

BOARD OF WATERWORKS COMMISSIONERS - 4: 00 PM (Monday, March 19, 2018)Generated
by Joe Trueblood on Tuesday, March 20, 2018

Members present:

Gerald Van De Kreeke, Ray Haen, Mark Smith

Staff/officials:

Superintendent Joe Trueblood

1. OPENING OF MEETING

President Van De Kreeke called the meeting to order at 4: 00 pm.

1.1 Pledge of AllegianceAll present honored the flag.

2. MINUTES

2.1

Approval of minutes from the February 21, 2018 meetingMotion by Commissioner
Van De Kreeke, seconded by Commissioner Smith, to approve the minutes.

Motion passed unanimously.

3. REPORTS

3.1 Financial reportsSuperintendent reviewed reports for January and February.

Motion by Commissioner Haen, seconded by Commissioner Smith, to accept the
reports.

Motion

passed unanimously.

3.2 Superintendent's report including operations and construction-maintenance Superintendent reviewed the operations and construction-maintenance work for February.

The CM crew repaired 4 water main breaks for the month.

In operations, plant staff experienced minor intake icing events.

Motion by Commissioner Haen, seconded by Commissioner Smith, to accept the reports.

Motion passed unanimously.

4. ITEMS PREVIOUSLY HELD OVER FOR DISCUSSION AND POSSIBLE ACTION

4.1

Lead water service replacement program Superintendent had no update on this program.

Intake feasibility project Superintendent had no update on this project.

South water tower project Superintendent reported that contract documents have been executed;

a pre-construction meeting is forthcoming.

The general contractor had made contact with verbal concerns over possible U.S. steel tariffs and their impact on scheduling.

Georgia Avenue pump station project Superintendent reported this project is still in review by WI PSC.

2018 Rate case submission to WI PSC Superintendent reviewed the Cost of Service Study (COSS) recently received from WI PSC.

This included a 4.90 % rate of return on estimated water utility net investment rate base for the 2018 test year as recommended by PSC auditor.

President Van De Kreeke noted that, in earlier years, the Utility had requested a higher rate of return.

Commissioner Smith indicated that privately held utilities operate at a higher rate of return figure.

Superintendent noted that the rate increase was relatively flat across customer categories, ranging from 3.41 % for public authority accounts to 5.48 % for typical residential accounts.

The Kohler wholesale rate was at 2.41 % and the Sheboygan Falls wholesale rate was at 1.09 %.

Superintendent noted that slightly declining usage by the wholesale customers had reduced some of their percentage share in new expenses.

WI PSC confirmed that the test year did include new expenses due to the south water tower, which directly impacted public fire protection charges, with those increasing at 10.94 %.

This is due to the direct impact on fire protection by a new water tower.

However, the additional fire protection revenue spread among all customers totaled about \$90,000 per year.

Despite the proposed rate increase, the Utility will continue to have among the lowest water rates in the state.

Superintendent noted that the increase should address new costs due to the UV disinfection system and the south water tower, but it does not address upcoming costs of the proposed raw water/intake pipeline improvements project.

Superintendent relayed the hearing date was set by WI PSC as April 13, 2018 at 11: 00 am.

Commissioners Smith and Haen indicated their interest and availability to attend.

Superintendent stated that he would then notice it also as a meeting of the Board due to a possible quorum.

Commissioner Hane made a motion, seconded by Commissioner Smith, to accept the WI PSC Cost of Service Study and to proceed with the proposed rate increase.

Motion passed unanimously.

5. ITEMS FOR DISCUSSION AND POSSIBLE ACTION

5.1

PSC code changes:

None reported.

5.2 Review 2018 Customer Relations and Fiscal Dept report Superintendent reviewed the CR&F report provided by Supervisor Scheuren.

The Commissioners noted the report contains a wealth of interesting and important information.

5.3 Review Public Official Liability video For general education, the League of WI Municipalities had requested that the Board watch a video on public official liability.

The video lasted approximately 18 minutes and covered a range of topics including conflicts of interest.

5.4 Review Financial Statements and Communication to Those Charged with Governance and Management Superintendent presented both of the formal documents as prepared by Baker Tilly following the recent annual audit.

Baker Tilly did not report any material defects in the Utility's accounting or control processes.

The reports will be submitted to Council during April along with the Utility's annual PSC report.

Review issues with filter # 10 failure Superintendent presented a report

provided by Supervisor Swearingen on the recent failure of filter # 10.

Operations had noted anthracite carrying through to the effluent turbidimeter, indicating short-circuiting in the filter bed.

Operations had also noted surface changes in areas of the bed during washing.

Staff then probed the filter in those areas and discovered soft areas where the probing rod was not rejected.

