

Minutes of the Board of Water Commissioners Meeting Monday, May 24, 2010

The meeting was called to order by President Van De Kreeke at 4:00 p.m. and the Pledge of Allegiance was recited.

Present: President Gerald Van De Kreeke, Secretary Ray Haen, Superintendent Joe Trueblood, Commissioner Art Stewart. Guests appearing were Allen Berchem and Julie Meyer

Minutes of the previous meeting

The minutes of the regular monthly meeting and the closed minutes of a special session on April 21, 2010 were approved on a motion by Secretary Haen and seconded by Commissioner Stewart. Motion passed unanimously.

Financial Reports

The April Financial Reports were reviewed and discussed. Superintendent reported revenues are about 6 percent above last year and the rate base has improved over last year. Natural gas consumption is down by quite a bit. He also pointed out a large bond principal and interest payment was paid, which lowered cash reserves. The Financial Reports were approved on a motion by Secretary Haen, which was seconded by Commissioner Stewart. Motion approved unanimously.

Superintendent's Report

Operations' Department Report

Superintendent reported that pumpage is up about 1.5 percent for April, 2010 compared to 2009. Average pumpage per day has also increased over 2009. The cost of electricity was discussed. Superintendent also reported the security system upgrade and new smoke detectors are being installed in the plant and the office area.

Construction-Maintenance Department Report

The Paine Avenue tank was removed in April by Iseler Demolition. The crew filled in the pit that remained on site. The Construction-Maintenance crew also performed routine basin cleaning, in addition to repair and maintenance of fire hydrants, and valve turning.

Old Business

Business to be presented by Commissioners

There was none.

Other Old Business

Superintendent reported on CDARS accounts, which are sanctioned by the state of WI Atty. General for municipal monies and are FDIC insured. Rates by Associated Bank and Community Bank and Trust were presented. Superintendent explained he would like to put the bond reserve money into a CDAR account to earn interest. These funds must be held in reserve as part of the terms and conditions of the bonds.

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Other Old Business (continued)

Superintendent recommended investing \$800,000 into a one or two-year account. President Van De Kreeke recommended inquiring about the rates from Bank First National and Johnson Bank before making a decision as to how much and where to invest

Possible Sale of Parcel on Paine Avenue

Al Berchem, Torke Coffee arrived at 4:12 p.m. The agenda was modified to accommodate Mr. Berchem.

Mr. Berchem inquired if the parcel of land which formerly housed the Paine Avenue tank will be available for sale, now that the tank is removed, and if there are any restrictions or covenants on the property. He explained Torke Coffee is interested in this parcel because it is next door and his company needs parking area in the immediate term and a possible expansion area in the long term.

Superintendent had the City Assessor's office look into prices for parcels that are comparable. Based on the assessor's comparables, that office derived a suggested price of \$25,000 to \$30,000 for the 10,000 square foot parcel.

Mr. Berchem inquired if there was anything underground that would be a concern.

Superintendent explained the parcel has a very large concrete footing, along with underground pipes leading away from the area. There should be no hazardous materials present. Mr. Berchem was advised to contact Steve Sokolowski of the City Planning Department, who could inform him about development issues.

Mr. Berchem left at 4:34 p.m.

Discuss ordinance related to Utility accounts

This item was discussed at the last meeting.

New Business

Business to be presented by Commissioners

There was none.

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Other New Business

Discuss and Ask Board approval for Health Plan Administration Renewal

The agenda was modified to accommodate Julie Meyer, who will be joining the meeting at 5:00 p.m.

Discuss and ask Board Approval for Water Main Projects

Superintendent explained the Weeden Creek Road and S. Business Drive projects are the result of a traffic roundabout going in. The project on Maryland Ave. is the result of badly deteriorated water main. A motion to approve these projects was made by President Van De Kreeke and seconded by Secretary Haen. Motion passed unanimously.

Purchase of Water Main Pipe and Fittings

Quotations for ductile iron pipe, PVC pipe, water main valves, and fittings and other miscellaneous items were presented. Secretary Haen motioned to approve the low bids as follows: Ductile Iron Pipe - \$41,718.00 by HD Supply Water Works; PVC Water Main Pipe - \$23,090.40 by First Supply LLC; Water Main Valves - \$20,768.00 by First Supply LLC; Fittings and Misc. Items - \$27,717.12 by First Supply LLC. Commissioner Stewart seconded the motion and it was approved unanimously.

Communication to Customer at 923 Indiana Avenue

Superintendent explained this customer sent a complaint letter to the Mayor. A letter from the Utility Superintendent was sent to the customer and the customer has not responded.

Rock Cores and Samples Transferred to the WI Geological and Natural History Center

Superintendent explained these were samples obtained from the lake bottom when the sampling was performed for the new intake. The WI Geological and Natural History Survey was very excited to be able to obtain these samples, which have been transferred to their repository in Madison for safe keeping.

Discuss and ask Board approval for purchase of potassium permanganate

A request to purchase 1,320 pounds of Potassium Permanganate at \$3.45 per pound for a total of \$4,554.00 was presented. Superintendent explained that this is a standard order for the Utility. Secretary Haen motioned to approve, which was seconded by Commissioner Stewart. Motion passed.

EPA's Determination Regarding Long Term 2 Enhanced Surface Water Treatment Rule

Superintendent explained the Utility received notice it was placed in Bin 1, which means it is not currently required to install any additional equipment for the removal of cryptosporidium.

Increase in Utility's Rating by Moody's

The Board was informed that Moody's recently recalibrated all ratings for issuers of muni bonds. The Revenue Bond for the Water Utility moved two notches upward.

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Any Correspondence Addressed to the Board

Superintendent presented an article from the Wisconsin Water Association with Water Rate Increase Orders (9/1/09 to 1/31/10). This showed the percent increase in water rates by municipalities which had their rate increases approved and shows that Sheboygan's rate increase is among the lowest in the state for recent rate increases.

Approve Vouchers

Secretary Haen motioned to approve and Commissioner Stewart seconded to approve the vouchers as presented. Motion passed.

Personnel

Discuss and ask Board approval of Labor Agreement for 2010-2011

The Board discussed the Labor Agreement which has been settled with a 1% wage increase for 2010 and 1 1/2% increase for 2011. Commissioner Stewart motioned to approve the agreement as tentatively agreed upon. Secretary Haen seconded and motion passed unanimously.

30-Year Employee Anniversary

Superintendent informed Board that Mr. Jeff Wolfert will celebrate his 30th year of employment with the Water Utility on June 13.

Any Other Matters Authorized By Law

Superintendent reported he will soon meet with a representative of the County regarding property at Taylor Hill. The Board discussed different options pertaining to the Taylor Hill reservoir.

Health Insurance Proposal

Julie Meyer, Maritime Insurance, arrived at 5:00 P.M. and reported that she had received several proposals from Third Party Administrators and Stop Loss Carriers. She presented proposals from three different Stop Loss Carriers (one of which is the current carrier), using the Utility's current levels of coverage. Ms. Meyer left at 5:15 p.m.

Secretary Haen motioned to approve the first proposal as presented, with Prairie States as the TPA and American National/Bardon as the Stop Loss Carrier. Commissioner Stewart seconded and the motion was approved unanimously.

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Schedule date for June Meeting

The regular monthly meeting for June has been set for June 28, 2010 at 4:00 p.m. in the Utility conference room.

Adjourn

There being no further business, a motion was made by Secretary Haen and seconded by Commissioner Stewart to adjourn. Motion passed.

Raymond W. Haen, Secretary

Minutes taken by:

Jayne Miller

Administrative Assistant