

City of Stevens Point Meeting Minutes

Board of Water and Sewage Commissioners

Monday, May 11, 2009, 12:00 p.m. PRESENT: Paul Adamski, Eugene Tubbs, Jim Cooper, and Carl Rasmussen.

ALSO PRESENT: Kim Halverson, Brenda Thomas, Joel Lemke, Rob Molski, Eric Niffenegger, Jaime Zdroik, Angel Gebeau of Earth Tech/AE COM and John Andres of Virchow Krause.

EXCUSED ABSENCE: Mae Nachman

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I. ADMINISTRATION

1. Approval of minutes of the April 13, 2009 meeting.

II. ACCOUNTING

2. Discussion and action on claims for the Water and Sewage Departments.

3. Discussion and action on the 2008 Water and Sewer audits.

III. WATER OPERATIONS

4. Report on water distribution operations.

5. Report on water supply operations.

IV. SEWAGE TREATMENT OPERATIONS

6. Discussion and action on hiring Virchow Krause to complete sewer rate review and connection fee rate establishment.

7. Report on Collection System Maintenance.

8. Report on sewage treatment operations.

V. ADJOURNMENT

I. ADMINISTRATION

1. Approval of minutes of the April 13th, 2009 meeting.

Motion made by Eugene Tubbs, seconded by Carl Rasmussen to approve the minutes of the April 13, 2009 Water & Sewage Commission meeting.

Ayes all. Nays none. Motion carried.

II. ACCOUNTING

2. Consideration of claims for the Water and Sewage Treatment Utilities.

Paul Adamski presented the statement of claims for the Water Utility for April. The balance as of April 1st, 2009 was \$1,607,697.70; the bank deposits recorded in April 2009 were \$911,203.67. Checks issued since the April 13th, 2009 meeting numbered 43041 through 43087 were in the amount of \$710,492.65. Checks numbered 43088 through 43115 for \$74,571.77 were presented for action on May 11th, 2009. The net balance on hand May 11th, 2009 was \$1,733,836.95.

Motion made by Jim Cooper, seconded by Eugene Tubbs to approve the water utility claims for the month of April 2009 as audited and read.

Ayes all. Nays none. Motion carried.

Paul Adamski also presented the statement of claims for the Sewage Treatment Utility for April. The balance as of April 1st, 2009 was \$1,770,728.00; the bank deposits recorded in April 2009 were \$430,202.14. Checks issued since the April 13th, 2009 meeting numbered 26815 through 26842 were in the amount of \$1,080,163.35. Checks numbered 26843 through 26866 for \$109,405.13 were presented for action on May 11th, 2009. The net balance on hand May 11th, 2009 was \$1,011,361.66.

Motion made by Carl Rasmussen, seconded by Jim Cooper to approve the sewage utility claims for the month of April 2009 as audited and read.

Ayes all. Nays none. Motion carried.

3. Discussion and action on the 2008 Water and Sewer audits.

John Andres of Virchow Krause presented the 2008 Water and Sewer audits and financial statements to the Commission.

The Water Department authorized Public Service Commission Rate of Return is 6.5% and we were at 5.23% for 2008.

The required Clean Water Fund Loan debt coverage ratio for the Wastewater Department is 1.10% and we were at 1.04% for 2008. There was a rate increase for sewer in June of 2008 and there is another one scheduled for June 2009. It was projected, due to the rate increases that we should be in compliance with the Clean Water Fund bond covenants for 2009.

John stated there was a decrease in water gallons sold and wastewater gallons treated in 2008.

The operating revenues for both the Water and Wastewater Departments grew from 2007 to 2008 due to the rate increases.

Operation and maintenance expenses actually decreased 7% for the Water Department.

Operating expenses increased for the Wastewater Department in 2008 due to taking over the collection system.

The Water Department has 9.1 months of unrestricted cash and investments on hand. The Wastewater Department has 2.1 months of unrestricted cash and investments on hand. Virchow Krause recommends having at least 3 months of cash on hand.

In May of 2016 the current debt for the treatment plant will be paid off. The current debt for the water utility will be paid off in November 2012.

There is a new accounting requirement for government facilities for post employment benefits. This is due to the fact employees are allowed to use a portion of their accumulated sick time to put towards health insurance premiums once they retire.

John also stated they appreciate the work done by our management team on implementing all recommendations made by Virchow Krause.

Motion made by Jim Cooper, seconded by Eugene Tubbs to approve the 2008 audit and financial statements completed by Virchow Krause & Company.

Ayes all. Nays none. Motion carried.

III. WATER OPERATIONS

4. Report on water distribution operations.

The report was distributed.

A total of 96 valves have been operated in 2009.

Joel stated hydrant flushing was completed last week and the leak detection company is here this week to check for any leaks city wide.

5. Report on water supply operations.

Kim reported the on demand credit W.P.S. is giving us to be able to turn off the power at Well 6 and start our generator will be reduced by one half per month due to lack of need by W.P.S. to use it.

Our pumpage in April was 155,076,000 gallons, a decrease of 10,920,000 gallons of water from April 2008.

IV. SEWAGE TREATMENT OPERATIONS

6. Discussion and action on hiring Virchow Krause to complete sewer rate review and connection fee rate establishment.

The Clean Water Fund loan requires us to complete a rate review every two years.

The connection fee will be established for the new Industrial Park Road sewer project going to the East through the Business Park. When someone hooks up to the new sewer main there would be a charge to them for that. This would be established to recoup the money the current rate payers will pay for that section of sewer main for future use. We have never had a connection fee of this kind before. This would be a one-time fee for new rate payers who hook up to the new sewer main.

Virchow Krause will be able to provide the Commission with several different scenarios for establishing a connection fee once their analysis is complete.

Motion made by Eugene Tubbs, seconded by Jim Cooper to hire Virchow Krause to complete a sewer rate review and connection fee analysis for an amount not to exceed \$15,000.

Ayes all. Nays none. Motion carried.

7. Report on Collection System Maintenance.

Rob stated they are concentrating on cutting roots in the sewer mains right now and then they will move to jetting the mains. They are currently working on the north side of town.

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

8. Report on sewage treatment operations.

Eric stated the plant is running well.

B.O.D. (2.67 ppm), Phosphorus (0.270 ppm) and Suspended Solid (3.74 ppm) limits were met for the month of April 2009.

The next Water & Sewage Commission meeting will be June 8th, 2009 at noon.

V. ADJOURNMENT

Motion made by Eugene Tubbs to adjourn the meeting.

Ayes all. Nays none. Motion carried.

MEETING ADJOURNED

12:44 p.m.

BOARD OF WATER AND SEWAGE COMMISSIONERS
EUGENE TUBBS, SECRETARY

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