

**Village of Egg Harbor  
Utility Committee Meeting Minutes  
February 16, 2021 11:00 AM**

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Meeting ID: 927 1884 0733

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Phone Number: 312 626 6799 Meeting ID: 927 1884 0733

John Heller, Chair,  
Mack Bonk, Member  
Tom Prohl, Member

TC Johnson, Member  
Paul Zeller, Member  
Bert Sawyer, Operator

1. Call to order and approval of the agenda
  - a. John Heller called the meeting to order at 11:00am.
  - b. Committee Members Present: John Heller, Mack Bonk, Tom Prohl, TC Johnson, Paul Zeller
  - c. Staff Present: Lydia Semo, Tom Strong, Bert Sawyer
  - d. Audience Present: Lauren Schar, Joe Smith, David Pollman
  - e. **John Heller moved to approve the agenda. Seconded by Tom Prohl.**
  - f. **Motion unanimously carried.**
  
2. Approve January 19, 2020 Meeting Minutes
  - a. **John Heller moved to approve the January 19, 2020 Meeting Minutes. Seconded by TC Johnson.**
  - b. Tom Prohl: Item 6 the Church Street sewer bullet point j, aren't they going to be putting an 8" stub across the road? Does that need to be in the minutes?
  - c. John Heller: Tom Kispert and Mike Simon are both aware of that, it'll be in the plans.
  - d. Tom Prohl: On page 11 for the WWTP report, should the numbers both be for 2020, or 2020 and 2021?
  - e. Bert Sawyer: That's not part of the minutes, but it was a mistake on my part, sorry.
  - f. **Motion unanimously carried.**
  
3. Open Session (Limited to Ten Minutes)
  - a. No comments.
  
4. Wastewater Treatment Plant Improvement Project Update
  - a. *Tom Kispert went through the schedule as provided in the packet. All the equipment for the UV system most likely won't be ready until April. They will break ground around April 15<sup>th</sup>. Tom went through payments and potential cost savings, as well.*
  
5. Wastewater Treatment Plant Manager Report

- a. *Bert Sawyer noted the flows from the haulers, and in general, were very high in January. He noted the plant is running better with the increased flow.*

#### 6. Ordinance Review

- a. *The Committee decided to meet at 9am on February 25<sup>th</sup> at the Bertschinger Center to review the ordinance. Bert Sawyer also went through the ordinances, to make sure things were current standards.*

#### 7. Outdoor Seating for REU Calculations

- a. *Tom Strong went through the calculations as part of the ordinance review. The calculation is completely out of date, it does not take into account the percentage of our sewage brought in by haulers. Tom noted the seasonal businesses should basically only be charged for half a year service, we have typically been charging those legitimate seasonal customers the off-season rate. The cost for REU right now should be about \$180, that is based off the formula and not including what the haulers brought in. The \$161 of where we are at is in the ballpark, it covers our expenses but does not match the calculations in our ordinance. Tom recommended bringing this back to the Ehlers proposal to come up with an updated rate calculation.*
- b. John Heller: Didn't we decide that outdoor seating would be calculated at 25% of indoor seating? Does anyone have a problem with charging for outdoor seating?
- c. Mack Bonk: I do, I think it should be strictly based on square footage.
- d. John Heller: That can happen, in the meantime, we can enact this because I don't think the square footage calculation will be enacted any time soon. Basically, one indoor seat would be equivalent to 4 outdoor seats. Keep the percentage low in case we make some changes, we'll have a formula we can stay with.
- e. Mack Bonk: So, the REU calculation spreadsheet and table will always be a part of the ordinance?
- f. John Heller: I don't think so, the way we calculate things is antiquated.
- g. *The Committee discussed rate calculations.*
- h. **John Heller moved to charge for outdoor seating at a rate of 25% for indoor seating. Seconded by Tom Prohl.**
- i. **Motion unanimously carried.**

#### 8. Ehlers Rate Study

- a. Tom Strong: We would bring in Ehlers for a rate study on our current rates and long term debt retirement. Given the CWF Loans, I think this is money well spent.
- b. John Heller: I personally think we're premature, I would like to see what the bond will look like with our year-end financials.
- c. Mack Bonk: I agree with what Tom is saying, we should bring Ehlers in but maybe not for the whole thing. We have to be careful with the CWF stuff.
- d. *John Heller discussed the previous year-end statements from 2014 to 2019, and noted funds and reserves.*
- e. Tom Strong: Years ago, the sewer rates were significantly lower, and to the committee's credit at that time, the rate was raised simply because it wasn't

including those capital expenses. So I agree with John, we are covering our capital costs and we are not in a bad state.

