

## MANITOWOC WASTEWATER TREATMENT FACILITY BOARD MEETING MINUTES

Gregg Wolf, Chairperson, called the regular meeting of the Manitowoc Wastewater Treatment Facility Board to order on Tuesday, February 22, 2011 at 4:00 P.M.

Board members present:                   Gregg Wolf, Chairperson  
  Dale Zahn, Co-chairperson  
  Jim Brey  
  Dave Luckow  
  Val Mellon  
  Brian Helminger, Secretary

Board member(s) not present:       Scott Mertens  
  Gary Underwood

Also present:                               Mike Jaeger  
  Mayor Justin Nickels  
  Jason Sladky (arrived 4:20 P.M.)  
  Tom Karman, Schenk SC  
  Ann Wolf  
  Paul Tittl  
  Charlie Matthews, HTR

The minutes of the January 11, 2011 Board Meeting required no additions or corrections. Motion by Dave Luckow to accept the January 11, 2011 Board Meeting minutes as presented and place on file; second by Val Mellon. Motion carried unanimously.

### **REPORT FROM SCHENK SC ON WWTF RESERVE INTEREST, RESERVE BALANCES, and DEBT SERVICE**

Tom Karman of Schenk SC reviewed the letter dated January 27 and prepared in response to questions on various lines and fund balances of the wastewater utility. The questions arose as a result of the document Analysis of Cash Flows that Schenk provided based on previous years Comprehensive Annual Financial Report (CAFER).

Helminger informed the Board that Busch Agricultural would be ceasing operations in May of this year. Dave Luckow then provided details and timing of the facility closure.

Karmen confirmed that an estimated \$3.1 million dollars in investment interest earned on WWTF reserve funds was directed to the City general fund since 2003. This was interest on both undesignated reserves and the Equipment Replacement Fund. The interest funds were in addition to a planned \$6.9 million in transfers made from 2002 to 2006.

The Special Assessment revenue of \$81,941, that appeared to have stopped coming into the WWTF funds in 2009, was actually included in the Cash Provided by Operations rather than listed separately in the CAFER report. These assessments are for sewer projects that are paid for by the WWTF.

Karmen tracked a transfer of \$1.6 million from the WWTF in 2009 back to be a combined payment made for 2007, 2008, and 2009 to the Debt Service Fund for sewer projects.

Discussion ensued regarding transfer of WWTF funds without Council action since an ordinance is in place that does not allow it without prior Council approval. Karmen indicated that provisions and funding were part of the budget process and that the Council had approved the budget. Helminger questioned how the WWTF could be responsible for debt service when sewer projects are invoiced each January for the projects completed the previous year. Helminger informed the Board that there were no provisions in the WWTF budget to pay the debt service charge and that a rate increase would be needed if the charges were to continue.

Karmen then discussed the remainder of the letter, including the recommendations made for financial policies intended to allow debt service to be funded by reserves.

Motion by Dave Luckow; second by Jim Brey directing Helminger to: calculate Sewer User Rates for 2011 without revenues from Busch; draft a letter to Streets and Sanitation and Finance Committee chairmen requesting the elimination of the 2011 and future Debt Service Fund transfers; and to direct all interest on WWTF reserves back to the WWTF rather than the General fund. Motion carried unanimously.

#### **FINANCIAL REPORT PRELIMINARY DECEMBER 2011**

The preliminary December 2011 financials were reviewed. All activities shown on the reports were normal for this time of year. Motion by Dave Luckow to accept the preliminary financials as presented and place on file; second by Dale Zahn. Motion carried unanimously.

Mayor Nickels, Tom Karman, and Jason Sladky left the meeting at 5:10 P.M.

#### **FACILITIES PLAN for WWTF**

Helminger discussed the need for a detailed plan for the future at the WWTF. This was included and funded in the 2011 budget at \$175,000. The figure was based on a recent facilities plan completed for La Crosse, a facility of similar size. Helminger was advised to report back at the next Board meeting. No action taken.

#### **PLANT REPORT**

Mike Jaeger reviewed the plant report which documented current plant operating parameters, as well as, the completed projects for the months of December and January. Winter projects, building cleaning, painting projects are scheduled for the remainder of the winter. No action taken.

**STEP SCREEN PROJECT UPDATE**

Helminger reviewed the to date progress and a concern for a clunking noise that can be heard only at equipment start up. Vulcan is scheduled to be on site March 16<sup>th</sup> to examine the equipment and check the noise. There are several punch list items that remain and the project has been paid out to 90% of cost. No action taken.

Motion to adjourn made by Val Mellon; second by Dave Luckow. Meeting adjourned at 5:30 P.M.

Respectfully submitted,

Brian Helminger  
Secretary, WWTFB

BH/jma  
Copy: City Clerk's Office