

**Delafield-Hartland**  
**Water Pollution Control Commission**  
416 Butler Drive, Delafield WI 53018-1871  
Phone: 262-646-4364/Fax: 262-646-5187

Commission Meeting Minutes for May 18, 2010  
Delafield-Hartland WPCC Treatment Plant Board Room

Time  
7:00 PM

CALL MEETING TO ORDER

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

ROLL CALL

Delafield

Tim Aicher (excused)  
Michele DeYoe  
Beth Leonard  
Gerald MacDougall

Village of Hartland

Karen Compton  
Richard Landwehr  
Michael Meyers  
Rick Stevens

Also Present

Rose Frick  
Scott Luczak

APPROVE MINUTES OF APRIL 20, 2010 COMMISSION MEETING

**R. STEVENS MOTIONED TO APPROVE THE MINUTES OF THE APRIL 20, 2010 COMMISSION MEETING AS PRESENTED. G. MACDOUGALL SECONDED THE MOTION. THERE WAS NO FURTHER DISCUSSION. SIX WERE IN FAVOR. B. LEONARD ABSTAINED. MOTION CARRIED.**

GENERAL MANAGER'S REPORT

SAWYER ROAD/BARK RIVER WAUKESHA COUNTY CONSTRUCTION PROJECT

An email was received from Kevin Yanny of the Waukesha County Department of Public Works stating they have everything in writing from Department of Transportation (DOT) and Department of Natural Resources (DNR) approving the structural hydraulics including the floor elevation for the new bridge. Construction is scheduled for the fall of 2011. More utility coordination meetings will take place and S. Luczak will update the Commissioners as necessary. If all goes as planned, the Del-Hart pipe will not need to be moved. It was clarified that if the contractor hits the Del-Hart pipe, the contractor is liable.

REVISIONS TO WISCONSIN DEPARTMENT OF NATURAL RESOURCES' PHOSPHORUS LIMITS

The Environmental Protection Agency (EPA) wants the DNR to take the current phosphorus limits of 1.0-1.5 mg/liter that are in effect and drop them to 0.1 effective March 2011. This is a cut of tenfold. Del-Hart's permit comes up for renewal on March 31, 2011. The Wisconsin Wastewater Operator's Association (WWOA) estimates that 270 wastewater treatment plants will be affected by this change. At this time it is not known what exactly will be required.

Because Del-Hart is a point source it is regulated. However, point sources are only 20% of what goes into the river. Discussion took place on the non-point sources.

S. Luczak is optimistic that the present equipment can polish the water to these levels. He expressed hope that the required level would only be reduced to 0.5. Del-Hart is currently running at approx 0.8. Although Del-Hart has the mixing box needed to take the levels down close to 0.1, a chemical line would need to be run to the box. Discussion took place regarding running tests to determine if the level could be taken down to 0.1; this would cost approximately \$3,000-\$4,000. It was stated that when more chemical is needed to bring the phosphorous level down, more bio-solids are created.

G. MacDougall questioned whether the wastewater treatment plants could fight the DNR on this issue. S. Luczak felt that the DNR is being pressured from the EPA on the federal level. It was not known if any Wisconsin officials serve on the Boards dealing with this in Washington, DC. R. Stevens thought that a letter to appropriate officials should be sent. M. DeYoe asked S. Luczak to present a draft letter at the next Del-Hart Commission meeting for review.

It was noted that S. Luczak had not received any correspondence on this subject from the DNR but was notified of the DNR meetings by a local newspaper reporter. M. DeYoe asked S. Luczak to obtain a DNR contact to keep him informed of this situation.

A draft of the new permit should be obtained by January or February of 2011. It is not known whether there are funds or grant programs available to assist wastewater treatment plants in their efforts to meet the new DNR requirements.

S. Luczak will attend a WWOA meeting this Thursday on May 20, 2010 and this subject will be discussed.

#### FINANCE DIRECTOR'S REPORT

##### RE-STRUCTURE OF DOMESTIC USER EQUIVALENTS UPDATE

R. Frick has begun work on this project gathering plant flows and billing data for the past two years. It was found that when the billing DUEs are adjusted to 75,000 gallons per year, the flows more closely correspond to the billing data. This will continue to be tracked and more details will be provided at the next meeting.

##### FYI – LWMMI 2009 DIVIDEND DECLARED

The League of Wisconsin Municipalities Mutual Insurance (LWMMI) dividend was received in the amount of \$1,414 for 2009. This amounts to 6.3% of the total annual liability insurance premium or 19.8% of the annual worker's compensation premium.

##### FINANCIAL STATEMENTS & 2009 AUDIT REPORT

It was noted that the DUEs are over budget due to half of the new Delafield apartments connecting last billing cycle. The other half of the apartments are anticipated to connect during the fall months on this year.

