

Minutes of the Board of Water Commissioners' Meeting

Monday, October 20, 2014

Present: Commissioners G. Van De Kreeke, R. Haen, M. Heinz, and J. Trueblood, Superintendent.

The meeting was called to order by G. Van De Kreeke, President, at 4:01 P.M. All present recited the Pledge of Allegiance.

Minutes of Previous Meeting

Motion by Commissioner Heinz, seconded by Commissioner Haen, that the minutes of the September 29, 2014 meeting be approved as presented. Motion passed unanimously.

Financial Reports

The financial reports for September were reviewed. Commissioner Van De Kreeke made a motion, seconded by Commissioner Heinz, to accept the financials as presented. Motion passed unanimously.

Superintendent's Report

Operations' Department Report

Superintendent reported that September pumpage was nearly comparable to last year. Superintendent then reviewed the summary of operations work for the month. The Commissioners accepted the report as presented.

Construction Maintenance Department Report

Superintendent reviewed recent maintenance work. The crew had installed 850' of 12" water main in S. 12th Street and completed associated work. The Commissioners accepted the report as presented.

Election

The Commissioners congratulated Ray Haen on re-election to serve on the Board. Commissioner Haen then made a motion to maintain the status quo of Board positions: namely, Gerald Van De Kreeke as President; Ray Haen as Secretary; Mark Heinz as Member. Commissioner Heinz seconded the motion, which passed unanimously.

Old Business

Old Business Presented By Commissioners

None.

Other Old Business

Review fluoridation practices

Superintendent reviewed current fluoridation practice. The Utility has fluoridated municipal drinking water since 1946. There has never been any documented health issue related to this practice. Numerous public health agencies continue to endorse the fluoridation of municipal water including the ADA and the AMA. In recent years, the recommended dosage range has been reduced. The Utility currently feeds 0.65 parts per million, which is the lowest level in the recommended range.

Update on UV project

Superintendent stated that the UV system procurement bids are due on October 21, 2014: these bids will determine the supplier of the UV equipment itself. Construction bidding will follow later this year.

Update on sludge disposal project

Superintendent advised the Board that Synagro is engaged and ready to begin sludge removal and disposal next week. This will result in a 50% reduction in the fall basin cleaning sludge load to the wastewater treatment plant. If all goes well, the entire annual basin cleaning sludge load will be eliminated in 2015. Although this will result in higher costs to the Utility and reduced revenue to the City for sludge treatment, the Public Works Department had stated that the wastewater treatment plant could no longer receive this material as it had in the past.

Discuss and ask Board approval of R.O. transmitting final 2015 Utility budget to Council

Superintendent reviewed the proposed final budget with the Board. The budget includes \$4.6M expenditure for the UV disinfection system, which will bring the Utility in line with current best practice of multiple disinfection barriers in water treatment plants; \$1.825M for water main replacements; PILOT payment to City of \$1.094M. After an initial review of long term capital plans, Superintendent recommended consideration of a modest rate increase that would not go into effect until late in December of 2015. Currently the Utility's rates result in the third lowest cost for providing 18,750 gallons of water per quarter for all AB utilities in the state.

Commissioner Heinz asked several questions related to increases in certain labor and administrative expenses. Superintendent explained that we are in a transitional phase with two upcoming retirements: due to staff overlap in those areas, labor costs will be higher during 2015 but should then return to normal levels. Commissioner Heinz also asked about the increase in the payment in lieu of taxes to the City: Superintendent stated this was due to the new washwater tank: as a new and significant asset, the tank contributes to an increase in the PILOT. The actual formulation of the PILOT calculation is done by the State, with input of various local tax rates and figures. Commissioner Haen stated it is a large expenditure that goes to the City every year.

Superintendent reviewed the list of capital items. Commissioner Heinz asked about limits related to capitalizing or expensing certain items. Superintendent stated that WI PSC sets the specific depreciation rates for Utility assets, some of which have a very long lifetime. Generally, the Utility capitalizes large dollar purchases of equipment. The biggest project for 2015 is the UV disinfection system. The replacement of the old rapid mix tank is another large project: the tank dates from 1959 and has begun corroding and is also an operational bottleneck. In water main replacement, Superintendent would like to make progress on extending a parallel feed to the industrial park south of Washington Avenue. Other capital items include ongoing investment in meters and Orion systems, replacement of a 2006 backhoe, GIS software, MS software upgrades, and some other miscellaneous equipment.

