



## Minutes of May 6, 2014

A meeting of the Wausau Water Works Commission was called to order at 1:30 p.m. in City Hall on May 6, 2014. In compliance with Wisconsin Statutes, this meeting was posted and receipted for by the Wausau Daily Herald on May 2, 2014.

### 1) **Roll Call**

Members present: President Tipple, Commissioners Gehin, Otto, Rebman, Winters, and Utilities Director Marquardt.

Others present: Dave Erickson; Deb Geier; Ken Ligman, Becher Hoppe Associates.

### 2) **Approve Minutes of April 16, 2014**

Motion by Mr. Rebman to approve the minutes of the April 16, 2014 meeting. Seconded by Mr. Gehin. Motion carried unanimously 5-0.

### 3) **Director's Report on Utility Operations.**

- A letter was received from Catie Anderson, 918 McDonald Street, commending employees Chad Martin and Shannon Lane for the exceptional level of service provided when her pipes froze in March.

Water Works and Public Works employees are going to be treated to breakfast on Friday, May 9 in appreciation for all their hard work and diligence to serve the residents and businesses of our community during this past winter.

- We have received a request from Wausau Kayak/Canoe Corp. for 20 cases of Northwoods Mist. This would cover events for the entire summer and would be made available to paddlers, safety personnel and volunteers.
- The Annual Report to the Public Service Commission has been submitted. The loss water numbers dropped to 6%, which is significantly lower than what it has been the past several years. However, our cash situation is not in as good of shape, finishing the year with a \$44,506 deficit. Our rate of return also dropped to 2.87%, which is quite a bit lower than the 6.5% that was authorized in the last rate study.
- The Finance Department has hired a new accountant, Valerie Swanborg, to fill the gap for some of the duties previously done by Deb. We've asked that one of her first duties would be to file a water rate study with the PSC. This was authorized by the Commission in 2013. Deb will be working with Valerie to complete this task.
- Letters have been sent to property owners who were asked to run water this past winter advising that they can stop as of May 1. These meters will be read on May 2 to help with billing adjustments.
- The annual hydrant flushing will take place from May 12 to May 30.

Flushing will be done during the evening hours the first two weeks, and during the day the last week. The schedule was published in the most recent newsletter.

- Crews have been working on rehabbing the filters at the Water Plant. Two of the filters have been completed and the third is expected to be done shortly. An outside contractor was hired to help with some of the tile work.
- Deb Geier has been re-elected to serve another 2-year term on the Municipal Environmental Group-Water (MEG-Water) Steering Committee. With all the changes that have been going on in Madison lately, especially with PSC Code, involvement in MEG-Water has been invaluable.
- Governor Walker recently signed the legislation which changes how delinquent utilities can be applied to property tax rolls. The new legislation will still allow the transfer of delinquent utilities, but we will also be required to put the information out on the Courts system (CCAP). This legislation evolved dramatically over the past several years, and this version does not have requirements for turn-offs for residential rental properties. If the legislation had included that element, it would have had a significant impact on many utilities, including ours. It is unlikely we would have had the staff or resources necessary to do turn offs for all of Wausau's rental properties.
- The winter of 2013-2014 has proven to be one for the record books. Crews thawed 423 service laterals, and had water running at another 392 properties to prevent lateral or main freeze ups. The deep frost also took a toll on our watermains. To date, staff has repaired 34 mains, 14 service leaks, and so far has replaced 42 water meters that froze and broke (and these numbers are expected to go up). Over 1,750 hours of overtime has been logged just for repairing and thawing mains and services. Needless to say we will likely see an increase in our water loss in 2014, as well as a significant increase in operating expenses.
- The State of Wisconsin will be asking the President for a disaster declaration for the severe winter. The last time such a request was granted was in 1994 to the State of Michigan. It is our hope that some FEMA funds will become available, as preliminary cost estimates submitted to the various county Emergency Management Directors did point to the possibility of reimbursement of some of the costs. Preliminary costs for Wausau were in the \$450,000 range, and that didn't include all the road patching that will need to be done this summer. Deb is working on getting final numbers which need to be submitted to the County by April 30. It is expected to be in the \$750,000 range by the time all the numbers are tallied.
- Quotes have been obtained for materials for the 2014 CIP projects. These quotes will be tallied and provided at the meeting. In the past we often went with the lowest price from a vendor on each line item rather than just selecting the lowest overall quote.
- The Wastewater plant is on track to meet permit limits for the month of April.
- The power outage on Sunday, April 13<sup>th</sup>, affected 8 of our west side lift stations. Two of them have generators. We used the vac-truck and trailer mounted generator to keep up with the others. Power was restored at about 11:30 pm.
- The flows greatly increased at the Trails End lift station during the first two weeks of April. This area is in the flood plain and the Rib River levels were also high. During the power outage the flows in the lift station greatly decreased. This is an indication residences have sump pumps connected to

the sanitary sewer. The sewer crew TV'd sewer mains in that area on April 16th and found one lateral discharging clear water. The home is vacant and for sale. Ken Rye met the realtor at the home and confirmed a sump pump is running and discharging to the sanitary sewer. He forwarded information to the Inspections Department. There is also at least one crack in the sewer main that needs to be repaired.

