

MINUTES of the
TOWN OF VERONA Utility Commission*
Town of Verona Town Hall
7669 County Highway PD, Verona
November 13, 2018, 7:50 PM

Board Members Present: Dreger, Enburg, Geller, Maxwell, and Duerst
Staff Present: Wright, Arnold, and Judd

1. **Call to Order/Approval of Agenda** – Chair Geller called the meeting to order at 7:50 PM. Motion by Maxwell to approve the agenda; 2nd by Dreger. Motion carried.
2. **Presentation of November 21, 2017 Annual Public Hearing and Utility Commission Minutes to be Approved at the 2018 Annual Meeting** – Wright reported that he wanted the Commission members to have the minutes in advance of the Annual Utility Commission meeting and Public Hearing later this month.
3. **Review 2018 Budget to Actual that Includes Repairs to Manhole 10 and Manhole 9 and Cleaning/Televising** – Wright reported that the manhole replacement and extension were completed at the end of 2017; however, the final payment to RG Huston was withheld until McCann's Underground was able to conduct a final televising early in 2018. Other sections were cleaned and televised this year between De Marco Trail and the cul-de-sac for Pheasant Lane as well as those buried beneath the yards of properties in Hillside Heights bounded by Cortina to the west, Everest to the north, and Allegheny to the east. No problems were identified that would require immediate repair. A loose gasket was observed between two pipe sections, but there did not appear to be any groundwater infiltration at that location.

Wright noted that grouting the base of Manhole 9 was scheduled for this year, but has yet to be started by McCann's Underground. Consequently, the repair and maintenance budget line has \$12,743 of unused funds. Interest income has increased dramatically as money has been moved out of a managed account into a Money Market fund at the State Bank of Cross Plains. The projected income for interest in 2018 was estimated to be \$21; instead it is \$885 year-to-date. The cost to treat waste water by Madison Metropolitan Sewerage District was estimated at \$25,467 in the 2018 budget (that estimate is provided by MMSD at the end of October each year for the following year); however, the actual total cost for this year is \$23,840 instead. The multiple repairs over the past six years appear to have slowed the infiltration and inflow of surface and ground water, which will result in long term savings for the Utility customers. There were no reports of sanitary sewer overflows (SSOs) or basement backups during the August flood or throughout this unusually wet season.

4. **Review Madison Metropolitan Sewerage District Rate Changes** – the Annual Report from MMSD suggested that the overall rate hike for customers would be an approximate increase of 6%; Wright had used a projected increase of 8.607527% for his five-year capital and operating budget projections based upon the average of the five prior years of rate increases. Instead, the projected rates for the Town of Verona Utility District and for the Marty Farm properties declined from the 2017 estimate for 2018 of \$25,467 to a 2018 estimate for 2019 of \$24,686, a reduction of 3.06672%. Wright again attributed the savings to repairs as well as a dedicated monitoring location in Manhole 10 that is far more accurate than the methodology used by MMSD previously. The savings will contribute to the accelerated replenishment of reserve funds as will the increase in interest income noted above. Based upon a multi-year analysis of the time Wright spends each year to manage the Utility District, the compensation to the Town of Verona General Fund will increase from \$2,200 a year to \$3,000 a year; this will not affect the accelerated contributions to the reserve fund.
5. **Discussion with Possible Action to Approve the 2019 Budget with No Increase over the 2018 Rates** – Wright reminded the Commission members that the Financial Sustainability Committee had requested that he create a 5-year Capital Improvement Plan and 5-year budget based upon past trending so that the reserve fund balance could be restored and maintained within that period. As a result, the Utility Commission approved a rate increase of \$100 to the base rate in 2017 for 2018 with the understanding that this rate would meet goals for the next five years. Motion by Duerst to maintain the current rates for 2019; 2nd Enburg. Motion carried.
6. **Review the Letter Sent to Users of Services Provided by the Town of Verona Utility District**
 - a. Cleaning, televising, and repairs – Wright reported that the letter presented to the Commission members was mailed today to the Utility customers. The letter assumed no increase to rates for 2019. It detailed the scheduled grouting this year of the base of Manhole 9 and the possible need for a new monitoring

