

Delafield-Hartland
Water Pollution Control Commission

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Commission Meeting Minutes for October 21, 2008
Delafield-Hartland WPCC Treatment Plant Board Room

Time: 7:00 p.m.

CALL MEETING TO ORDER

Chairperson M. DeYoe called the meeting to order at 7:00 p.m.

ROLL CALL

Delafield

Paul Craig
Michele DeYoe
Gerald MacDougall
Ed McAleer

Village of Hartland

Karen Compton
Richard Landwehr
Michael Meyers
Rick Stevens

Also Present

Rose Frick
Bob Hyde

Guest

Scott Luczak – Del-Hart Leadman

APPROVE MINUTES OF SEPTEMBER 16, 2008 COMMISSION MEETING – ACTION THEREON

R. STEVENS MOTIONED TO APPROVE THE MINUTES OF THE SEPTEMBER 16, 2008 MEETING. R. LANDWEHR SECONDED THE MOTION. THERE WAS NO FURTHER DISCUSSION. ALL WERE IN FAVOR. MOTION CARRIED.

OTHER ISSUES

NEW GENERAL MANAGER'S COMPENSATION – ACTION THEREON

R. STEVENS MOTIONED TO APPROVE THE NEW GENERAL MANAGER'S COMPENSATION AT AN ANNUAL SALARY OF \$65,000 PER YEAR WITH A PERFORMANCE REVIEW IN SIX MONTHS AND USE OF THE COMPANY TRUCK FOR BUSINESS PURPOSES ONLY COMMENCING JANUARY 1, 2009. M. MEYERS SECONDED THE MOTION. THERE WAS NO FURTHER DISCUSSION. ALL WERE IN FAVOR. MOTION CARRIED.

GENERAL MANAGER'S REPORT

PURCHASE OF DEL-HART PROPERTY BY THE CITY OF DELAFIELD UPDATE

E. McAleer stated that the City of Delafield's Common Council approved an appraisal of the property. B. Hyde sent an email to J. Novotny of the DNR regarding this parcel. J. Novotny replied and had no objection to the proposed sale as outlined in the email message from B. Hyde.

HYDROGEN SULFIDE (H₂S) MITIGATION PROJECT – ACTION THEREON

The last payment has been made to Visu-Sewer except for 5.0 % retainage until all claims have been taken care of. There is one unsettled claim outstanding. The project is about \$16,500 over the contract bid price. This overage was made up of \$5,220 for grouting of manholes (approved by Commission) and additional painting at a cost of \$22,000 with credit offsets issued for the liner costs. It was clarified that the net cost overrun was \$16,500. The Commissioners felt that for a project of this size, that was very good.

B. Hyde discussed the coating of the manholes that recently took place.

AMENDMENT NO. 2 TO VISU-SEWER CONTRACT 1-2007 – ACTION THEREON

The commission approved this amendment last month. However, the date on the amendment for the start of the warranty period is later than the date of approval. Therefore, by re-approving this amendment tonight, the amendment/warranty dates would make more sense.

R. LANDWEHR MOTIONED TO APPROVE AMENDMENT NO. 2 TO VISU-SEWER CONTRACT 1-2007. R. STEVENS SECONDED THE MOTION. THERE WAS NO FURTHER DISCUSSION. ALL WERE IN FAVOR. MOTION CARRIED.

R. Frick clarified that the five year warranty in Amendment 2 has a starting date of September 26, 2008.

TRIAD UPDATE

Del-Hart sent a letter to Triad regarding two pH violations. B. Hyde stated that the next time there is a violation of the pH parameter; Triad will be required to install a pH meter as previously requested.

NEWMAN CLAIM – ACTION THEREON

Attorney Fenner stated that this claim must be accepted or denied in 120 days (on or before December 10, 2008). The claim was filed against the City of Delafield and the Del-Hart Commission in regards to the flooding that took place in June.

R. LANDWEHR MOTIONED TO DENY CLAIM AND SEND IT TO THE INSURANCE COMPANY. E. MC ALEER SECONDED THE MOTION. THERE WAS NO FURTHER DISCUSSION. ALL WERE IN FAVOR. MOTION CARRIED.

Attorney Fenner will be contacted before a letter is sent to the insurance carrier.

REQUEST FOR INCLUSION ON MUNICIPAL CUSTOMER'S PLAN COMMISSION APPROVAL FOR INDUSTRIAL USERS – ACTION THEREON

Discussion took place on whether there is a need for this kind of involvement and how the ordinances in the various municipalities presently worked. B. Hyde explained the need for Del-Hart to be aware of new Industrial users at the beginning of the approval process. R. Frick added that it would be advantageous for the municipalities to have full information to make good decisions about new Industrial users so Del-Hart could be proactive not reactive in the future. M. DeYoe suggested sending a memo to the surrounding communities informing them of various items that they need to be aware of in terms of wastewater treatment when considering new business operations. G. MacDougall discussed publishing a policy for distribution to each of the communities. E. McAleer stated that the

present system has worked so far and does not need to be fixed. More discussion took place and it was decided that action at this time was not necessary.

NEW HIRE UPDATE

B. Hyde reported that to date 31 applications have been received; seven applicants will be interviewed.

FOCUS ON ENERGY AUDIT

Joe Cantwell, Focus on Energy, will be at the Del-Hart plant on October 28th to conduct an energy audit.

