

City of Stevens Point
Board of Water and Sewerage Commissioners
Monday, July 10, 2017
12:00 P.M.

AMENDED - MINUTES

PRESENT : Paul Adamski, Mae Nachman, Ray Schmidt and Anna Haines

ALSO PRESENT : Joel Lemke, Mary Klesmith, Chris Lefebvre, Rob Molski, Eric Southworth Jason Draheim, City Attorney Logan Beveridge, City Treasurer Corey Ladick, Jaime Zdroik, Angel Gebeau-AECOM, Dan La Haye - Baker Tilly, Norb & Del Hintz resident 609 Grant St., Paul Skawinski resident 508 Fifth Ave., Juanita Grzywacz resident 617 Grant St., Michael & Susan Bongard resident 515 Fifth Ave., and Alderperson Heidi Oberstadt 4th District.

EXCUSED ABSENCE: Carl Rasmussen

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ADMINISTRATION

1. Approval of minutes of the May 8, 2017 meeting.

Motion made by Ray Schmidt, seconded by Mae Nachman to approve the minutes of the May 8, 2017 Water & Sewerage Commission meeting.

Ayes all. Nays none. Motion carried.

II. ACCOUNTING

2. Discussion and possible action on approval of department claims.

WATER DEPARTMENT

Paul Adamski presented the statement of claims for the Water Utility for May. The balance as of May 1, 2017 was \$4,635,532.30; the bank deposits recorded in May, 2017 were \$593,632.25. Checks issued May 2017 numbered 51160 through 51237 were in the amount of \$547,245.24. The net balance on hand May 31, 2017 was \$4,681,919.31.

Paul Adamski presented the statement of claims for the Water Utility for June. The balance as of June 1, 2017 was \$4,637,257.03; the bank deposits recorded in June, 2017 were \$599,384.02. Checks issued June 2017 numbered 51238 through 51319 were in the amount of \$553,988.44. The net balance on hand June 30, 2017 was \$4,682,652.61.

WASTEWATER DEPARTMENT

Paul Adamski also presented the statement of claims for the Sewage Treatment Utility for May. The balance as of May 1, 2017 was \$6,537,788.37; the bank deposits recorded in May 2017 were \$328,681.46. Checks issued May 2017 numbered 32420 through 32474 were in the amount of \$217,125.29. The net balance on hand May 31, 2017 was \$6,649,344.54.

Paul Adamski also presented the statement of claims for the Sewage Treatment Utility for June. The balance as of June 1, 2017 was \$6,596,617.46; the bank deposits recorded in June 2017 were \$281,282.46. Checks issued June 2017 numbered 32475 through 32526 were in the amount of \$216,499.08. The net balance on hand June 30, 2017 was \$6,661,400.84.

STORMWATER DEPARTMENT

Paul Adamski also presented the statement of claims for the Stormwater Utility for May. The balance as of May 1, 2017 was \$1,581,500.41. The bank deposits recorded in May 2017 were \$75,197.38. Checks issued May 2017 numbered 1886 through 1906 were in the amount of \$52,339.38. The net balance on hand

May 31, 2017 was \$1,604,358.41.

Paul Adamski also presented the statement of claims for the Stormwater Utility for June. The balance as of June 1, 2017 was \$1,577,954.70. The bank deposits recorded in June 2017 were \$81,775.36. Checks issued June 2017 numbered 1907 through 1930 were in the amount of \$58,308.66. The net balance on hand June 30, 2017 was \$1,601,421.40.

Motion made by Mae Nachman seconded by Ray Schmidt to approve the department claims for the months of May and June 2017 as audited and read.

Ayes all. Nays none. Motion carried.

3. **Presentation of 2016 Audit by Baker Tilly.**

Dan La Haye of Baker Tilly presented the 2016 Audit for Water/Wastewater/Storm to the Commission.

Dan thanked management and staff for all the help with the audit and they are very timely and provides them with all information asked.

The Financial Statements include our audit opinion which is what we are engaged to provide. The utilities received an unmodified opinion which is the highest form of assurance you can receive.

