



Minutes of February 3, 2015

A meeting of the Wausau Water Works Commission was called to order at 1:30 p.m. in City Hall on February 3, 2015. In compliance with Wisconsin Statutes, this meeting was posted and receipted for by the Wausau Daily Herald on January 28, 2015.

1) Roll Call

Members present: President Tipple, Commissioners Gehin, Rebman, Winters (arrived at approximately 1:35 p.m.).

Others present: Anne Jacobson, Kevin Fabel, Maryanne Groat, Allen Wesolowski, Dick Boers, Dave Erickson, Deb Geier, Ric Mohelnitzky, Valerie Swanborg, Ken Ligman, Becher Hoppe Associates; Tonia Speener, Clark Dietz; Don Swailes, AECOM; Deb Ryan

2) Approve Minutes of the December 2, 2014 meeting

Motion by Mr. Rebman to approve the minutes of the December 2, 2014 meeting. Seconded by Mr. Gehin. Motion carried unanimously 3-0.

3) Staff Report on Utility Operations

Mr. Gehin requested that staff highlight the important items of the staff report as the members should have read it and there is a long agenda today. Boers has not received a letter yet from the DNR regarding the lead exceedance. After the letter is received, staff will decide what direction to take. One option would be for the Council to adopt an ordinance that requires homeowners to replace their side of the lead service at the same time the City replaces their side. This option would possibly cut the amount of service replacements in half. Mr. Gehin stated if this is a recommendation, it should be placed on a future agenda for consideration.

Erickson stated the staff report indicated an aluminum sulfate bid came in approximately 30% lower than what we had been paying. After looking at it more closely, it is closer to 20% lower.

Boers questioned if staff should invite EPA and/or DNR representatives to justify the exceedance ruling to the citizens. The citizens will wonder why the City is digging up good streets to replace services on the City side. Mr. Winters asked what other cities are doing. Boers indicated that Racine has also failed. The City could test lead services and if tested as safe it would count as a replacement. Staff will test 20 and will recommend this option if it looks like it will work. Mr. Winters noted that Wausau cannot be the only community in this situation. Geier stated Racine will be testing over 500 properties and complete between 200 to 300 replacements. Boers noted that Madison had five crews changing out services. This will be very labor time consuming for the City as there needs to be 60 samples before June and another 60 before the first of the year. For the lead service opt out, the homeowner has to leave the water sit for at least six hours, 7 liters of water need to be run and the 8th liter is tested. Staff may have to knock on doors and during different hours of the day in order to get samples. Boers explained the options again. Option A would be to change out over 400 services and complete testing. Option B would be for the Council to adopt an ordinance requiring the homeowner to change their lead service at the time the City replaces their

side. If this ordinance is approved, replacement would be based upon footage. For example, if the City side is 10' long and the homeowner side is 40' long, that would count as five services. This option would cut the amount of service replacements approximately in half. Boers stated every time a street is reconstructed homeowners are encouraged to change their service. However, only about 1% does. Mr. Winters questioned if this is affecting people's health or if it is just the latest rule. If it is really making people sick we want to fix it. Boers stated the trends shows when changing the City side and not the homeowner's there is an increase in the amount of lead in the home for a duration of time. Boers stated the City did have a couple of samples they felt were invalid and if those samples were invalid; the City would have been in compliance. The City needs to move on with orders now as the deadline is the end of September. Mr. Winters questioned the consequences of not getting this done in time. Boers replied the fines could be from \$10 to \$5,000 a day. Mr. Gehin asked if an incentive package could be done with homeowners to encourage changing their service. Geier does not believe the PSC would allow that as part of future rates. Madison has a number of cell towers on water towers and the City is getting the revenue. The City released the revenue to use toward an incentive for replacing laterals on the private side. Boers indicating the City can stop replacing services if it gets into compliance the first year. Mr. Gehin questioned if it is possible to find out which communities are under the same circumstances. Boers indicated Racine and New Lisbon are. Don Swailes stated Green Bay may also have an issue but may be trying to avoid it by completing another approach, such as unidirectional flushing. Boers noticed that Kent Street is to be redone next year. Kent Street has 110 lead services. He questioned if there was some way to get that road done this year rather than next. Wesolowski stated there is no money budgeted for it and there is a process of public hearings for assessments. Mr. Winters wondered if there was another project that could be delayed. Mr. Gehin added that the assessment process for street projects usually begins the fall before. Mayor Tipple asked if we could propose that "x" number of services are to be replaced next year and ask for a variance. Mr. Gehin suggested placing this item on the next agenda for consideration.