location to the west of the roundabout to be constructed by the City of Fitchburg in 2019. The old test bench was located in a manhole owned by, maintained by, and located in the City of Fitchburg; it will be eliminated once the roundabout replaces the old intersection between Nesbitt Road and Fitchrona Road. Wright reported that Todd Gebert, Capital Planning Engineer at MMSD, has recommended a new monitoring manhole be constructed in the road right-of-way for Nesbitt Road just to the east of Allegheny at an approximate cost of \$10,000. Wright reported that the City of Fitchburg engineering firm AECOM is advocating for the City of Fitchburg to cost share this expense. Mention of this was included in the letter mailed by Wright, which is within the amount budgeted for repairs and maintenance in 2019. Member Enburg thought the relocation of the existing monitoring manhole was a compensable event in his estimation. Wright disagreed on two grounds: 1) the existing test bench for the benefit of the Town of Verona Utility District was placed in a manhole paid for by the City of Fitchburg after the construction of the original Utility District infrastructure that had been constructed in cooperation with the then Town of Fitchburg; consequently, the Town has experienced no loss as a basis for compensation, and 2) the City of Fitchburg televised the entire length of shared main along Fitchrona Road in 2015 and shared the video and reporting with the Town of Verona without expectation of compensation, a gesture which saved the Town of Verona Utility District customers thousands of dollars (Note: 3,850' was televised in 2015; at the 2018 cost of \$3.25/lineal feet, the Town saved \$12,512.50).

- b. Projected funds to be used to rebuild the Utility District Reserve Fund balance – Wright reported that the entire system has been televised within six years instead of ten mostly because the City of Fitchburg televised the entire shared main on Fitchrona Road. This savings, plus increases to interest income and reductions to MMSD fees will replenish the reserve fund faster than anticipated barring some unforeseen expense. The target fund balance per the Annual CMAR is \$80,000 for the Town of Verona Utility District; at the current rates, this goal should be met in 2019 and exceeded every year thereafter. Member Dreger asked if the rates could be reduced if the goal has been met sooner than expected; Wright responded that there is no reason that rates could not be reduced at a moderate rate over the course of multiple years beginning in 2020 if no large changes were expected.

7. **Schedule the Annual Meeting and Public Hearing for Considering Rate Approval or Possible Amendments to Ordinance 1991-01** – Wright noted that tonight's meeting is a week later than usual due to the November 6, 2018 General Election. Consequently, he had to mail the letter to the Utility District customers today; he set a meeting date, time, and location in the mailing following the adjournment of the Special Town Meeting and Annual Budget Hearing that begins at 7:00 PM on Tuesday, November 20, 2018 at the Town of Verona Community Room, 7669 County Highway PD in Verona. In prior years, the Utility District Commission held the Public Hearing prior to the Special Town Meeting and Annual Budget Hearing. Chair Geller asked why the decision was made to hold the Utility District meeting after the Budget Hearing for the General Fund instead of before. Wright and Arnold responded that with no recommended rate increase, the Utility District meeting would likely be very short and likely not result in the need for the subsequent Special Town Board meeting to approve the amendment of Ordinance 1991-01 to reflect rate increases. Geller expressed concern that electors who attended the General Fund budget hearing may dissolve into a more social group that would be disrupted/delayed by having the Utility District meeting afterward. Arnold acknowledged that the order could be reversed next year, but rescheduling for this year is no longer possible.

8. **Adjourn the Commission Meeting**

Duerst moved to adjourn at 8:14 PM; 2nd by Maxwell. Motion carried.

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

Approved:

John Wright
Clerk/Treasurer, Town of Verona