

City of Sheboygan
2017-11-13

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BOARD OF WATERWORKS COMMISSIONERS - 4: 00 PM - amended (Monday, November 13, 2017)Generated by Joe Trueblood on Tuesday, November 14, 2017

Members present:

Gerald Van De Kreeke, Mark Heinz.

Ray Haen, excused.

Staff/officials:

Superintendent Joe Trueblood

Visitors:

Carol Wirth, WI Public Finance Professionals;

Mark Smith, Alliant Energy

1. OPENING OF MEETINGPresident Van De Kreeke called the meeting to order at 4: 03 pm.

Pledge of AllegianceAll present honored the flag.

2. MINUTES

2.1 Approval of minutes from the October 17, 2017 meetingMotion by Commissioner Van De Kreeke, seconded by Commissioner Heinz, to approve the minutes.

Motion carried unanimously.

3. REPORTS

3.1 Financial reports Superintendent reviewed the financial reports for October.

Motion by Commissioner Heinz, seconded by Commissioner Van De Kreeke, to accept the reports.

Motion carried unanimously.

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

Motion by Commissioner Heinz, seconded by Commissioner Van De Kreeke, to accept.

Motion carried unanimously.

4. ITEMS PREVIOUSLY HELD OVER FOR DISCUSSION AND POSSIBLE ACTION

4.1 Lead water service replacement program Superintendent stated the program was ongoing, but most of the active construction work has now been completed for the season.

Intake feasibility project Superintendent stated that more efforts are under way to get information about the project out to the public.

Superintendent anticipates a meeting with engineering consultants within a few weeks to determine the next steps.

South water tower project Superintendent reported that the project will go before the Planning Commission later this month for consideration of a conditional use permit.

Georgia Avenue pump station project Superintendent reported that AECOM is close to submission of the project to WI PSC for construction authorization.

5. ITEMS FOR DISCUSSION AND POSSIBLE ACTION

5.1 Update on financing timeline for south water tower and refinancing Superintendent introduced Ms. Carol Wirth, President,

of WI Public Finance Professionals, LLC, who serves as the Utility's bond and financing consultant.

Ms. Wirth had presented preliminary financing plans at the April Board meeting.

Ms. Wirth announced that, due to the City's

anticipated plan now for larger borrowing in 2018, the Utility would not achieve bank-qualified financing.

So, as a result, the Utility will see slightly higher financing rates and somewhat different issuance rules.

Ms. Carol reviewed the effect of these changes on planned financing for the south water tower (\$2.4 M) and refinancing (\$2.325 M) of 2007 water revenue bonds.

Ms. Wirth reviewed all aspects of the proposed issuance, including a timetable of events, with delivery of new funds anticipated as March 1, 2018.

The 2007 water revenue bonds would then be paid off on May 1, 2018.

Ms. Wirth also reviewed the Resolution for the sale of approximately \$4.855 in water revenue bonds, series 2018.

There was additional discussion on spend-down requirements and overall debt load at the Utility, which is considered low.

The Commissioners had previously submitted an R.O. to Council requesting acceptance of the bond issuance.

The Commissioners thanked Ms. Wirth for the update and had no further questions.

PSC code changes:

none

5.3 Proposal for water meters Superintendent reviewed a proposal from Badger meter for (3) M 40 at a total of \$339.60 ;

(250) M 25 with Orion

at a total of \$32,927.50 ;

(88) M 25 at a total of \$4,176.48 ;

(1) 6 " head assembly turbo at \$1,265.36 ;

(1) 4 " head assembly turbo at \$521.14 ;

and (2) M 70 with Orion at a total of \$608.70, for a grand total of \$39,838.79.

Motion by Commissioner Van De Kreeke to approve, seconded by Commissioner Heinz.

Motion carried unanimously.

Proposal for filter hall unit heaters Superintendent reviewed a document prepared by Operations Supervisor Swearingen detailing problems with unit heaters in the plant filter hall including hazardous corrosion of the combustion chambers.

Though appropriate for the purpose, the heaters have suffered in the chlorine environment, requiring frequent repairs.

The Utility contacted its HVAC vendor, Aldag-Honold, for an opinion on ways to resolve the problem.

Aldag recommended similar unit heaters with stainless steel combustion chambers and the installation of an

additional heater to share the

heating load.

Aldag-Honold's proposal included installation of two replacement Reznor 150 (btu) stainless steel heaters at existing locations at an installed cost of \$15,380.00, and installation of an identical unit in a new location at an installed cost of \$9,985.00.

Superintendent stated that the replacement units are essential replacements, as one unit is currently locked-out due to corrosion of the combustion chamber.

However, it would make good sense to install the additional unit at the same time, using unspent capital funding on the Taylor Hill reservoir masonry repair project.

Motion by Commissioner Heinz, seconded by Commissioner Van De Kreeke, to accept

the proposal for all work.

Motion carried unanimously.

