

City of Sheboygan  
2021-02-15

BY4KMU529785

BOARD OF WATERWORKS COMMISSIONERS - 3: 30 PM - (Monday, February 15, 2021)Generated by Joe Trueblood on Wednesday, February 17, 2021

Members present:

Gerald Van De Kreeke, President;

Mark Smith, Secretary;

Tom Howe, Member

(all remote)

Staff:

Superintendent Joe Trueblood

(remote)

1. OPENING OF MEETINGPresident Van De Kreeke called the meeting to order at 3: 30 PM.

1.1 Pledge of AllegianceAll present honored the flag of the United States.

2. MINUTES

2.1 Approval of minutes from the January 18, 2021 meetingCommissioner Smith made a motion, seconded by Commissioner Howe, to approve the minutes of the January 18, 2021 meeting.

Motion passed unanimously.

3. REPORTS

3.1 Financial reportsCommissioner Van De Kreeke made a motion, seconded by Commissioner Smith, to accept the financials as presented.

Motion carried unanimously.

3.2 Superintendent's report including operations, construction-maintenance, and customer relations/fiscal Commissioner Van De Kreeke made a motion, seconded by Commissioner Smith to accept the Superintendent's report as presented.

Motion carried unanimously.

#### 4. ITEMS PREVIOUSLY HELD OVER FOR DISCUSSION AND POSSIBLE ACTION

4.1 Raw Water Improvements (RWI) project Superintendent informed the Board that he had given a presentation on the RWI project to the Committee of the Whole of the Common Council in January.

Superintendent did not receive any follow up questions or concerns.

One Council member had a concern about wholesale customers paying their fair share.

Superintendent also informed the Board of a recent Sheboygan Press article on the project.

In addition, Superintendent had informed the wholesale customers about the presentation as well.

As an update, engineering work continues on the detailed design phase of the project.

This should be completed in June 2021.

Superintendent also informed the Board that he and the Utility Accountant had completed financial projections showing the need to continue the practice of adjusting rates every 2 - 3 years as has been common.

RWI will create new expenses including debt service, payment in lieu of taxes to the City, and some additional operational expenses.

Using conservative estimates, revenue increases will be needed every 2 - 3 years to offset these increases and stabilize cash balance in the next ten years.

The size of rate increases is determined by WI PSC, but typically the spacing in time has allowed either single digit or lower double digit increases.

Superintendent would expect to see that trend carried forward during the period of 2022 - 2032.

The Utility continues to evaluate possible additional grant funding and principal forgiveness on Safe Drinking Water

loans, but the most likely funding source of the funding will be a Safe Drinking Water loan with smaller grants and principal forgiveness.

4.2 Review policy on renewed disconnection program submitted to WI PSC Superintendent reviewed a written policy update submitted to WI PSC as required ahead of disconnections beginning again in mid April 2021.

Several changes will take place including an increase in the threshold from a utility bill of \$150 to \$300, and a reduction in the downpayment for a deferred payment agreement from 50 % to 25 %.

Without a disconnection program, considerable

utility bills would end up going to

property tax rolls for final collection and results in more delinquent utility bills ending up as the responsibility of landlords rather than renters.

#### 5. ITEMS FOR DISCUSSION AND POSSIBLE ACTION

5.1 Request approval of 4 th quarter report from 2020 Commissioner Smith made a motion, seconded by Commissioner Howe, to approve the report as presented and submit it to the Common Council.

Motion passed unanimously.

5.2 Request approval of proposal for EE booster pit engineering evaluation Superintendent explained that the Utility has maintained a small, in-ground booster pump on S. Business Drive that has the capability of pumping a small flow rate of water into the industrial park boosted zone.

The pit pump was installed long before massive growth water usage in the zone took place.

The location is just upstream from a very large water user, providing a very

efficient pumping path.

The location also helps draw more fresh water into the downstream area, which tends to have lower usage.

For a number of reasons, the Utility would like to evaluate upgrades to the pit pump and consider alternate locations as well.

Superintendent reviewed a proposal from AECOM for engineering services for a cost not to exceed \$22,980.

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

Motion carried unanimously.

5.3 Request approval of rate case proposal from Baker Tilly  
Superintendent reviewed a proposal submitted by Baker Tilly for submission of a rate study to the WI PSC for a rate case application.

Baker Tilly has ongoing knowledge of the Utility's finances and rate cases.

Superintendent indicated the goal is to implement new rates in January 2022 ;

this would include capturing new costs involved in the lead service line replacement program and some initial costs involved in the raw water improvements project.

The proposal includes a cost not to exceed \$\$20,000.

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

Motion carried unanimously.

5.4 Request approval of proposal from OnTech for IT services  
Superintendent reviewed general aspects of IT services provided in the recent past and indicated a growing need for more and more cybersecurity expertise.

Commissioner Smith made a motion, seconded by Commissioner Howe, authorizing the Superintendent to accept an annual proposal from OnTech for IT services based on reasonable chargeable rates.

Motion carried unanimously.

5.5 Request approval of proposal for replacement GPS survey unit Superintendent advised that the engineering department's GPS survey unit has served for many years but cannot read the latest GPS satellite signals and needs replacement.

Engineering considered two units:

a Spectra Focus 35 and Ranger 7 at \$19,981.90 ;

and a Trimble S 5 and TSC 7 controller at \$32,188.

Engineering recommended purchase of the Spectra unit from Seiler.

Commissioner Van De Kreeke made a motion, seconded by Commissioner Smith, to purchase the Spectra Focus 35 and Ranger from Seiler as recommended.

Motion carried unanimously.

6. PERSONNELNone

7. NEXT MEETING

7.1 Next meeting will take place on March 15, 2021 at 3: 30 PM.

8. ADJOURN

8.1 Motion to AdjournCommissioner Smith made a motion to adjourn at 4: 33 PM, seconded by Commissioner Howe.

Motion carried unanimously.