

**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 November 16, 2010  
Delafield-Hartland WPCC Treatment Plant Board Room

Time: 7:00 p.m.

Call Meeting to Order

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

Roll Call

City of Delafield

Tim Aicher  
Michele DeYoe  
Beth Leonard  
Gerald MacDougall

Village of Hartland

Karen Compton  
Richard Landwehr  
Michael Meyers  
Rick Stevens

Also Present

Rose Frick  
Scott Luczak

Guests

Tim Fenner, Del-Hart's Attorney  
Ray Schrab, CFO/Controller of JTS Direct, LLC  
Rod Grimme, Operations Manager, JTS Direct, LLC

Approve Minutes of October 19, 2010 Commission Meeting

**M. MEYERS MOTIONED TO APPROVE THE MINUTES FROM THE OCTOBER 19, 2010 MEETING AS PRESENTED. R. STEVENS SECONDED THE MOTION. THERE WAS NO FURTHER DISCUSSION. SEVEN WERE IN FAVOR. K. COMPTON ABSTAINED. MOTION CARRIED.**

PUBLIC HEARING REGARDING SEWER USE AND USER CHARGE ORDINANCE AMENDMENT

M. DeYoe declared the public hearing open. R. Frick read the notice. There were no citizens who wished to comment. The commissioners did not have any comments. The attorney did not have any questions but offered to answer questions. There were none.

**G. MACDOUGALL MOTIONED TO CLOSE THE PUBLIC HEARING. R. LANDWEHR SECONDED THE MOTION. THERE WAS NO FURTHER DISCUSSION. ALL WERE IN FAVOR. MOTION CARRIED.**

Public Comments, if any, from Public Hearing

No public comments.

Ordinance No. 01-2010 – An Ordinance Amending the Delafield-Hartland Water Pollution Control Commission Sewer Use and User Charge Ordinance

In response to a question from R. Landwehr, Attorney Fenner stated that the amended changes to the Sewer Use and User Charge Ordinance would become effective January 1, 2011 if it is adopted (since notices were published). It was clarified that the consent of the communities was not needed although the two owner municipalities' administrative staff had received all of the notices and the amending ordinance with no opposition received by the commission's staff. Likewise, all five municipal clerks in the sewer service area had received full information regarding the Amending Ordinance No. 01-2010 and no opposition was received as well.

**G. MACDOUGALL MOVED TO ADOPT ORDINANCE NO. 01-2010 – AN ORDINANCE AMENDING THE DELAFIELD-HARTLAND WATER POLLUTION CONTROL COMMISSION SEWER USE AND USER CHARGE ORDINANCE. R. LANDWEHR SECONDED THE MOTION. THERE WAS NO FURTHER DISCUSSION. ALL WERE IN FAVOR. MOTION CARRIED.**

GENERAL MANAGER'S REPORT

JTS Direct LLC's Appeal of Additional Domestic User Equivalents from 2010

JTS Direct LLC's Representatives R. Schrab and R. Grimme were present to discuss their appeal before the Commission. A handout depicting their data and findings was distributed to the Commissioners. JTS is appealing their additional 4.00 Domestic User Equivalents (DUEs) invoiced (for \$16,916) in September 2010.

In response to the questions posed to JTS Direct in the November 9, 2010 letter from the Delafield-Hartland Water Pollution Control Commission, R. Schrab, JTS Direct's CFO responded:

1. *Why has no response been received from the initial warning letter sent to your company on August 28, 2009 for the first additional 4.00 DUEs recorded beyond your assignment of 6.75 DUEs?*

When the original warning letter was received, neither R. Schrab nor R. Grimme was employed by JTS Direct at that time. Once R. Schrab became aware of the problem he immediately investigated it. He explained that the pressroom manager (who was supposedly given the letter) was released from employment a few months after the letter was received. Evidence was found indicating the pressroom manager had begun to investigate the matter and then his replacement had suddenly passed away in an accident. R. Schrab had just become aware of the original warning letter and began investigating the issue right away. During that time, JTS Direct was engaged in closing an Indiana plant, relocating its operations, and moving all of its heavy printing equipment to the Hartland plant.

2. *What was the cause of your increased sewer usage above and beyond your assignment of 6.75 DUEs and when did this first occur?*

During late 2008 and the first three quarters of 2009, JTS Direct's water usage dramatically increased because they had closed a plant in Indiana and had moved all of their printing equipment from that location to Hartland. The last printing press was installed when R. Schrab joined the company in 2009. Their printing presses use the majority of water in the plant and not all of it is going down the sewer. In late 2009, the biggest printing press began operations and consequently their water usage went up. As the printing presses were installed and started up (a very complicated procedure), no consideration was made as to

how much water was being used and if there was a way to measure and conserve water used in the printing process.

3. *What actions has your company taken to fix this unpaid overuse of sewer capacity?*

R. Schrab explained that a problem was found in the process that revolved around a reverse osmosis system used to treat the water going to the printing presses. The water was treated to remove minerals before going to the printing presses and the water that was not used went down the sewer. Because of a problem with the water softener, the whole system was not functioning properly. They were sending about 10-20% of the water to the presses with the rest going down the sewer; it should really have been a 50/50% mix. This water issue was repaired on September 10, 2010. Their last quarterly bill (September 2010) noted some decreased water usage which was likely due to the repair of the reverse osmosis system.