- A break in the Trails End lift station force-main was discovered on the morning of April 15<sup>th</sup>. A by-pass pump with fire hoses was installed to direct the wastewater to the next downstream manhole. The Water Department made the repairs and the lift station was back in operation by the end of the day. A Sanitary Sewer Overflow (SSO) report was submitted to the WDNR because we were discharging to the ground surface.
- A break in the Kent Street lift station force-main was discovered on April 28<sup>th</sup>. That break was in the valve pit so wastewater was seeping up from the manhole, draining down the gutter, and into the Eau Claire River backwaters near the end of Kent Street. That break was repaired by the plant maintenance mechanics. An SSO report was also submitted to the WDNR for this break.

In December, the Stettin lift station had a break similar to one at the Kent Street lift station so we have had a total of three this year. The wastewater crew could not think of three other breaks in the last 10 to 15 years.

- Ken Rye met with Infratech and they inspected some of the manholes in the interceptor line between 22<sup>nd</sup> Avenue and the WWTP. The manhole structures and sewer main in that area is deteriorating due to hydrogen sulfide. We will need to more thoroughly identify the extent of the problem and schedule repairs over the next few years.
- This spring may set a new record for late starts to our sludge spreading program. We cannot get started until fields dry up and load limits come off county roads.

Motion by Mr. Otto to accept the Director's Report as presented and place on file. Seconded by Mr. Rebman. Motion carried unanimously 5-0.

4) **Open Bids and Make Recommendation for the Purchase of a Four-Wheel Drive Tractor**

Last month the Commission approved the purchase of a tractor. However, according to the Procurement Policy, it is necessary to advertise. The request was advertised and sent to five different entities. Marquardt opened the only quotation that was received. The quotation was from Nathan Kling Farms in the amount of \$31,000.

Motion by Mr. Rebman to recommend the purchase of a four-wheel drive tractor from Nathan Kling Farms in the amount of \$31,000. Seconded by Mr. Gehin and the motion carried unanimously 5-0.

5) **Sewer and Water Extension to 1940 Crabtree Drive**

Marquardt stated the property owner of 1940 Crabtree Drive would like to build a house on the property and has inquired about hooking up to sewer and water. Currently sewer and water runs to Crabtree Drive and north of Crabtree Drive is property owned by Monk. Therefore, an easement from Monk would be required to extend sewer to this property. With the contours of the land, sewer would have to be ran 30' up and then an injector pump would be needed. The owner would be willing to drill a well and get a permit from the County for septic. Discussion followed on the contours of the area and how to serve should the need arise in the future. Marquardt further explained that this property

was annexed about 10 years ago. Our office recently received a number of calls from realtors and potential developers; however, nothing materialized. Mayor Tipple questioned the cost to extend water and sewer to the area. Marquardt stated the area is rocky and believes it would be approximately \$200 per foot.

Motion by Gehin to allow the installation of a private well and septic after receiving the proper permits. Seconded by Rebman and the motion carried unanimously 5-0.

6) **Review 2013 Annual Report to the Public Service Commission**

Marquardt stated the 2013 Annual Report has been submitted to the Public Service Commission. The total operating income for 2013 was \$587,420, which is down from \$713,000 in 2012. The cash balance finished with a deficit of \$44,506 down from \$116,000 in 2012 and \$928,000 in 2011. This reaffirms the need for a rate increase. The debt is at \$2,279,000 down from \$2.8 million. The rate of return is down to 2.87% from 3.62% in 2012. The water loss is down to 6% from 21% in 2012. This reflects the number of gallons pumped, which was reduced by 4 million from the previous year. This shows good strides have been made; however, we'll have to see how 2014 ends up with the number of breaks this year.

Gehin questioned the total revenue for the year. Geier stated it was \$4,604,978, which was down from \$4,768,280 in 2012. Geier explained this is due in part to the type of summer, wet versus dry.

Motion by Gehin to approve the 2013 Annual Report to the Public Service Commission and place on file. Seconded by Rebman and the motion carried unanimously 5-0.

