

Village of North Fond du Lac
OFFICIAL MINUTES- Meeting of March 30, 2009
COMMITTEE OF THE WHOLE

PRESENT: Jim Moore, Village President
Jim Scharf, Trustee
Keith King, Trustee
Mike Will, Trustee
Mike Streetar, Trustee

OTHERS: Mark Beveridge
Jean Beveridge
Pat Goldapske
Pete McCourt
Dave Van Gorder

STAFF PRESENT: Chuck Hornung, Administrator
Donna Richards, Village Clerk
Nick Leonard, Director of
Engineering and Planning

Meeting called to order at 6:00 PM by Chairman Will.

A. ADMINISTRATIVE ITEMS.

1. Discuss Ordinance O-2009-04 AN ORDINANCE REVISING 11.07(2) OF THE MUNICIPAL CODE REGARDING SEWER USER CHARGES FOR THE NORTH FOND DU LAC WASTEWATER UTILITY. (SECOND READING). Nick Leonard shared the financial forecast information on the wastewater utility, and it shows a \$23,000 plus run in the red this year, even with the 16% increase. The financial advisors/auditors wanted a 19% increase to wipe out the deficit. The cash flows show the need to get the increase now, and cash reserves are not considered sufficient. Auditors would like to see the reserve number at \$750,000 for this size utility, which we cannot achieve. Will asked about the 2008 budget. The \$313,000 pays for debt service for the Fond du Lac sewer treatment plant. This is a new payment. The capital improvement is partly \$279,000 for Illinois Avenue wastewater. Previous revenue numbers were wrong in 2007, so income was way off, actual revenues much lower. Nick feels confident in the numbers for 2009, as this is under his oversight. Will asked about FEMA money that came back. Nick said some of this was wastewater, based on a projection of the additional costs of treatment due to the flood. We still don't have our trueup for 2008. It's a five year rolling average. We have a master meter. Will asked how often it is checked. Nick said calibrated periodically, but checked daily for consistency. Administrator Hornung pointed out that the projections for 2009 and 2010 are based on the projected increases of 16% for this year and 10% for next year, and there may be none needed after that based on the projections. Asked about flooding and if additional flooding in this or next year would cause treatment charges to go up, or if we had lots of rain this year. The average may average some of that in already, according to Nick Leonard, as we have had heavy rain years in the average, but it could happen. President Moore asked about the difference of projections of 64% over the four year period discussed, and Nick agreed that it is 42% increases actual and projected in 2008, 2009, 2010 and 2011. Instead of the 64% which was 16% times four, it is 16%, 16%, 10%, and 0% projected and hoped for. Asked by Will if there were possible push backs in projects, as some projects may be pushed back, because of the general fund budget. Nick Leonard explained that we will discuss that more at budget time. Mr. Will asked about the mobile home park of Sabel. They get wastewater from us, but provide their own water.

CONSENSUS to take it to the Board.

2. Discuss RESOLUTION R-04- 2009 - A RESOLUTION DECLARING OFFICIAL INTENT TO REIMBURSE EXPENDITURES FOR SAFE DRINKING WATER LOAN PROGRAM
Re: ELEVATED STORAGE TANK. Administrator Hornung explained that this is for the Town of Fond du Lac water tower, and they will pay us back 100%. Pat Goldapske expressed concern that we were not handling the referendum as it was meant. Mr. Moore and Mr. Hornung said we have an agreement that they pay for it. Mr. Will explained to Ms. Goldapske that this watertower project was in the works when he came on the Board last Spring, prior to the referendum. These have been stand alone projects (this one and the other two below this). They can be done without the other. Clerk Richards explained that the court case establishes that authorized projects prior to the referendum are not subject to the restrictions on a million dollars of the referendum.