Request write-off of water bills due to bankruptcy Superintendent reviewed a list of bankruptcy water and sewer balances prepared by Ms. Gottsacker, the Utility Accountant.

The water balance totaled \$5,149.78, including a large water lateral assessment amount of \$3,305.38, which was installed prior to foreclosure at a property.

After some discussion on the possibility of recovering monies from estates, Commissioner Van De Kreeke made a motion, seconded by Commissioner Heinz, to approve the write-off of water bills.

Motion carried unanimously.

Proposal for replacement electric actuator on filter # 7 ROF effluent Superintendent reviewed the need to replace a 2002 vintage actuator that is approaching the end of its working lifetime, along with an actuator gear box, at a total cost of \$5,910.00.

Motion by Commissioner Heinz, seconded by Commissioner Van De Kreeke, to accept the proposal.

Motion carried unanimously.

5.7 Proposals for 2018 water treatment chemicals Superintendent reviewed the tabulation of bid results on 2018 water treatment chemicals, including aluminum sulfate, fluoride, sodium hypochlorite, and liquid phosphate.

The Utility requested quotes for both iron-free and food grade aluminum sulfate, but now prefers the latter.

Superintendent noted that review of the insurance certificate for the apparent low bidder on fluoride is still underway.

Motion by Commissioner Van De Kreeke, seconded by Commissioner Heinz, to accept the low cost bid for each chemical including food-grade aluminum sulfate.

This would be aluminum sulfate at \$239.40 per dry ton, fluoride at \$1,731.00 per dry ton, sodium hypochlorite at \$0.797 per gallon, and phosphate at \$4.71 per gallon.

Motion carried unanimously.

Request from Town of Sheboygan for water service to Rudy Mahler park on Eisner Avenue Superintendent distributed a letter from the Town of Sheboygan Board to the Sheboygan Board of Water Commissioners requesting extending water service to Ruby Mahler park.

The Town has improved the area and has discussed the addition of a rest room, but the Town has no water main in that vicinity.

Therefore, the Town would like to connect to the Utility's water main, with all costs paid by the Town for the connection and future service.

Superintendent advised that the Utility does have water main fronting Rudy Mahler park, and there is sufficient capacity to allow connection for a rest room at the site, and thus the connection would be feasible from a technical viewpoint.

Superintendent stated there is one area (Weiss Court) of Town lands served by the Sheboygan Water Utility and one area (International Auto) of City lands

served by the Town.

However, any approval to serve water to lands outside of the City must come from the Sheboygan Common Council;

the Board itself cannot make the determination.

Motion by Commissioner Van De Kreeke, seconded by Commissioner Heinz, to forward the communication and request to the Sheboygan Common Council for their determination.

Motion carried unanimously.

5.9 Proposal for replacement of 2006 and 2004 utility trucks Superintendent reviewed a proposal for replacement of the 2006 Silverado truck and the 2004 Chevy 3500 truck.

In the former case, the Utility requested quotes on either a 2018 Chevy Silverado 1500 2 WD pickup truck with bed cap or a 2018 Ford F- 150 2 WD pickup truck with bed cap.

Proposals came in at \$26,272.50 for the Silverado from Sheboygan Chevrolet, including trade-in;

\$26,826.50 from Brantmeier Ford for the F- 150 ;

and \$27,489.00 from Kennedy Ford.

For the other replacement vehicle, the Utility requested quotes on either a 2018 Chevy Silverado 3500 2 WD truck with Utility service body or a 2018 Ford F- 350 2 WD truck with Utility service body.

Proposals came in at \$48,761.50 for the Silverado from Sheboygan Chevrolet, including trade-in;

\$48,998.50 for the F- 350 from Brantmeier and \$51,160.00 for the F- 350 from Kennedy.

Utility staff noted the F- 350 comes with the desirable PTO transmission provision and is also 1.5 ' shorter, which is a benefit for tight job sites.

Motion by Commissioner Van De Kreeke, seconded by Commissioner Heinz, to

accept the Sheboygan Chevrolet proposal for the Chevy Silverado 1500 at \$26,272.50 and to accept the Brantmeier Ford proposal for the Ford F- 350 at \$48,998.50.

Motion carried unanimously.

Approve vouchers Commissioner Van De Kreeke made a motion, seconded by Commissioner Heinz, that gross payroll for October of \$158,231.40 and general vouchers of \$234,744.29 be allowed and accepted.

Motion carried unanimously.

6. PERSONNEL

6.1 None

7. NEXT MEETING

7.1 Next meeting will take place on December 18, 2017.

8. ADJOURN

8.1 Motion to Adjourn Commissioner Van De Kreeke and Superintendent Trueblood thanked Commissioner Heinz for his years of service on the Board:

this is his last meeting due to relocating outside of the City of Sheboygan.

Commissioner Heinz stated that he enjoyed the duties and learning more about the Water Utility.

Motion by Commissioner Heinz, seconded by Commissioner Van De Kreeke, to adjourn at 5: 59 pm.

Motion carried unanimously.