FINANCE DIRECTOR'S REPORT

VISU-SEWER CLEAN & SEAL INVOICE – ACTION THEREON

M. MEYERS MOTIONED TO ACCEPT INVOICE #20340 DATED SEPTEMBER 26, 2008 IN THE AMOUNT OF \$20,622.54. R. STEVENS SECONDED THE MOTION. THERE WAS NO FURTHER DISCUSSION. ALL WERE IN FAVOR. MOTION CARRIED.

There remains a 5.0% retainer of approximately \$60,000 left to be paid Visu-Sewer.

FYI – NO STRAND INVOICE

There was no invoice received in time to approve from Strand this month.

RESOLUTION NO. 102108: 2009 SCHEDULE OF FEES - ACTION THEREON

It was clarified that the only changed fee on the Schedule was the connection fee of \$4,035. Del-Hart's attorney commented that he liked the way this schedule was put together.

P. CRAIG MOTIONED TO APPROVE RESOLUTION NO. 102108. K. COMPTON SECONDED THE MOTION. THERE WAS NO FURTHER DISCUSSION. ALL WERE IN FAVOR. MOTION CARRIED.

VIRCHOW KRAUSE & CO, LLP 3 YEAR AUDIT ENGAGEMENT LETTER – ACTION THEREON

This is a three year contract with Virchow Krause. The audit costs will go up about 6%, 5% and 4% for next 3 years respectively, and it was pointed out that these new audit fees incorporate new auditing standards that increase audit time by 20.0%. This new audit cost of \$8,000 has already been budgeted for in August by R. Frick.

P. CRAIG MOTIONED TO APPROVE THE 3 YEAR AUDIT ENGAGEMENT LETTER WITH VIRCHOW KRAUSE & CO. LLP. R. STEVENS SECONDED THE MOTION. THERE WAS NO FURTHER DISCUSSION. ALL WERE IN FAVOR. MOTION CARRIED.

SEC 125 FLEXIBLE BENEFIT PLAN SERVICE – ACTION THEREON

R. Frick explained that Del-Hart has a new payroll carrier, PayChex, Inc. for 2008. She negotiated the payroll processing fees to be one-half of the old price charged by Payroll Data Services. PayChex, also, offers a Section 125 flexible benefit plan service that is integrated with their payroll processing system. Switching to this new carrier's Section 125 plan would allow us to take advantage of new law changes, such as extension of spending last year's balance in new plan year (without paying \$100.00

per amendment to our plan document); this would encourage more people to use and/or put more money into the plan. R. Frick added that the more money that is in the plan, the more costs of the plan are covered because of the reduced FICA taxes for the employer. In addition, the employee participants save about 30% on their own taxes (federal, state, FICA). Del-Hart currently uses Diversified Benefit Services for the flexible benefit plan service. Diversified charges Del-Hart \$100 for each plan document amendment and annual enrollment costs went up to \$85 per year. PayChex quoted a special price of \$700 (\$1,150 regular price) for a new accounts one-time set-up fee with no on-going annual enrollment fees. Debit cards would be used and would simplify the process for the employees and the Del-Hart administration. Several other advantages that PayChex has over the current carrier were reviewed especially the integration with the payroll system for less time spent on administration of the plan. Although the monthly fees would be more, they would be recouped with no charges being made for amendments, annual enrollment and other add-on fees. Del-Hart is at the end of the two year contract with Diversified so this would be the best time to switch plans without costly penalties. R. Frick stated that Paychex is very easy to work with for payroll processing and she found the reports provided by them to be very professionally done.

P. CRAIG MOTIONED TO CHANGE THE CONTRACT OVER TO PAYCHEX AT THE END OF DIVERSIFIED'S CONTRACT PERIOD. R. LANDWEHR SECONDED THE MOTION. THERE WAS NO FURTHER DISCUSSION. ALL WERE IN FAVOR. MOTION CARRIED.

FINANCIAL STATEMENTS

R. Frick discussed the financial statements and how the present economy was affecting the investment rates. Letters of confidence have been received by all of the investing firms that Del-Hart has funds deposited. The Investment Accounts were reviewed and R. Frick assured the commissioners that the investments are in stable and good condition. She will inquire of Baird regarding the new FDIC insurance limits on investments. The policy of freezing assets was questioned; R. Frick will investigate and report back to the commissioners. She discussed Del-Hart's bond laddering investment strategy and read several statements of reassurance from the letters of confidence received from Town Bank of Delafield and Robert W. Baird & Company.

APPROVE EXPENSES & DISBURSEMENTS – ACTION THEREON

K. COMPTON MOTIONED TO APPROVE THE EXPENSES AND DISBURSEMENTS. R. STEVENS SECONDED THE MOTION. THERE WAS NO FURTHER DISCUSSION. ALL WERE IN FAVOR. MOTION CARRIED.

NEXT COMMISSION MEETING'S AGENDA ITEMS - NO DISCUSSION OF REQUESTED ITEMS

No new agendas items were requested.

ADJOURN

R. STEVENS MOTIONED TO ADJOURN FROM THE MEETING. P. CRAIG SECONDED THE MOTION. ALL WERE IN FAVOR. MOTION CARRIED. THE MEETING ADJOURNED AT 7:56 P.M.

Respectfully submitted:

Minutes prepared by:

Rosemary Frick, CPA
Finance Director

Accurate Business Communications, Inc.