Nick explained the three projects. They are not all the same project. Second project is the SCADA system upgrades that regulate flows. Another is the crossing of Hwy 41, and that work is needed, so that if there is a break in the one line, they can bypass and make sure there is water available. All were planned in CIP plan. Stimulus money if ready by June 1st may be able to get stimulus money, so we can access stimulus funds if possible. We want to get the plans “shovel ready” before June 1st. Projects are all in our budgets and are planned projects. Peter McCourt asked about the Statute the Clerk is looking at, which includes Direct Legislation court cases. He said court cases are on both sides of the referendum legislation, and are not the law. Clerk Richards agreed, however the court cases become case law. Peter McCourt talked about income from the towers, and said that needs to go to the Township, because we can’t profit from it. Mr. Hornung said our attorney said we can have that income. Nick said the water utility can profit 6.8%. Mr. McCourt asked about the crossing costs and who will pay for that. Nick explained that we have to forget about the boundaries of the municipalities when the utility is involved. Pete McCourt was arguing that the Town of Fond du Lac would be paying for the Tower. Pete McCourt said that we would not run two lines for ten customers that aren’t in the Town of Fond du Lac. Nick Leonard explained that the costs of the tower are guaranteed by the Town of Fond du Lac. Pete McCourt asked whether the second line across 41 would be run for the Town. Mike Will asked whether we need or want to run the second line, and Nick Leonard explained that this line is needed, and has been discussed for years, as customers would be out of water for days or a week, if the old line broke under Hwy. 41. Pete McCourt asked if anyone has talked to the Town of Fond du Lac due to the second line being run, and how it might affect their bills. Chuck Hornung said that this is a utility issue. Pete McCourt said that he talked to the Town, and they are upset about the second line. He said that maybe they would have their own system if the costs were known to them. Nick Leonard explained that this item was pushed up for engineering and planning, due to the stimulus package timing. Otherwise, it would have been done this fall, as it is budgeted for. Pete McCourt talked about the costs of the tower and transmission lines. The tower and transmission lines are about \$1.8 million, said Nick Leonard. Pete McCourt thought this would call for being a capital expenditure over \$1 million. Pete McCourt says he agrees they need the transmission lines. Mr. McCourt says he just wants this done right. Mr. Will asked whether we have a legal opinion as to how we are proceeding. Mr. Hornung said Yes. Mrs. Goldapske asked about why the newspaper isn’t giving us better information on this kind of issue. President Moore talked about Deanna’s column, which should be resuming. Mr. Van Gorder asked whether some Town customers have their own wells. The answer is Yes. Mrs. Goldapske asked whether we have to test their wells for them. The answer is No. Mr. Van Gorder expressed that whether we might be sued if the water service was off due to a break. Mrs. Goldapske asked if the new condos would hook up. The answer is Yes, if they are built. It is likely that new developments would hook up rather than dig their own well. Mr. Scharf said that this new line across Hwy 41 has been discussed for years, and we are finally in the process of doing it. Nick said the cost is around \$470,000, and would cross near Agnesian clinic, as we have an easement on their property. We are looking at a 12” line, to add to our current 8” line.

CONSENSUS to take it to the Board.

3. Discuss RESOLUTION R-05-2009 A RESOLUTION DECLARING OFFICIAL INTENT TO REIMBURSE EXPENDITURES FOR SAFE DRINKING WATER LOAN PROGRAM BOOSTER PUMP STATION AND SCADA SYSTEM IMPROVEMENTS AND U.S. HIGHWAY 41 NORTH TRANSMISSION MAIN CROSSING. Nick explained that this was budgeted and planned for this year as well.

CONSENSUS to take to the Board.

4. Discuss RESOLUTION R-06 – 2009 - A RESOLUTION DECLARING OFFICIAL INTENT TO REIMBURSE EXPENDITURES FOR SAFE DRINKING WATER LOAN PROGRAM WATER SUPPLY SYSTEM IMPROVEMENTS RE: Well #5. Nick Leonard explained that this has been discussed and was in the CIP water budget for 2009-2010. Was scheduled for the fall, made ready earlier due to the potential for stimulus money. Lots of requirements, so placement of the well will be determined by drillings. Approved in 2008, planning to do this year. Test wells, then building the production well and wellhouse. May be pushed back further in timing. Funds include land, etc. The main reason for well #5 is due to the water issues. Older wells are used more intensively when well #4 is down, and radium concentrations are not good, though not beyond the limits.

The DNR has been wanting us to do this for a long time. We will need more water at some point, also. It is mostly the quality issue, then the capacity issue. Mr. McCourt raised questions about the costs and the test wells, and how we can come up with costs before the test wells. Nick explained that if we check two or three spots, and find that we can't find good clear water in terms of radium, we would probably instead choose to treat with an HMO process. It would not be cost effective to go four miles. The processor is expensive, but treatment is not once it is installed. Pete McCourt said NFdL has been knowing about this for many years, that the DNR said we needed another well. Do we have a contingency fund for this? As for a reserve fund for this, Nick Leonard said the Board has moved away from reserves, and borrows at 2% or has grants instead, especially for water utility.

Nick Leonard explained that funds have not specifically been put away for Well #5. Pete McCourt thinks that designated reserves are a good idea, but heard what Nick was saying. Mr. McCourt again mentioned that the Town of Fond du Lac does not know about all this. They should be informed as to the financing needed for expansions, so they can be informed before they decide what to do. Perhaps they would have decided to go in another direction. CONSENSUS to take it to the Board.

