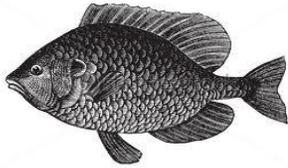


UTILITY MEETING MINUTES

Wednesday, January 15, 2020 @ 6:00 p.m.

Village Office

7505 Main Street West, Webster, WI



VILLAGE OF WEBSTER

- I. **CALL TO ORDER** – Utility Chairman, Darrell Sears called the meeting to order at 6:00 p.m.
- II. **PRESENT** –Chairman, Sears; Village President, Jeff Roberts; Member, Sarah Casady; Village Trustee, Tim Maloney. Others: Public Works Director, Jay Heyer; Clerk/Treasurer, Kuhnly. Member, Kelsey Gustafson arrived at 6:03 p.m.
- III. **WATER AND SEWER RATES** – Chairman, Darrell Sears explained this meeting is due to the need to raise sewer rates (to help defray the cost of removing sludge from the treatment ponds.). Chairman, Sears stated the last rate increase was in 2016; resulting in charges of \$1.86 per 1,000 gallons and base rate from \$36.05 to \$39.65 per quarter. He also shared that, in 2016, the average household used 80,000 gallons of water. Chairman, Sears then read the notification that was included in the December 2019 newsletter, informing all utility customers of a 5% increase of sewer rates effective January 1, 2020; base rate changing to \$41.64 and rate per 1,000 changing to \$1.96. President, Roberts suggested looking into a tier increase for future years. The Village of Webster’s rates are significantly lower than other municipalities. Trustee, Casady agreed with a tier increase approach so it would have a gradual impact to residents. Trustee, Gustafson asked how much money will be generated with the 2020 5% rate increase. For the last quarter of 2019, the total consumption for sewer utility was 3,839,964 gallons. Unit Dollars was \$20,989.68 and Volume Dollars was \$7,142.28 with 374 users. The 5% rate increase will only generate approximately \$5,600 additional revenue a year. Trustee, Maloney asked if the Village would seek a loan from Board of Commissions of Public Land for the \$300,000 to \$400,000 needed for the cost of sludge removal. This will probably be done. Maloney then asked what the target amount is from increasing sewer rates. President, Roberts stated he would like to see the amount be enough to cover the loan payment each year. Maloney said he agrees with what Trustee, Weis often says that every resident, now and in the future, should pay for ongoing expenses/maintenance. President, Roberts said there is also the option of raising the base rate a certain percent and per 1,000 rate on a different percent. Discussion ensued on receivables from sewer utility and operating expenses, and the need to know the balance of the Sewer Utility Fund. Trustee, Gustafson estimated the loan payment would be approximately \$20,000 a year on a 20-year loan. This does not include interest. Clerk/Treasurer, Kuhnly and Trustee, Casady looked over the financial statement from 2018 and reported \$118,699 operating revenue in the Sewer Fund; yet total operating expenses came in at \$167,173. So operating loss of \$47,651. The auditor, Jonathan Sherwood, will be here last week of the month for the yearly audit. Kuhnly will ask him his advice and insight. Trustee, Casady asked if there is an option of going to monthly utility billing so it doesn’t ‘hurt’ the customers as much. President, Roberts stated that this has been talked about in the past. There would be an increase in postage cost and Clerk, Kuhnly’s time; as well as Public Works. Trustee, Maloney asked about quarterly billing but with monthly payments. There are a dozen customers who do pay monthly. (This is manual process that Clerk, Kuhnly performs.) Trustee, Casady synopsisized that everyone is on the same page that additional increases to sewer rates are needed. Discussion ensued on the estimate of \$300,000 to \$400,00 and the need to get a more accurate estimate. Trustee, Maloney would also like to know if dollars can

be transferred between water and sewer fund. Trustee, Maloney and Trustee, Casady also discussed the need to be reasonable in the rates due to a lot of the residents are on a fixed income and other demographics in the Village. The current payment amounts and balances for the SCDA project and water project loans, was reviewed. Kuhnly will ask Jonathon if he can attend a Utility Committee meeting, at 5:00 p.m. on January 29th, to gain his advice on what increase should be and to inform the committee of sewer funds available.

IV. **ADJOURNMENT.** Motion was made by Member, Casady to adjourn the Utility Committee Meeting at 6:42 p.m., seconded by Member, Sears. **Motion carried 3-0.**

Respectfully submitted,

Darrell Sears

Darrell Sears, Utility Chairman

January 15, 2020

***These minutes are subject to approval at next month's Regular Meeting.