

City of Stevens Point
Board of Water and Sewerage Commissioners
Monday, August 12, 2019
12:00 P.M.

MINUTES

PRESENT: Paul Adamski, Carl Rasmussen, Anna Haines and Ray Schmidt

ALSO PRESENT: Joel Lemke, Jason Draheim, Eric Southworth, Chris Lefebvre, Rob Molski, Mary Klesmith, Jaime Zdroik and Jodi Dobson/Baker Tilly

EXCUSED ABSENCE: Mae Nachman

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ADMINISTRATION

1. Approval of minutes of the July 8, 2019 meeting.

Motion made by Ray Schmidt, seconded by Anna Haines to approve the minutes of the July 8, 2019 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 July. The balance as of July 1, 2019 was \$1,753,466.22; the bank deposits recorded in July 2019 were \$1,548,499.52. Checks issued July 2019 numbered 53406 through 53483 were for \$1,116,967.93. The net balance on hand July 31, 2019 was \$2,184,997.81.

WASTEWATER DEPARTMENT

Paul Adamski presented the statement of claims for the Sewage Treatment Utility for July. The balance as of July 1, 2019 was \$4,910,358.07; the bank deposits recorded in July 2019 were \$4,212,999.27. Checks issued July 2019 numbered 33926 through 33985 were for \$1,483,199.55. The net balance on hand July 31, 2019 was \$7,640,157.79.

STORMWATER DEPARTMENT

Paul Adamski presented the statement of claims for the Stormwater Utility for July. The balance as of July 1, 2019 was \$592,560.32. The bank deposits recorded in July 2019 were \$192,130.61. Checks issued July 2019 numbered 2521 through 2550 were for \$108,635.18. The net balance on hand July 31, 2019 was \$676,055.75.

Motion made by Carl Rasmussen seconded by Anna Haines to approve the department claims for the month of July 2019 as audited and read.

Ayes all. Nays none. Motion carried.

III. WATER OPERATIONS

3. Report on water distribution & water supply operations.

Eric stated there was record rainfall in July so pumpage is significantly lower.

Wells were sampled for raw fluoride, .15-.2ppm and distribution is between .6 to .8ppm.

Our pumpage in July was 199,645,000 gallons, a decrease of 40,842,000 gallons of water from July 2018.

The water operation report was distributed and reviewed for the month of July.

4. Discussion and possible action on a proposal for the abandonment of the Patch St. well.

Eric explained where the Patch Street well is located. Joel explained the history as to when we acquired the well from the mill back in 1996.

The Patch Street well will never be used because we do not have a need for it. In addition, last fall we were not able to collect our annual water quality sample, as required by the DNR, due to electrical and mechanical failures of the equipment on site and it would take significant upgrades in order to get the required annual water quality sample.

Two quotes were received on the abandonment of the well. Eric requested for permission to pursue this abandonment not to exceed the sum of \$78,130.00.

Motion made by Anna Haines, seconded by Carl Rasmussen to approve the abandonment of the Patch Street well in an amount not to exceed \$78,130.00.

Ayes: Paul Adamski, Anna Haines and Carl Rasmussen

Abstention: Ray Schmidt

Nays: None. Motion carried.

IV. SEWAGE TREATMENT OPERATIONS

5. Report on Collection System Maintenance.

Rob stated everything is going well and they are still hauling sewage to the landfill.

A report for the month of July was provided to the Commission.

6. **Report on sewage treatment operations.**

Chris stated all permit requirements were met for the month of July. We were without power for extended periods of time on the 19th and 20th due to the storm and that is reflected in the monthly report but everything is in line now. We had multiple lift stations without power and he commended his staff stating they did a fantastic job keeping them running using generators etc. Chris also stated that in July, a request for proposals for utilizing our Class A biosolid was put out. We received one proposal back from one highly regarded local farmer whom is interested in taking all of it, and that would include the trucking and disposal costs as well. The utility is looking into getting into a memorandum with him both having a 60 day opt out clause for either party.

Joel explained this would be a flexible relationship, no formal contract this first year because this is new and all involved aren't quite sure how operations will work.

Chris also stated the project is moving forward and the first material will be in the dryer tonight. So hopefully by the end of the week we will be producing our Class A material. The final approval still has to be received by the DNR.

B.O.D. (3 average ppm), Phosphorus (.442 average ppm) and Suspended Solid (3.41 average ppm) limits were met for the month of July 2019.

7. **Discussion and possible action on a replacement pick-up truck.**

Eric explained that last week one of our fleet trucks was in an accident on the job site. This truck was on the 2020 Capital Improvements for replacement and due to this circumstance, Eric is requesting permission to replace it yet this year.

Motion made by Ray Schmidt, seconded by Anna Haines to purchase a replacement pick-up truck.

Ayes all. Nays none. Motion carried.

V. STORMWATER/CAN OPERATIONS

8. **Report on Stormwater/CAN operations.**

Joel explained we are experiencing construction in town from TDS and we are trading some infrastructure benefiting us. The school district project is still in limbo because they are waiting for erate approval.

Rob had nothing to report on Stormwater.

VI. DIRECTOR'S REPORT

9. Verbal report & update on current projects.

Jodi Dobson of Baker Tilly presented the audit for 2018 for all departments.

Jodi stated the audit went very well. There was some challenges with the new software but staff was great to work through all of that with them and in the end, they were able to issue an unmodified opinion.

There was one material weakness consistent to priors years related to financial reporting.

WATER DEPT:

There was an increase in water sold which is very positive. The utility's authorized rate of return was increased to 3.5% during the rate application; the 2018 rate of return was 3.47%. In 2019, we will see full impact of the rate increase.

The bond resolution requires that earnings from the system be greater than 1.10 times the highest annual debt service. The water utility met the required net earnings at 3.76 debt coverage for 2018.

Unrestricted funds – 1.12 quarters billings on hand lower than previous years due to projects.

The utility had 24% net plant funded by debt with 76% funded by equity.

SEWER:

The volume of wastewater treated increased consistent with the increased water consumption.

Operating revenues increased due to increased usage. Very consistent positive operating expenses.

The bond resolutions require that earnings from the system be greater than 1.25 times debt service and it was 3.37 for 2018.

The Wastewater Utility did draw down their reserves in 2018 going from 3.62 quarters to 1.86 quarters billings on hand.

The percent of net plant funded by debt was 21% and 79% funded by equity.

STORM:

In 2018, the operating revenues were a little less than operating expenses. It is time to look at operation and maintenance expenses to see if rates will continue to be adequate.

The Stormwater Utility has 3.83 quarters billings on hand.

The utility has no outstanding debt.

Jodi explained to the Commissioners that we accepted a lower rate of return to minimize the increase to the customers.

The next Water & Sewerage Commission meeting will be on Monday, September 9, 2019 at noon.

VII. ADJOURNMENT

Motion made by Ray Schmidt to adjourn the meeting.

Ayes all. Nays none. Motion carried.

MEETING ADJOURNED
12:39 pm

BOARD OF WATER AND SEWERAGE COMMISSIONERS

A handwritten signature in cursive script, appearing to read "Carl Rasmussen".

CARL RASMUSSEN, SECRETARY