5. Discuss amendments 1, 2, 3, and 4 to AGREEMENT FOR ENGINEERING SERVICES BETWEEN THE VILLAGE OF NORTH FOND DU LAC, WISCONSIN AND KAEMPFER & ASSOCIATES FOR BROWN ROAD STORAGE TANK. There is a memo explaining this, attached. Nick Leonard explained that Kaempfer's contract is being revised to deal with the changes in the Tower, and the amendments isolate the engineering costs of the various projects. We had previously amended their contract to add projects, and since the water tower changed locations, there are other amendments needed, and most are Town responsibility. \$4,500 is our additional costs to help apply for the Federal stimulus money, i.e. Village costs. Amendment #2 splits out the Booster pump and SCADA costs, and breaks out the Village vs. Town costs (no increases here). Amendment #3 deals with water tower painting, and there are no increases here. Amendment #4 is the main to cross Hwy. 41. This contract is \$74,200 for engineering services, and the costs are being pushed up to be done now instead of the end of the year. The engineering is being done sooner, as there is a possibility of stimulus money. May need to be rebid if we do not get stimulus money. Mr. Moore asked about who the customers are west of Hwy 41. Nick Leonard explained who they are: Green Meadows, Steenberg's, Town of FdL residential customers, Community Church, Van Horn, Action Printing, Culver's, Arby's, a bank. May be others. Mike Will asked what we expect the customer base to grow to. Nick Leonard said he doesn't have numbers, but they have a lot of development going in, the Fond du Lac County Business Park, the Hwy 151 corridor on that end, and potential for additional customers, including commercial customers, and they tend to use a lot of water. Mr. Van Gorder asked about what customers are charged. Is the same rate as everyone in the Village. Why wouldn't we use Village staff to write grants. Nick Leonard explained that \$3,000 to get the grant written is a great deal, and frankly we are understaffed to write grants. Leonard explained that as the engineers they know the project intimately, and if we wrote it, we would spend a lot of time on the phone with them, likely in excess of \$3,000 in their time. Mr. Van Gorder asked about Town residents portion of tower, and how that is being paid. Mr. Leonard said he thought that the Town formed a water utility to pay for the tower, and then may end up paying for some of it from General Funds. There is a meter that goes out there, and keeps track of Town of Fond du Lac water.

CONSENSUS to take it to the Board.

6. Discuss the waiver of fees for the Easter Egg Hunt of the Optimists Club on the morning of Saturday, April 11, 2009 at the Community Center.

CONSENSUS to take it to the Board.

7. Discuss the waiver of fees for the Green Thumb Gardening Club and Chris Dart on July 23, 2009 from 6 to 9 PM for a jam making demonstration, for use of Combined Hall and Kitchen. Clerk Richards explained the non-profit policy that is in place. This is on a Thursday night, not on a weekend. Will and King want to find out more about the organization before waiving.

TABLED.

- B. CITIZENS TO BE HEARD.** McCourt asked what the Board would be doing today. Mr. Beveridge expressed that it is unfortunate that this is not telecast. Mr. Beveridge also mentioned about how the Closed Session is being handled, why the closed Session isn't being held after the Board. Mr. Will explained that we kept the Committee of the Whole so that we would rotate the Chair, and give that experience in a rotation. Mr. McCourt asked about COW and Board actions, and the need for some time in between to get public input before the ordinance goes into effect. Explained that we have two readings for Ordinances, usually over a two meeting period. Village Clerk explained that the need to wait for a second reading can be waived with 2/3 vote.
- C. CLOSED SESSION** – No action will be taken on this item, so committee will not reconvene into open session. Motion to move into closed session by Scharf, 2nd by Streetar. 5 Ayes, 0 Nays. At 7:15 PM.
1. Convene into closed session in accordance with Wisconsin State Statute 19.85(1)(c) Considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility.
 - a) Grievances
- Motion by Scharf, 2nd by King to come out of Closed Session at 7:22 PM. All Ayes, 0 Nays.
- D. UNFINISHED BUSINESS.** None.
- E. NEW BUSINESS.** Mike Streetar said there is a possibility of the National Guard providing a Blackhawk Helicopter landing as part of North Fondy Fest. Chief Lamb felt they could provide security. Is still just a possibility. Would use a ball diamond. Discussion of aftermath of fire, and whether the building will come down. Nick Leonard mentioned that he heard is likely that the building will come down, and may not be rebuilt. There is discussion that they may want to build garages instead. Nick Leonard said we don't have much to say at this point, except for the property maintenance ordinances.
- F. CLOSING OF MEETING.** Meeting closed at 7:27 PM.

Respectfully submitted,

Michael Will, Village Trustee