

Board of Water and Sewage Commissioners
Monday, March 12th, 2012
12:00 P.M.

MINUTES

PRESENT: Mae Nachman, Jim Cooper, and Carl Rasmussen.

ALSO PRESENT: Mayor Halverson, Kim Halverson, Brenda Thomas, Eric Niffenegger, Rob Molski, Jaime Zdroik, Jeremy Cramer, Joel Lemke-Dept of Public Works, Mike Resch of Wisconsin Public Service and Angel Gebeau of AECOM.

EXCUSED ABSENCE: Paul Adamski and Eugene Tubbs

| <u>Index</u> | | <u>Page</u> |
|--------------|--|-------------|
| I. | <u>ADMINISTRATION</u> | |
| 1. | Approval of minutes of the February 13, 2012 meeting. | 2 |
| II. | <u>ACCOUNTING</u> | |
| 2. | Discussion and possible action on the following: | |
| | a. Claims for the Water and Sewage Departments. | 2-3 |
| | b. Additional funds for installing a new dedicated electric power line to W.W.T.P. | 3 |
| III. | <u>WATER OPERATIONS</u> | |
| 3. | Report on water distribution operations. | 4 |
| 4. | Report on water supply operations. | 4 |
| 5. | Report on water rate increase public hearing. | 4 |
| IV. | <u>SEWAGE TREATMENT OPERATIONS</u> | |
| 6. | Report on Collection System Maintenance. | 4 |
| 7. | Report on sewage treatment operations. | 5 |
| 8. | Report on ordinance change creating a storm water system. | 5 |
| V. | <u>PERSONNEL</u> | |
| 9. | Retirement notice from Eric Niffenegger (33 years). | 5 |
| 10. | Report on filling Wastewater Superintendent position. | 5 |
| 11. | Report on replacement for Director position. | 5-7 |
| VI. | <u>ADJOURNMENT</u> | 8 |

I. ADMINISTRATION

1. Approval of minutes of the February 13, 2012 meeting.

Commission President, Paul Adamski, requested Mae Nachman chair the meeting for March 12, 2012.

Motion made by Carl Rasmussen, seconded by Jim Cooper to approve the minutes of the February 13, 2012 Water & Sewage Commission meeting.

Ayes all. Nays none. Motion carried.

II. ACCOUNTING

2. Discussion and possible action on the following:

a. Claims for the Water and Sewage Departments.

Mae Nachman presented the statement of claims for the Water Utility for February. The balance as of February 1, 2012 was \$2,898,497.17; the bank deposits recorded in February 2012 was \$1,332,512.57. Checks issued since the February 13th, 2012 meeting numbered 45720 through 45759 were in the amount of \$322,545.65. Checks numbered 45760 through 45789 for \$91,023.91 were presented for action on March 12th, 2012. The net balance on hand March 12th, 2012 was \$2,910,091.20.

Motion made by Jim Cooper, seconded by Carl Rasmussen to approve the Water Utility claims for the month of February 2012 as audited and read.

Ayes all. Nays none. Motion carried.

Mae Nachman also presented the statement of claims for the Sewage Treatment Utility for February. The balance as of February 1st, 2012 was \$4,588,318.56; the bank deposits recorded in February 2012 were \$313,318.79. Checks issued since the February 13th, 2012 meeting numbered 28772 through 28795 were in the amount of \$275,447.52. Checks numbered 28796 through 28819 for \$407,273.31 were presented for action on March 12th, 2012. The net balance on hand March 12th, 2012 was \$4,010,963.65.

Motion made by Carl Rasmussen, seconded by Jim Cooper to approve the Sewage Utility claims for the month of February 2012 as audited and read.

Ayes all. Nays none. Motion carried.

b. Additional funds for installing a new dedicated electric power line to W.W.T.P.

Mike Resch, Wisconsin Public Service, was present to explain the reasons for the additional funds.

The original amount approved was an estimate. Once, W.P.S. started looking into this further they realized they would have to take the line back farther east than originally anticipated. They also had to go with taller poles for clearances and there were also issues with permitting under the A.T.C. (American Transmission Company) line. The route had to change slightly as well.

The formal application for the generator was received mid-November and part of that process was to do a design study to see what kind of impact this would have on their system. Once that was complete, there were several options to choose from for installing the new line; run a dedicated line, underground, overhead or a transfer trip could have been set up.

Kim stated Mike originally told us that it would have to be underground which would have cost over \$50,000. Mike, after further investigating, suggested going overhead which will save the utility a lot of money.

Normally, when power is extended to a facility they are allowed an allowance off of that anticipated use but in this case it can't apply because potentially it will be less use.

This would be a dedicated line for the W.W.T.P. only.

Motion made by Carl Rasmussen, seconded by Jim Cooper to approve an additional \$9,000.00 for installing the new dedicated electric power line to the W.W.T.P. raising the total cost from \$25,000.00 to \$34,000.00.

Ayes all. Nays none. Motion carried.

III. WATER OPERATIONS

3. Report on water distribution operations.

Kim said the Plan Commission adopted the Wellhead Protection Plan for Well 11. This still needs to be approved by the D.N.R. and the county and has to be approved before Well 11 can go on-line.

The water operations report was distributed and reviewed.

A total of 103 valves have been operated in 2012.

4. Report on water supply operations.

Our pumpage in February was 146,311,000 gallons, an increase of 6,865,000 gallons of water from February 2011.

5. Report on water rate increase public hearing.

Kim stated the Public Service Commission has established our rates and the hearing is done to allow public input. After the hearing, the P.S.C. will give us the tariff sheets to be able to place the new rates into effect.