- f. John Heller: I don't think rates should be lowered until after construction at the updated WWTP.
  - g. Tom Strong: Based on the discussion, I think it would be okay to table this for a few months.
9. CLOSED SESSION per State Statute 19.85(1)(e) for deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session regarding the property located at 7755 STH 42, on the basis that bargaining reasons require a closed session to promote a fair bargaining process and then to RETURN TO OPEN SESSION to take further action or to adjourn the meeting.
- a. **John Heller moved to go into Closed Session. Seconded by Mack Bonk.**
  - b. **John Heller – aye. Mack Bonk – aye. Tom Prohl – aye. TC Johnson – aye. Paul Zeller – aye. Motion unanimously carried.**
  - c. **John Heller moved to return to open session. Seconded by TC Johnson.**
  - d. **John Heller – aye. Mack Bonk – aye. Tom Prohl – aye. TC Johnson – aye. Paul Zeller – aye. Motion unanimously carried.**
  - e. **John Heller moved to approve the motion that was made and approved in Closed Session. Seconded by Paul Zeller.**
  - f. **Motion unanimously carried.**
10. Open Session (Limited to Ten Minutes)
- a. Lauren Schar: Could you clarify what the 25% rule is for the indoor-outdoor seating?
  - b. John Heller: Since you're only going to have outdoor seating for a quarter of the year, we are charging the same rate for indoor seating as outdoor seating but we are only charging it for a quarter of the year.
  - c. Bert Sawyer: An easier way to say it, for every 4 outdoor seats you have, it would be counted as 1 indoor seat. It will be in addition to your indoor seats.
  - d. David Pollman: In regard to the outdoor seating, I understand why we want to count it as there are some places that have almost entirely outdoor seating. I would have thought that a nice solution would be that places who have 50% or more of their seats outdoor, all of their seats would be counted, versus the places that have just a few seats outdoors. In the case of Shipwrecked, I was able to prove that the amount of water that we actually use is 25% of what we actually pay for, and now it'll go up and it just doesn't seem equitable. I understand the need to pay for fixed costs, but does everyone have  $\frac{3}{4}$  of their total charge equal to their fixed cost? I kind of like the square foot idea. I know metering has been considered in the past, if that route gets decided don't just pick the restaurants, but also choose some homes, lodges, retail locations, and grocery stores for a baseline. I also have a question about the closed sessions, have those been in regards to rate reductions or fee forgiveness regarding COVID?

- e. John Heller: No, any discussion related to fees for a residential or commercial property must be done in Closed Session. We did not do that for a while.
- f. David Pollman: I brought this up, since my REU hearing increase 9-months ago was in Open Session, I felt as though I wasn't given a fair deal. The state statute that you mentioned refers to public properties, public funds, or public business, and I feel like we are talking about private business. Doing things in Closed Session makes people think things are being done under the table, we should all be treated to the same rules and regulations. I feel this should be for public consumption.
- g. TC Johnson: We talked about Door County Trolley, they have bathrooms and their REUs should be looked at.
- h. John Heller: Do we have formulas that can address that situation?
- i. Bert Sawyer: I have not researched that at all, it depends on if you would consider that a retail place to go off square footage.
- j. John Heller: How is it presently treated?
- k. Bert Sawyer: I'm not sure, that was before I got here.
- l. TC Johnson: What about Main Street Market?
- m. Bert Sawyer: There was a formula made up for grocery stores, the engineers tested a sample and that is how it was made, McMahan was the one who told me that. I do not know what all went into that.
- n. TC Johnson: I do know that the Trolley sells food and merchandise, too.

11. Next Meeting Time and Date

- a. March 16<sup>th</sup>, 2021 at 11:00am.

12. Adjourn

- a. **John Heller moved to adjourn. Seconded by Tom Prohl.**
- b. **Motion unanimously carried.**
- c. Meeting adjourned at 12:03pm.

Minutes completed by Lydia Semo on March 4, 2021. Submitted for approval on March 8<sup>th</sup>, 2021.