WATER:

Water Gallons Sold - 2016 water consumption is down which is consistent with what other utilities in the state are seeing

Water Rate of Return - The utility's authorized rate of return is 2.75% we were slightly below that at 2.49% in 2016. Most utilities have a targeted rate of return for 5.5%. This will be evaluated in the rate study.

Water Debt Coverage - Revenue bonds require a 1.10 coverage factor and in 2016 the coverage was 3.28 so there is adequate debt coverage.

Water Unrestricted Funds on Hand - Utilities should have one quarter's billings on hand and there were 4.91 quarters billings on hand in 2016. This does include PILOT payment and debt service. This is part of the rate study currently being done by Baker Tilly and these cash reserves will be factored in.

Water Net Position vs. Net Plant - 2016 70% of plant funded by equity, the minimum is 50%

WASTEWATER:

Wastewater Cubic Feet Billed - Wastewater volumes normally follow the change in

water consumption and sales during 2016 decreased as did the amount of water sales.

Wastewater Revenues and Expenses - operating income for 2016 decreased but still positive so no concerns here.

Wastewater Debt Coverage Calculation - bond resolution require that earnings from the system be greater than 1.25 times the revenue bond annual debt service based on the bond year. The debt coverage was at 3.07 for 2016.

Wastewater Unrestricted Funds on Hand - the utility should maintain funds to cover its operations in a normal operation cycle which is quarterly, quarters billings on hand for 2016 is at 3.49.

Wastewater Net Position vs. Net Plant - 77% of plant is financed through equity and 23% by debt

STORMWATER:

Stormwater Revenues & Expenses: Operating income for 2016 was down due to maintenance work and street sweeping costs

Stormwater Unrestricted Funds on Hand - 2016 quarters billings on hand is 4.71 which is more than one quarters billings that is recommended

Stormwater Net Position vs Net Plant - 100% of net plant funded by equity

Motion made by Mae Nachman, seconded by Anna Haines to approve the 2016 Audit completed by Baker Tilly.

Ayes all, Nays none. Motion carried.

4. Consideration and possible action on a notice of claims by Norb & Del Hintz, 609 Grant St. and Paul & Alex Skawinski, 508 Fifth Ave.

Paul Adamski stated the City Ordinance allows them five minutes to state your case verbally. Norb Hintz addressed the Commission requesting help with damages incurred to their home during the storm. They are aware there was a lot of rain that day but the storm sewer has been backing up for years now and always comes into their property. They would like something done to correct the problems with the storm sewer in that area. They had six feet of water in their basement and 18 inches on outside of home. They would like to get paid for the damages.

Joel addressed some of the details of the storm event of June 12. There was approximately 3 inches in 35 to 45 minutes which is highly irregular. Joel stated we can't and probably shouldn't, due to cost, design a collection system to handle that. There was some construction in that area in recent years in an effort to make things better. There wasn't anything miss designed or any negligence on our part it was just an

unfortunate scenario.

Norb Hintz addressed the pipe going out of storm sewer is a lot smaller than what is going in. Joel stated the pipe is 42" and the pipe up stream is 24", 30" & 36" so they are smaller upstream. Norb stated they all come together into the pipe. Norb stated it backs up with only a 1.5" of rain so something is wrong.

Paul suggested the meeting is getting off task of the agenda.

Logan explained that they City did submit a description of the scenario to Tom Mann, the Director of Liability Claims with CVMIC. He recommended the claim be denied on the basis of statutory immunity granted under Wis. Stat. 893.80(4). Logan concurs with that recommendation.