It is a telephonic hearing from here. The P.S.C. and our auditors from Baker Tilly in Madison will also be on the line. It's open to anyone who wants to come in and comment on the rate increase. The hearing will be noticed in the paper.

IV. SEWAGE TREATMENT OPERATIONS

6. Report on Collection System Maintenance.

Rob stated the crew worked out in Falcons Cove for two days on another grease blockage. This spring they will dig up and try to soften some bends in order to possibly alleviate blockages in the future. People are disposing items into the system that they shouldn't be. Kim suggested sending letters again to the residents in Falcons Cove reminding them of what can and can't be disposed of into the system.

The sewer report for the month of February was reviewed by the Commission.

7. **Report on sewage treatment operations.**

Eric stated the plant is running well. The generator was tested for the co-generation project. The engine sounds great and is quiet. It is running on the natural gas that we are producing. It is not running 100% yet but it will be. Kim stated the Commissioners could get a tour next month.

B.O.D. (6.16 ppm), Phosphorus (0.593 ppm) and Suspended Solid (5.93 ppm) limits were met for the month of February 2012.

8. **Report on ordinance change creating a storm water system.**

Joel stated there will be a small change to Chapter 3.35 ordinance which establishes boards and committees. It establishes the City's ability to put together a rate structure for storm water management. Upon approval we would work toward the creation of a storm water system effective January 1, 2013. Kim stated this would be under the Board of Water and Sewage Commission. Changing it from Board of Water and Sewer to Board of Water and Sewerage Commissioners would give them the ability to be sewer and storm water according to state statues.

V. **PERSONNEL**

9. **Retirement notice from Eric Niffenegger (33 years).**

The Commissioners thanked Eric for his years of service and stated he did a great job.

10. **Report on filling Wastewater Superintendent position.**

Kim stated this is going to the Personnel Committee tonight. Kim is trying to appoint Jeremy Cramer to fill the position then filling subsequent positions once job postings are done.

Kim stated Jeremy Cramer has taken it upon himself to get his master's program and currently has a 4.0 grade point average.

11. **Report on replacement for Director position.**

Mayor Halverson explained to the Water and Sewer Commission that Joel Lemke would take over for Director Halverson as she retires. The intent is to have Joel direct the water, waste water and storm water utilities along with the other two enterprise

funds which are the Transit Department and Airport. This move will create an opening in the Department of Public Works on the levy side. The Director of Public Works position would be slightly more streamlined. The Director would be responsible for engineering, contract administration, street construction, street maintenance and sanitation.

The Mayor is not sure if the director position at the new larger utility will be defined as Director of Water & Sewage or Director of Public Utilities but the position will encompass much more than it does today.

The Mayor also stated from an accounting perspective having all of the enterprise funds in one location, customer service, billing for actual billed utilities and accounting ease from an enterprise fund perspective will be excellent synergies to have in one spot. Any losses that would be incurred between the Transit Division less all revenues state and federal, university as well as fee structure will always be made up by the levy in a simple transfer but in terms of the day to day accounting measures, it will be more important to have it in one location.

Time will have to be appropriately distributed between personnel, as per P.S.C. regulations on the water side and standard council protocol on the water, wastewater, storm water, transit and airport.

Originally they were going to place everything under the Department of Public Works but realized the responsibility level and size of that would be too great for one individual to handle.

Knowing Joel's ability on the water side as well as the public works side it became a natural progression for him to fall back into the familiarity of this and the added skill sets on the public works side. The Mayor also said specifically within this department maybe more than any other department in the City, the level of succession planning and the preparation for the next step or the change that will be experienced here is probably better than any department in the City. In terms of understanding whose prepared, who's in which position and what the natural progression for the next generation will need to be. The skill sets are there and the transition moving forward will be flawless. Kim's leadership and the ability to see through the department at several levels and making sure the skill sets are nurtured and the education is gained by those to naturally step forward has been perfect when seasoned leaders have stepped aside. This department, although a little larger, will be able to move forward in a very safe and non-disruptive manner which is very important considering what is done here.

This would also open up accounting moves in the future that would be more advantageous to the City as a whole and also in terms of how we structure staffing and how we charge back. The City, currently is taking on more of the financial responsibility for numerous things that get charged back to the utility. If the larger majority of the personnel burden is on the utility as opposed to the levy we can then charge back more appropriately and reduce our expenditure exposure under the E.R.P. via the state. We will be looking at a lot of different ways in which we account for personnel.

The effective date of January 1, 2013 would be the target for the storm water system creation. Transition into position of Director is going to happen based on Kim's schedule, vacation prior to retirement etc. The Mayor would like there to be two weeks of overlap between Kim and Joel in reference to this position. However, at the same time, there is also the public works component of that. There will be a period of transition that will have to be coordinated.

The Mayor stated when you look at the key positions, Rob, Jeremy, Joel, and Gary; there is a great deal of skill in each of these areas, storm, sanitary, and wastewater. We really are in position to have strong departments. There will have to be a new hire in reference to the storm water component. Bottom line when you have such a strong foundation as to who's in what position and how that will move forward the Mayor has no concern about it working very well.

The Commission said it is a credit to Kim for building a strong infrastructure. The Mayor also gave credit to Brenda as far as the accounting side of things and how that will move forward with the new enterprise funds and the charge backs and how that will formulate with the new comptroller treasurer we will have.

The next Water & Sewage Commission meeting will be on Monday, April 9th, 2012 at noon.

VI. ADJOURNMENT

Motion made by Jim Cooper to adjourn the meeting.

Ayes all. Nays none. Motion carried.

MEETING ADJOURNED

12:33pm

BOARD OF WATER AND SEWAGE COMMISSIONERS

MAE NACHMAN, ACTING PRESIDENT