

**Minutes of a Regular Meeting of the
Waupun Utilities Commission
Monday, October 14, 2019**

The meeting was called to order by President Heeringa at 4:00 p.m.

Commissioners Gerritson, Heeringa, Homan, Kaczmariski, Mielke, Thurmer, and Westphal were present.

Motion made by Thurmer, seconded by Homan and unanimously carried, to approve the minutes from the September 9, 2019, regular meeting.

On motion by Kaczmariski, seconded by Westphal and unanimously carried, bills for the month of September 2019 were approved as presented.

Written reports were provided to commissioners from the departments of General Manager, Water & Sewer Maint/Treatment Supervisor and Electric Operations Supervisor. Report made by Water & Sewer Maint/Treatment Supervisor on an October 1 rain event with over 6 inches of rain. Discussion held on the collection system impact by the high water flow and a possible flow charting study.

On motion by Gerritson, seconded by Thurmer and unanimously carried, the year-to-date financial reports through August 2019 were approved as presented. Electric operating income was \$166,200 or \$14,000 above budget on higher margins. Water operating income was \$547,600 or \$96,200 above budget on higher revenues and lower operating expenses. Sewer operating income was \$262,800 or \$73,400 above budget on higher revenues and lower maintenance expenses.

Finance Director presented the 2020 budget draft summaries for review. The overall budget is forecasted to decrease \$3.3 million compared to the 2019 budget amounts due to no major water and sewer main replacement projects scheduled for 2020 and lower purchased power costs. Significant capital additions and non-routine expenses include design engineering for the WWTP upgrade, Harris lift station modifications, replacement of the electric backyard machine, sewer manhole lining, and adding a new wastewater operator in September 2020. All other capital additions and expenses are routine in nature. The proposed overall budget would use \$456,200 in sewer cash reserves and add \$432,000 in water cash reserves, and \$133,300 to electric cash reserves. Staff will prepare the final budget in substantially the same form.

Finance Director presented Test Year 2023 sewer rate design and cost of service review as part of the sewer rate study for upcoming phosphorus mandates to effluent discharge from the wastewater facility. The cost of service summary is one component of the sewer rate study and it determines how costs are allocated to each rate component. The recommended increase in revenue requirement to complete the \$32 million upgrade at the WWTP is \$622,689 or 32.2%, which would be implemented over four years beginning in 2020. Rate design for each customer class and rate component was reviewed including a schedule projecting increases over the next four years.

Motion made by Thurmer, seconded by Homan, to adjourn in closed session under Section 19.85 (1) (c) (e) of the WI Statutes. Motion carried unanimously.

Motion made by Thurmer, seconded by Homan, and unanimously carried to reconvene in open session under Section 19.85 (2) of WI Statutes. No action taken from closed session.

On motion by Westphal, seconded by Mielke and unanimously carried, the meeting was adjourned at 5:59 p.m.

The next commission meeting is scheduled on November 11, 2019, at 4:00 p.m.

Nancy Oosterhouse
Mapping/Admin Coordinator