Paul Skawinski addressed the Commission and showed them videos of how high the water is with only a ½" of rain. He said many complaints have been made about the storm sewer in their area and nothing has been done. Paul stated this is a regular occurrence and the City is aware of it. Paul explained that on June 12th they took their children ages 3 and 5 down to the basement to a finished bedroom, which should be the safest place during the severe thunderstorm, the window shattered out and proceeded to fill the basement. They then had to take the children back upstairs and he went back down stairs, tripped the main circuit breaker to not get electrocuted and he took a video of the water coming into the house. In 25 minutes the basement was full to the ceiling, there was no time to try to get anything out of the basement. The basement was completely finished and they lost more than ½ of their home/life that day. He showed pictures of the damage to the home. They lost everything down there. They were unable to live in the home for over a week. The children had to live with grandparents for two weeks because the house smelled terribly and was filled with mud and it was not safe for them to be there. They had a student rental lined up to live in. They did get electricity on after two weeks and were able to move back into the home. They don't have the money to repair all of this and why should they redo/rebuild the basement if this could happen again. They just want some help. Their savings is minimal compared the \$75,000 worth of damage incurred. They can't sell the house and if even if they could find someone who would buy it, what is it worth now going from a 4 bedroom 1 and ¾ bath to a 3 bedroom 1 bath. House was built in 1960 and before it was there it was a wetland, disposal site. Juanita Grzywacz explained that when the rains would come her son's would canoe out there, they played in it and she lived there for 70 years. Paul showed additional video of water shooting out of the storm drain through 4 feet of water. They are just looking for some help. Paul stated he told the Mayor that even though they love their house and all the work they put into it the City should buy it and tear it down because right now it only serves as a retention basin for the City's storm water and they don't think it's fair.

Anna Haines recused herself from this item due to the fact Paul Skawinski, indirectly works for her.

Ray Schmidt commented that it looks like the whole area around there is higher based on the contours, the west side of Paul's lot is the worst in whole area, it seems like a natural collection point from east, west, south & north. Ray has no way of knowing whether the improvements made on Bukolt and Sixth exasperated that and there'd be no way of knowing. It was a terrible situation and other spots in the City were worse with state of the art storm drains.

Paul Skawinski said this happens regularly and they have complained about it before and nothing has been done.

Paul Adamski stated on behalf of the entire Commission, speaking to all three of you that they have a lot of empathy for the circumstance that you experienced and wished it didn't have to happen that way. Paul Adamski congratulated Paul Skawinski on documenting everything that he did and that both parties wrote good letters but the Commission has been advised by City legal counsel and also by the insurance company to disallow the claim but they should understand that if the Commission does decide to do that, you still have the right to hire an attorney and go to court and sue the City.

Motion made by Ray Schmidt, seconded by Mae Nachman to disallow both claims.

Ayes all, nays none, motion carried.

Paul Adamski apologized to both parties and recommends talking to the Mayor again and decide on their own whether they want to take legal action.

Paul Skawinski would like reassurance that if they decide to refinish their basement that this won't happen again.

Joel stated nobody can give you that assurance because there could be events of varying degrees that could happen in the future. We are making continual improvements on the storm water collection system. We are looking at modeling downstream from there currently. Joel stated it would be risky putting any more money into that basement.

Paul Skawinski is surprised that bigger pipes were installed upstream but not downstream. Joel stated improvements in that area corresponded with a streets project reconstruction. Paul Skawinski asked if there could be swales installed. Joel said as a utility we are only 3.5 to 4 years old and we are making improvements.

Juanita Grzywacz stated this has always been a problem and the City should've taken care of it.

The Hintz's questioned if anyone would've gotten hurt due to this would it have made any difference. They stated that saying sorry doesn't help. They lost a lot of property.

Paul Adamski stated based on legal advice given we don't have authority to do anything other than we did. If you want to pursue with City Council or the courts that would be your next step. Paul apologized for having to follow through this way but we don't have any choice and are empathetic to their situation.

5. **Consideration and possible action on refinancing CR 2010 Sewer BAB.**

Corey said we have a sewer bond that can be refinanced and could save \$114,000. This may also be a good time to issue new debt for sewer utility to share the issuance costs. One of the issues faced as a municipality the first 10 million dollars of debt issued in a

given year is known as bank qualified which means that its tax exempt to investors and banks. Once you go over 10 million it's no longer bank qualified. If we borrow the monies this year verses 2018 we'd be saving ¼ point.

Corey can set aside 6.6 million that can be done bank qualified this year.

Motion made by Anna Haines, seconded by Ray Schmidt to approve refinancing CR 2010 Sewer BAB.

Ayes all. Nays none. Motion carried.

III. WATER OPERATIONS

6. Report on water distribution operations.

Eric said nothing to add other than what is on report.

