

## **REGULAR MEETING OF THE KIMBERLY WATER COMMISSION**

**SEPTEMBER 29, 2009**

Chairman Price called the meeting to order at 4:15 p.m. Members present for roll call were Commissioner Johnson, Stienen, Strick and Chairman Price. Also present was Operator Gerritts and Randy Much of Midwest Contract Operations.

The Commission reviewed the proposed contract with MCO, and the review by Attorney Doug Fyfe. It was noted that Attorney Fyfe felt most of his comments are “modest changes” which should be considered by the Commission as to their applicability to our utility. The basic contract is a standard contract, drafted by Herrling Clark, and used by several other communities, including the Village of Little Chute. The Commission reviewed the comments, and felt that based on the intent of the contract it would be appropriate as written with one change. The Commission did request that a section be added to indemnify our employees when working in Little Chute (the proposal includes rotation of weekend duty between all four employees, two from MCO in Little Chute and our two operators.) Implementation of the contract, working conditions, services provided and the contact person managing the Kimberly Water Utility were all discussed in detail. After a long discussion regarding the additional benefits and flexibility this contract offers the utility and our employees, Commissioner Strick moved, Stienen seconded the motion to approve the contract, with the additional indemnification language as recommended by Attorney Fyfe, and recommend to the Kimberly Village Board that they approve said contract for the Kimberly Water Utility. The motion carried by unanimous vote of the Commission.

The Commission discussed the ongoing water quality issues in the Welhouse Drive area. The problem seems to be migrating in the area, which adds to the frustration of utility staff and engineers. Katie Deeg of 368 Welhouse Drive was present and shared her concerns. The commission noted that, with MCO coming on board, we are hoping for some fresh ideas to address this three year old problem. Operator Gerritts will be in touch with Ms. Deeg in the next few days to look at her specific issue and offer some immediate suggestions to reduce the impact.

The Commission discussed the proposals from Baker Tilley (formerly Virchow Krause) for a water rate case review (step one), and water rate setting (step two). These are two separate reports for consideration. The water rate case review is the standard application which determines the revenues necessary to support the utility. The second step actually sets rates for the PSC to consider. The positives of step two is that the PSC will now consider our recommended rates, whereby under step one, the PSC sets the rates and we must react to them. Due to the large loss of Industrial Water Sales, Administrator Hermus feels we must take as much control as possible regarding this rate case review, rather than leaving it up to the PSC. Aaron Worthman of BT also feels this process will give the utility much more discretion in the rate setting process, and, because BT is doing more of the research, also speeds up the process. The Commission discussed the options, pros and cons, and application of the process to our

proposed new rate structure. Administrator Hermus noted that he has contacted both Combined Locks and Darboy (our wholesale customers) regarding this possible rate increase. After some discussion, Commissioner Strick moved, Stienen seconded the motion to approve the contract with Baker Tilley for a rate case review and water rate setting, at a cost between \$14,500 and \$16,500. The motion carried by unanimous vote of the Commission.

Commissioner Johnson moved, Stienen seconded the motion to award the salt bid to Cargill Salt at a price of \$91.59 per ton, delivered, for 2010. The motion carried by unanimous vote of the Commission.

Administrator Hermus noted the contact he received regarding a new antenna array on one of our towers. They appear to be data antenna, rather than a cell antenna, based on the megahertz band length. As additional requested information was not received, the issue was tabled.

Supt. Gerritts noted that the locks on all pumphouses were changed this week. There was some concern with entry to the plants, and with recent personnel changes, it was felt the changeover was warranted. The Commission agreed.

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

Trustee Johnson moved, Stienen seconded the motion to approve the financial statements for the month of September as submitted. The motion carried by unanimous vote of the Board.

Administrator Hermus noted that the DNR has been officially notified of our Cross Connection Policy.

Administrator Hermus informed the Commission of the issue with the General Fund Budget, and discussions at the staff level of possible fees for fire protection being added to the utility bill. Although there is a great deal of concern by the Village Board regarding such a change, it is being discussed, and the Water Commission should be aware of the discussion.

Administrator Hermus noted that Chairman Price was recently reappointed to a three-year term on the Kimberly Water Commission by the Kimberly Village Board. His new term will expire in 2012.

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

Rick J. Hermus  
Secretary