Motion by Mr. Gehin to approve the staff report as presented and place on file. Seconded by Mr. Winters. Motion carried unanimously 4-0.

4) Discussion and possible action regarding quotes obtained to repair the sewer lateral at 608 Prospect Avenue

Erickson stated that Mr. Imhoff owns the property at 608 Prospect Avenue. Approximately 20 years ago, Prospect Avenue was reconstructed and went from a 6" line to a 4" line and it has constricted the flow. Mr. Imhoff would like the City to fix the problem. Erickson received an estimate from Best One; however, if the project does not go as anticipated, it would cost more. Erickson does not like the idea of doing work on private property. One option is for Mr. Imhoff to file a claim for damages. Another option would be to offer to make the repair. The estimate is for \$2,265 and is based upon the idea of sliding a 4" sewer pipe through the 6" pipe. If that cannot be done, there would be extra charges based on time and material. Sidewalk would have to be removed and replaced, which is not included in the estimate. Erickson stated a settlement could also be offered to the homeowner. A final option would be to make the repairs on the City side, which would be much more expensive. Mr. Gehin asked why the Utility could not dig down and install the correct fitting. Erickson stated an eccentric fitting would be better but believes that the homeowner needs to be satisfied. Discussion followed on the options. Mr. Winters suggested offering \$3,000 and have the property owner take care of the repairs. Mr. Gehin believes that would be a good second option. He suggested replacing the fitting to transition between the 4" to 6", which should be completed for less than \$2,000.

Mr. Gehin moved to offer the Utility to excavate and replace the transition between the 4" and 6" along with replacing the sidewalk. Mr. Winters seconded.

Mr. Winters added that if the owner refuses that offer, \$3,000 could be offered for him to make the repairs. Erickson questioned if a guaranteed should be offered. Mr. Gehin

believes it will work as it has worked in other situations. Additionally, the homeowner was complaining that tree roots were coming into the fitting; however, that tree has been removed.

There being a motion and a second, motion to offer the Utility to excavate and replace the transition between the 4" and 6" along with replacing the sidewalk carried unanimously 4-0.

5) Discussion and possible action regarding special assessments from 2001 for 1805, 1807, and 1809 Merrill Avenue (Natarus) (This item was tabled from the December 2, 2014 meeting.)

Jacobson explained that the original resolution approving the special assessments went through CISM and then Council on October 9, 2001. Staff followed the correct procedures by holding public hearings and publication of the resolution. Attached to the resolution was a list of the affected properties, which included addresses, PIN numbers, assessable footage, and charges for sanitary sewer, water, lift station, booster station, and lateral fees. 1805 Merrill Avenue was not charged for a lateral. Therefore, Mr. Natarus did not pay for a lateral that he did not receive. The resolution does state that anyone who wishes to challenge the assessments has to follow the procedures as outlined in 3.24.020 of the Wausau Municipal Code. The governing body properly levied assessments pursuant to its police powers and the manner for contesting the assessments is laid out in our ordinances, which references state statutes and provides for an appeal within 90 days of the publication of the final resolution. The final resolution was published on October 15, 2001; therefore, the deadline for filing an appeal would have been January 13, 2002. The Statute also indicates that filing an appeal is the sole remedy for challenging the special assessment. Jacobson added that Mr. Natarus was looking for further help regarding the low-lying properties and combining the parcels. However, that was not the subject of this particular request.

Mr. Gehin moved to deny refunding any special assessments from 2001 for 1805, 1807, and 1809 Merrill Avenue. Mr. Winters seconded and the motion carried 3-0 with Mr. Rebman abstaining.