The water operation reports were distributed and reviewed for the months of May and June.

7. Report on water supply operations.

Eric said pumpage is down a little from last year.

Our pumpage in May was 141,687,000 gallons, a decrease of 33,487,000 gallons of water from May 2016.

Our pumpage in June was 175,722,000 gallons, a decrease of 11,971,000 gallons of water from June 2016.

8. Report on Well 11 claims and settlement.

Logan said working through claims related to Well 11 for about 3 years now and have reached a settlement with the individual property owners for their wells that were allegedly dewatered by Well 11. We agreed on 50% of peoples costs. Both parties felt this was fair in light of the costs of potential litigation.

We are still working through some issues with the township itself for any claims that would happen in the future.

Ray asked if this action does set a precedent. Logan said this does not set a precedent.

IV. SEWAGE TREATMENT OPERATIONS

9. Report on Collection System Maintenance.

Rob said everything is going well. The crew is working on maintenance and cleaning

sewers currently.

The sewer reports for the months of May and June were reviewed by the Commission.

10. **Report on sewage treatment operations.**

Chris stated the treatment plant met all permit requirements for May and June. They produced 76% of electricity and 90% of heat. These numbers are down a little due to the biogas generator being down some. The belt filter press pilot test was successful. Chris also stated there was a great response by all utility staff in regards to the June 12 storm event. We had 10 lift stations down during storm and no backups occurred.

B.O.D. (7 average ppm), Phosphorus (.608 average ppm) and Suspended Solid (11.32 average ppm) limits were met for the month of May 2017.

B.O.D. (3 average ppm), Phosphorus (.298 average ppm) and Suspended Solid (3.80 average ppm) limits were met for the month of June 2017.

V. STORMWATER OPERATIONS

11. **Report on Stormwater operations.**

Rob stated they are working on redoing the storm water ditch behind Holiday Inn Express from Brilowski Road to Amber Ave.

The stormwater operations report was reviewed by the commission.

12. **Consideration and possible action on awarding the 2017 Swale Reconstruction and Shouldering Project #17-11 to Stuczynski Trucking and Excavating, Inc. in the amount not to exceed \$144,162.85.**

Joel stated the bid tab is attached. The bid came in right where we thought they would be. Staff recommends approving low bid from Stuczynski Trucking & Excavating, Inc.

Motion made by Mae Nachman, seconded by Ray Schmidt to approve the low bid from Stuczynski Trucking and Excavating, Inc. in the amount not to exceed \$144,162.85.

Ayes all. Nays none. Motion carried.

VI. DIRECTOR 'S REPORT

13. **Update on Utility Garage Project.**

Joel gave the Commission an update Utility Garage Project.

This being built not just because it's time but due to the fact the Collections garage is being re-tasked due to upcoming biosolids project and Water garage is being re-tasked and used to store equipment and materials in-doors that are currently outside. Therefore

all 13 employees from the water garage and collections garage will be in the new facility, these employee and their equipment.

Paul explained this project is completely separate from the biosolids project.

Joel explained the garage diagram to the Commission. Staff toured other facilities and found one in Rosholt that was similar to what they needed.

Joel would like to propose going with “long life” options associated with the proposed construction. The amount to about 10% of the total cost and will likely double the useable life of the building. The precast roof verses the metal and the in-floor heating verses the MAU only. The precast roof would be maintenance free with increased durability and the annual savings associated with in-floor heat would result in a payback of 20 years. Effluent from the wastewater treatment plant would be used to heat the in-floor heating.

Motion made by Anna Haines seconded by Ray Schmidt to approve moving forward with the long life options in the new Utility Garage.

Ayes all. Nays none. Motion carried.

14. **Verbal Report.**

Nothing to report.

The next Water & Sewerage Commission meeting will be on Monday, September 11 , 2017 at noon.

VII. ADJOURNMENT

Motion made by Mae Nachman to adjourn the meeting.

Ayes all. Nays none. Motion carried.

MEETING ADJOURNED

1:18 pm

BOARD OF WATER AND SEWERAGE COMMISSIONERS

PAUL ADAMSKI, PRESIDENT