

City of Sheboygan
2018-02-21

AW2LMM55B407

BOARD OF WATERWORKS COMMISSIONERS - 4: 00 PM (Wednesday, February 21, 2018)Generated by Joe Trueblood on Thursday, February 22, 2018

Members present:

Gerald Van De Kreeke, Ray Haen, Mark Smith

Staff/officials:

Superintendent Joe Trueblood

1. OPENING OF MEETINGPresident 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 January 24 , 2018 meetingMotion by Commissioner Haen, seconded by Commissioner Smith, to approve the minutes.

Motion passed unanimously.

3. REPORTS

3.1 Financial reportsSuperintendent reviewed the partial reports for January.

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

Motion passed unanimously.

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

The CM crew repaired 13 water main breaks during the month, which is an unusually large number.

Motion by Commissioner Haen, seconded by Commissioner Van De Kreeke, 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 reviewed a January 2018 update on lead water lateral replacements detailing the Utility's progress during 2017.

This document has been placed on the Utility's web page for information.

Although much has been accomplished, this is an ongoing issue for communities.

The state has passed new law addressing the issue and more details will be forthcoming, but it doesn't appear that any state funding will be available going forward.

Intake feasibility project There was nothing to report on the project.

South water tower project Superintendent summarized status on the bid opening on Feb. 15.

Georgia Avenue pump station project Superintendent advised this project has now been submitted to WI PSC for construction authorization.

2018 rate case submission to WI PSC Superintendent advised that earlier in the day, the Utility received a response on the revenue requirement determination.

Now PSC must conduct the cost of service study.

Backlogs at PSC continue.

The Utility's case was submitted in September 2017.

5. ITEMS FOR DISCUSSION AND POSSIBLE ACTION

5.1

PSC code changes None reported.

5.2 Review 2018 Moody's rating and water utility revenue bonds sale results Superintendent presented information from Moody's Investors Service and confirmed that an underlying rating of Aa 2 was assigned to the new water utility revenue bonds 2018.

This is the second highest possible rating and indicates the financial strength of the Utility as determined by outside parties.

Superintendent then presented a tabulation of bids received from WI Public Finance Professionals, LLC, for the \$4.825 M water utility revenue bonds dated March 1, 2018.

Six bidders submitted bids with a true interest rate ranging from 3.310708 to 2.911620.

The high bid was from RBC Capital Market, New York.

The low bid was from Hilltop Securities, Cincinnati.

Superintendent advised that Council had approved the low bid from Hilltop Securities, and the issuance will be concluded soon.

The bond issuance is to finance the upcoming south water tower project and to refinance prior water utility revenue bonds in order to reduce interest costs.

5.3 Bids for south water tower construction Superintendent advised that four bids were received on the south water tower project.

The bidders were Caldwell Tanks at \$1.454 M, CB&I LLC at \$1.337 M, Maguire Iron, Inc., at \$1.468 M, and Phoenix fabricators at \$1.403329 M.

AECOM determined CB&I to be the apparent low bidder.

CB&I was also low on

alternatives 1 and 2 B, which were the recommended options for an upsize to a 600,000 gallon tank and an insulated coating.

The tank upsize alternative bid was at \$88,000 and the coating alternative bid was at \$17,000.

Commissioner Haen made a motion to accept the low

bid from CB&I as recommended by AECOM, with alternatives 1 and 2 B, for a total cost of \$1,442,000.

Commissioner Van De Kreeke seconded the motion, which passed unanimously.

5.4 Proposal for five automatic fire hydrant flushers Superintendent reviewed a proposal from Ferguson waterworks for 5 automatic hydrant flushing devices to be used on dead end hydrants throughout the distribution system.

These devices reduce labor through the summer months.

Cost per unit is \$1,755, for a total cost of \$8,775.

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

Motion passed unanimously.

Proposal for Orion and other water meters Superintendent reviewed a proposal from Badger meter for 1920 M 25 Orions at a total cost of \$252,883.20 ;

100 M 25 meters at a total cost of \$4,746 ;

5 M 40 meters at a total cost of \$566 ;

5 M 70 meters at a total cost of \$865.05, and 15 M 120 meters at a total cost of \$5,339.55.

As of February 2018, the Utility has radio-reading meters installed on 70 % of meters in the city.

Full coverage is expected by the end of 2019.

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

Motion carried unanimously.

R.O. submitting 2017 fourth quarter report Commissioner Haen made a motion, seconded by Commissioner Smith, to submit the R.O. as prepared.

Motion carried unanimously.

5.7 Review comments on lead and copper rule revisions for US EPA Superintendent distributed and reviewed informational material distributed by the Office of Ground Water and Drinking Water to the Conference of Mayors via the Federalism Consultation meeting of January 8, 2018.

The information contained possible revisions to lead and copper rules, which were promulgated in 1991.

Superintendent and staff reviewed the possible revisions and prepared some written responses, which the superintendent reviewed with the commissioners.

Utility staff is in agreement that some changes would strengthen the rules in terms of providing better sampling techniques and data, more consistent corrosion control treatment, and better educational information.

Superintendent informed the Board members that he would submit the written responses to the various entities including the mayor's office.

Commissioner Haen made a motion, seconded by Commissioner Smith, approving the submissions.

Motion carried unanimously.

Approval of vouchers Commissioner Van De Kreeke made a motion, seconded by Commissioner Haen, that gross payroll for January of \$154,521.45 and general vouchers of \$1,038,626.38 be allowed and accepted.

Motion carried unanimously.

6. PERSONNEL

6.1 Utility Support Specialist, Utility Engineer and Distribution Supervisor status
Superintendent reviewed status of staff recruitments currently underway.

Distribution Supervisor Rich Dale has indicated his intention to retire in 2019.

Superintendent would like to begin recruitment for the distribution supervisor position immediately.

There was further discussion of changes in the utility engineer and distribution supervisor position over the years.

Superintendent currently feels that discussion has taken place on the benefits of replacing the engineer position with a second engineering tech position, but only if a well-qualified successor can be located for the distribution supervisor.

Superintendent reviewed an updated job description for the distribution supervisor position.

7. NEXT MEETING

7.1 The next meeting will take place on March 19, 2018.

8. ADJOURN

8.1 Motion to Adjourn
Commissioner Haen made a motion to adjourn at 5: 06 pm, with a second by Commissioner Van De Kreeke.

Motion carried unanimously.