

Minutes of the Board of Water Commissioners' Meeting

Monday, August 20, 2012

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 4:02 P.M. All present recited the Pledge of Allegiance. Visitors joining the meeting later included Larry Krause, Ed Nevers, Craig Brunner, Amrou Atassi, and Dan Lau.

Minutes of Previous Meeting

Motion by Commissioner Stewart, seconded by Commissioner Haen, that the minutes of the July 31, 2012 meeting be approved as presented. Motion carried unanimously.

Financial Reports

The financial report for July was discussed. The Commissioners accepted the report as presented.

Superintendent's Report

Operations' Department Report

Superintendent reported that July pumpage was up by 10%. Operations staff had repaired or maintained various equipment including the sanitary sludge pit, fluoride system leak, and other. The Commissioners accepted the report as presented.

Construction Maintenance Department Report

The crew had installed 678' of 24" PVC water main on the Broadway Avenue project and poured 140 CY of concrete repair. Other routine summer work was also completed.

Old Business

Old Business Presented By Commissioners

Commissioner Van De Kreeke reported an additional conversation with a customer concerned about contact between the Utility office and a landlord.

Other Old Business

None.

New Business

Business to be presented by Commissioners

None.

Other New Business

Discuss proposal for engineering design of washwater tank

Superintendent presented a proposal from Donohue & Associates for the design of a replacement wash water tank. The original tank, constructed in 1929, is undersized and is on the verge of leaking, along with suffering from other structural decay. The Utility needs a contemporary wash water tank to provide a reliable means of washing filtration beds, back flushing the intake pipelines during icing, and providing some backup to the clear wells. The Commissioners discussed the appearance of a replacement tank. Commissioner Haen related his experience with EFIS façade materials. Superintendent felt that brick might be a requirement, but this could be balanced with rings of concrete, as in the existing tank. Donohue provided an estimate of \$35,000 for basic design services, with an optional service to design a distribution system tie-in. Commissioner Haen proposed that work actually begin on the Preliminary Design to 30 Percent Report,

along with architectural and landscaping design; he felt this should go in early to the architectural review committee for their input. Commissioner Van De Kreeke made a motion, seconded by Commissioner Stewart, to approve Donohue's proposal up to \$16,000, and not to authorize the rest of the proposal until having feedback from arch review. The motion passed unanimously.

Discuss Preliminary 2013 Water Utility budget

Superintendent presented a proposed 2013 Utility budget. According to the Board's long term plan, the Utility would seek loan monies in 2013 to fund several large capital projects including replacement of the 1929 wash tank, UV disinfection, and several large water main projects. However, as the Superintendent considered the timing of these projects in detail, the recommendation is now for a water revenue bond issuance in 2013 for \$3.0M, followed by a safe drinking water loan in 2015 to directly fund construction of the UV system; the Utility could not fund these projects without loan monies.

Reviewing the budget, Superintendent pointed out that no rate increase is anticipated for 2013 and that the Utility would continue to have among the lowest rates for class AB utilities in Wisconsin. Revenues are expected to remain relatively flat in 2013 at an estimated \$7.22 M. Expenses were estimated at \$9.16M, but this figure includes \$4.12M in capital outlay, primarily due to the wash tank replacement project estimated at \$1.3M. The capital outlay figure also includes an investment of \$1.5M in water main replacements. Other large capital projects include renovation of the early 1900 high lift ceiling, high lift suction valves in the 1929 clear well, replacement of 1959 rapid mix tank, membrane cover on the 1939 clear well, replacement of 1988 office/garage roofing, UV disinfection engineering, and parking lot/drive wall paving and stabilization.

Superintendent estimated an increase in chemical costs of 5% and of 3% in electrical costs. The PILOT payment to the municipality is also expected to increase due to the additional plant value resulting from replacing the wash tank. Without knowing final values, Superintendent could only estimate that the PILOT will exceed \$1M.

Superintendent also reviewed the effects on the long term financial plan for the Utility. A huge factor in the plan is the future investment in a new intake pipeline, estimated at \$18M. The Board and Superintendent had determined that it would be desirable to avoid double digit annual water rate increases while also planning for the costly project around 2018.

After discussion, the Commissioners determined to take action on the proposed budget at a future meeting.

Discuss and ask Board approval of UV feasibility study

Larry Krause, Ed Nevers, and Craig Brunner joined the meeting at 4:35 P.M. to discuss the UV feasibility proposal from Donohue and Associates. Ed and Craig discussed recent management changes at Donohue, which included Craig's appointment as President. Ed discussed changes also involving their management Board. Larry then reviewed Donohue's approach to assessing the feasibility of three possible locations for installing UV disinfection in the water treatment plant. Larry emphasized Donohue's longstanding relationship with, and knowledge of, Sheboygan's plant. Larry described a recent project for the City of Fort Wayne, Indiana, where Donohue had designed and staged a complicated UV installation in an operating pump station. Larry reviewed Donohue's success in estimating and bidding past projects for the Utility, which resulted in bids close to estimates and very few change orders: these included the south sedimentation basin and the Erie Avenue reservoirs and pump station. Commissioner Haen inquired about Donohue's experience

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and practices in estimating costs. After some additional discussion, the Commissioners thanked Donohue's staff for attending the Board meeting.

Amrou Atassi and Dan Lau of CDM Smith joined the meeting at 5:20 P.M. to discuss their UV feasibility study, which also focused on three possible locations. Dan discussed the overall structure of CDM Smith and emphasized their specific UV expertise and overall size; this particular project would be serviced out of Milwaukee and Chicago. Dan noted that CDM had designed over 50% of North America's UV system capacity. Dan also emphasized that CDM's involvement with UV research will have direct benefits to Sheboygan and pointed to several Midwest projects including White River North, Fall Creek, CLCJAWA, and Waukegan. Amrou Atassi then discussed various issues with UV disinfection including validation and the need for a properly sized system. Amrou Atassi went on to emphasize the need to design a system that will receive credits from WDNR. Amrou Atassi then reviewed a simple rubric for comparing the three different site possibilities, which included O&M issues, water quality issues, reliability and risk issues, and implementation issues. Commissioner Haen asked about CDM Smith's experience in cost estimating and was told that CDM also has construction capability and thus works on both sides of the estimating experience.

Commissioner Van De Kreeke was excused at 5:45 P.M. due to a client meeting. After further discussion, the CDM Smith staff left the meeting. Commissioner Haen made a motion, seconded by Commissioner Stewart, to award the UV feasibility study to CDM Smith for a total cost of \$19,900.00 pending successful reference check with past clients.

Correspondence

None.

Approve Vouchers

Motion by Commissioner Haen, seconded by Commissioner Stewart, that gross payroll of \$132,170.43, and the general vouchers of \$992,235.86 for July be allowed and approved. Motion passed unanimously.

Personnel

Superintendent recommended approval of a ten year longevity step for an account clerk. The Board members determined that, without a labor agreement in place, the Superintendent had the authority to approve these steps that appear in the employee handbook.

Other Matters

None.

September Board Meeting

The next Board Meeting will be on Monday, September 17, 2012, at 4:00 P.M. in the Utility conference room.

With no further business, the meeting adjourned at 6:30 PM on a motion by Commissioner Stewart, seconded by Commissioner Haen. Motion carried unanimously.

Minutes taken by:
Superintendent
Joe R. Trueblood

Raymond W. Haen, Secretary

