

# **Minutes of the Board of Water Commissioners' Meeting**

**Monday, July 25, 2011**

Present: Commissioners G. Van De Kreeke, A. Stewart, and J. Trueblood, Superintendent. Commissioner Haen joined the meeting at 4:20 P.M. due to an excused delay.

The meeting was called to order by G. Van De Kreeke, President, at 4:03 P.M. All present recited the Pledge of Allegiance.

## **Minutes of Previous Meeting**

Motion by Commissioner Stewart, seconded by Commissioner Van De Kreeke, that the minutes of the June 2011 meeting be approved as presented. Motion carried unanimously.

## **Financial Reports**

Financial reports for June 2011 were reviewed. Commissioner Stewart motioned, with a second by Commissioner Van de Kreeke, that the financials be approved as presented. Motion carried unanimously.

## **Superintendent's Report**

### **Operations' Department Report**

Superintendent reported that June pumpage was down 3.8% from 2010. A remodeling project of the plant control room was largely completed, including asbestos removal on some old steam lines. The #4 high lift pump was back in service after repairs to the impeller and mechanical seal. A small group from Sheboygan Christian School had toured the plant with the superintendent. The Commissioners accepted the operations report as presented.

### **Construction Maintenance Department Report**

Superintendent advised that the crew has been busy completing water main and service projects. Kruczek Construction had largely completed work installing main on Weeden Creek at S. Business Drive, ahead of the County's traffic circle project. Upcoming work should include water main installation on Eisner Avenue between Hubert Circle and Lake Shore Road. The Commissioners accepted the construction maintenance report as presented.

## **Old Business**

### **Old Business Presented By Commissioners**

Commissioner Stewart asked about the Utility's policy on disconnections to avoid large delinquent bills. Superintendent explained this had been addressed several years ago, with the Utility tightening the disconnection policy. Now, after non-payment of a bill, we are engaging the customer within weeks rather than months. The disconnection policy was approved by the WI Public Service Commission. Some of the large delinquent bills from the past involved difficult health situations for our customers.

Commissioner Stewart also revisited the issue of mandated residential sprinkling systems, which are required in many other states; Commissioner Stewart felt these would probably be required in Wisconsin within five years. The commissioners discussed the probability that the new requirements would apply to new installations, with existing services being grandfathered. Commissioner Stewart raised concerns about whether such systems would require an entirely separate or larger water service, and whether the sprinkler water would be metered or not. Superintendent had sent some information on the issue to the plumbing inspector when Commissioner Stewart first raised the topic. Superintendent felt such a requirement would end up as part of state plumbing code, and the WI Public Service Commissioner would determine if the sprinkler water would be metered or not. Commissioner Stewart emphasized the Utility should be ready for this requirement.

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The Commissioners asked for an update on the claim at Los Angeles Avenue. Superintendent is waiting to hear from the insurance company.

**Other Old Business**

Update on proposal by U.S. Cellular for work at Georgia standpipe

Superintendent reported that the work is scheduled to take place later this summer. Dixon Engineering will inspect the project.

Discuss long term planning

Superintendent presented an updated draft version of a long term plan covering capital projects for 2012-2020. The update included discussion of a future water treatment plant, alternatives to the new intake pipeline, and more details on an ultraviolet disinfection system. Superintendent stated that it is critical for customers to understand the need to replace critical infrastructure before it fails. As an example, the recent fire rating by ISO showed weak areas in the water distribution system that can only be addressed by replacement of large water mains. Superintendent said that he had included some of the Utility's large projects in the recent update of the City's comprehensive plan. The Commissioners discussed the timing of the intake pipeline project; if water usage significantly declines, the project could possibly be further delayed without undue risk. Superintendent emphasized the risk involved in a failure of an intake pipeline; any repairs would likely take weeks, and probably months. If the failure occurred on the shallow 36" pipeline, the Utility would not be able to meet its normal average day demand, meaning water restrictions would be necessary. Some discussion ensued on the types of possible failures. Superintendent pointed out that the upcoming internal video survey of each pipeline will provide further helpful information. The Commissioners felt it was important now to begin communicating with customers on the need for the ultraviolet disinfection system. The Utility has waited until this technology has matured, but now we risk falling behind standard practice of having multiple disinfection barriers. Superintendent said the estimated cost is \$3.5M and will require additional debt to fund. The Commissioners commended utility staff on its efforts at long term planning. It will be necessary to update any such plan each year based on actual financial results.

