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MINUTES

Silver Lake Utility District Commission

October 7, 2024

Call To Order

Chairperson Riley called the Silver Lake Utility District Commission 2025 Budget Meeting to order at 10:20 am on October 7, 2024 at Summit Village Hall 37100 Delafield Road, Summit, WI.

Roll Call and Confirm Posting

Administrator Michael took roll call and confirmed that the meeting was noticed to the local media as required and requested, and posted on the village posting board and website. Commissioners present were: Jim Petronovich, Jeff Lee, Justin Phillips, and Kraig Arenz, Sr. Also present were: Chairperson Jack Riley. Public Works Director Kamron Nash and Administrator-Clerk/Treasurer Debbie Michael.

Discussion and Action on 5-Year Cash Flow Projections Report

Administrator Michael presented the 5-year cash flow projections report. She explained that she had prepared the report instead of Ehlers as it was easier to compile than the Summit Utility District #2 report. The report compared the budget with the projected cash flow, showing ending non-restricted cash balances for years 2021, 2022, and 2023, which were based on actual numbers from the audit.

Administrator Michael noted that there was a deduction of \$54,501 as an expense for amortization. She explained the difference between DUE treatment and license charges, clarifying that license fees are a pass-through from the City of Oconomowoc. The Commissioners discussed the change in how commercial properties are now charged double the residential rate for license fees, affecting businesses like Lucky Chucky's and the Potawatomi camp.

There was a discussion about the Boy Scout camp's usage and payment status. The commissioners talked about the process of disconnecting services and the 10% additional charge for payments made through tax bills, with the 10% going to the utility district.

Administrator Michael stated this proposal includes a \$3 increase, with \$1 in the treatment charge and \$2 in the license fee. She explained that the license fee typically increases by 4% each year as per their agreement with the City of Oconomowoc. The commissioners also discussed the estimated connection fees and special assessment revenues.

The cash flow projection showed a positive cash flow, but there was confusion about the amortization deduction. The commissioner's requested clarification on how the amortization charge impacts the financials, as it seemed unusual for it to affect non-restricted cash directly.

Discussion and Action on Silver Lake Utility District 2025 Budget

Administrator Michael presented the 2025 budget for the Silver Lake Utility District. She explained various line items, including:

- The \$10,000 tax levy, which has remained consistent since February 2021.
- Special assessments, estimated at one connection at the frozen rate from 2021.
- City license fees, reflecting the true cost to be collected on quarterly bills.
- Sewage service estimates, based on projected volumetric charges divided by the number of DUE's.
- Investment income projections.
- Expenses, including connection charges, city sewage service payments, and administrative fees.

There was a discussion about the recent backup issues at the Boy Scout camp property and the potential liability for the district. Administrator Michael mentioned that she needed to connect with the insurance company to understand any potential liability for the district.

The commissioners discussed the contractual services amount charged by the village to the utility district, noting that it hasn't increased and doesn't include meter readings for this district.

Commissioner Arenz raised a concern about the need to budget for meter replacements, which occur approximately every five years and cost around \$500 per meter. He suggested finding a place in the budget to account for this future expense.

MOTION: (Petronovich, Phillips) *to approve the 2025 Silver Lake Utility District budget as prepared and presented on 10/07/2024 with estimated revenues of \$488,400 and estimated expenses of \$467,247, which leaves a contribution to the fund balance of approximately \$21,153. Carried.*

Discussion and Action on 2025 Service Agreement with Village of Summit

MOTION: (Arenz, Petronovich) *to approve the 2025 service agreement with the Village of Summit in the amount of \$24,150. Carried.*

Discussion and Action to set the 2024 tax levy for Silver Lake Utility District

MOTION: (Arenz, Lee) *to approve the 2024 tax levy for the Silver Lake Utility District in the amount of \$10,000 to be levied within the district based on assessed valuation. Carried.*

Adjourn Silver Lake Utility District Meeting

MOTION: (Arenz, Phillips) *to adjourn at 11:04 am.* Carried.

Respectfully Submitted,

Debra J. Michael, WCMC
Village Administrator-Clerk/Treasurer

Next Regular Meeting: TBD