

City of Sheboygan
2019-08-21

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BOARD OF WATERWORKS COMMISSIONERS - 4: 00 PM (Wednesday, August 21, 2019)Generated by Joe Trueblood on Thursday, August 22, 2019

Members present:

Gerald Van De Kreeke, Mark Smith.

Excused:

Ray HaenStaff/officials:

Superintendent Joe Trueblood, Accountant Lisa Gottsacker, Distribution Supervisor Dave McMillan, Customer Relations/Fiscal Supervisor Tamara Scheuren, Operations Supervisor Bill Swearingen.

1. OPENING OF MEETING

1.1 Pledge of AllegianceAll present honored the flag.

2. MINUTES

2.1 Approval of minutes from the July 17, 2019 meeting

3. REPORTS

3.1 Financial reportsAccountant Gottsacker reviewed the monthly financial report, including an update on cash balance.

The Commissioners accepted the financials as presented.

3.2 Superintendent's report including operations, construction-maintenance, and customer relations/fiscalThe Utility supervisors reviewed their various departmental reports, which the Commissioners accepted as presented.

4. ITEMS PREVIOUSLY HELD OVER FOR DISCUSSION AND POSSIBLE ACTION

4.1 Lead water service replacement programSuperintendent noted that a proposed ordinance change, establishing the ongoing replacement program, will be addressed later in the agenda.

4.2 Raw water improvements/intake projectSuperintendent noted that he and Accountant Gottsacker had met with Carol Wirth to discuss funding options.

4.3 Water demand study Superintendent noted that Mr. Degen of AECOM has retired, and Mr. Holtan is taking over management of the project along with Ms. Beduhn.

4.4 Horizon Drive water tower project Superintendent noted that the project is nearly complete, with landscaping and punch list items remaining.

4.5 Clear well sluice gate and UV bypass project No update

4.6 Georgia Avenue pump station project Superintendent and Operations Supervisor updated the Board.

The installed pump did not meet its own test data.

AECOM advised that the final impeller trim did not match the test trim.

As a result, the pump did not meet the performance spec.

Also, there appears to be more headloss than anticipated, which also has an effect on the performance spec.

Altmeyer Electric has responded and the subcontractor, Crane Engineering, will be delivering and installing a new impeller that will match their test trim.

The unit will then be tested again in place.

Superintendent advised that it is likely the pump will fall short of the design spec by 500 gpm.

While not desirable, it appears that, short of changing to a 200 hp motor, this will be the final outcome.

Superintendent and Operations Supervisor had discussed that spending more money for the extra 500 gpm is less worthwhile than investing that money in either pump 4 or 5, which also need upgrades going forward.

5. ITEMS FOR DISCUSSION AND POSSIBLE ACTION

5.1 PSC code changes None

5.2 Request Board approval of 2020 final Utility budget Commissioner Smith asked Accountant Gottsacker to review highlights of the proposed 2020 Utility budget.

Ms. Gottsacker pointed out an anticipated decrease in cash balance under the

budget.

Ms. Gottsacker mentioned some new expense items, including the lead service line replacement program, which is no longer funded by WDNR grants.

Public utilities must now fund these replacements directly from revenues.

In the Utility's case, this is about 5 % of 2020 estimated revenues.

Superintendent noted some other cost items including preliminary engineering for the raw water improvement project.

Given the estimated construction cost of \$26 M, the raw water project will have significant engineering costs, and there is difficulty in funding these costs out of annual revenues.

The most attractive funding vehicle appears to be an interim or bridge financing tool discussed with Ms. Carol Wirth.

This would allow funding of the ongoing engineering costs prior to funding of the construction itself.

Superintendent advised that ongoing rate increases will be necessary to support the raw water improvement project, although the goal is to spread the debt service over 30 years.

Nonetheless the impact on revenue demand will be significant.

But the project is essential to ensure a safe drinking water supply in the future.

Other large projects include interior and exterior stripping/painting of the standpipe at Georgia Avenue, filter bed # 8 rebuild, a vacuum excavation trailer or vehicle, a photo-voltaic system on either the Utility garage or south basin, completion of the Orion radio meter project, and ongoing water main installation/replacements, which total \$2.25 M.

The latter includes projects at Georgia Avenue, Maryland@Illinois Ave, Geele Ave, S. 12 th St, and partial completion of a transmission main at Behrens Parkway.

Supervisor Scheuren advised that, with completion of the Orion program, certain meter-related expenses should be reduced, depending on ultimate lifetime of the Orion units.

There was some discussion of remotely controlled shut-off water meters.

Superintendent advised that the budget is a planning tool, subject to change depending on maintenance or other emergency issues that might come up.

Water consumption varies year by year, some projects end up delayed or canceled, and other unforeseen circumstances can have significant impact.