7) **Authorization for the Utility to Charge a Cross Connection Permit Fee**

Geier explained that the Water Utility has three employees trained to complete cross connection inspections. Part of the DNR requirements is to have a program in place to complete the inspections. The employees inspect all public authority buildings owned by the city and their time is charged out for the inspection, repairs and permit fee to the state. However, her time is not billed out for overseeing the program, entry of test results, billing, and renewal of the certification program. She would like to be able to charge an administrative fee to city departments to cover the extra costs. Tipple questioned if private properties are inspected. Geier stated the only private properties that are done are residential during meter exchanges. Commercial and industrial properties complete their own by hiring a plumber. Gehin questioned if County buildings or other government agencies would be included. Geier responded only the Park Department properties. Geier stated they would still charge for the inspection time and material for repairs, but a new additional charge of \$40 would cover administrative time.

Motion by Winters to authorize the Utility to charge an administrative cross connection fee. Seconded by Otto and the motion carried unanimously 5-0. Tipple asked Geier to send out a memo to the affected departments advising them of the new charge.

8) **Discussion on the Potential of Selling Sludge to Domtar**

Marquardt stated the potential of selling sludge to Domtar was brought up at the last meeting while discussing the purchase of a tractor to spread sludge. Erickson had contacted John Rick with Domtar who stated they are not allowed to burn sludge with their current DNR permit. They are testing it on a limited basis and are having problems burning their sludge on a test basis. Until they get that worked out they will not make application with the DNR to burn their own sludge. At that time they would still have to decide if they want to open it up to outside sludge. Otto asked if the farmers would be willing to pay for it if the sludge is so important to them. Erickson explained the phosphorus levels are building up in the soils and we will need to recruit new fields. He is concerned with being able to find suitable fields let alone implementing a fee. Otto stated this is an expensive process with the equipment and manpower. Erickson stated this process is much more cost-effective than to take it to the

landfill. Erickson stated Rhinelander's facility, although smaller than Wausau, has less than a tenth the amount of sludge. Erickson would like to look at our current chemical usage and revisit Class A sludge and bio-phosphorus removal.

9) **Update on the Gateway Project**

Marquardt stated we are looking at installing receivers in certain areas throughout the City to read meters instead of having personnel read the meters. We will focus along the river from north to south, where there is a heavy concentration of residences and apartments. Staff has been working with Ferguson through Neptune to determine receiver locations. They are looking at six locations, three on the east side and three on the west. On the east side the proposed locations are on a light fixture at Athletic Park, on the Jefferson Ramp, and on the CDA building at Grand and Thomas. On the west side the proposed locations are Wausau West High School, Elm Street Reservoir and DPW. Through these six locations we can reach approximately 80% of customers. Receivers and wiring for the six locations is estimated at \$60,000, which does not include installation costs, electricity or fiber installation if needed. Staff anticipates having Ferguson attend the June meeting to offer a presentation and a better estimate. \$300,000 has been budgeted for this system.

Tipple questioned if the 28<sup>th</sup> Avenue tower was considered. Marquardt replied it was considered; however, coverage from the locations at Wausau West and Elm Street provides more coverage than the 28<sup>th</sup> Avenue tower. The 28<sup>th</sup> Avenue tower would not cover enough area to the east to be beneficial. Fifteen locations were provided and these six locations provided the best coverage.

Rebman questioned the long-range cost savings. Geier explained it would eliminate the need for personnel to do most daily final readings. Marquardt stated there will be a cost savings on vehicle use and time spent on daily readings. It would free up personnel to complete other maintenance.

Otto questioned if there are a number of companies that offer this. Marquardt stated each company has their own application. Since we have Neptune meters, Badger receivers will not completely communicate with our meters.

10) **Review Quotations and Make Recommendation of the purchase of parts for the 2014 CIP Projects**

Marquardt stated each year we go out for quotes for materials used throughout the year. In the past we would choose the low price per item. By choosing each item individually, we would save approximately \$4,000.

Motion by Winters to approve the purchase of the low-quoted part for each line item for the 2014 CIP Projects. Seconded by Rebman and the motion carried unanimously 5-0.

11) **CLOSED SESSION** pursuant to 19.85(1)(e) of the Wisconsin Statutes for deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session: *for negotiating the purchase of properties.* (1524 Cleveland Avenue)

Roll call vote to convene in closed session was taken. Aye: Tipple, Rebman, Otto, Gehin and Winters. No: O.

*The committee adjourned in closed session at 2:40 p.m.*

/s/ Keene Winters  
Secretary