

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

May 09, 2012

Commissioner Gerard called the meeting to order at 6:00 p.m.

Commissioners Present: Commissioners Gerard, Santaga and Block
Commissioners Absent: None
Also Present: Administrator Debbie Nelson; Operations Superintendent Norm Nelson; WRSCD Representative Lynn Tamblyn; Attorney John Macy; Pat Bogumil, Waterford Post; and Town of Waterford Residents

Motion made by Commissioner Santaga, seconded by Commissioner Block to approve the Commission Meeting minutes dated April 11, 2012 as printed. All in favor. Motion carried.

**Report from Western Racine County Sewerage District (WRCS D):
Presented by Lynn Tamblyn**

WRCS D Representative Tamblyn did not have anything to report.

Old Business:

Commissioner Gerard reported on March 05, 2012 he met with Frank Price at which time Price signed an Agreement to insulate the municipal building per plans and specifications within sixty (60) days, however to date the work has not been done. Motion made by Commissioner Santaga, seconded by Commissioner Block to make a demand that the work be completed by June 05, 2012 or the District will go to court and demand what it would cost to have the work done. All in favor. Motion carried.

Administrator Nelson read aloud the list of possible options discussed last month regarding the responsibility for future costs related to district owned grinder pumps:

- 1) After the sale of the home.
- 2) After the sale of the home to a non-family member.
- 3) Net Present Value.
- 4) After replacing with a new grinder pump and components to the state it was in 1988.
- 5) Cost Valuation.

Discussion ensued on the proposed options, the cost of grinder pumps and grinder pump related repairs. Operations Superintendent Nelson answered the question of how long a grinder pump would last stating Meyer pumps are estimated to last 10 (ten) years, adding it also depends on usage. Also discussed were property owners that had to purchase and maintain their own grinder pumps after the original sewer system installation. Commissioner Gerard stated he does not believe there was thought for the future and how those residents would be treated differently, however their grinder pumps are just as much a part of the infrastructure. There was not a cost or net valuation placed on the system since day one and it has posed the problem of what to do with the district owned grinder pumps and the need for a policy to be put in place with a direct deadline on "forever." Attorney Macy suggested the options could also include doing nothing and staying with the status quo and paying each resident with a district owned grinder pump the cost of a replacement system releasing the District of any further liability. When all the options are gathered, narrowed down and researched the commission would like to have public input at a future date. Although premature, due to the request from a resident to be on the agenda regarding this matter a motion was made by Commissioner Santaga, seconded by Commissioner Block to suspend the rules to hear from citizens present on this subject only. All in favor. Motion carried.

Ron Hochevar, 5701 Court Lane: Hochevar stated he was the resident that wanted to be placed on the agenda. He said "forever" is a tough word; he isn't going to live forever, none of the commissioners are going to live forever or be commissioners forever. Hochevar explained that he, Dan Dickinson, and the other board members put together the innovative and alternative system that WSD has which he believes to have been the best designed system for Waterford and the district owned grinder pumps to be forever and ever. He said the same board voted in favor of new residents needing a grinder pump having to support their own since it could be installed inside the home. He stated he does not know the cost valuation. Hochevar assumes the funds or lack thereof is the reason

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

the grinder pumps were addressed and acknowledged the lack of revenue from connection fees. Hochevar stated at the last meeting a reference of \$3,000 was made for an outside contractor to do a grinder pump replacement, however both Dickinson and himself have done research and feel the District personnel can replace a grinder pump for \$700-\$1,000 adding he does not know what it would cost to do a complete replacement. Hochevar said if his assumption is correct, that the District is running out of funds, perhaps the personnel should be reduced to part-time, quarterly billing could be done through an off-system, servicing of grinder pumps and laterals could be outsourced, or perhaps the District could merge with the Village of Waterford. He also suggested the commissioners could take a pay cut stating he was paid \$12/meeting when he was commissioner and feels there are not that many issues that come to the board requiring a whole lot of effort other than the grinder pumps, adding he is not at every meeting and does not know what goes on. He suggested since the Replacement Fund is no longer restricted by the DNR those funds could be used to run the District. Hochevar stated he has a district owned grinder pump.

Dan Dickinson, 6929 Dickinson Lane: Dickinson stated he is a former WSD commissioner that has a district owned grinder pump. Dickinson said he understands that the commission does not want to rehash what has already been discussed and voted upon, but did want to leave his prepared statement which contains information previously discussed. Dickinson said in the past week or two he has talked to quite a few residents and found 97% are concerned with the user fees for grinder pumps with one person stating he pays more for sewer than he did for sewer and water when living in Milwaukee County. Dickinson wanted to echo some of the comments made by Hochevar about things that should be done internally. He referenced the Special Meeting held in March when Commissioner Gerard gave an example of a recent grinder pump replacement costing \$4,900, although after hearing Hochevar say \$3,000 he could be wrong, and this could have been a private system rather than a district owned grinder pump which would be a huge difference. After reviewing budget data he ascertained that the grinder pumps were purchased cheaper in 2012 than 2011 so when he added in his estimate for labor he does not understand why the grinder pumps would be one of the major reasons for a user fee increase adding he feels there is a lot of effort in how infrastructure is to be passed off to customers when it is not a lot of money. Dickinson said as a former commissioner it was determined grinder pumps would be part of the infrastructure and saved the District about \$3 million at the time of construction. He suggested using the cost valuation as an option going forward instead of replacing once and turning the system over to the owner or the \$3,000 buyout which he feels is an inflated number including blood money. Dickinson asked a local real estate agent what impact there would be if the ownership of a grinder pump transferred to the new owner at the time of sale and she said it would be a significant problem for the person trying to sell their home. He said at the Special Meeting Attorney Macy commented the board should act quickly with their decision which would affect homeowners that are trying to sell their properties and questioned whether grinder pumps meet current domestic codes. Dickinson stated in talking with some people he heard when they called the office after the April fee increase they were told it was due to grinder pumps and said he took exception to that as it is not the grinder pumps. Dickinson added once the grinder pumps are off the system he does not want all the personnel on the payroll when they won't have to work on them anymore.

