

Delafield-Hartland Water Pollution Control Commission

Meeting Minutes for Tuesday, May 21, 2024 5:30 PM

Commission Conference Room, Treatment Plant, 416 Butler Drive, Delafield, WI 53018

Call to Order: The meeting was called to order at 5:30 P.M.

Roll Call of Commissioners:

City of Delafield: Tim Aicher, Mayor, Chairman
Erv Sadowski, Citizen Member, Secretary
Kevin Maples, Citizen Member
Mark Schaefer, Alderman
Paul McAllister, Alternate
John Seymour, Alternate

Village of Hartland: Dave Lamerand, Citizen Member, Vice Chair
Ann Wallschlager, Trustee
Adam Pfeiffer, Trustee
Linda Hallquist, Citizen Member

Also Present: Rob Minnema, General Manager
Ericka Buchberger, Finance Director/Treasurer

T. Aicher introduced one new Commissioner: Mark Schaefer, City of Delafield
T. Aicher introduced one new Alternate: Paul McAllister

Approve Minutes of March 19, 2024 Commission Meeting

**Motion (Maples/Lamerand) to approve the Commission Meeting minutes of March 19, 2024.
Carried (8-0) Pfeiffer abstained**

2023 Delafield-Hartland Water Pollution Control Commission Audit Report (Communication Report to Commissioners and Financial Statements)

Ryan Theiler, CPA, Manager of Baker Tilly US, LLP was present to provide input on their audit report for the Commissioners. He stated that the 2023 audit went smoothly and the financial statements received an unmodified or clean opinion which is the highest level of assurance that they can provide. It signifies that this report is a fair presentation in all material respects of the financial position and results of operation at year-end. Another positive note is there were no concerns with estimates or accounting policies, and there weren't any significant changes this year from prior years which is good. As in past years, the adjustment related to Wisconsin Retirement System (GASB 68) was recorded.

The internal controls portion of the audit is completed to communicate any items that come to the auditor's attention that could potentially result in misstatements in the financial statements. One internal control deficiency that is consistently communicated to DHWPCC is the lack of segregation of duties. This is common for many governmental organizations due to the size of the organization and staff. Reporting this year after year is required, but more importantly it establishes the importance of the Commissioner's role when approving transactions or seeing monthly statements (acts as an extra set of eyes which support checks and balances for internal controls). L. Hallquist

suggested that there are things we could do without a lot of extra effort that could improve our internal control rating from a material weakness to a significant deficiency.

R. Theiler briefly mentioned future accounting standards that may potentially impact Delafield-Hartland WPCC.

Some additional financial statement highlights that R. Theiler discussed were the debt coverage calculation, unrestricted funds on hand, and days cash on hand. Metric 1 does not really apply to DHWPCC because Del-Hart became debt free in 2023. It is quite unusual for a utility to be debt free, but this obviously carries great benefit. As far as the cash on hand metrics go, R. Theiler stated Delafield-Hartland WPCC has ample cash to fund operations and is sitting in a good spot. The final subject the auditor touched on related to the drop in operating income. Mr. Theiler suggested that we need to get in front of this and supported what Del-Hart and the Commission have already been considering which is an increase in user fees.

If anyone has additional questions for Ryan Theiler, they are directed to email E. Buchberger and she will then contact the auditors.

Review of Cash Flow and DUE Rates

The Commissioners were presented with several spreadsheets and documents showing Del-Hart's bottom line (based on an estimated 2025 budget) at the current user rate of \$16.50 and then at multiple increased rates. After a lengthy discussion which included the history of user fee increases, rates charged by neighboring communities, the timing of when an increase would be in effect, and how much of an increase should be implemented, the Chairman said it is paramount that Delafield-Hartland WPCC not be running at a deficit. We are not operating in a way that is keeping us financially healthy according to our balance sheet, so the decision was made to increase our user fee rate from \$16.50 to \$19.50 effective July 1, 2024. There was also talk of an additional \$1.00 increase each January 1st for the next three years. This change will be communicated to Del-Hart's four municipal customers properly and timely to ensure they have time to implement changes on their end.

**Motion (Sadowski/Maples) to approve a rate increase of \$3.00 effective July 1, 2024.
Carried (9-0)**

Financial Statements (March and April 2024)

E. Buchberger reported that everything remains consistent with prior months. Restricted assets continue declining due to funding of the BPR Construction Project. To date, DHWPCC has paid out approximately \$5.5 million dollars for the BPR project with roughly \$700 thousand left to pay out. April 2024 reported a net loss of almost \$500 thousand which is relatively close to and therefore caused by the decrease in the fair value adjustment. The Commissioners did not have any additional questions or concerns at this point, but as always are encouraged to contact E. Buchberger if any questions pertaining to the financial statements come up after the Commission meeting.

Approve Expenses and Transfers (March and April 2024)

**Motion (Pfeiffer/Maples) to approve the expenses and transfers for March 2024.
Carried (9-0).**

Motion (Wallschlager/Maples) to approve the expenses and transfers for April 2024. Carried (9-0).

Election of Commission Officers

Motion (Lamerand/Hallquist) to nominate T. Aicher for Chairman of the Delafield-Hartland Water Pollution Control Commission. Carried (9-0).

Motion (Aicher/Wallschlager) to nominate D. Lamerand for Vice-Chair of the Delafield-Hartland Water Pollution Control Commission. Carried (9-0).

Motion (Aicher/Maples) to nominate E. Sadowski for Secretary of the Delafield-Hartland Water Pollution Control Commission. Carried (9-0).

General Manager's Report

Biological Phosphorus Removal (BPR) Project Update

General Manager, Rob Minnema, stated that the project is close to its substantial completion date of May 31, 2024. We are running our BPR process at approximately eighty percent. The fermenter tank will be online next week which will complete the functionality of the Biological Phosphorus Removal process from an equipment standpoint. In order to meet the substantial completion deadline and avoid fines, the system has to function as designed. It was asked that Rob Minnema broadcast the "green light" when he gets it, so the Commission is aware.

2024 Capital Project Review/Update

Rob Minnema gave a brief update on the capital asset budgets. He also reported another one of Del-Hart's digester feed pumps failed. He communicated that a new replacement pump, including installation costs, costs about \$21,000.00 vs replacement parts which run around \$16,000.00. There was a short discussion focusing on budgeting to have replacement pumps on hand for any future failures.

Resolution No. 052124 Re: Compliance Maintenance Annual Report (CMAR) for 2023)

The Compliance Maintenance Annual Report (CMAR) is a report through the DNR that evaluates how we do all year long as far as meeting control limits and parameters in our permit, and then we're given a "report card." As in the past, DHWPCC received all "A" ratings. Some statistics that Rob shared were, the average daily flow rate for 2023 was 1.943 million gallons per day, the highest month was March with 2.1798, and the lowest month was September at 1.8047. Our plant does an amazing job with BOD and TSS, with a 99% removal of these parameters. Del-Hart's extremely low environmental fee is a direct result of the low numbers generated at our facility.

Draft Resolution 052124 Re: Compliance Maintenance Annual Report (CMAR) for 2023 was read into the record at this time.

Motion (Lamerand/Pfeiffer) to approve Resolution No. 052124 Re: Compliance Maintenance Annual Report (CMAR) for 2023 as presented. Carried (9-0).

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Next Commission Meeting and Agenda Items
Cyber security discussion and proposed action/safeguards

Adjourn Commission Meeting
Motion (Lamerand/Sadowski) to adjourn at 6:33 P.M. Carried (9-0).

Correspondence
NONE

Respectfully submitted by:

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