

Board of Water and Sewage Commissioners
Monday, May 14, 2012
12:00 P.M.

MINUTES

PRESENT: Eugene Tubbs, Jim Cooper, and Carl Rasmussen.

ALSO PRESENT: Kim Halverson, Brenda Thomas, Jeremy Cramer, Gary Kuplic, Rob Molski, Jaime Zdroik, Joel Lemke-Dept of Public Works, John Andres of Baker Tilly and Angel Gebeau of AECOM.

EXCUSED ABSENCE: Paul Adamski and Mae Nachman

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I. ADMINISTRATION

1. Approval of minutes of the April 9, 2012 meeting.

Motion made by Jim Cooper, seconded by Carl Rasmussen to approve the minutes of the April 9, 2012 Water & Sewage Commission meeting.

Ayes all. Nays none. Motion carried.

II. ACCOUNTING

2. Discussion and possible action on the following:

a. 2011 audit and financial statements.

Johns Andres of Baker Tilly presented the audit report to the Commission.

John stated that the utility has put the processes in place for a good foundation for the future.

The gallons of water sold and gallons of wastewater billed increased 4% in 2011. There was \$181,000 uncollected account that was expensed during 2011. A decreasing trend is typical in the water industry in recent years.

The authorized Water Department rate of return is 6.75%. The actual return for 2011 was 2.91%. The rates increased May 1, 2012. The current authorized rate of return is 2.75% which was reduced to keep rates as low as possible.

The bond resolutions for the Wastewater Department require that earnings from the system be greater than 1.25 times the revenue bond annual debt service based on the bond year. The Wastewater debt coverage for 2011 was 1.70.

John stated the target is to have one billing cycle of unrestricted cash on hand. The Water Department has 3.79 quarters billings on hand. The Sewer Department has 2.28 quarters billings of unrestricted cash on hands. Both departments have a good strong foundation leading into the future.

The Water Department percent of net plant funded by debt is 21% for 2011. The percent of net plant funded by equity is 79%. The Sewer Department percent of net plant funded by debt is 34%. The percent of net plant funded by equity is 66%.

Carl Rasmussen asked John Andres if action needed to be taken now on uncollateralized investments. John stated they always want to see the money be 100% secure. The FDIC they will give \$250,000 coverage on any interest bearing accounts for the whole including the City's funds. There is also a \$400,000 deposit guarantee fund that the State of Wisconsin has for governments.

John thanked Kim, Brenda and staff for pulling together and getting the information they needed.

John appreciated Kim's ability to make sure things are addressed that need to be and to make sure the information is there for them.

Motion made by Jim Cooper, seconded by Carl Rasmussen to approve the 2011 audit and financial statements completed by Baker Tilly.

Ayes all. Nays none. Motion carried.

b. Claims for the Water and Sewage Departments.

Eugene Tubbs presented the statement of claims for the Water Utility for April. The balance as of April 1, 2012 was \$3,029,398.84; the bank deposits recorded in April 2012 was \$1,362,623.64. Checks issued since the April 9th, 2012 meeting numbered 45868 through 45933 were in the amount of \$1,231,004.51. Checks numbered 45934 through 45967 for \$346,071.42 were presented for action on May 14th, 2012. The net balance on hand May 14, 2012 was \$2,794,558.25.

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

Ayes all. Nays none. Motion carried.

Eugene Tubbs also presented the statement of claims for the Sewage Treatment Utility for April. The balance as of April 1st, 2012 was \$4,137,888.95; the bank deposits recorded in April 2012 were \$548,021.39. Checks issued since the April 9, 2012 meeting numbered 28868 through 28910 were in the amount of \$1,531,448.65. Checks numbered 28911 through 28934 for \$178,898.72 were presented for action on May 14th, 2012. The net balance on hand May 14th, 2012 was \$2,924,293.70.

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

Ayes all. Nays none. Motion carried.

c. Quote to repair and seal the sludge storage tanks.

Kim stated we need to do something to preserve the tanks other than just clean them as some of the stone is coming off due to moisture getting behind it. Jeremy stated the moisture is soaking into the block and sealing the block would preserve it much longer. Kim stated the quote does not include the sealant which we would be purchasing separately. The sealant would cost approximately \$2,500 for each tank.

Motion made by Carl Rasmussen, seconded by Jim Cooper to approve the quote from Don Dulak & Son Masonry, Inc. in the amount of \$8,840.00 to repair and seal the sludge storage tanks and to allow the Wastewater Department to purchase the sealant.

Ayes all. Nays none. Motion carried.

d. 2011 Compliance Maintenance Annual Report and Resolution.

Kim stated we received straight A's on everything except influent flow and loadings. We knew that would happen due to the amount of high strength waste we are receiving. This problem has been addressed by requesting higher load limits from the D.N.R. which we received.

Jeremy stated we got about a 20% increase in our loading rate.

Motion made by Jim Cooper, seconded by Carl Rasmussen to approve the 2011 Compliance Maintenance Annual Report and Resolution.

Ayes all. Nays none. Motion carried.

e. Purchase of forms to repair sanitary and storm manholes.

Kim stated currently we spend up to \$25,000.00 for repairing the concrete sewer manholes annually. Thanks to Rob's ingenuity, he asked the company that does that work for us if they would sell us the forms so we could do it

ourselves and they agreed. The cost to purchase the forms is \$21,885.00 so it would pay for itself in one year's time. The forms could also be used for repairing the Storm Sewer manholes.

Rob stated at some point we might need to hire an additional summer employee to help with this. Kim stated since the maintenance has already been approved for this year, we would have them come in to do maybe four manholes to train our employees on how to do it. That would cost approximately \$10,000.00. Then the company should not have to come back unless manholes needing repair are larger in size and deeper. Rob stated the company also agreed to let us borrow some different size forms if needed.

Motion made by Carl Rasmussen, seconded by Jim Cooper to approve purchasing forms to repair sanitary and storm manholes in the amount of \$21,885.00.

Ayes all. Nays none. Motion carried.

III. **WATER OPERATIONS**

3. **Report on water distribution operations.**

Gary stated everything is going good and the crew is preparing for a very busy summer. Hydrant flushing and dead-ends flushing has been completed. There was one water main break on the west side and a few dirty water calls after the week of flushing.

The water operations report was distributed and reviewed.

A total of 269 valves have been operated in 2012.

4. **Report on water supply operations.**

Our pumpage in April was 152,172,000 gallons, an increase of 3,300,000 gallons of water from April 2011.

IV. SEWAGE TREATMENT OPERATIONS

5. Report on Collection System Maintenance.

Rob stated everything is going well. The crew is currently concentrating on televising.

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

6. Report on sewage treatment operations.

Jeremy stated things are going good. Jeremy stated the average daily kilowatt usage has gone down and will be less the next billing cycle. Kim stated we will be paying a lot less for power due to generating our own.

B.O.D. (8 ppm), Phosphorus (0.678 ppm) and Suspended Solid (6.79ppm) limits were met for the month of April 2012.

The next Water & Sewage Commission meeting will be on Monday, June 11th, 2012 at noon.

V. ADJOURNMENT

Motion made by Jim Cooper to adjourn the meeting.

Ayes all. Nays none. Motion carried.

MEETING ADJOURNED

12:41pm

BOARD OF WATER AND SEWAGE COMMISSIONERS

EUGENE TUBBS, SECRETARY