

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

August 11, 2010

Commissioner Hinz called the meeting to order at 4:45 p.m.

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

Gerard motioned to approve the minutes from the July 14, 2010 meeting as printed, seconded by Ciesielski. All in favor. Motion carried.

Report from WRCSD: Tamblyn did not have anything to report.

Expenses and Cost Cutting Review: Erickson submitted a letter of his intent to retire December 24, 2010 which should generate some cost savings for the District. There were a few conditions that were discussed during two previous meetings held between Gerard, Erickson, and Nelson and mentioned in Erickson's letter. Discussion ensued. Nelson will contact District counsel to draft a Separation Agreement incorporating the conditions discussed here today. Hinz questioned Nelson if she felt if, after preparing the proposed budget, there was anything that could be trimmed. Nelson responded that she prepared the leanest budget possible adding that both Erickson and herself are very frugal and cost conscious in their routine purchasing so there was not a lot of room for trimming but feels it is more the items that there is not control over, such as the decreasing connection fees, drop in interest rates, WRCSD rate increases, and inflation. Nelson brought to the Commissioner's attention that she had to transfer \$15,000 on Monday to cover employee payroll, the Commissioner's monthly checks, federal taxes, and bills stating there is not any money in the general fund even after having just receiving the quarterly user payments. Discussion ensued regarding the user rate increase recommendations provided by Kabitzke which was a minimum of 18% not including funding of the replacement fund, however he did suggest if any connection fees were received above the budgeted amount that they be placed in the replacement fund, and the two User Rate Studies prepared by Ruekert-Mielke which are a 34.8% rate increase using the cash-based method and a 51.1% increase based upon the utility-based method both providing for funding the replacement fund. Hinz asked Ciesielski if he had any comments as he was not partaking in the discussion to which he responded "On the amount of the increase? No I don't". Gerard motioned to increase the rates to \$110/quarter which is a 19.6% increase effective October 01, 2010, seconded by Hinz. Let the record reflect that Ciesielski did not respond to being in favor or to being opposed. Nelson asked Hinz if Ciesielski was in favor and then questioned if everyone was in favor without a response from Ciesielski. Hinz questioned if everyone was in favor a second time; Hinz, aye, Gerard, aye, Ciesielski no response. Hinz asked if he was in favor or opposed to which Ciesielski responded "opposed". Hinz and Gerard in favor, Ciesielski opposed as he thinks we should keep it as low as possible otherwise we will never develop these subdivisions. Motion carried.

Monthly O&M Report:

- Erickson stated they have had an on-going problem with a radio at LS 9 so he called L.W. Allen to look at it stating there may have to be an upgrade to the radios in the future.

Administrator Comments:

- Nelson stated she has been very busy with the quarterly billing, re-formatting and then compiling the budget putting a lot of effort into reviewing the expenses and crunching the numbers as much as possible, discussing expenses with Gerard and compiling several graphs, along with various discussions with Hinz. Kelly Crawford, Accounts Clerk, has been on a scholarship in Mexico the past two weeks which has left her with her hands full.

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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 5:25 p.m., seconded by Hinz. All in favor. Motion carried.

Respectfully submitted,

Debbie Nelson
Administrator