

meeting. Pete Litersky & DPW Director Geiger will collect and bring back to the next meeting.

- b. **MOTION: Farrell moved to increase Sewer Rate 15% effective December 1, 2021 second by Levash. Motion Approved.**
- c. **Eliminate 3rd Quarter Sewer Adjustment.** Reviewed that 2020 the 3rd Quarter sewer adjustment in September 2020 was \$187k from MCO billing.
- d. **MOTION: Levash moved to remove the 3rd quarter adjustment second by Schwahn.**

Discussion Utility members and MCO reviewed that appears that the 3rd quarter adjustment should have only applies to residential customers, appears that Commercial, industrial and Multifamily also received the credit back and appears must higher than just the adjustment. DPW Director Geiger and Pete Litersky will review and bring back analysis to commission next meeting. They will also bring back what the 2021 3rd quarter adjustment.

Motion Approved.

5. WATER RATES FULL RATE INCREASE AS PART OF 2022 BUDGET

Administrator Wills the 2022 Utility budget and 2021 year to date budget that Water is projecting to lose \$128k in 2022, it is expected to lose similar amount in 2021. The DNR has cited the negative cash balance in Water taking funds from sewer by Auditors to not finish negative annually since 2009.

At last year's budget approval time and at 2020 Audit and after the need to request a Water Rate increase was discussed. Earlier in 2021 CLA did a simplified rate increase request with the PSC for City of Brillion, that was declined due to rate of return for utility. CLA explained the structure of the Utility Debt is not counted in the simplified rate increase, that should be counted in a full rate increase request.

Administrator Wills has received a quote from CLA Amber Drewieske to do a full rate increase for the City of Brillion to PSC for \$7500. Mayor Mike Smith agreed that we don't want to increase cost on residents, but need to have functioning Water Utility not taking general funds to fund losses in a separate Water Enterprise.

Motion: Levash made motion to approve \$7500 for CLA Water Rate Increase in 2022 Budget, Second by Schwan. Motion Carried

6. 2022 Water & Sewer Budget

A. 2022 Water Utility Budget

Administrator Wills reviewed the 2022 Water Utility Budget. If no rate increase happens it is listed at losing \$79,135. Following reduction by the Water Department. This does not include additional Replacement Contribution that is needed to catch up. Paul Much explained MCO is requesting 4.2% increase for 2022 to cover health care cost increases, insurance and cost of living, within the signed 5 year contract they can increase costs up to 8% each year, they know the situation the city is in they only seek 4.2% which is less than the 5% current cost of living.

This defers again capital improvement projects for the Water Softners that failed 3 times in the end of 2020 and early 20-21, lift pump replacement of \$45k that is needed that are beyond useful and again defers equipment that needs replacement, that may increase repair costs in 2022 in lieu of replacement.

Motion: Krueger made motion to Approve, adopt and recommend to Council 2022 Water Utility Budget, Second by Levash. Motion Carries.

B. 2022 Sewer Utility Budget

Administrator Wills reviewed the 2022 Sewer Utility Budget. The budget includes Sewer rate increase in order to break even. This will put the Sewer Utility on pace to begin to build reserves for the expected \$13 Million sewage treatment upgraded. This will not account for in that cost, has requested McMahon that is doing treatment Plant upgrade analysis top provide funding, grant and other options for financing sources. In meantime, need to get reserve funds to have a starting point.

The 2022 Budget includes funding for CLA to conduct Sewer Rate increase that was passed at the previous Sewer Utility Meeting.

Motion: Schwan made motion to Approve, adopt and recommend to Council 2022 Sewer Utility Budget, Second by Boldt. Motion Carries.

NEW BUSINESS:

Administrator Wills brought up that in reviewing Water and Sewer that are not reserves. As the Utility is working to get the budget corrected and begin to save funds, to ensure that those funds are available into the future he recommends opening separate accounts to keep those funds intact from the General Fund. MaryJop krueger recommended he look into and bring back recommendations to the next meeting .

The meeting was adjourned at 7:12 pm.

Peter Wills, Administrator