

REGULAR MEETING OF THE KIMBERLY WATER COMMISSION

DECEMBER 29, 2009

Chairman Price called the meeting to order at 4:30 p.m. Members present for roll call were Commissioners Johnson, Stienen, Strick and Chairman Price. Also present was Superintendent Verstegen.

Commissioner Strick moved, Johnson seconded the motion to approve the minutes of the November 24, 2009 Regular Meeting as corrected. The motion carried by unanimous vote of the Commission.

Supt. Verstegen reviewed the ongoing water quality issue. The comments received from the Village Board regarding the chlorine issue were discussed, with continued efforts going forward to tweak the chlorine feed to find the right balance. The utility and Commission have not received these chlorine complaints, but did receive two water quality complaints in December which were both investigated and resolved.

Administrator Hermus shared the Forecaster Report on Water Rates as completed by Baker Tilley on behalf of the Kimberly Water Utility. This was submitted electronically to the WPSC, and they have acknowledged receipt of the rate case filing on December 21st. It was noted that Baker Tilley did not complete the "water rate setting" component of the rate case filing due to the large increase being requested with this application. When such a large increase is anticipated, they do not feel a water rate setting is justified due to the sizeable increase already being considered by the WPSC. Removal of this water rate setting component will also reduce the cost of this application process, as it entails less work by Baker Tilley. Also, due to the large increase, Administrator Hermus recommended that we not proceed with the "Conservation Rate" model, as this would further complicate the approval process. This was discussed last month by the Commission and agreed to. It was reiterated that the time frame for approval of a rate case filing is presently six (6) months from the time the application is received.

Supt. Verstegen reported on several projects being undertaken. Both Operators attended a cross connection course sponsored by MCO. The policy will be updated in the next few months and brought back to the commission for review. There are a couple of minor issues Supt. Verstegen wishes to amend moving forward. He is also looking at the Lincoln Street salt bins. Based on capacity, he would like to use one for salt, and the second for brine. It will be determined with the next cleaning if the capacity is there to make this change.

Commissioner Strick moved, Johnson seconded the motion to approve the bills and claims for the month of December as submitted. The motion carried by unanimous vote of the Commission.

Commissioner Johnson moved, Stienen seconded the motion to approve the financial statements for the month of December as presented. The motion carried by unanimous vote of the

Commission. It was noted that the reserve balances are steadily being reduced. Administrator Hermus noted that he feels we have hit bottom regarding the loss of reserves as no capital projects are planned for 2010, and we have operating costs under control. The rate increase is anticipated as of July 1, 2010. Administrator Hermus will begin placing articles in the Kimtalk explaining the tremendous loss of revenues, and the application before the PSC. It is the Utilities intent to alert residents to the large increase, as preliminary numbers indicate it could be as high as 35%.

Administrator Hermus informed the Commission that the salary increases for 2010 have been set at 1% for all non-represented employees. This may be well below the CPI-U, which is used for the COLA by policy. However, due to the extreme economic times; the lower increase is being used. The Commission noted that the utility's financial situation mirrors the general economy with loss of revenues and increasing costs.

Administrator Hermus informed the Commission that he has applied for the next round of stimulus funding for a water main replacement project. The project includes the upcoming projects on the Five Year Capital Improvement Plan for the utility. Although we are short of cash, if stimulus funding is received, we will be able to accelerate some projects with 75% federal funding. Administrator Hermus was not very confident any funding would be received, however the minimal cost of the application process did merit a feigned attempt for the funds. As plans are already in place, the application is the only cost we will incur.

Commissioner Johnson moved, Strick seconded the motion to adjourn into closed session per the posted agenda. The motion carried by unanimous vote of the Commission.

Commissioner Stienen moved, Strick seconded the motion to reconvene into Open Session per the posted Agenda. The motion carried by unanimous vote of the Board.

Commissioner Johnson moved, Stienen seconded the motion to approve twenty four hours of comp time for both Operators to compensate them for their extra time and effort they put forth in the absence of the Superintendent. They essentially operated the utility from July 1 until the new superintendent was brought on board in October. It was also asked that a letter of commendation be placed in their personnel files regarding their efforts. The motion carried by unanimous vote of the commission.

Commissioner Strick moved, Stienen seconded the motion to adjourn. The motion carried by unanimous vote of the Commission.

Rick J. Hermus
Secretary