

MINUTES of the TOWN OF VERONA Utility Commission Board*
BUDGET PUBLIC HEARINGS – Operating/Capital for Utility District #1 and Marty Parcels
Town of Verona Town Hall
7669 County Highway PD, Verona
November 21, 2017 6:30 PM

Board Members Present: Dreger, Enburg, Geller, Duerst, Maxwell
Staff Present: Arnold, Wright
Residents Present: John Senseman

1. **Call to Order/Approval of Agenda**

Mark Geller called the meeting to order at 6:30 PM. Motion by Maxwell to approve the agenda; 2nd by Enburg. Motion carried.

2. **Approval of meeting minutes from the November 22, 2016 Annual Utility District Meeting and Public Hearing and Minutes from the November 7, 2017 Utility Commission Meeting**

Duerst moved to approve the minutes of the November 22, 2016 Annual Utility District meeting and Public Hearing; 2nd by Enburg. Motion carried. Maxwell moved to approve the minutes from the November 7, 2017 meeting; 2nd by Dreger. Duerst, who did not attend the meeting, abstained. Motion carried.

3. **Presentation on Repairs and Cleaning in 2017 and Amended 2017 Budget**

Clerk/Treasurer Wright reminded the group that the notification letter was mailed on November 8, 2017 to the 115 billing addresses for those properties that receive services from the Utility District including the Marty family.

Wright reviewed key factors that determined the \$100 increase to the base recommended by the Financial Sustainability Committee:

- The \$80,000 Reserve Fund Balance cannot be restored at the current rates based on the income/expense projections for the next five years; the cost to replace manhole #10 has required a large portion of the current year budget and transfers from the dwindling reserve account
- The five-year analysis shows that the balance can be restored with a \$100 increase to the base rate; an increase to the base of \$120 or \$140 that was included in the analysis would collect funds far in excess of the \$80,000 goal
- The oldest portions of the system were installed nearly 50 years ago; although in overall good condition, Wright recommends relining sections of approximately 300' in length every other year based upon televising reports to limit ground water infiltration which inflates treatment costs handled by Madison Metropolitan Sewerage District (MMSD)
- DNR review of the 2016 Compliance Maintenance Annual Report noted that televising and cleaning of the system could be done at a rate of 10% annually instead of the current rate of 17% per year; Wright noted he accordingly reduced this cost in his five-year analysis based on the recommendation
- The rate increase for 2018 published by MMSD is 5.6634% which is well below last year's increase of 17.8870%; the projected annual increase for MMSD services were adjusted by factoring in the 2018 rate with the rates of the prior five years

4. **Public Hearing regarding proposed 2018 Utility District Budget**

Chair Geller opened the Public Hearing at 6:47 PM and asked for comments. Wright reported that he heard from only one customer who questioned the target level of the reserve account. After several exchanges by email, the customer was satisfied that it was adequately based upon sound analysis. Wright stated that he did further analysis to explore whether a rate increase to the base in increments of \$40, \$60, and \$80 could reach the goal of restoring the reserve fund balance within five years and keep it at that level within +/- 15%. He stated that a rate change of \$80 to the base could achieve that goal providing no major repairs beyond relining were required. There were no other comments.

5. **Close Public Hearing**

Geller asked once again whether there were any public comments; hearing none, he closed the Public Hearing at 6:47 PM.

6. **Discussion and Action re: Proposed 2018 Utility District Budget**

Enburg moved to approve the rate change of \$100 to the base rate; second by Duerst. Maxwell proposed that Enburg consider an amended rate change of \$80 to the base based upon Wright's additional research. Enburg

stated his concern about the age of the system, increased flows due to development in the City of Fitchburg using the shared main along Fitchrona Road, and his preference for a greater cushion. The amendment died for lack of a second. Roll call vote: Dreger: aye; Maxwell: aye; Duerst: nay; Enburg: aye; and Geller: aye. Motion carried.

7. **Recommendation to the Town Board to Amend Ordinance 91-1 to Reflect the 2018 Rate Increases if Any Are Approved**

Enburg moved to recommend to the Town Board an amendment to Ordinance 91-1 to reflect a rate change of a \$100 increase to the base in addition to the other rate changes based upon the base as detailed in the Ordinance; 2nd by Maxwell. Motion carried.

8. **Adjourn the Commission Meeting**

Maxwell moved to adjourn at 6:55 PM; 2nd by Duerst. Motion carried.

*The Town Board of Supervisors serves at the Utility Commission Board

Approved: November 20, 2018

John Wright
Clerk/Treasurer, Town of Verona