

City of Sheboygan
2019-11-18

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BOARD OF WATERWORKS COMMISSIONERS - 4: 00 PM (Monday, November 18, 2019)Generated by Joe Trueblood on Tuesday, November 19, 2019

Members present:

Gerald Van De Kreeke, Mark SmithStaff/officials:

Superintendent Joe TruebloodVisitors:

Mr. Tom Howe;

Mr. Dan Steinhardt, Arch Electric

1. OPENING OF MEETING

1.1 Pledge of AllegianceAll present honored the flag.

2. MINUTES

2.1 Approval of minutes from the October 21, 2019 meetingCommissioner Smith made a motion, seconded by Commissioner Van De Kreeke, to approve the minutes of the October 21, 2019 meeting.

Motion passed unanimously.

3. REPORTS

3.1 Financial reportsSuperintendent reviewed the monthly financial reports.

The Commissioners accepted the report as presented.

3.2 Superintendent's report including operations, construction-maintenance, and customer relations/fiscalSuperintendent reviewed the monthly reports.

The Commissioners accepted the reports as presented.

4. ITEMS PREVIOUSLY HELD OVER FOR DISCUSSION AND POSSIBLE ACTION

4.1 Lead service line replacement program Superintendent reported that WI PSC is reviewing the Utility's program.

The Utility anticipates running out of WDNR grant monies to fund lead service line replacements soon.

WI PSC should have reviewed the new program ahead of next year's construction season, when many lead services lines are planned for replacement.

During the interim, the Utility will likely be unable to fund lead service line replacements but might be able to apply some benefits retroactively.

4.2 Raw water improvements/intake project Superintendent anticipates reviewing a proposal for preliminary engineering work at the next Board meeting.

4.3 Water demand study Superintendent reported that an update teleconference will take place this week including staff members from AECOM and CDM Smith, along with Utility staff.

4.4 Clear well sluice gate and UV bypass project No update

5. ITEMS FOR DISCUSSION AND POSSIBLE ACTION

5.1 Review financial projections based on funding options presented by WI Finance Professionals for raw water/intake project Superintendent presented financial projections based on funding a \$26 M project and a \$33 M project.

In the latter case, two intake pipelines would be constructed rather than one.

This option needs to be considered because the backup to a single new intake pipeline would be infrastructure dating to 1909 and 1959.

Superintendent has developed a forecasting tool to simulate different loan scenarios running from 2019 to 2033.

The tool estimates future revenues, expenses, and cash balance.

In this way, different loan scenarios can be tested, along with the revenues needed to support each scenario.

Under the \$26 M scenario, revenue increases of 9 % in 2020, 12 % in 2022, 12 % in 2025, 8 % in 2028, 8 % in 2031, and 8 % in 2033 provided a stable basis to support the loan.

Under the \$33 M scenario, revenue increases of 9 % in 2020, 16 % in 2022, 12 % in 2025, 8 % in 2028, 8 % in 2031, and 8 % in 2033 provided a stable basis to support the loan.

Accountant Gottsacker worked with Superintendent to verify the financial data and calculations.

Overall, Superintendent reported that the results indicate both loan amounts are manageable, but many estimates are involved.

5.2 Review potential photovoltaic project by Arch Electric of Plymouth
Mr. Dan Steinhardt was present to review a proposal for a solar photo-voltaic project at the Utility.

Earlier in the year, Superintendent had requested Arch to provide project information, and several scenarios were considered.

The most favorable involved a 20 kW system installed on the admin/garage flat roof area.

The expected return on investment -- due to offset electrical usage -- is 12.6 years, not including cost increases in future electricity.

Mr. Steinhardt reviewed Arch's capabilities in providing design, bidding, and construction services.

Commissioner Smith indicated that he would abstain from a vote on any decisions involving a photo-voltaic project.

5.3 Request Board approval of 2020 water main replacement projects
Superintendent reviewed a 2020 water main project list for initial approval by the Board.

This included six projects:

Geele Avenue, Calumet Drive to N. 23 rd Street

Georgia Avenue, S. 8 th Street to S. 14 th Street

Maryland and Illinois Avenue, from S. 10 th Street to S. 11 th Street

Niagara Avenue and North Commerce, from 14 th Street to Wisconsin Avenue

Riverdale to Stahl Road

Behrens Parkway transmission main.

The anticipated total cost to the Utility would be \$2,322,500.

Superintendent indicated these are preliminary figures.

Commissioner Van de Kreeke made a motion, seconded by Commissioner Smith, to approve the projects.

Motion carried unanimously.

5.4 Request Board approval for purchase of backwash and chemical SCADA replacement Superintendent reviewed a proposal from Energenecs to replace obsolete PLCs and interface in the chemical and backwash systems using Allen Bradley equipment at a total project cost, including 40 hours of programming time, of \$67,535.

Commissioner Van De Kreeke made a motion, seconded by Commissioner Smith, to approve the purchase.

Motion carried unanimously.

5.5 Request Board approval of 2020 chemical bids Superintendent reviewed the bids for 2020 water treatment chemicals.

Low responsive bidder on aluminum sulfate (iron-free grade) was Chemtrade at \$283.00 per dry ton;

on fluoride was Hawkins at \$1,760.00 per dry ton;

on sodium hypochlorite was \$0.818 per gallon;

and on phosphate was Hawkins at \$4.70 per gallon.

Commissioner Smith made a motion, seconded by Commissioner Van De Kreeke, to accept the low responsive bids in each case.

Motion carried unanimously.

Request Board write-off of water bills Accountant Gottsacker had prepared a list of write-offs due to bankruptcy, foreclosures, and statute of limitations exceedance involving ten accounts totaling \$1,304.26 in water charges.

Commissioner Van De Kreeke made a motion, seconded by Commissioner Smith, to approve the write-offs.

Motion carried unanimously.

5.7 Request Board approval of engineering approval for coating on Georgia standpipe Superintendent reviewed a proposal from Dixon for engineering and inspection services for the 2.0 MG standpipe at Georgia Avenue.

The project would involve removing all interior and exterior coatings to bare metal and applying new multi-layer coatings.

Coordination must also be done with replacing US Cellular equipment on the standpipe.

Dixon provided an estimate of \$79,630.00 for all services including engineering, bidding, project management, and inspection at an estimate fee not to exceed \$79,630.00.

Superintendent explained that the Utility has more tests to complete with the standpipe taken offline to prepare for the project and to be assured of reliable operations with it out of service for approximately 8 - 10 weeks during the project.

Commissioner Van De Kreeke made a motion, seconded by Commissioner Smith, to accept Dixon's proposal.

Motion carried unanimously.

5.8 PSC code changesNone

5.9 Approve VouchersCommissioner Smith made a motion, seconded by Commissioner Van De Kreeke, that gross payroll for October of \$157,396.30 and general vouchers of \$229,951.91 be allowed and accepted.

Motion carried unanimously.

6. PERSONNEL

6.1 Inform Board of Mr. Jim Paulow's retirementSuperintendent reported that Mr. Paulow will be retiring effective February 4, 2020, after working at the Utility since 1995.

The Board members commended

Jim on his many years of service to the Utility and community.

6.2 Review merit increase procesSuperintendent reviewed the 5 tier performance evaluation system used at the Utility since 2011 and tied to the midwest CPI.

7. NEXT MEETING

7.1 Next meeting will take place on December 16, 2019 at 4: 00 pm.

8. ADJOURN

8.1 Motion to AdjournCommissioner Van De Kreeke made a motion, seconded by Commissioner Smith, to adjourn at 5: 25 pm.

Motion carried unanimously.