Delafield-Hartland
Water Pollution Control Commission

Meeting Minutes for Tuesday, May 19, 2026
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 - excused
Mark Schaefer, Citizen Member
John Seymour, Alternate
Paul McAllister, Alternate

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

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

Approve Minutes of March 17, 2026 Commission Meeting

Motion (Sadowski/Wallschlager) to approve the Commission Meeting minutes of March 17, 2026. Carried (6-0) Pfeiffer abstained

Commission Matters

Finance Director/Treasurers Report

2025 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 via Teams to provide input on the audit report for the Commissioners. Mr. Theiler walked the Commission through what was covered in the audit, the procedures performed, required communications, two financial statement metrics, and answered any questions that came up. Ryan stated that the 2025 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 indicates that this report is a fair presentation in all material respects of the financial position and results of operation at year-end. As in past years, the adjustment related to Wisconsin Retirement System (GASB 68) was recorded along with two additional adjustments related to Compensated Absences such as accrued sick leave and vacation time (GASB 101). Due to a question raised by a Commissioner at the March 2026 Commission Meeting, Ryan delivered a short explanation of what the net pension liability entry (GASB 68) shows. Simply put, it is the estimated future benefits earned by employees less assets or investments that have been set aside within the pension system.

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).

The Commission Chair asked the auditor about any best practices/recommendations he might have when it comes to user rate increases. Ryan's experience is that typically it is better to increase rates minimally more often verses implementing larger rate increases less often. He also stated that it is important for a utility like Del-Hart to be operating at a surplus regardless of the new connection charges received which ultimately show DHWPCC with a net income.

Additional financial statement highlights that R. Theiler discussed were the unrestricted funds on hand, and days cash on hand. As far as these metrics go, R. Theiler stated Delafield-Hartland WPCC has ample cash to fund any unforeseen expenditures and is in a good position. Del-Hart became debt free in 2023 and remains debt free in 2025. It is quite unusual for a utility to be debt free, but this fact obviously carries great benefit.

If anyone has additional questions for Ryan Theiler, they can contact E. Buchberger and she will then reach out to the auditors.

<u>Review Financial Statements (March and April 2026)</u>

The April 2026 balance sheet shows DHWPCC has $11.3 million in restricted assets compared to $10.2 million last year at the same time. Cash and accounts receivable are consistent with the prior year balances. April 2026 closed with a year-to-date operating loss of $109 thousand verses April 2025 which closed with a year-to-date operating loss of $68 thousand. Del-Hart's year-to-date net income is $679 thousand compared to the year-to-date net income last year at the same time of $496 thousand. Looking at the Budget Variance Report, Del-Hart is showing a positive $46 thousand variance when comparing the year-to-date operating loss of $109 thousand to the year-to-date budget operating loss of $155 thousand. There is a $436 thousand positive variance between the year-to-date actual net income (including restricted income) of $679 thousand and the year-to-date budgeted net income (including restricted income) of $242 thousand. This significant favorable variance is due to the large amount of connection charges collected.

There was a brief discussion that ensued regarding the expectations around the collection of connection charges into the future. This subject will be addressed in more detail when creating and discussing the upcoming 2027 budget.

The finance director/treasurer will be sending out the financial statements and transfers and expenses reports for review by the Commissioners prior to the scheduled Commission Meeting dates.

The Commissioners are encouraged to contact the FD/T if any questions come up.

Approve Expenses and Transfers (March and April 2026)

Motion (McAllister/Schaefer) to approve the expenses and transfers for March 2026. Carried (7-0).

Motion (McAllister/Schaefer) to approve the expenses and transfers for April 2026. Carried (7-0).

2026 Budget Revision Discussion

E. Buchberger addressed the Commission regarding a formula error due to a formatting change to the annual budget spreadsheet. The error was revealed when the finance director/treasurer was entering the budget into the excel version of the financial statements. The operating income/loss amount was not matching the excel version of the annual 2026 budget report. The general manager and finance director/treasurer put safeguards/check points into place to assure that this type of error will not occur again. There was a constructive, valuable discussion pertaining to this subject, and the Commission is clear on what happened and how it will be eliminated going forward.

