

Meeting Minutes

Board of Water and Sewage Commissioners

Monday, February 9, 2004, 12:00 P.M. PRESENT: Paul Adamski, Eugene Tubbs, Ed Bancker and John Wandrey.

ALSO PRESENT: Kim Halverson, Eric Niffenegger, Jaime Zdroik, Barb Zinda, Joel Lemke, Alderman Mike Phillips and John Andres - Virchow Krause.

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2. Action on request of Melvin Bembenek which concerns Administration Policy 1.10 Employee Participation in Political Activity.

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I. ADMINISTRATION

1. Approval of minutes of the January 12, 2004 meeting.

Motion made by Ed Bancker, seconded by Eugene Tubbs to approve the minutes of the January 12, 2004 meeting.

Ayes all. Nays none. Motion carried.

2. Action on request of Melvin Bembenek which concerns Administration Policy 1.10 Employee Participation in Political Activity.

Motion made by John Wandrey, seconded by Eugene Tubbs to approve Melvin Bembenek's candidacy for Supervisor of the Town of Hull.

Ayes all. Nays none. Motion carried.

II. ACCOUNTING

3. Discussion and action on hiring a consultant to design and build Well #9 chemical room.

Kim recommended hiring SEH as our consultant to design and build the Well #9 chemical room. The reasons why Kim recommends SEH are; they were the lowest quote; Pat Planton would be the project manager and he is very familiar with our system; and the references she checked all came back positive.

Motion made by Ed Bancker, seconded by Eugene Tubbs to approve hiring SEH as our consultant to design and provide construction phase services for the Well #9 chemical room in the range of \$19,500 to \$26,500.

Ayes all. Nays none. Motion carried.

4. Discussion and action on water rate increase.

Paul Adamski stated Items #4, #5 and #14 were all going to be done under Item 4.

John Andres from Virchow Krause explained the water rate increase, sewer rate increase and the wholesale rate study.

Water Rate Increase

John stated the Public Service Commission approves the water rates. Summary pages were provided to the Commissioners and audience showing the expected increases based on the Public Service Commission analysis. On March 9, 2004 there will be a public hearing held by the PSC and at that time any customers have the right to appeal and voice their opinions regarding this matter.

Paul Adamski stated Kim did a composite of these rates showing the average rate increase would be 4.2%.

Per Kim's request, John explained the Simplified Rate Case. Kim hopes to use the process in the future. After the current rates have been in effect for one year you can request an inflationary rate increase. There is a one page form that can be filled out and no public hearing is required. It will basically give you a 3% increase across the board. This process will be available in the future to use if we do not have any large expenditures.

Alderman Mike Phillips asked questions regarding the rate increase which were addressed by John Andres.

Motion made by John Wandrey, seconded by Ed Bancker recommending the Council accept the rate increase as mandated by the Public Service Commission.

Ayes all. Nays none. Motion carried.

### Sewage Rate Increase

John stated the sewage rates are not governed by the PSC like the water rates are. The Water & Sewage Commission and the City Council approve the sewage rates. The last sewage rate increase was January 1, 2002. Virchow Krause is recommending a 6.37% increase.

John explained that as a requirement of our Clean Water Fund loan we have to review the sewage rates biennially. He also explained the Debt Coverage requirements. When the money was borrowed from the State of Wisconsin's Clean Water Fund to build the Sewage Treatment Plant modifications, it was agreed upon that we would collect enough money in our rates to be able to pay all the operations, maintenance and supplies, set aside the \$191,000 for equipment replacement and have a 10% factor of debt coverage built in. If we don't meet the requirements we would be violating the bond covenants with the State.

John stated that for the average residential customer the sewage rate increase would be approximately \$3.55 per quarter.

The Commissioners discussed what the average increase amount would be for both water & sewage per quarter for residential customers. The increase would be approximately \$4.78 per quarter.

Questions from Alderman Mike Phillips regarding the rate increase were addressed. Paul stated that staff will research some of the questions asked by Alderman Mike Phillips and get back to him with the answers.

Motion made by Eugene Tubbs, seconded by Ed Bancker to accept the recommendation by Virchow Krause to increase the sewage rates 6.37%.

Ayes all. Nays none. Motion carried.

### Wholesale Wastewater Rate Study

The Wholesale Wastewater Rate Study was completed in order to have some idea of what the rates would be for the Village of Whiting if they decide to have us treat their wastewater. Our engineering consultant confirmed that the treatment plant has enough capacity to treat Whiting's wastewater without any modifications to the plant.

