

MINUTES of the  
TOWN OF VERONA Utility Commission Board\*  
Town of Verona Town Hall  
7669 County Highway PD, Verona  
**November 7, 2017, 6:00 PM**

Board Members Present: Dreger, Enberg, Geller, Maxwell  
Board Members Absent: Duerst  
Staff Present: Wright

1. **Call to Order/Approval of Agenda** – Mark Geller called the meeting to order at 6:00 PM. Motion by Enberg to approve the agenda; 2<sup>nd</sup> by Maxwell. Motion carried.
2. **Presentation of meeting minutes from November 22, 2016 Annual Public Hearing and Utility Commission Minutes** – Wright explained that he included the minutes in tonight's packet for reference only; they will be approved at the 2017 Public Hearing and Annual Utility Commission meeting.
3. **Review 2017 Budget-to-Actual That Includes Scheduled Repairs to Manhole 10 and Manhole 9** – Wright reviewed the printed document in the member packet that in addition to revising repairs and maintenance costs, captured diminished revenue due to non-payment of tax bills, lower than estimated interest income, and treatment costs that exceeded the Madison Metropolitan Sewerage District (MMSD) estimate used for the 2017 budget in November of 2016. The difference between the budget and the actual numbers to date is \$5,736.
4. **Review Multi-Year Trending of Cost Increases and Effluent Volume Rates That Exceed Annual Estimates Provided by the Madison Metropolitan Sewerage District** – Wright reported that he uses the estimate released by MMSD in late October/early November each year for the following year's budget. However, actual volumes of treated effluent have consistently been greater than the estimate; the result is that the Reserve Fund balance is diminished further. Wright knows that increased customer usage accounts for part of the change, but suspects that stormwater is finding its way into the system as well, resulting in larger volumes to be treated. Wright stated that he reported the results of his 5-year income/expense analysis to this group and to the public at the November 22, 2016 meeting. The Financial Sustainability Committee requested the analysis to determine whether a \$100 increase to the base rate in 2017 would be sufficient to restore the Reserve Fund balance to a minimum of \$80,000 in 2017; the result of the analysis that assumed minimal televising and repair was that the balance could not be restored with this single rate increase.

As reported above in item 3, the special charges for sewer service are part of the annual tax bill; as such, delinquent accounts can only be collected by the Dane County Treasurer. Two property owners have multi-year delinquencies that make budgeting difficult. Wright noted that he was contacted by Ray Schneider from the MMSD in late February of this year that manhole 9 was under water; MMSD would plug the pick holes in the lid as a temporary solution, but the Town needed to schedule a repair to the structure. As a consequence, RG Huston is scheduled to raise the lid of this structure when they replace manhole 10 that was part of this year's scheduled maintenance. A sewer backup occurred at the intersection of Allegheny Drive and Nesbitt Road this year requiring an emergency preventive cleaning of four sections last cleaned and televised in 2014. In the last five years there has only been one other backup to the northwest of this location in 2013.

5. **Discussion with Possible Action to Amend the 2017 Budget to Reflect Actual Costs and Possibly Transfer More Money from the Reserve Account to Cover Scheduled Repairs** – Dreger moved to approve up to an additional \$6,000 be transferred from the Reserve Fund beyond the amount approved in the 2017 budget; 2<sup>nd</sup> Maxwell. Motion carried.
6. **Review Draft Letter to Send to Users of Services Provided by the Town of Verona Utility District**
  - a. Recommendations of Possible Rate Change from the Financial Sustainability Committee – Wright presented the Commission members present with the letter to Utility District customers proposed by the Financial Sustainability Committee. Wright reported that the Committee members recommend the Utility Commission consider an additional increase to the base rate for 2018 to allow for continued cleaning, televising, and repairs and the restoration of the Reserve Fund balance to a minimum of \$80,000. They justified the recommended rate increase based upon the 2016 survey conducted by MSA Professional Service printed in October 2016. The survey shows that systems of similar size charge an average base rate of \$490; the current annual base rate in the Town of Verona Utility District is \$373 by comparison.

Wright briefly reviewed an updated 5-year income/expense analysis based upon the proposed increase with increase increments of \$100, \$120, and \$140 recommended by the Financial Sustainability Committee. Wright's analysis concluded that a rate increase of \$100 would restore the fund balance within three years and maintains that minimum balance thereafter. The Commission members present agreed with the analysis and will present it at the Public Hearing of the Utility District later this month.

- b. Review the content of the draft letter including graphs and charts – the Commission members present agreed with the content of the letter proposed by the Financial Sustainability Committee; without objection. Wright will print and mail the letter to customers tomorrow. Wright presented a cleaning and televising map for years 2013 through 2016 (there was not televising in 2017) that included the televising done by the City of Fitchburg that saved the Town the expense of two years of televising. Wright then presented a map of the cleaning and televising proposed in 2018 that includes the sections to be repaired this year.
7. **Schedule the Annual Meeting and Public Hearing for Considering Rate Changes and/or Other Amendments to Ordinance 91-1** – Dreger moved to schedule the Annual Utility Commission meeting and Public Hearing for 6:30 PM on Tuesday, November 21, 2017; 2<sup>nd</sup> Maxwell. Motion carried.
  8. **Adjourn the Commission Meeting**  
Enburg moved to adjourn at 6:25 PM; 2<sup>nd</sup> by Dreger. Motion carried.

\*The Town Board of Supervisors serves at the Utility District Board

Approved: November 21, 2017

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John Wright  
Clerk/Treasurer, Town of Verona