Mr. Winters asked that Jacobson send a letter to the property owner explaining the decision.

6) Amend Section 13.62.040 Control of prohibited wastes, to allow the ability to authorize SIU's to take a single grab sample

Fabel explained that this is a follow-up to the revision of the sewer use ordinance, which was required by the EPA and DNR due to changes in the regulations. The changes to the sewer use ordinance were made and upon final review by the DNR, the DNR required one more change to the sewer use ordinance. That requirement was allowing significant industrial users to take a minimum of one grab sample versus four at our discretion and approval. This change was required by the DNR in order for them to grant final approval for the changes required in the regulations.

Mr. Winters moved to approve amending Section 13.62.040 Control of prohibited wastes, to allow the ability to authorize SIU's to take a single grab sample. Gehin seconded and the motion carried unanimously 4-0.

7) Discussion and possible action regarding participation in Rib Mountain Metropolitan Sewerage District facility planning

Mr. Gehin indicated it would cost the Utility approximately \$37,000 to be included in the facility preplanning of Rib Mountain Metro. He has asked if the fee could be reduced but it cannot.

Mr. Gehin moved to deny participating in the Rib Mountain Metropolitan Sewerage District facility planning. Mr. Rebman seconded.

Mr. Winters questioned if Rib Mountain contributed to the Metro Area Fire Study. Mayor Tipple stated that Rib Mountain contributed by providing data, but the City entirely funded that study. Mr. Gehin indicated that is a different entity all together.

There being a motion and a second, motion to deny participating in the Rib Mountain Metropolitan Sewerage District facility planning passed unanimously 4-0.

8) Review DNR Sanitary Survey

Boers indicated that staff is behind in DNR regulations regarding the number of valves that should be turned each year, cross connection items and private well items. Boers explained to Glen Falkowski, the DNR representative, that staff has not had the time to stay on top of these items. In a normal year there are 20 to 25 main breaks. Last year that number was tripled. Additionally, in a normal year there are 6 to 8 freeze ups to thaw. Last winter there were over 400. Boers has filled out a requisition to add another staff member. However, Mayor Tipple and Human Resources would prefer to wait with the requisition request until the new director is onboard. Boers added that since the first of the year there have been 17 main breaks and believe there is another one that has not surfaced yet. The DNR had asked for compliance by the end of 2014. A letter was sent to the DNR in January indicating staff is working on catching up. Geier added that there were no significant deficiencies in the survey.

Mr. Gehin moved to accept the DNR Sanitary Survey. Mr. Winters seconded and the motion carried unanimously 4-0.

9) Discussion and possible action on First Lease Amendment of New Cingular Wireless PSC, LLC (American Cellular Corporation), to allow for expansion of premises and construction of generator

After the last Commission meeting, Jacobson wrote a letter asking if a notice requesting an amendment or termination of the lease was missed. She has not received a response and therefore we are still operating under the original lease. Boers indicated a lease payment for 2015 was received in December.

Jacobson stated they have now asked for consideration to allow for the installation of a generator but they have not proposed an amount for rent. Under the last agreement the rent was proposed to be a percentage based upon the square footage of space the generator will occupy.

Mayor Tipple questioned if the generator runs on gas or electricity. Boers believes it would run on natural gas and they would be responsible for that billing and housing of the generator. Geier stated that Bill Hebert has reviewed the plans and he does not have any concerns. Discussion followed on determining the percentage of increase.

Mr. Winters moved to accept the First Lease Amendment of New Cingular Wireless PSC, LLC (American Cellular Corporation), to allow for expansion of premises and construction of generator with the rent proportionally increased based upon the footprint. Mr. Rebman seconded and the motion carried unanimously 4-0.

