

Minutes of the Board of Water Commissioners' Meeting

Monday, June 28, 2010

Present: Commissioners G. Van De Kreeke, R. Haen, A. Stewart, and J. Trueblood, Superintendent.

The meeting was called to order by G. Van De Kreeke, President, at 4:04 P.M.

Minutes of Previous Meeting

Motion by Commissioner Haen, seconded by Commissioner Van De Kreeke, that the minutes of the May 2010 meeting be approved as presented. Motion carried.

Financial Reports

Financial Reports for May 2010 were reviewed. Superintendent advised that the rate of return figure had increased since May 2009. The financial reports were approved as presented.

Superintendent's Report

Operations' Department Report

Superintendent reported that May pumpage increased by 11% compared to May of 2009, but is still significantly lower than 2008 levels. There was discussion on the decrease in sodium hypochlorite cost in 2010. Also, staff had shut down the plant for several hours to change a failed discharge valve on high lift pump #2. Superintendent noted that Operations Supervisor Carter had given several presentations at Horace Mann school and students from Riverview Academy and Moraine Park Technical college had toured the treatment plant. Maywood Environmental Park had also sent a thank you letter for the Utility's participation in Maywood's Earth Day celebration. The Operations Report was accepted as presented.

Construction Maintenance Department Report

Superintendent advised the Board of ongoing work including cleaning the south sedimentation basin, cleaning the backwash basin and sludge pit, hydrant flushing and inspection, valve turning, maintenance of an older 20" gate valve at Geele Ave. and N. 11th Street, and repair of winter service holes. The Construction-Maintenance Department Report was accepted as presented.

Old Business

Old Business Presented By Commissioners

The Commissioners did not address any old business.

Other Old Business

Inform Board of Meeting with Torke Officials

Superintendent advised that he, Steve Sokolowski, and Ryan Sazama had met with Allen Berchem and Ward Torke at Torke Coffee to discuss possible development of the small parcel owned by the Utility on Paine Avenue, where the elevated water tank was removed earlier this year. Superintendent provided design details on the subsurface foundation structure. Torke Coffee is considering various plans and will work with their designers to coordinate with City Development to ensure the site is usable for their purposes before communicating further with the Board on purchasing the parcel. The Commissioners discussed possible interest in the parcel by other adjacent property owners.

Discuss Plans to Communicate with County on either purchase of, or right of first refusal to, additional lands adjacent to the Taylor Hill reservoir

Superintendent advised that he had met with Bernie Rammer, joint City/County purchasing agent, to discuss possible acquisition of additional lands adjacent to the Utility's old reservoir at Taylor Hill. At present, the Utility does not have detailed plans for the future of the reservoir. The Utility will need to make significant investment in the roof, concrete repairs, and possible tank repairs. Those maintenance costs might exceed the cost of constructing a new structure. While the reservoirs at Erie Avenue can serve many of the same functions as the Taylor Hill reservoir, Superintendent feels that having water structure at Taylor Hill is in the best long term interest of the community. Superintendent presented a sample of a Right of First Refusal agreement that had been provided by City Attorney McLean. After further discussion, Commissioner Haen made a motion, seconded by Commissioner Van De Kreeke, directing Superintendent to pursue a Right of First Refusal agreement with the appropriate County officials. Motion carried unanimously.

New Business

Commissioner Haen presented some issues related to a possible development of a parcel in the Town of Wilson located west of I-43 and south of the City's industrial park. He had also discussed this issue with City Engineer Sazama. Superintendent advised that water could only be served to the site with the approval of the Common Council, unless the site were annexed into the City. The Commissioners then discussed possible vacant industrial buildings located in the City that might be usable to the party. Commissioner Haen determined to do some further research on the listed price of these vacant buildings.

Discuss and ask Board approval for insurance renewal

Phillip Burkart and Sherri Rusch-Regenwether, of Burkart-Heisdorf Insurance Agency, joined the meeting at 4:45 to present their proposal using products available from the League of Wisconsin Municipalities Mutual Insurance program. These insurance products are designed for municipalities and are utilized by various municipalities throughout the state. Mr. Burkart emphasized the exceptional liability coverage offered by the League. In addition, the coverage has no aggregates, no claims made triggers, and no deductibles. The League coverage also provides \$5M in extra expenses at guaranteed replacement value. The League program does not include property coverage, and Mr. Burkart explained that his firm had sought a proposal from the state's local government property insurance fund, but they could also provide property coverage from a separate firm. Other coverage was provided by Ohio Casualty and C-N-A. The proposal did not include flood and earthquake coverage. However, no fault sewer backup, which would extend to water main failures, could be added at a premium of \$7,598. By increasing the property deductible to \$2,500, premium could be reduced by \$3,000. In summary, Mr. Burkart recommended that the Utility consider the League for liability coverage and Selective Insurance for property coverage.