A discussion ensued regarding how this error occurring and affecting the operating income may have altered the conversation last fall concerning a user rate increase and closing the gap on ending the year at a breakeven. There will be more discussion on the budget deficit for 2027 and a user rate increase at the upcoming Commission meetings. It was fairly evident that the Commission places a high level of importance on Del-Hart operating in the black without having to rely on connection fees collected.

Election of Commission Officers

Motion (Pfeiffer/Wallschlager) to nominate T. Aicher for Chairman of the Delafield-Hartland Water Pollution Control Commission. Carried (7-0).

Motion (Sadowski/Pfeiffer) to nominate A. Wallschlager for Vice-Chair of the Delafield-Hartland Water Pollution Control Commission. Carried (7-0).

Motion (Pfeiffer/allschlager) to nominate E. Sadowski for Secretary of the Delafield-Hartland Water Pollution Control Commission. Carried (7-0).

General Manager's Report

2026 Capital Budget Review

Rob Minnema led a brief discussion on building and equipment capital asset activities. A few highlights follow: the new boiler has been installed and startup scheduled, the reuse water system failed and replacement was critical, obsolete gas safety equipment was replaced, backup boiler parts needed replacing, and the primary clarifier collector chain needed replacement after 22 years. Finally, a roller bearing on the sludge belt press cracked which caused a roller to break. This belt press processes all of Del-Hart's liquid sludge. Until this is up and running again, liquid sludge must be hauled out by tankers at an estimated $2,700 per day until the new roller arrives from New Jersey. The belt press roller, parts, removal, and installation to complete this project will cost approximately $52 thousand dollars. The unfortunate thing is that this expense occurred about 5 months before it was scheduled to be demolished anyway, but it needs to be fixed to get the plant to that point. The amount to fund this unexpected capital cost will be coming out of the amount allocated to the capital contingency line item.

Primary Clarifier Painting Project

Rob Minnema explained to the Commission that the recoating of two sections of iron rails had not been accounted for in the primary clarifier painting project; therefore, a change order in the amount of $4,200 needs to be approved by the Commission.

Motion (Schaefer/Hallquist) to approve the change order from Seven Brothers Painting, Inc. for the recoating of iron rails in the primary clarifier painting project. Carried (7-0).

Resolution No. 051926 Re: Compliance Maintenance Annual Report (CMAR) for 2025)

The Compliance Maintenance Annual Report (CMAR) is a report through the DNR that evaluates how Del-Hart does all year long as far as meeting control limits and parameters set forth in its permit, and is then given a report card. Del-Hart just renewed its permit for five years. Rob walked through, in detail, each category on the grading summary. This year (2025), DHWPCC received all "A" ratings except in the Influent category where a "B" rating was achieved. A "B" rating was achieved in the Influent category for 2 main reasons: 1) the excessive rain fall (approximately 10") in August 2025 caused the plant flows to be greater than 90% of the design capacity (rarely happens, 6 million gallons in 1 day), and 2) the digester issue we had at the plant caused the BOD to be greater than 90% of the design capacity. In general, the treatment facility is well within its design parameters, and our plant does an amazing job staying at or under the limits recorded annually on the CMAR.

Draft Resolution 051926 Re: Compliance Maintenance Annual Report (CMAR) for 2025 was read into the record at this time.

Motion (Sadowski/Pfeiffer) to approve Resolution No. 051926
Re: Compliance Maintenance Annual Report (CMAR) for 2025 as presented.
Carried (7-0).

Next Commission Meeting and Agenda Items

DUE study presented by the General Manager

Adjourn Commission Meeting

Motion (Pfeiffer/Wallschlager) to adjourn at 6:39 P.M. Carried (7-0).

Respectfully submitted by:

Ericka Buchberger
Finance Director/Treasurer
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