10) Review and approve 2015 operating and capital budgets

- a. Approve solicitation of bids for wastewater plant digester heating and mixing system and secondary digester mixing system upgrades**
- b. Approve solicitation of bids for sewer lining project**
- c. Approve funding for wastewater plant MCC1 and Plant Wiring upgrades**

Erickson stated that three projects were listed specifically on the agenda as we need to move forward with bidding them out, but the intent is to also approve the operating and capital budgets. Mr. Winters stated there is a total Utility debt of \$2.9 to \$3 million and it will be increased in one year by \$7.8 million. He questioned if the entire \$7.8 million dollars would be borrowed. Mr. Gehin stated the Utility may have to borrow for the lateral replacement program. Mr. Winters believes it would be borrowed by general obligation bonds and generally they are 10-year bonds.

Therefore \$7.8 million in bonds would be \$780,000 a year plus interest. That would take a lot out of the operating budget. Erickson stated the project he is most concerned with moving forward is the digester mixing and heating systems upgrades. A part of this project could be funded out of the replacement fund. Other projects that need to move forward are the sewer lining project and the MCC1 and plant wiring upgrades. There is some engineering work regarding the wiring upgrades, but the electrical work can be done in-house.

Mr. Gehin stated on the sewer side there is a replacement fund and a depreciation fund. He questioned the dollar amount that could be used under the replacement fund. Geier believes it is a little over a million. Erickson stated staff tries to use that money first. Geier noted that the depreciation fund no longer exists.

Mr. Winters questioned if the lift station project for Higgenbotham is planned. Wesolowski replied that Higgenbotham has been in to talk with staff on the project and believes a preliminary plat will be available soon.

Mr. Winters moved to approve the operating budget along with borrowing for the rehab of the digesters at \$1.1 million, the secondary digester at \$500,000 and the MCC1 plant wiring upgrades at \$150,000, with the remaining budget to be brought back. Mr. Rebman seconded and the motion carried unanimously 4-0.

Geier noted that the water lateral replacement is listed under projected. Staff has applied for safe drinking water funds. She received notification that we are on the list but there are 216 other communities on the list as well. There is no guarantee that funding will be received. However, there has not been a lot of interest in it recently and there has been debt forgiveness.

Mr. Gehin moved to authorize staff to proceed with the sewer lining project with the understanding it will be brought back to committee if funding is needed. Mr. Winters seconded and the motion carried unanimously 4-0.

11) Discussion and possible action regarding public fire protection charges for Stettin

Geier stated a number of years ago the City of Wausau provided fire protection to the Town of Stettin but did decide to opt out of this service. At that time, it was decided to allow the town access to a certain number of hydrants throughout the City at a charge of \$1,000 per year. This agreement has not been addressed in a number of years. The last time it was addressed, it was decided to keep the rate as is. This has not been billed yet this year and staff is looking for direction regarding the fees. Mr. Winters questioned when the Utility rate will be increasing. Mayor Tipple suggested waiting on the billing until after the rate study is completed.

Mr. Winters moved to increase the public fire protection charge for Stettin as much as the water rate will increase. Mr. Gehin seconded.

Mayor Tipple questioned how much water and how often Stettin uses the hydrants. Geier stated the hydrants are not monitored and cannot be metered as they would freeze in the winter. Mr. Gehin suggested putting the township on notice that the rate will increase. This notice should also indicate that the township needs to notify us when they use a hydrant and provide an estimate of the water used.

There being a motion and second, motion to increase the public fire protection charge for Stettin as much as the water rate will increase carried unanimously 4-0.

12) Discussion and possible action regarding acquisition of McGivern properties at 330 Adrian Street and 336 Adrian Street

A roll call vote was taken to continue in closed session with all ayes.

13) 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.

- **Discussion and possible action regarding acquisition of McGivern properties at 330 Adrian Street and 336 Adrian Street**

14) RECONVENE into open session to take action on closed session item, if necessary

Mr. Rebman moved pursue the acquisition of the McGivern properties at 330 Adrian Street and 336 Adrian Street consistent with the values that were represented. Mr. Gehin seconded and the motion carried unanimously 4-0.

15) Adjourn

There being no further business to discuss, motion was made by Mr. Gehin to adjourn the meeting. Seconded by Mr. Rebman. Motion carried unanimously.