Ron Hochevar, 5701 Court Lane: Hochevar asked for clarification on how many district owned grinder pumps there are and how many users of the pumps.

After addressing all public comments Commissioner Gerard stated the meeting was back in regular session.

Operations Superintendent Nelson stated there are 197 district owned grinder pumps with 302 users. Administrator Nelson asked to respond to comments made by Hochevar and Dickinson. Nelson said when the sewer system first became operational the user fee was \$85.50/quarter, later reduced to \$75/quarter, the tax levy was eliminated from the tax roll, and the fees were again reduced to \$66/quarter where they stayed for 10 years. The rate in 2012 is \$110/quarter increasing to \$118.50/quarter which was not far off from the original fee. The staff has remained the same with two full time employees in operations, one full time administrator (clerk) and a part time accounts clerk position. Nelson said when people call they are not being told rates were increasing due to the district owned grinder pumps. Lastly, she believed the focus of the discussion tonight was to be when the "forever" verbal promise was to end and not about eliminating staff and some of the other issues they brought up.

Commissioner Gerard said he agreed with Administrator Nelson's comments and further stated at least one recall petition circulator is telling people if they do not sign the petition their user rates will increase because of the

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

grinder pumps and lift stations, and other things that are not stated on the petition as the reason for recall. He responded to Dickinson's comment explaining when Attorney Macy said at the Special Meeting a decision should be made prior to the new user rate going into effect April 01st it was because title companies request information from the District for property closings and personnel would need to know the correct amount. In response to Dickinson's comment whether the grinder pumps are up to code the answer from himself and Operations Superintendent was "yes." Commissioner Gerard explained that when he referenced a bill for \$3,900 it was a private grinder pump system and the work was done by Maas. Attorney Macy asked Operations Superintendent Nelson to explain why a district owned grinder pump system would cost \$3,000. Nelson explained the \$3,000 would include replacing the grinder pump, piping, floats, base, components, and labor; the system would then be in the same state it was in 1988. Commissioner Santaga commented the commission was reviewing several different issues, the district owned grinder pumps being one of them, but does not recall the grinder pumps ever coming up as a reason for the user rate increase but rather the fees were increasing in part because of the 8% increase from WRCSD to treat the sewerage along with inflation and other reasons. Attorney Macy agreed with Commissioner Santaga that the user rate increase was for totally different reasons than the district owned grinder pumps. Commissioner Block felt some confusion was because the user rate was suppose to increase to \$115/quarter with an additional \$22.50/quarter (combined total of \$137.50/quarter) charged to users of district owned grinder pumps. However, after the commission rescinded the Resolution the user rate increased to \$118.50 for all 1,925 users absorbing the additional amount that was to have been charged to the users of district owned grinder pumps. Attorney Macy recommended preparing a press release explaining the user rate increase and the other financials brought up that were not on-point such as whether the replacement fund can be used or not and what the DNR requirements and guidelines are. Commissioner Block asked Operations Superintendent Nelson to come up with the itemized actual cost including labor if he were to replace one grinder pump system to the point it was in 1988. This item will be placed on next month's agenda for discussion. No action taken.

New Business:

Commissioner Block said she would like to discuss having a specific dollar amount set which would govern whether an employee can request work, services, or purchase items that are not ongoing expenses or if it would need board approval. Commissioner Santaga suggested if the Administrator or Operations Superintendent needed something the board could meet rather quickly to make a decision. Discussion ensued. Motion made by Commissioner Block, seconded by Commissioner Santaga to set a policy that anything beyond \$500 would require board approval. Attorney Macy explained the motion is not what is normally stated for an expenditure policy as it is usually more complicated. Commissioner Block would like to work on wording for what she would like to see in the policy and will look for examples from other communities that have a policy. No roll call on motion. This matter will be tabled to next month.

Motion made by Commissioner Santaga, seconded by Commissioner Block for the Commissioners to retain the same offices. All in favor. Motion carried.

**Monthly Operations & Maintenance Report (O&M):
Presented by Operations Superintendent Norm Nelson**

Operations Superintendent Nelson reported they are working on spring maintenance; cleaning the lift stations, air release manholes, and pressure system.

Treasurer's Report:

Commissioner Block explained the Expenditures with Comparison to Budget Report for April along with the March Cash on Hand Report. Commissioner Block said she would like to make herself available to anyone that has questions and concerns about the budget and expenditures.

Correspondence consisted of:

- Statement of Intent to Circulate Recall Petition filed by Dan Dickinson
- WRCSD Agenda & Minutes

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

Administrator Comments:

Presented by Administrator Debbie Nelson

Administrator Nelson stated the 1st quarter billing is complete with more residents utilizing PSN. She is still working on software maintenance and programming.

Accounts Payable:

Motion made by Commissioner Santaga, seconded by Commissioner Block to approve the accounts payable. All in favor. Motion carried.

Attorney Macy wanted to follow up on an outstanding project that he was directed to do for the board and asked for consideration of a possible closed session meeting on May 30, 2012 at 6:00 p.m. Commissioner Gerard and Commissioner Santaga are available, Commissioner Block will check her schedule and call Administrator Nelson in the morning with her availability as she wants to be in attendance.

Motion made by Commissioner Santaga, seconded by Commissioner Block to adjourn at 7:45 p.m. All in favor. Motion carried.

Respectfully submitted,

Debbie Nelson
Administrator