

**Regular Lake Geneva Utility Commission Meeting  
Thursday, January 19, 2017 – 4:30 PM  
Conference Room 2A, City Hall – 626 Geneva Street**

**Minutes**

- 1. Call Meeting to Order by Pres. Lyon at 4:30 P.M.**
- 2. Roll Call - Members present:**

President Dennis Lyon, Mayor Al Kupsik, Ann Esarco, Ald. Rich Hedlund, Ald. Cindy Flower, Brett Stanczak, Mark Johnson

**Public in attendance:**  
Chris Schultz, Lake Geneva Regional News  
Ald. Chris Gelting

**Staff in attendance:**  
Josh Gajewski, Utility Director  
Jo Busch, Office Manager  
Blaine Oborn, City Administrator
- 3. Comments from the Public as allowed by Wis. Stats § 19.84(2), limited to items on this agenda except for public hearing items. Comments will be limited to 5 minutes.**

None
- 4. Approve Minutes of the Previous Meeting**

Motion by Mayor Kupsik to approve the minutes of December 22, 2016 as presented, 2<sup>nd</sup> by Ald. Flower.  
Passed unanimously.
- 5. Acknowledgement of Correspondence:**

Ms. Busch reported that we had received a donation/sponsorship request from Geneva Lake Manor. Mr. Oborn advised that the City has a policy that prevents us from participating.
- 6. Discussion/Recommendation on revising the Utility Commission meeting schedule**

The City Council are in the process of trying to condense their meetings schedule so that the majority of meetings are held on Mondays through Wednesdays where possible. The proposed calendar puts the Utility Commission meeting on the third Wednesday of every month. Ms. Esarco may have a schedule conflict during tax season. It was decided to accept the new day of the month and make exceptions if necessary for the months of February and March.
- 7. Discussion/Recommendation on Installing an Automatic Transfer Switch for Plant Standby Generator**

Mr. Gajewski reported that we now have three quotes for the Automatic Transfer Switch and the Generator passed its service and load test with just a few small leaks being reported. Ald. Hedlund made a motion to approve Adam's Electric for the Transfer Switch in an amount not to exceed \$21,637.  
2<sup>nd</sup> by Mayor Kupsik  
Approved unanimously

**8. Discussion/Recommendation on Sewer Rate Increase**

As part of the budget process, Mr. Gajewski has been looking at revenue figures and how those figures are generated. There is inequality across customer groups if you look at usage against revenue. In order to close this gap, Mr. Gajewski recommends a change in the previously approved rates of 20% across both fixed and flow rates. He is recommending that we place the increase more on flow rates than base charges to balance equity between customer count and customer usage. Ald. Hedlund agreed that if we are looking for parity, we should put the increase on flow and leave fixed rates flat. He would like to see this. Mayor Kupsik would like to see less burden on residential customers but wonders if we can depend on flow rates to generate the revenue that we need to operate without a loss? Mr. Gajewski said that as customers see their bills increase they may start to conserve water which would cause a drop in revenue. This is something that we would need to monitor each year. President Lyon thinks we should decide on a rate increase for 2017 and then review next year when we have more information.

Ald. Flower made a motion to have no increase on the fixed rate and a raise on flow to get a 20% net increase in revenue.

2<sup>nd</sup> by Ald Hedlund

Approved unanimously

**9. Discussion/Recommendation on 2017 Utility Operating Budgets**

Mr. Gajewski has put together Water and Wastewater budgets for 2017 including a new employee on the Wastewater side to allow for succession planning. This needs further discussion but should be in the budget so that the money is there if the Commission decides to proceed. The budgets are shown on a cash basis including capital planning in place of depreciation so that we have visibility of how funds have been designated. The budgets will need fine tuning over time. Ms. Esarco would like to see Water and Wastewater mirrored so that we can compare them more easily. Mr. Oborn reminded the Commission that Water has to be reported to Public Service Commission rules and Wastewater does not, so it makes it harder to pull out the specific information that you are looking for in the Water budget. He said that Mr. Gajewski is doing a good job trying to manage the reporting in both ways to make sure we are complying with the PSC but also able to pull out information that the Commission may be interested in like total staff hours. President Lyon would like to see these budgets approved today with the understanding that they are a work in progress, so that we can start using them for reporting against. Mr. Stanzcak wondered whether impact fees were included in the budget and whether these may need to be increased. The fee schedule is another area that Mr. Gajewski will be spending time reviewing. Mr. Oborn said that this is important because if your fees do not cover the actual cost of a new service then your existing customers are the ones that pay the cost of growth.

Ald. Flower made a motion to approve the 2017 Water and Wastewater budgets with amendments as discussed.

2<sup>nd</sup> by Ald. Hedlund

Approved unanimously

**10. Directors Report**

**a. Update on Plant A – Iron Filter**

The Utility have removed the media from the Iron Filter in Plant A so that we can have the three cells inspected and hopefully discover the cause of the problems we are seeing with media escaping. An operational issue such as the backwashing procedure is a possible cause and this will need to be reviewed as there are no immediate visible

signs of equipment failure. Water Well solutions will be doing an inspection next week and we should know more after that has been completed.

b. Update on Host Tower

Mr. Gajewski reported that Dixon Engineering came out for a meeting regarding the antennae equipment on the tower. They were unable to fully access the tower due to weather conditions that day but they were able to take some photos and the next step is to make contact with the lessees to discuss plans going forward.

**11. Financials Update**

For this meeting the financials are presented as year-end for 2016 shown against the 2016 budget. Going forward Mr. Gajewski will be including cash reporting in addition to budget reporting to provide a complete picture of Utility finances.

Motion by Ald. Hedlund to approve the financials as presented for January through December 2016.

2<sup>nd</sup> by Mayor Kupsik

Approved unanimously

**12. Approval of the December Bills**

Motion by Mayor Kupsik to approve the bills as presented.

2<sup>nd</sup> by Ald. Hedlund

Approved unanimously

**13. Adjourn**

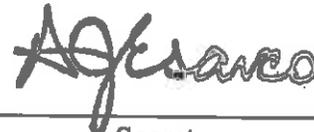
Motion by Ald. Hedlund to adjourn

2<sup>nd</sup> by Ald. Flower

Approved unanimously

Meeting adjourned at 6:27pm

**Next meeting set for Wednesday February 15 – 4pm at City Hall**



Secretary

**THESE MINUTES ARE NOT OFFICIAL UNTIL APPROVED BY THE LAKE GENEVA UTILITY COMMISSION**