

MANITOWOC WASTEWATER TREATMENT FACILITY BOARD MEETING MINUTES

Gregg Wolf, Chairperson, called the special meeting of the Manitowoc Wastewater Treatment Facility Board to order on Wednesday, November 2, 2011 at 12:02 P.M.

Board members present: Gregg Wolf, Chairperson
 Dave Luckow
 Greg Minikel
 Scott Mertens
 Gary Underwood
 Dale Zahn
 Brian Helminger, Secretary

Board member(s) not present: Jim Brey

Also present: Mike Jaeger

MINUTES

The minutes of the October 25, 2011 Board Meeting required one correction. Motion by Dave Luckow to accept the October 25, 2011 Board Meeting minutes as corrected and place on file; second by Scott Mertens. Motion carried unanimously.

PRESENTATION and POSSIBLE APPROVAL OF 2012 BUDGET

Helminger presented a revised budget line worksheet and the detail related to capital projects and equipment anticipated for the treatment plant in 2012. The preliminary budget was discussed at the previous meeting, but no action was taken as further information was necessary relating to expenses not included in the Sewer User Charge calculation. A transfer to Debt Service of \$220,766 was included in the executive budget and not accounted for in the rate structure. Helminger noted that he appeared before the Finance committee on October 25th and that the executive budget was amended and that the transfer to debt service was removed from the 2012 budget. A Transfer to Debt Service of \$25,222 is still included to cover the WWTF share of unfunded liability to the WRS and the WWTF portion of the debt for the Springbrook software purchase.

Dale Zahn inquired about the revenue projections for 2012 that were used for setting the sewer rates. Helminger responded that in order to break even with budgeted expenditures, 3,380,000 gallons of water per day would have to register and be billed out on the city water meters. Helminger informed the Board that based on the most recent information in hand; the wastewater utility would break even for 2012. The importance of closely tracking sewage revenue, even though water use seems to have leveled off, if water consumption is less than projected, a future rate adjustment may still be necessary.

The difference between line 456110 Sewage Service Revenue and the total expenses was questioned by Scott Mertens. The Sewer service revenue line is less due to the use of WWTF reserves to pay principal in interest payments on 2 of the 3 Clean Water Fund loans. The practice of using reserve funds was questioned in light of the dwindling undesignated reserve balance funds. Helminger explained that undesignated reserve use has been the practice used since the bond repayments began in 1999. A discussion ensued relating to the use of sewer rates to offset the dwindling undesignated reserve balance and what an acceptable undesignated reserve balance for the wastewater utility should be. This will be researched and discussed at a future meeting.

Motion by Scott Mertens to accept the 2012 WWTF budget; second by Dale Zahn.
Motion carried unanimously.

Motion to adjourn made by Dave Luckow; second by Dale Zahn. Meeting adjourned at 12:55 P.M.

Respectfully submitted,

Brian Helminger
Secretary, WWTFB

BH/jma
Copy: City Clerk's Office