

City of Sheboygan  
2020-07-20

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BOARD OF WATERWORKS COMMISSIONERS - 4: 00 PM - (Monday, July 20, 2020)Generated  
by Joe Trueblood on Tuesday, July 21, 2020

Present:

President Gerald Van De Kreeke, Secretary Mark Smith, Member Tom Howe

Commissioner Smith had to leave the meeting at 4: 55 PM.

Staff:

Superintendent Joe Trueblood

1. OPENING OF MEETINGPresident Van De Kreeke convened the meeting at 4: 00 PM.  
1.1 Pledge of AllegianceAll present honored the flag.

2. MINUTES

2.1 Approval of minutes from the June 15, 2020 meetingCommissioner Howe made a  
motion, seconded by Commissioner Smith, to approve the minutes of the June 15,  
2020 meeting.

Motion passed unanimously.

3. REPORTS

3.1 Financial reportsSuperintendent Trueblood reviewed the financial reports  
prepared by Accountant Gottsacker.

Cash balance has increased due to the recent \$3.1 M BAN proceeds.

Revenues have declined due to the covid pandemic's impact on water  
consumption.

Commissioner Smith made a motion, seconded by Commissioner Howe, to accept  
the financials as presented.

Motion carried unanimously.

3.2 Superintendent's report including operations, construction-maintenance, and customer relations/fiscal Superintendent reviewed the operations report, which showed a return to more normal water usage for June 2020 compared to June 2019.

Analysis of the east sedimentation basin is underway, with

cracks, spaulding, and efflorescence areas now painted.

Construction maintenance work included repair of a water main break, routine hydrant and valve maintenance, and work on water main projects.

The customer relations/fiscal report showed a reduction in customer contacts, despite the pay window being open for the entire month.

Fewer calls are coming in and fewer people are visiting the Utility pay window.

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

4.1 Lead service line replacement program Superintendent noted that WI PSC has now approved and authorized the Utility's lead service line replacement financial assistance program, which allows the Utility to provide grants and loans to aid customers in the replacement of private lead service lines.

The Sheboygan Common Council also approved modification to local ordinance to conform with the financial assistance program.

So now the LSL program is fully operational and will be used on the Geele Avenue water main project.

It allows grants of up to \$2,500 and no-interest six year loans for qualifying LSL replacements.

4.2 Raw water improvements project Superintendent shared an image from the interior of the proposed RWI station and informed the Board that staff members had been taken on a virtual tour of the building using virtual reality software tools used by CDM Smith.

This process helped Utility staff to visualize the new facility and have greater insights.

Superintendent also reviewed highlights of a project update report that had been shared with City staff members and the WI PSC.

The report showed the proposed building location, which has been selected to reduce distance from existing water infrastructure, minimize impact to park lands, and

minimize vulnerability to high Lake water.

CDM Smith is now waiting on the final complete site survey in order to complete the preliminary engineering work.

Commissioner Howe asked about the next steps in financing of the overall project.

Superintendent relayed that decisions about long term financing will take place in about a year, and in the meantime the Utility will apply to be eligible for safe drinking water loans.

Mayor Vandersteen has also sought increases in federal support for water infrastructure funding.

The Utility will also consider the private bond market due to potential low interest rates and longer loan terms.

## 5. ITEMS FOR DISCUSSION AND POSSIBLE ACTION

5.1 Request approval of R.O. withdrawing preliminary assessments on Geele Avenue project Superintendent reminded the Board that when initial planning had taken place for the Geele Avenue project, the Utility had intended to use municipal assessments as a funding tool for lead service line replacements.

However, WI PSC advised that the mixture of assessments and Utility grants was problematic.

Therefore, the Utility modified its proposal to use Utility loans rather than municipal assessments.

So, at this time, the preliminary assessments should be officially withdrawn as no longer needed.

Commissioner Van De Kreeke made a motion, seconded by Commissioner Howe, to

approve an R.O. to Council requesting the withdrawal of the preliminary assessments for lead service line replacements on the Geele Avenue water main project.

The motion passed unanimously.

5.2 Request approval of 2021 Preliminary Water Utility budget and 2022 - 2027 CIP Superintendent presented the proposed 2021 preliminary Utility budget developed by himself and accountant Gottsacker each year.

In this case, the covid pandemic has created more uncertainty than in previous years.

Revenues for 2020 are estimated to decrease by at least 10 %.

To offset that

reduction, expenditures have been reduced by delaying capital projects in 2020.

Estimated expenditures for 2020 are down by 17 % compared to the 2020 budget.

Superintendent reviewed the proposed large capital projects which include final engineering work for the raw water improvements project, water main replacement on Georgia Avenue and water main transmission improvements in the industrial park;

repairs to the liner and concrete on the 1959 east sedimentation basin, and other smaller projects.

In addition to the economic uncertainty, the large RWI project raises additional financial stress, and so Superintendent advised the Utility supervisors to maintain slim capital projects for 2021.

However, while project delays can be a useful short term management tool, replacement of critical water infrastructure can only be delayed for so long.

President Van De Kreeke noted that a budget reflects educated guesswork.

After further discussion, Commissioner Smith made a motion, seconded by Commissioner Howe, to approve the 2021 preliminary Water Utility budget.

Motion passed unanimously.

5.3 Request approval of A. Fioretti proposal on health insurance consulting services Superintendent noted that after the last health insurance renewal, the Board expressed interest in additional evaluation and consultation regarding the Utility's health insurance plan.

