstein seconded. Ayes all.

ADDED AGENDA ITEMS: The next meeting date is scheduled to be August 8th. There were no added agenda items.

Hesse moved to adjourn the meeting at 8:29 p.m. DeLoach seconded. Ayes all.

Respectfully Submitted,

Megan R. Cavanaugh
Recording Secretary