The Unrestricted Investment account was reviewed and it was noted that the higher balance includes some of the billed revenues that came in early. Two new Baird investments were made this May.

Auditor's Letter – Discussion took place on three investments that were below the top two tiers (for investments) with AA ratings.

Discussion took place regarding investments staying in compliance with the State Statutes. Del-Hart's investment policy states that an investment must be in the top two tiers for the initial investment (Del-Hart is in compliance with State Statutes). Additionally, Del-Hart's investment policy states that once an exiting investment drops below the top two tiers it is watched carefully. M. Reid of Robert W. Baird has over 30 years of experience and is very knowledgeable; he is consulted if an investment drops below the top two tiers. If it is within the top four tiers, Robert W. Baird considers it to be of investment grade. During R. Frick's tenure at Del-Hart, only one investment has ever dropped below the top four tiers; this resulted in the investment being sold immediately at a small profit.

All of the Del-Hart bankers from Town Bank, the Equitable Bank and Robert W. Baird were invited by R. Frick to come personally to the Del-Hart facility to meet and talk to S. Luczak this month. She thought that it was a good idea for S. Luczak as General Manager to meet them and get their business cards so that he would feel comfortable to ask any questions he might have about their banks and the Del-Hart accounts.

Discussion took place on the audit report comment on segregation of duties. R. Frick stated that she has put into effect several internal control procedures after she started at Del-Hart. One of these new procedures is that K. Compton, the Del-Hart Secretary/Treasurer reviews the financial statement investment balances reported and compares them to the actual investment bank balance statements to ensure that they match the amount of money in the bank. Another procedure that she has implemented was to perform regular bank reconciliations of the operating checking account on a monthly basis. Also, R. Frick stated that any check written from Del-Hart accounts needs to be double-signed. The two management credit cards have only a \$1,500 limit for each one and credit card charges are reviewed monthly. In addition, she regularly prints out a summary of daily balances for all the Town Bank accounts approximately every 2-3 days and files it in the front of the bank binder. This is done so that she can monitor all of the frequently used bank account balances; however, the General Manager is also able to review the bank balances as well. Additional discussion took place on day-to-day oversights of the accounting system and fraud. M. DeYoe asked if anything more could be done to satisfy the auditors' reportable conditions. K. Compton stated that the auditors would explain that this is not a cause for alarm, but is normal because of the size of the Del-Hart organization. The auditors know that it is unreasonable to hire an additional person for review purposes in a small office; this is why they point it out, but do not make any further suggestions. G. MacDougall stated that he has confidence in the Finance Director; however, he just wanted to ensure that the Commissioners were doing their due diligence and fulfilling their fiduciary obligations to protect Del-Hart.

M. DeYoe discussed continuing education seminars on identity theft or other relevant subjects available for the Finance Director to show the auditors that Del-Hart is up-to-date in its knowledge of this subject. R. Frick stated that she had received a CD from the auditors several years ago about detecting fraud in your organization and assured the Commissioners that there are several fraud internal controls in place. M. DeYoe requested that if R. Frick found a continuing education class she would like to attend, she should approach the Commission. M. Meyer thought the audit reports were very strong and solid and had gotten better with each year. He stated that in hiring the audit firm the Commission is already using an outside professional service to check their books and that he did not have any concerns about Del-Hart at this time. R. Frick added that she is a Certified Public Accountant (CPA) that was subjected

to rigorous testing in audit and accounting procedures as well as having to pass an ethics exam for certification with the State of Wisconsin. In addition, she has a five year teaching certificate to teach accounting courses (that include internal control procedures) in Wisconsin at the technical college level. M. DeYoe commented that when the State Statutes change, she wanted to have the Del-Hart staff informed.

K. Compton wanted it noted that there were again no adjusting journal entries for this year's audit report. The Commissioners thought that the auditor's letter was very favorable for Del-Hart.

R. Frick commented briefly on the ten page Management's Discussion and Analysis portion of the audit report that was written by her and showing highlights of current projects and financial changes of Del-Hart.

#### APPROVE EXPENSES & DISBURSEMENTS

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

#### NEXT COMMISSION MEETING'S AGENDA ITEMS

The following items will be included on the next Commission meeting agenda:

- Revisions to Wisconsin Department of Natural Resources' Phosphorus Limits (to be included as a monthly item).
- Representatives from St. Johns NW Military Academy will be present regarding their DUE charge.

#### ADJOURN MEETING

**B. LEONARD MOTIONED TO ADJOURN FROM THE MEETING. R. LANDWEHR SECONDED THE MOTION. ALL WERE IN FAVOR. MOTION CARRIED. THE MEETING ADJOURNED AT 7:43 P.M.**

Respectfully submitted:

Minutes prepared by:

Rosemary Frick, CPA  
Finance Director

Accurate Business Communications, Inc.