Superintendent consulted with the Utility's broker, Ms. Meyer, who suggested a contact at Clifton, and that person lead Superintendent to Mr. Anthony Fioretti, an independent consultant with decades of experience in the health insurance industry.

Superintendent and the Utility Accountant interviewed Mr. Fioretti, who then prepared a proposal for a three-year strategic consulting service for the Water Utility to evaluate its plan in an ongoing manner.

Superintendent then contacted two references who have used Mr. Fioretti's service, and both were with small companies.

Both references gave very positive feedback about their experience and the value of Mr. Fioretti's services.

Superintendent emphasized that having independent eyes on an ongoing basis is helpful, as short term fixes to health plans normally don't result in ongoing savings or confidence in the benefit.

After review of the proposal, Commissioner Smith made a motion, seconded by Commissioner Van De Kreeke, to approve the three-year proposal at a cost not-to-exceed \$12,000 annually.

Motion carried unanimously.

5.4 Update on latest round of lead and copper sampling Superintendent reviewed a summary sheet prepared by Supervisor Swearingen

on the upcoming lead and copper testing as required by USEPA.

This testing occurs every three years.

Some changes have been made, including the need to use sites that only have a lead service line, and a new requirement that if the 90 th percentile result falls above 10 ppb but below the action limit, the Utility must complete a process to ensure optimization of its corrosion control systems.

Superintendent stated that lead and copper testing gives variable results depending on local factors, but the testing procedure is intended to give useful results.

During the last cycle, the Utility's 90 th percentile result was 8.5 ppb.

This was higher than in the previous round of sampling but was due to a high result taken from an apartment that had been vacant, and the sampler did not flush sufficient water to get a more accurate sample.

The Utility has slightly increased its corrosion control feed dosage in order to comply with WDNR's

direction to optimize corrosion control.

Results will be available later this fall.

5.5 Request approval of repairs to shoreline protection along east basin Superintendent reviewed drone photos taken by pilot Wellman showing damage to the shoreline protection rock armor adjacent to the east sedimentation basin.

Recent high water and wave action has shifted large armor rock, leaving a ten-foot section of exposed steel sheeting that had been pounded into the shoreline in 1959.

Without armor rock, the sheeting is subjected to full wave action and forces.

The Utility requested a proposal from Wagner Excavating for repairs of the shoreline protection.

In addition, the Utility has requested that Collins Engineering provide some basics specs on repairs.

Staff also sought a proposal from Kiel Sand & Gravel for the necessary materials.

Superintendent noted that the Utility has applied for an emergency permit from WDNR to repair the damage.

Although urgent, the repair does not necessarily qualify as an emergency under Wisconsin public construction bidding law, and thus is probably not exempted from public bidding requirements, but Superintendent needs to confirm this.

Commissioner Van De Kreeke made a motion, seconded by Commissioner Howe, to give tentative approval of the project, up to a cap of \$90,000, pending review of the bidding requirement.

Superintendent stated that if bidding is required, then the Utility would likely prefer to use the construction crew for placement of the rock and purchase it directly.

Otherwise the work might not be completed in time for fall/winter storms.

Motion carried unanimously.

Commissioner Smith left the meeting at this point.

5.6 Request approval of change order on S. 11 th & Illinois water main project Superintendent informed the Board that a conflict with a large box culvert on this project had been missed during design and came up as the project has been under construction.

The only viable remedy is to install the 16 " water main much lower than anticipated and going beneath the box culvert.

Supervisor McMillan requested a change order from Vinton construction to do the work and then compared this with an estimate for the Utility crew to do the work.

Because of the depth required, the crew would have to rent additional equipment, as normally they do not work at 12 ' depth.

The excavation is likely also to be very wet due to its proximity to the River.

After comparison, the cost difference

was about \$9,000.

Superintendent felt uneasy having the crew do work at those depths unless really necessary.

Commissioner Van De Kreeke made a motion, seconded by Commissioner Howe, to accept the change order at a cost of \$35,587

for all materials and labor.

Motion carried unanimously.

5.7 Update on late payment charges and disconnection Superintendent updated the Board that the WI PSC has lifted the moratorium on late payment charges and disconnections.

The Utility will soon begin implementing late payment charges again but will delay start-up of its disconnection program for awhile yet.

Superintendent did not feel that water disconnection is appropriate in the current pandemic situation.

The late payment charges will be noted on bills and on the Utility website.

5.8 PSC Code changes There were none.

5.9 Approval of vouchers Commissioner Van De Kreeke made a motion, seconded by Commissioner Howe, to accept and approve the general vouchers of \$621,743.90 and gross payroll of \$160,412.  
44.

Motion carried unanimously.

6. PERSONNEL Superintendent reviewed the status at the Utility and that several staff members have expressed concern of possible covid exposure outside of the workplace.

In both cases, the result came back as negative.

However, the Utility continues to maintain staff separation, disinfection processes, remote work, face coverings, and other actions to reduce vulnerability to the virus.

7. NEXT MEETING

7.1 Next meeting will take place on August 17, 2020 at 4: 00 PM.

8. ADJOURN

8.1 Motion to Adjourn Commissioner Howe made a motion, seconded by Commissioner Van De Kreeke, to adjourn the meeting at 5: 20 PM.

Motion carried unanimously.