Paul Adamski will send the Village of Whiting a letter along with this draft copy of the Wholesale Rate Study for their information.

5. Discussion and action on sewage rate increase.

See Item #4.

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

Paul Adamski presented the statement of claims for the Water Utility for January. The balance on hand after the January 12, 2004 meeting was \$1,269,576.97; the bank deposits since then were (Not Available). Checks issued since the January 12, 2004 meeting numbered 38003 through 38070 were in the amount of \$422,122.02. Checks numbered 38052 through 38069 for \$31,146.43 were presented for action on February 9, 2004. The net balance on hand February 9, 2004 was (Not Available).

Motion made by John Wandrey, seconded by Ed Bancker to approve the water utility claims for the month of January as audited and read.

Ayes all. Nays none. Motion carried.

Paul Adamski also presented the statement of claims for the Sewage Treatment Utility for January. The balance on hand after the January 12, 2004 meeting was \$1,365,242.75; the bank deposits since then were (Not available at this time). Checks issued since the January 12, 2004 meeting numbered 23481 through 23512 were in the amount of \$38,164.64. Checks numbered 23513 through 23530 for \$19,930.73 were presented for action on February 9, 2004. The net balance on hand February 9, 2004 was (Not available at this time).

Motion made by Eugene Tubbs, seconded by John Wandrey to approve the sewage utility claims for the month of January as audited and read.

Ayes all. Nays none. Motion carried.

7. Report on Springbrook software installation.

Barb Zinda reported on the Springbrook software installation. Barb stated we are still working out some problems with the history conversion. She said we are still accessing Sentry to look at previous history. Barb contacted Sentry and asked them what the cost would be per month to access their billing system. They told her it would be approximately \$425 per month. Barb anticipates that we should only need to use Sentry's system through the end of the year.

The Commissioners agreed to allow us to continue using Sentry's system through the end of the year if needed.

Paul would like to revisit this issue in the January 2005 Commission meeting.

8. Consideration of Chemical Bids.

Motion made by John Wandrey seconded by Eugene Tubbs to approve the bid from Hydrite Chemical; Chlorine - \$3,780; Sodium Hypochlorite - \$7,749; Hydroflousilicic Acid - \$13,040; and Caustic Potash - \$1,600.

Ayes all. Nays none. Motion carried.

Motion made by Eugene Tubbs, seconded by Ed Bancker to approve the bid from Eaglebrook Inc. for Ferric Chloride in the amount of \$4,640.00.

Ayes all. Nays none. Motion carried.

### III. WATER OPERATIONS

9. Discussion and action on color and design of water tower and report on the project.

Kim showed the Commission more renderings of the water tower color and design.

The Commissioners were concerned that if we go with another color and design for the new water tower there would be additional costs involved. The old water tower is due to be repainted in 2006 and at that time it will be painted to match the new water tower design.

Kim will provide this information to the Mayor and share the new renderings with him.

This item will be brought back next month.

10. Consideration and action on quote for replacing booster station motor.

John Wandrey relooked at the payback for replacing the booster station motor. He refigured it and the payback would be less than what we thought originally.

Motion made by Paul Adamski, seconded by Eugene Tubbs to replace the booster station motor as outlined in the Focus on Energy report.

Ayes all. Nays none. Motion carried.

11. Report on water tower project.

Kim provided the Commission with an update regarding the outstanding change order.

12. Report on water distribution operations.

The report was distributed.

A total of 64 valves were operated in January 2004.

A total of 0 business properties have been checked for backflow preventors in January 2004 for a total of 0 in 2004.

13. Report on water supply operation.

Our pumpage in January was 203,091,000 gallons, a decrease of 6,543,000 gallons of water from January 2003.

#### IV. SEWAGE TREATMENT OPERATIONS

14. Report on bulk sewage treatment rate.

See Item #4.

15. Report on sewage treatment operations.

Eric stated the plant is running well. Eric also stated that in trying a new operational procedure for phosphorus removal they used very little ferric chloride and are hoping to eliminate having to use it in the future.

B.O.D. (5.02 ppm), Phosphorus (.83 ppm) and Suspended Solid (6.01 ppm), limits were met for the month of January 2004.

Next months meeting will be held on Monday, March 9, 2004 at 12:00 p.m.

#### V. ADJOURNMENT

Motion made by John Wandrey, seconded Eugene Tubbs to adjourn.

Ayes all. Nays none. Motion carried.

MEETING ADJOURNED

1:35 pm

BOARD OF WATER AND SEWAGE COMMISSIONERS

EUGENE TUBBS, SECRETARY

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