Staff then dug out the media in those areas and discovered failed, crumbling grout.

Beneath the media, filter underdrains line the bed of the filter to support the media and prevent it from washing through.

The underdrains are lined up side by side, with the gaps sealed by grout.

If the grout does not seal those areas, water can move into the effluent without going through the Leopold IMS cap.

Although the water would have moved through media above, the lack of grout would allow media to move out of the filter, eventually causing possible short-circuiting of the filter.

Additional test areas were investigated, showing more areas of failed grout.

Staff concluded the problem was throughout the entire filter bed.

The filter was removed from service, and vendors were contacted to assess the situation.

A small area of failed grout might be repairable, but the extensive failure rendered it impossible to remove the failed grout without damaging the underdrains.

Therefore, a complete filter rebuild is necessary.

The last rebuild occurred in 2002.

There was some discussion on the condition of grout in other filter beds, and Superintendent stated those would be further investigated following the # 10

rebuild.

Currently the Utility is waiting on proposals from two vendors.

In 2002, the cost of the rebuild was \$150,000, and so Superintendent anticipates a figure well above that.

Commissioner Smith noted that the cost could be offset by the favorable bid on the south water tower.

Superintendent requested that, once proposals are in hand, the Board convene a special meeting so that the rebuild can proceed without further delay.

The Commissioners were in agreement.

Review bids for S. 13 th Street water main project Superintendent reviewed the bid tabulation for the S. 13 th and Henry Street project, running from Broadway to Mead Avenue.

This consists of 3,020 feet of 16 " water main replacement, along with associated work.

The bids were as follows:

Buteyn Peterson at \$968,318.49 ;

Jossart Brothers at \$1,088,669.00 ;

Vinton Construction at \$1,135,687.96 ;

and Advance Construction at \$1,182,253.80.

Commissioner Haen made a motion, seconded by Commissioner Van De Kreeke, to accept the low cost bid of Butyen Peterson.

Motion passed unanimously.

Review bids for S. 13 th Street water lateral replacement project Superintendent reminded Board members of the need to bid lateral

replacement separate from water main replacement under the Davis-Bacon requirements.

Bids received for this work, from curb stop in to meter setting, were as follows:

Edgewater Plumbing at \$242,370.00

and Korff Plumbing at \$297,090.00.

Commissioner Van De Kreeke made a motion, seconded by Commissioner Smith, to accept Edgewater's bid subject to submission of all Davis-Bacon documentation.

Motion passed unanimously.

Review proposal for clear well sluice gate/clear well extension bypass design
Superintendent reviewed the flow path of water from the 1929 clear well to a newly constructed extension and into the UV disinfection system.

Due to concerns about the extension, the Utility had requested a design proposal to address failures in the extension, which might otherwise shut down the flow of water.

By installing a sluice gate on the extension, and then reconnecting an old effluent pipeline from the 1929 clear well, the extension could be bypassed on an emergency basis.

This would also allow maintenance work to be done within the extension itself without shutting down the clear well.

Superintendent reviewed comments from Supervisor Swearingen on a proposal from CDM Smith for kickoff, development of design details, procurement/construction support, and project management at an estimated cost of \$32,650.

Commissioner Van De Kreeke made a motion, seconded by Commissioner Haen, to accept the proposal.

Motion carried unanimously.

5.9 Review bids for water main fittings/appurtenances
Superintendent reviewed two bids sheets for different fittings/appurtenances.

On sheet 1, Ferguson bid at \$19,192.00 ;

HD Supply at \$19,595.60 ;

and First Supply at \$24,514.86 for repair clamps, valve box sections, and nuts.

On sheet 2, Ferguson bid at \$37,760.25 ;

HD Supply at \$41,290.65 ;

and First Supply at \$44,023.01 for tapping sleeves, offset, pipe, couplings, tees, megalugs, and hydrants.

Commissioner Haen made a motion, seconded by Commissioner Van De Kreeke, to accept the low bids from Ferguson in each case.

Motion passed unanimously.

Approval of

vouchers Commissioner Van De Kreeke made a motion, seconded by Commissioner Haen, that gross payroll of \$145,499.13 and general vouchers of \$216,645.65 be allowed and accepted.

Motion passed unanimously.

6. PERSONNEL

6.1 Utility Support Specialist, Utility Engineer and Distribution Supervisor status Superintendent reported that recruitment continues.

7. NEXT MEETING

7.1 Next meeting will take place on Tuesday, April 24, 2018 at 4: 00 pm.

8. ADJOURN

8.1 Motion to Adjourn Commissioner Van De Kreeke made a motion to adjourn at 5: 37 pm, with a second by Commissioner Haen.

Motion passed unanimously.