

**TOWN OF WATERFORD SANITARY DISTRICT NO. 1
MINUTES**

June 09, 2010

Commissioner Hinz called the meeting to order at 4:30 p.m.

Present: Commissioners Hinz, Gerard and Ciesielski
Absent: None
Also Present: Bob Kabitzke, Accountant; Attorney Chris Geary; Lynn Tamblyn, WRCSD; Duane Erickson, Operations Superintendent; and Debbie Nelson, Administrator

Ciesielski motioned to approve the minutes from the May 12, 2010 meeting as printed, seconded by Hinz. All in favor. Motion carried.

Report from WRCSD: Tamblyn reported the WRSCD Commission has received a lot of flack regarding their proposed connection charge; therefore they have decided to do a mill rate tax study. All vacant properties that are not improved will be looked at under this study which will give them a precise dollar amount, depending on what the mill rate tax would be set at. Tamblyn emphasized at this point it is only a study with no determination made as to whether it will or will not be implemented.

Ciesielski motioned to approve Resolution 1003 Accepting the 2009 Compliance Maintenance Annual Report (CMAR) with the Wisconsin Department of Natural Resources NR 208, seconded by Gerard. All in favor. Motion carried.

Hinz and Ciesielski signed three (3) copies of the Agreement to Complete a Sewer User Rate Study that was approved at the May meeting.

Treasurer Report: Gerard, having been newly appointed to the position of treasurer, said he showed up at the Administrator's office the next morning asking Nelson what he could do as treasurer. Gerard stated that Nelson was stunned as no other Commissioner had ever done so. Gerard referenced official minutes from a previous meeting when Ciesielski stated he was not comfortable being appointed treasurer and was going to come into the office to become familiar with the accounting system as he did not want to be accused of any improprieties, however he never did. Gerard wanted to take his position seriously and understand what is going on so he along with Nelson went through the financial information. Gerard handed out graphs along with a month-by-month accounting from the Cash on Hand reports showing the declining funds from 2005-2006 when former Commission Pisarski was treasurer, 2006-2007 when Hinz was treasurer, 2007-2010 when Ciesielski was treasurer, and the connection fees. The LGIP #2 had \$595,933.65 and LGIP #4 had \$38,651.90 in 2005 when Pisarski became treasurer, however the LGIP #2 is currently down to \$3,325.27 and the LGIP #4 was depleted in 2006 when Hinz was treasurer. Gerard is absolutely astounded at the depletion of funds and the financial position the District is now in. Gerard read official minutes where Administrator Nelson continually comments about the decreasing funds, the funds falling below the agreed upon minimum balance, stating we are out of money, something needs to be done, and her concern of how to pay bills, however the presiding treasurers did not take any action to stop the hemorrhaging but instead it seemed to be the feeling to use up the money so the Town Chairman could not accuse the District of having money. Gerard said this has to stop as our expenses are more than the revenue brought in. Connection fees use to bring in a large portion of the revenue but now are nearly non-existent. Discussion ensued regarding the need for a rate increase. Kabitzke agreed that previous to Gerard becoming a Commissioner it was decided to use up much of the cash on hand, however it did go too far. He said there were small incremental rate increases that the Commissioners felt would be more palatable to the users, however too much emphasis was put on receiving connection fees to bring in the remaining revenue which did not happen. Kabitzke further stated that the money from the DNR replacement fund, which is Commissioner restricted, could be used for general expenses if need be. Nelson is against using these funds as the system is 22 years old and much of the original equipment is now in need of replacement which is expensive. Nelson feels this is why there is a replacement schedule and that is what the money is in the fund for. She pointed out that there was to have been a \$500,000 minimum in the general unrestricted funds that has been used up and will most likely not be replaced, therefore if the restricted funds are used how will they ever be replaced? Kabitzke said although he does not encourage us to borrow that

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loans could be taken out by the District. It was decided there would be another treasurer report in July, the preliminary budget meeting will be in August and the public hearing in September.

Hinz reported that he would like all employees and Commissioners to report back next month with ideas of how to cut expenses. Attorney Geary wanted to make some comments starting out by saying that he was not going to charge the District for appearing at tonight's meeting. Geary went on to say that one way to save money is to cut what is being spent on legal fees, a lot of which is personal and political issues. Geary recommended keeping the personal separate from the official and having an official policy in place as to when and who can contact the attorneys. He pointed out that since there is not a policy in place any of the Commissioners can call him and he is obligated to take their call. Geary further stated that ultimately there is little that can be done to control what each Commissioners says, short of slander or libel; however where the legal issues come in is if District business is being discussed between two Commissioners which is a quorum outside of a meeting to which Gerard replied "bingo". Gerard brought up the Code of Conduct that he has unsuccessfully tried to have adopted that is a guideline for doing your job as a Commissioner.

Monthly O&M Report:

- Another pump burned out and Erickson explained the cost comparison between repairing and replacing it.
- Erickson stated he does not want to see money being taken out of the replacement fund and feels the user charge fees should equal the O&M. Erickson also pointed out that when WRCSD increased their rates the District did not increase theirs and feels that whatever they increase, we should increase.

Administrator Comments:

- Kelly just finished her spring semester of college. She took 17 credits and received an "A" in all of her classes! She has now started her summer classes.
- A reminder that the DPW luncheon is tomorrow at 11:00.

Correspondence consisted of:

- WRCSD Agenda & Minutes

Accounts payable were approved on a Ciesielski/Hinz motion. All in favor. Motion carried.

Ciesielski motioned to adjourn at 5:52 p.m., seconded by Hinz. All in favor. Motion carried.

Respectfully submitted,

Debbie Nelson
Administrator