Superintendent stated that the cash balance figure is key in determining budgetary figures. As the Utility completes large projects, annual expenses can change rapidly from one year to the next, and this can create sudden changes in the cash position. Superintendent projects figures into the future to estimate the overall trending based on anticipated projects, revenues, and expenses. The Utility has much aging infrastructure and replacement cannot be extended indefinitely. It remains a challenge to grow revenues in a prudent manner to cover replacement costs while recognizing that the customer base is relatively stagnant.

The Commissioners discussed the budget figures in further detail. Commissioner Haen then made a motion, seconded by Commissioner Heinz, approving an R.O. transmitting the final 2015 Utility budget to Council. Motion passed unanimously.

Update Board on rapid mix/inline mixer project

Superintendent provided drawings that depict the planned removal of the 1959 rapid mix tank and replacement with a stainless steel manifold with dedicated inline mixers and appropriate valving to allow isolation of lines to the east and west sedimentation basins. Currently there is no means of bypassing the rapid mix tank, which has significant corrosion and is also coated with leaded paint. Superintendent stated that the separate mixers are rated to 10 MGD and will allow separate chemical dosing to the basins, which currently must be dosed at the same level. Commissioner Van De Kreeke asked if the new manifold will be housed in the same area, and Superintendent responded that it would. Superintendent stated the bids are due in November.

New Business

Business to be presented by Commissioners

None

Other New Business

Discuss and ask Board approval for purchase of two replacement chlorine analyzers

Superintendent advised that the 2015 budget includes monies for two replacement chlorine analyzers, but one has already failed and needs replacement. Superintendent recommended purchasing the two analyzers now at a total cost of \$10,178 for Black and White analyzers through the Swan Analytical Instrument company. Commissioner Van De Kreeke made a motion, seconded by Commissioner Heinz, to approve the purchase. Motion passed unanimously.

Discuss and ask Board approval for S. 12th Street resurfacing bids

Superintendent reviewed bids received for bituminous street resurfacing on S. 12th Street from Alabama Avenue to Indiana Avenue. Bids were received from Northeast Asphalt for a total cost of \$59,275.00 and Poblocki Paving Corporation for \$62,700.00. Commissioner Haen made a motion, seconded by Commissioner Heinz, to approve the low cost bid from Northeast Asphalt. Motion passed unanimously.

Discuss and ask Board approval for purchase of water main fittings and appurtenances

Superintendent reviewed bids for sleeves, valve boxes, and misc water items: WW Ferguson bid's was at \$7,914.00; HD Supply's at \$8,683.00; and First Supply's at \$8,981.45. Bids were also received for 30"x36" service saddles: WW Ferguson at \$1,610.00; First Supply at \$1,635.80; and HD Supply at \$1,680.00. Commissioner Van De Kreeke made a motion, seconded by Commissioner Haen, to approve the low cost proposals from WW Ferguson. Motion passed unanimously.

Discuss and ask Board approval for purchase of security system upgrades including additional external cameras

Superintendent reviewed a proposal from JSM Secure for an additional external security camera, a new DVR, and an electronic lock system. The Commissioners discussed the use of video cameras in low light situations. There was also discussion about improving nighttime lighting at the facility. Commissioner Van De Kreeke made a motion to hold on the proposal pending additional review, seconded by Commissioner Haen. Motion passed unanimously.

Discuss and ask Board approval of R.O. transmitting third quarter report to Council

Commissioner Van De Kreeke noted Baker Tilly's ongoing good service record at the Utility. Commissioner Haen made a motion, seconded by Commissioner Van De Kreeke, to accept. Motion passed unanimously.

Discuss new PSC rules or Info

None.

Correspondence

None.

Approve Vouchers

Motion by Commissioner Haen, seconded by Commissioner Heinz, that gross payroll for September of \$139,442.86 and general vouchers of \$794,471.02 be allowed and approved. Motion passed unanimously.

Personnel

Update on water treatment plant operator position

Superintendent informed Board members that several candidates have been interviewed and the process is nearing a successful endpoint.

Other Matters

Next Board Meeting

The next meeting is tentatively scheduled for November 17, 2014.

With no further business, the meeting adjourned at 5:18 PM on a motion by Commissioner Van De Kreeke, seconded by Commissioner Heinz. Motion carried unanimously.

Minutes taken by:
Superintendent
Joe R. Trueblood

Raymond W. Haen, Secretary