R. Schrab presented two methods of accounting for the affect of fixing the osmosis system comparing water versus sewer usage. The results depicted on the handouts showed a substantial decrease of sewer usage. When he talked to the repair personnel, they stated that two gallons per minute were being flushed down the sewer system unnecessarily which was supported by data in their findings. It was stated that JTS Direct was open 24/7 with their printing presses running continuously. Submitted pictures demonstrated that after the reverse osmosis system was fixed, water usage by the printing presses was about the expected 50/50% mix. JTS Direct felt that the repair of the reverse osmosis system alone brought them close to their assigned 6.75 DUEs. R. Schrab stated that the water that goes to the printing press never comes back and it does not go down the sewer; but ends up on the paper with the ink and is then evaporated out of their plant exhaust stack.

R. Schrab requested an exemption meter for installation between the reverse osmosis system and printing press and he stated that JTS Direct would live with whatever results this meter showed.

In response to a question posed by M. DeYoe regarding a system failure resulting in water issues, R. Schrab stated that JTS Direct could not operate with a large amount of water spilling over their floor and that they would have to correct it immediately.

4. *Why is a permanent reduction back down to your assigned DUEs of 6.75 anticipated after these actions had been taken and how long before the reduction to the original assignment is complete?*

JTS Direct has repaired the system and has implemented a regular maintenance program. They have already seen a big decrease in water usage in the third quarter of 2010. He stated that he believes that this water reduction will continue as the year progresses with the repaired system.

Questions were asked about exemption meters and how they were obtained and maintained. S. Luczak clarified that the municipality (Village of Hartland) owns the exemption meter and the customer (JTS Direct) would pay for the installation and maintenance of the meter. The exemption meter would be read at the same time as the rest of the regular water meters. Attorney Fenner stated that most water systems in the State have published tariffs allowing exemption meters. He suggested checking to make sure that the Village of Hartland has the ability to handle exemption meters. R. Landwehr stated that they (Village of Hartland) use exemption meters now. R. Schrab stated that JTS Direct already has an exemption meter for their lawn sprinkler system and R. Frick responded that the Village of Hartland has other non-residential users with exemption meters. S. Luczak noted that along with himself that

the Village of Hartland's Department of Public Works (DPW) would need their Building/Plumbing Inspector to inspect the location of the exemption meter before installation. R. Schrab was confident that the exemption meter would show that JTS Direct is putting far less water down the sewer than the 16 DUEs (that have been assigned, invoiced, and warned).

Attorney Fenner stated that the Del-Hart Commission needed to render a decision within 30 days as per their Sewer Use and User Charge Ordinance unless the appellant agreed to a longer period of time. He commented that a decision could be made tonight or it could be kept open until actual hard evidence was received for a certain time frame. Then if the Commission determined that the repaired system was working, a refund could be given at that time. S. Luczak added that by the time the exemption meter has been installed two quarters of usage will have taken place this (consumption) year.

Attorney Fenner recommended to defer with consent of appellant, any decision by the Commission on the JTS Direct LLC's appeal of the additional 4.0 Domestic User Equivalents (DUEs) paid until the following has occurred: 1) The user (JTS Direct) has installed exemption meters on its water system as proposed. 2) The user (JTS Direct) provides quarterly reports for the period January 1, 2011 – June 30, 2011 on its water consumption which demonstrates that it has reduced its sewer use to below 6.75 DUE (average) over that two quarter period that will be annualized to a 12 month period. Once the foregoing has occurred, the Commission will decide whether or not a refund shall be granted (of the \$16,916 paid October 1, 2010); and any such refund shall be without interest. It was further clarified that this subject would be revisited in July 2011.

**G. MACDOUGALL MOTIONED TO ACCEPT THE ATTORNEY'S RECOMMENDATION AS PRESENTED ABOVE. M. MEYERS SECONDED THE MOTION. THERE WAS NO FURTHER DISCUSSION. ALL WERE IN FAVOR. MOTION CARRIED.**

The representatives of JTS Direct gave their consent to the adoption of the motion and to the deferment of the Commission's decision as described.

#### Purchase of Del-Hart Land by the City of Delafield

M. DeYoe stated the City of Delafield did not have a presentation or any items for discussion on this topic. This will be put on a future agenda.

### **FINANCE DIRECTOR'S REPORT**

#### Restructure of Domestic User Equivalents Update

Since the Amended Ordinance No. 10-2010 was adopted; no discussion took place.

#### Financial Statements

The October financials were presented to the Commissioners. R. Frick reviewed them, discussing the Investments section and current Depreciation account bonds recently purchased from Robert W. Baird with yields between 5.23% - 5.28%.

#### Approve Expenses & Disbursements

It was clarified that the reimbursement to S. Luczak was for mileage and meal expenses related to WWOA conference and the reimbursement to R. Frick was for one-half year of mileage expenses.

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

Next Commission Meeting's Agenda Items

The next meeting will take place on January 18, 2011 with agenda items to be determined at a later date.

Adjourn Meeting

**R. LANDWEHR MOTIONED TO ADJOURN FROM THE MEETING. B. LEONARD SECONDED THE MOTION. ALL WERE IN FAVOR. MOTION CARRIED. THE MEETING ADJOURNED AT 8:07 P.M.**

Respectfully submitted:

Minutes prepared by:

Rosemary Frick, CPA  
Finance Director

Accurate Business Communications, Inc.