After ongoing discussion, Commissioner Smith made a motion, seconded by Commissioner Van De Kreeke, to approve the 2020 Water Utility budget as final.

The motion passed unanimously.

The Commissioners thanked the supervisors and accountant for their input.

5.3 Request Board approval of R.O. transmitting 2020 Utility budget to Council
Commissioner Van De Kreeke made a motion, seconded by Commissioner Smith, to transmit the 2020 Water Utility final budget to Council.

The motion passed unanimously.

5.4 Request Board approval of R.O. requesting ordinance change on lead service lines
Superintendent advised that he, Accountant Gottsacker, and Supervisor Scheuren have been primary authors of an update to the Municipal Code that would authorize the Board of Water Commissioners to establish an ongoing program for replacing lead and galvanized service lines connected to the municipal water system and to provide financial assistance as authorized by the Wisconsin Public Service Commission pursuant to sec. 196.372 (3), Wisconsin statutes.

Superintendent advised that the changes affect Article VII, Division 4 of Chapter 26 of the Municipal Code, entitled, "Sewer and Water Services."

Much of the code remains unchanged.

Additions include definitions of various configurations of lead and galvanized service lines.

The Utility does not own any part of the private service lines running from public water mains into private residences and/or businesses.

The section from the building to the curb shut off is called the property-side, and the section from the curb shut-off to the public water main

is called the street-side.

The purpose of the changes is to transition from the current program using WDNR grant monies to the future program involving Water Utility revenues as the funding source for replacement of lead and galvanized service lines.

The changes would prohibit any repair of lead or galvanized service lines.

The Board would be authorized to implement a financial assistance program subject to WI PSC restrictions.

The program would allow grants for up to 50 % of the cost of the entire service line replacement subject to a maximum grant amount established by the Board.

On water main replacement projects, the street-side replacement costs would be assessed as per ongoing practice for many years.

The Utility grants would fund the entire cost of the property-side replacement.

In cases where an old service line begins to leak, the Utility may provide grants for up to 50 % of the cost of the entire replacement subject to the maximum limit.

In cases of spot replacement, where only the street or property side is lead or galvanized, grants would be provided for up to 50 % of the replacement cost.

Other changes include establishment of priorities for funding due to limited resources.

A written application must also be submitted.

After ongoing discussion, Commissioner Van De Kreeke made a motion, seconded by Commissioner Smith, approving the R.O. to Council recommending passage of an ordinance repealing and recreating Article VII, Division 4, of Chapter 26 of the Municipal Code.

Motion carried unanimously.

5.5 Request Board approval for purchase of water meters Supervisor Scheuren advised on the need for purchase of 300 Orion M 25 and various meters at a total cost of \$43,566.00.

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

Motion carried unanimously.

5.6 Request Board approval of R.O. transmitting 2 nd quarter report to Council
Commissioner Van De Kreeke made a motion, seconded by Commissioner Smith, to approve this transmittal.

Motion carried unanimously.

5.7 Fire hydrant painting program

Supervisor McMillan presented two quotes for stripping and painting 400 hydrants, with a 3 - 4 mil primer and a 3 - 4 mil topcoat.

Sandblasting Solutions quoted \$90 per hydrant and Ferguson Waterworks quoted \$100 per hydrant.

However, Sandblasting Solutions specified that there must be no lead in the old paint on the hydrants.

Earlier painting solutions often included lead, and so the Utility cannot confirm the absence of lead paint on old hydrants.

Commissioner Smith made a motion, seconded by Commissioner Van De Kreeke, to approve the proposal from Ferguson Waterworks at a cost of \$100 per hydrant.

Motion carried unanimously.

5.8 Approve vouchers
Commissioner Van De Kreeke made a motion, seconded by Commissioner Smith, that gross payroll for July of \$167,304.24 and general vouchers of \$1,028,398.69 be allowed and accepted.

Motion carried unanimously.

6. PERSONNEL

6.1 Update on Superintendent's FMLA work status
Superintendent Trueblood stated that he anticipates usage of FMLA beginning in September.

He will be able to work partial days remotely and anticipates doing that whenever possible.

6.2 Update on retirement date of Distribution Supervisor Rich Dale
Superintendent relayed a retirement letter from Rich Dale, longstanding Utility Distribution Supervisor, who began work in December 1998.

Rich thanked everyone at the Utility for ongoing support and advised that his last day in the office would be September 6, 2019.

A luncheon was held in Rich's honor.

The Board members offered further appreciation of Rich's efforts at the Water Utility.

7. NEXT MEETING

7.1 Next meeting will take place on Monday, September 23, 2019 at 4: 00 pm.

8. ADJOURN

8.1 Motion to Adjourn
Commissioner Smith made a motion, seconded by Commissioner Van De Kreeke, to adjourn at 5: 45 pm.

Motion carried unanimously.