

MINUTES

**TOWN OF YORKVILLE
WATER UTILITY DISTRICT COMMISSION
TOWN BOARD ROOM
UNION GROVE MUNICIPAL CENTER
TUESDAY, OCTOBER 13, 2015**

Call to Order

Water Utility District Commission President Peter Hansen called the meeting to order at 6:05 p.m.

Roll Call

The following Water Utility District Commission members were present: Peter Hansen, Sherry Gruhn, Terrence McMahon and Leo DeBrabander. Thomas Johnson was absent. Also present were Racine County Executive Jonathan Delagrave, Racine County Economic Development Corporation Executive Director Jenny Trick, Racine Water and Wastewater Utility General Manager Keith Haas, Terry Gifford, Water Utility District Manager Gary Hanson (by telephone), Attorney Tim Pruitt, Engineer Mark Madsen and Clerk-Treasurer Michael McKinney.

Approval of Minutes

Motion (Gruhn, DeBrabander) to approve the September 22, 2015 Water Utility District Commission meeting minutes as presented, Motion Carried (MC).

Approval of Water Utility District Financial Reports

Motion (McMahon, Gruhn) to approve the September Water Utility District financial reports as presented, MC.

Approval of Water Utility District Invoices

Motion (McMahon, Gruhn) to approve Water Utility District invoices as presented in the amount of \$6,361.74, MC.

New and Unfinished Business – Discussion and possible action on all of the following:

Water Utility District long-term plans

The Commission met with Jonathan Delagrave, Jenny Trick and Keith Haas to discuss long-term plans for Yorkville's water utility. Discussion focused on the sale of Yorkville's water utility infrastructure to Racine's water utility. Haas noted that Yorkville's water utility has been studied as a potential customer of Racine's water utility. He stated that Racine's water utility acquired Sturtevant's water utility in 2007 and added that Racine sells water on a wholesale basis to Caledonia. He noted that Racine's water utility currently has 33,000 customers. He stated that Racine's water rate is 50 percent higher than Yorkville's but added that their quarterly meter charge is a quarter of Yorkville's charge. He noted that all

but three of Yorkville's water utility customers would see a decrease in their water charges if Yorkville became a retail customer of Racine's water utility.

Haas noted that Racine's water utility would pay for Yorkville's water tower and all water mains twelve inches in size and larger, adding that all mains smaller than that would be donated to Racine's water utility at no charge. He stated that Racine purchased the same infrastructure from Sturtevant at a cost of \$1.1 million. He added that only three percent of Yorkville's water mains are twelve inches in size and larger. He noted that the cost of connecting Racine's and Yorkville's water utilities would be approximately \$500,000. He stated that the fees for connecting to Racine's water utility would be required of all new customers and would be based on proposed use. He noted that connection fees would be used towards improving assets across the entire utility district, including booster stations and water mains, rather than the assets within one community. He stated that planned infrastructure would handle the maximum water needs of Racine's water utility. He noted that any new infrastructure would need to be constructed to Racine's standards. He stated that Yorkville's water tower could serve the entire local pressure zone.

Trick noted that businesses do take connection fees into account when deciding where to locate. Delagrave stated that the Town needs to pursue solidifying its boundaries through a boundary agreement or incorporation and added that the Town's water tower would be a great asset towards spurring local development. He noted that the Town should work towards being able to use tax increment financing. Haas stated that Racine's water utility would need to construct a 750,000-gallon water tower if they were not able to acquire Yorkville's existing tower. He added that acquiring an existing tower would be preferred over constructing a new water tower. Madsen noted that Yorkville's water utility does not currently have a connection fee. Hanson stated that Yorkville's water utility would come under stricter water quality regulations if it added residential customers to its service area.

No formal action was taken by the Commission on this agenda item.

2016 Water Utility Fund annual budget

Hanson presented the 2016 annual budget to the Commission. He noted that there are no major capital expenditures or equipment purchases planned in 2016. The Commission discussed expenditures related to outside services, computers, and employee wages and FICA expenses. Hanson noted that the outside services expense would be to cover the cost of establishing a value for the water utility if Yorkville opted to sell it to Racine's water utility. He added that past budgeted amounts for computers would have covered the purchase of a new well monitoring system. He noted that he is budgeting instead for replacement of the water utility's existing computer system in 2016. The Commission discussed an across-the-board wage increase of two percent for all water utility employees.

Motion (McMahon, DeBrabander) to approve a two-percent across-the-board wage increase for all water utility employees and to set the budgeted amount for water utility wages and FICA expenses at \$30,000.00, MC.

Motion (McMahon, Gruhn) to approve the 2016 Water Utility Fund annual budget as amended, MC.

Reports

Water Utility District Manager's Report - The Commission discussed the written report submitted by Hanson.

Motion (McMahon, Gruhn) to accept and file the Water Utility District Manager's written report as presented, MC.

Engineer's Report - Madsen noted that he had no information to report to the Commission.

Clerk's Report - McKinney noted that delinquent water utility balance notices will be mailed this week. He added that there are two delinquent water accounts with past due balances totaling \$216.03.

Other – Comments, questions and suggestions

No comments, questions or suggestions were provided.

Adjournment

Motion (McMahon, Gruhn) to adjourn, MC. The meeting was adjourned at 7:06 p.m. The next scheduled Water Utility District Commission meeting is immediately following the conclusion of the 6:30 p.m. Sewer Utility District Commission meeting on Tuesday, November 17, 2015.

Michael McKinney
Clerk-Treasurer