Superintendent asked for further explanation of the advantage of the extra expense coverage as compared with umbrella coverage. Mr. Burkart related a recent incident where extra expense would have been very worthwhile. Commissioner Haen stated that in the case of a major failure to provide municipal water, probably no extra expense amount would be large enough. Mr. Burkart also wanted to point out that although the League coverage is assessable, an independent actuarial firm had determined the possibility of an assessment to covered members as being less than 0.1%, so it really shouldn't be a concern. He also presented information from Mr. Dennis Tweedle, CEO, stating further information on assessability.

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The total annual premium cost of the Burkart-Heisdorf proposal was \$57,944 for liability and property coverage; with a different property carrier, this might be reduced by approximately \$3,000. After further discussion, the Commissioners thanked Mr. Burkart and Ms. Rusch-Regenwether for their presentation.

Mr. Neil Larsen, of Maritime Insurance, joined the meeting at 5:15. Mr Larsen reviewed a summary sheet with all coverage provided by Selective Insurance, as in the past year. He discussed the sound financial ratings of the company. He stated that he had brought along the detailed coverage sheets but would utilize the summary sheets unless the Board members had questions. Mr. Larsen stated that, from an insurance standpoint, the Utility's past year had been a good one, and the overall premium was reduced by 4% from last year. Commissioner Haen had some discussion about the Loss of Business Income coverage, and Superintendent asked for Mr. Larsen's opinions on comparing this with extra expense coverage. Maritime's proposal included an umbrella with a \$2M excess and \$2M aggregate limit. Maritime's proposal included earthquake and flood coverage, at significant cost. Due to the physical nature of the treatment plant, the Board felt the flood coverage was especially useful and that earthquake coverage should also be included. Mr. Larsen discussed an option of eliminating terrorism coverage but the savings was fairly small; the Board and Superintendent felt that terrorism coverage should remain. Mr. Larsen also presented an option for increasing the property deductible from \$1,000 to \$2,500, but the premium savings was very modest. Mr. Larsen stated that the property coverage could not be written stand-alone at the same premium. The total annual premium cost of the Maritime proposal was \$56,854 for liability and property coverage. After further discussion, the Commissioners thanked Mr. Larsen for his presentation.

Commissioner Haen made a motion to accept the insurance coverage proposal from Maritime Insurance at \$56,854. Commissioner Stewart seconded. Motion carried unanimously.

Discuss and ask Board approval for intake cleaning and inspection

Superintendent presented a summary of cost proposals as provided by Operations Supervisor Carter. Five dive firms had responded. Two firms, M&M Diving and Big Lake Marine, had low proposals of \$9,000. Seaview Diving was at \$9,500. Global Infrastructure and Underwater Construction Corp had proposals at \$11,454 and \$12,779 respectively. Based on longstanding good service, Superintendent recommended the work be awarded to Seaview Diving. Commissioner Haen made a motion, and Commissioner Stewart seconded, awarding the work to Seaview. Motion carried unanimously.

Discuss and ask Board approval for Orion water meters.

Superintendent presented a request to purchase 48 Orion units at a price of \$110 per, for a total cost of \$5,280. Motion by Commissioner Haen, seconded by Commissioner Stewart, to approve the purchase. Motion carried unanimously.

Inform Board on bond reserve monies

Superintendent informed Board that the transaction into a CDAR account had taken place, thus providing FDIC insurance on these funds.

Discuss and ask Board approval to purchase masonry sealant

Commissioner Haen made a motion approving Superintendent's purchase of 55 gallons of TK-290-8 sealant at a total cost of \$1,012 from County Materials. Commissioner Stewart seconded. Motion carried unanimously.

Discuss and ask Board approval to purchase engineering computer equipment

Superintendent presented information on the purchase of a Dell OptiPlex 780 mini-tower computer at a cost of \$1,313.02 to replace the aging CAD1 unit, and a Dell Latitude E5510 laptop computer at a cost of \$892.61 to replace the C-M foreman's computer. Commissioner Haen made a motion, seconded by Commissioner Stewart, to approve the purchase. Motion carried unanimously.

Correspondence

There was no correspondence for the Commissioners this month. Commissioner Van De Kreeke presented a consumer confidence report from Port Washington.

Approve Vouchers

Motion by Commissioner Stewart, seconded by Commissioner Haen, that the general vouchers for May 2010 and the payroll vouchers for June 2010 be allowed and ordered paid. Motion carried unanimously.

Personnel

Execute Labor Agreement for 2010-2011

The Commissioners signed the Agreement, which had already been signed by members of the bargaining group.

Inform Board of retirement of Engineer Technician

Superintendent informed the Board of Ms. Sandy Lorenz's intention to retire, with July 30th as her last day at work. Sandy joined the Utility in December of 2001. The Board members expressed their appreciation for her years of work here.

Other Matters

There were no other matters discussed.

July Board Meeting

The July Board Meeting will be on Monday, July 19, 2010, at 4:00 p.m. in the Utility conference room.

There being no further business, the meeting adjourned at 6:15 PM on a motion by Commissioner Haen, seconded by Commissioner Stewart. Motion carried unanimously.

Minutes taken by:
Superintendent
Joe R. Trueblood

Raymond W. Haen, Secretary