**New Business**

Business to be presented by Commissioners

Commissioner Stewart asked about the Utility's capability to produce water without normal electrical supply. Superintendent stated the plant can produce average flow rates using natural gas pumps and an electrical generator to run plant systems. Water can also be supplied from the Erie reservoirs using a natural gas backup system.

**Other New Business**

Discuss and ask Board approval for write-offs due to uncollectible

Superintendent presented a fire hydrant damage charge that has been on our books for a few years. The collections agency was not successful in locating the person at fault. Commissioner Stewart made a motion, seconded by Commissioner Haen, to write off the charge of \$474.71 as presented. Motion passed unanimously.

Discuss and ask approval for purchase of orthophosphate

Superintendent presented a request to purchase stock of orthophosphate at the contracted price of \$0.70 per pound, or a total of about \$31,500. Motion by Commissioner Van de Kreeke, seconded by Commissioner Stewart, to approve the request. Motion passed unanimously.

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Discuss and ask Board approval for second quarter report to Council

Motion by Commissioner Haen, seconded by Commissioner Stewart, to approve the R.O. Motion passed unanimously.

Discuss and ask Board approval for water main installation on S. 13<sup>th</sup> Street from Kentucky to Broadway & Broadway from S. 13<sup>th</sup> to S. 14<sup>th</sup> Street; and Eisner Avenue from east of Hubert Circle to Lake Shore Road  
Superintendent presented net cost estimates of \$525,000 and \$188,500 for each project as determined by the Utility's engineering staff. The S. 13<sup>th</sup> Street project will have many replacements of old private lead water services. Motion by Commissioner Van De Kreeke, seconded by Commissioner Haen, to approve the projects. Motion passed unanimously.

Discuss and ask Board approval for purchase of magmeters to be used at Alliant Energy site

Superintendent presented a quote from Badger Meter for a 6" magmeter at \$2,389.50 and a 3" magmeter at \$1,790 for use at Alliant Energy. Motion by Commissioner Haen, seconded by Commissioner Stewart, to accept the quote. Motion passed unanimously.

Discuss and ask Board approval of Baker Tilly proposal for water rate study

Superintendent presented a quote from Baker Tilly for a water rate study in accord with the requirements of the WI Public Service Commission at cost of approximately \$10,500. Superintendent stated the timeline would be to have new rates in effect on December 31, 2011, but this would not affect sanitary sewer rates, which make up more than half of a typical residential bill. Motion by Commissioner Haen, seconded by Commissioner Stewart, to accept the quote. Motion passed unanimously.

Discuss and ask Board approval of preliminary 2012 Utility budget figures

Superintendent presented a preliminary 2012 budget using second quarter actual financial results. This preliminary budget estimates Water Utility 2012 revenues as \$6,971,623, and a total investment of \$7,024,034. The capital improvement budget for 2012 would be \$2,100,000. Superintendent emphasized that he would be presenting the final 2012 Water Utility budget for approval when third quarter financial results are available, as this data allows a much more accurate budget. After discussion, Commissioner Van De Kreeke made a motion, seconded by Commissioner Stewart, to accept the preliminary 2012 budget and to transmit the primary financial figures to Council by R.O. The final budget will then be transmitted following the third quarter results. Motion passed unanimously.

**Correspondence**

There was no additional correspondence.

**Approve Vouchers**

Motion by Commissioner Van De Kreeke, seconded by Commissioner Haen, that gross payroll of \$133,851.88, and the general vouchers of \$279,305.67 be allowed and approved. Motion passed unanimously.

**Personnel**

Governor's bill on collective bargaining

Superintendent reported that he would be attending training on the bill at CVMIC.

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Inform Board of longevity step for operator

Superintendent advised the Board that Mr. Jeff Bruntjens has reached five years of employment and qualified for the step.

Update Board on operations supervisor position and status of operations foreman

Superintendent reported that the deadline for any internal candidates interested in the operations supervisor position has now passed. Superintendent also reported that the operations foreman is currently out on medical leave for an undetermined period of time.

**Other Matters**

There were no other matters discussed.

August Board Meeting

The next Board Meeting will be on Monday, August 22, 2011, at 4:00 p.m. in the Utility conference room.

With no further business, the meeting adjourned at 5:30 PM on a motion by Commissioner Van De Kreeke, seconded by Commissioner Stewart. Motion carried unanimously.

Minutes taken by:  
Superintendent  
Joe R. Trueblood

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Raymond W. Haen, Secretary