I. ADMINISTRATION

1. Approval of minutes of the April 12th, 2010 meeting.

Motion made by Eugene Tubbs, seconded by Carl Rasmussen to approve the minutes of the April 12th, 2010 Water & Sewage Commission meeting.

Ayes all. Nays none. Motion carried.

II. ACCOUNTING

2. Discussion and action on 2009 Water & Sewage Department audits.

John Andres of Baker Tilly presented the 2009 Water & Sewage Department audits. The audits in the past were conducted in accordance with the Generally Accepted Auditing Principles but this year due to receiving State money for the Well 11 project it was done in accordance with some additional standards called Government Auditing Standards. This is to make sure we are complying with all the rules and regulations of the grant award.

We sold less water in 2009 compared to 2008. This is happening to all utilities in the State. People are conserving more, which means there are less revenues coming in.

There was less wastewater treated in 2009 as well.

The authorized water rate of return is 6.75%; the rate of return for 2009 was 5.42% which is up a little from 2008 which was at 5.23% due to the rate increase effective November 2008. Expenses all increased in 2009 as well.

The Wastewater Department debt coverage ratio was 1.04 for 2008 up to 1.38 in 2009, the debt coverage requirement is 1.10. We are in compliance.

Revenues and expenses for both departments increased from 2008 to 2009.

Capital contributions include the grant from the D.N.R. for $460,000. The tax equivalent that was paid to the City increased from $506,362 in 2008 to $527,972 in 2009.

The net assets increased for the Water Department but that's due to the capital items. The net assets for the Wastewater Department changed dramatically in 2008 due to the transfer of the Collection System.

The Water Department has ten months of cash on hand, which is up from nine months in 2008. They like to see a minimum of three months cash on hand.

The Wastewater Department has three months cash on hand which is up from two months cash on hand in 2008.

As of the end of 2009, the Water Department owned 96% of plant and the Wastewater Department owned 87% of the plant. This will change in 2010 due to projects for the Wastewater Department. The Water Department percent of plant will change as well in 2010.

Restricted cash and investments for the Wastewater Department is at 1.8 million which means we are in compliance with all requirements for D.N.R. and debt service.

John stated they want management to continue to keep monitoring water loss on a monthly basis.

John also stated the audits went well this year. The administrative team and staff did a good job of getting everything ready for the audits.

Motion made by Jim Cooper, seconded by Carl Rasmussen to approve the 2009 audit and financial statements completed by Baker Tilly.

Ayes all. Nays none. Motion carried.

3. **Consideration of claims for the Water and Sewage Treatment Utilities.**

Eugene Tubbs presented the statement of claims for the Water Utility for April. The balance as of April 1st, 2010 was $1,753,998.19; the bank deposits recorded in April 2010 were $807,383.98. Checks issued since the April 12th, 2010 meeting numbered 43969 through 44010 were in the amount of $1,157,626.29. Checks numbered 44011 through 44036 for $121,634.89 were presented for action on May 10th, 2010. The net balance on hand May 10th, 2010 was $1,282,120.99.

Motion made by Carl Rasmussen, seconded by Jim Cooper to approve the Water Utility claims for the month of April 2010 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, 2010 was $4,263,122.99; the bank deposits recorded in April 2010 were $395,492.62. Checks issued since the April 12th, 2010 meeting numbered 27506 through 27530 were in the amount of $1,386,480.59. Checks numbered 27531 through 27557 for $64,186.35 were presented for action on May 10th, 2010. The net balance on hand May 10th, 2010 was $3,207,948.67.

Motion made by Jim Cooper, seconded by Carl Rasmussen to approve the Sewage Utility claims for the month of April 2010 as audited and read.

Ayes all. Nays none. Motion carried.

4. **Discussion and action on sewer manhole repair project bids.**

Kim stated Thul Specialty Contracting, Inc. came in as low bidder so that is who she is recommending.

Motion made by Carl Rasmussen, seconded by Jim Cooper to accept the low bid from Thul Specialty Contracting, Inc. in the amount of $85,710.00.

Ayes all. Nays none. Motion carried.

5. **Discussion and action on proposal to inspect Well #10.**

Kim stated Well #10 was inspected five years ago and it is due to be inspected again to keep it on a five year inspection rotation. Kim said she was looking into having the horizontal laterals cleaned as well but the divers can't do that and it would have to be drawn down and not in use at the time. It would be approximately $150,000 to do it, so Pat Planton of S.E.H., is checking the specific capacities to see if it has gone down. It was 17% lower than it was as of the original installation the last time it was done. If the divers see it does need to be done, Kim will schedule this in one of the upcoming rotations depending on how bad it is. Kim does not want Well #10 down until Well #11 is up and running.

Kim contacted Ranney and Pat Planton to make sure the inspections for Well #10 and the Bliss Avenue tower were done at the same time to make sure we only had to pay for one mobilization fee for the divers.

Motion made by Jim Cooper, seconded by Carl Rasmussen to accept the proposal from Ranney Collector Wells in the amount of $11,680.00 to inspect Well #10.

Ayes all. Nays none. Motion carried.

6. **Discussion and action on proposal to clean Bliss Avenue tower.**

Kim stated this is the first D.N.R. required five year inspection of the Bliss Avenue tower.

Motion made by Carl Rasmussen, seconded by Jim Cooper to accept the proposal from S.E.H. in the amount of $4,200.00 to inspect and clean the Bliss Avenue tower.

Ayes all. Nays none. Motion carried.

III. WATER OPERATIONS

7. **Report on water distribution operations.**

Kim stated she heard from staff that flushing went very smoothly this year and she feels that's due to the maintenance of the hydrants.

The water operations report was distributed and reviewed.

A total of 242 valves have been operated in 2010.

8. **Report on water supply operations.**

Our pumpage in April was 167,028,000 gallons, an increase of 11,952,000 gallons of water from April 2009.

9. **Report on Well 11.**

Kim stated the caisson is all done and they have one lateral that has been projected out 180'.

The final design of the treatment plant and mains should be completed this week or next week and will be submitted to the D.N.R. for the next loan application.

There are seven more laterals to be projected and the pump test is scheduled for June 15th.

IV. SEWAGE TREATMENT OPERATIONS

10. Report on Collection System Maintenance.

Kim stated Rob Molski compared the totals from this year to last year and they are up once again. Everything is going well.

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

11. Report on sewage treatment operations.

Eric stated the plant is running well.

Eric stated Jeremy is getting great feedback from the septage haulers. They like the convenience, price, access and setup of the plant.

B.O.D. (4.82 ppm), Phosphorus (0.788 ppm) and Suspended Solid (5.52 ppm) limits were met for the month of April 2010.

The next Water & Sewage Commission meeting will be on Monday, June 14th, 2010 at noon.

V. ADJOURNMENT

Motion made by Carl Rasmussen to adjourn the meeting.

Ayes all. Nays none. Motion carried.

MEETING ADJOURNED
12:40pm

BOARD OF WATER AND SEWAGE COMMISSIONERS

EUGENE TUBBS, SECRETARY