



## Minutes of June 2, 2015

A meeting of the Wausau Water Works Commission was called to order at 1:30 p.m. in City Hall on June 2, 2015. In compliance with Wisconsin Statutes, this meeting was posted and receipted for by the Wausau Daily Herald on May 21, 2015.

### 1) **Roll Call**

Members present: President Tipple, Commissioners Force, Rebman.

Others present: Eric Lindman, Scott Boers, Dave Erickson, Deb Geier, Ken Rye, Valerie Swanborg, Tonia Speener, Clark Dietz; Ken Ligman, Becher Hoppe; Jay Knoke, CWE.

### 2) **Approve Minutes of the May 5, 2015 meeting**

Motion by Mr. Rebman to approve the minutes of the May 5, 2015 meeting. Seconded by Mr. Force. Motion carried unanimously 3-0.

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

Mr. Force questioned if the variable flow device on Well 9 will be replaced. Lindman stated it has been replaced. Boers indicated the cost of replacement was approximately \$4,400.

Mr. Force questioned if the bacteria concern with Well 11 happens annually. Boers stated it has happened three times in the last five years. Snow melt is believed to be the cause as it is a shallow sand and gravel aquifer. Additional water from the snow melt changes the flow patterns so in the spring occasionally there is some infiltration from outside water. There has been no indication of fecal matter only coliform.

Mayor Tipple asked if the correlator is portable. Boers indicated it is portable and has a computer-based program that listens to pucks, which are sound amplifiers. The computer then measures the speed of the sound on the pipe to pinpoint the leak frequency. Mr. Force questioned how far the signal extends. Boers replied it depends upon the pipe size and material. A typical 6" ductile pipe would have a range of 800' to 1,000'.

Lindman indicated the first round of compliance sampling is completed and we are in compliance. The second round of sampling will begin in July. Staff had to go back to the DNR for authorization for more homes. He hopes the second round of testing will not be as tasking on staff.

Lindman explained that Clark Dietz is working on the Water Quality Investigation. Speener indicated the study will be completed mid-June.

Lindman stated the DNR is requiring two sets of compliance samples. One was just completed and the second will be completed in July. The first set was passed. The Utility is also testing laterals. The laterals that fail cannot be counted toward the required 7%. Staff anticipates needing approximately 325 that pass as with the laterals replaced during this year's street projects should bring us up to the required 424. Geier explained that the testing takes precedence over replacing, which costs less money. If the second round of testing is passed then the City is in

compliance and no further testing would be needed. A note has been included on the monthly billings, which was required by the DNR. Geier did receive a number of calls from that and was able to schedule a few more properties for testing. A notice will also be included in the Water Quality Report that will go out the end of June. Geier also met with another neighborhood group last night. Mr. Force questioned if other topics come up when meeting with neighborhood groups. Geier said occasionally there are delinquent questions and stormwater questions. Last night she discussed road projects and standing water on the roads. Mr. Force feels meeting with the neighborhood groups is a good practice to continue.

Motion by Mr. Rebman to approve the Director's Report as presented and place on file. Seconded by Mr. Force. Motion carried unanimously 3-0.

**4) Discussion and possible action to prepare bid documents for bidding a trailer mounted sewer cleaner.**

Lindman indicated that the purchase of a trailer mounted sewer cleaner was included in the 2015 sewer budget. Rye stated that currently they use a combination unit. However, this unit is not practical to use in the winter as it freezes up. The trailer mounted unit would have hot water capabilities and be able to do main line cleaning in the summer. The unit will also be able to be recycled 100% of the time so it can be used in any type of weather, which will help keep production up in the winter. Recently staff starting doing in-line patch repair without having to dig up the ground. Last year there were 63, which takes time and crew, and they lost about 30,000' of production in the field. The cost is estimated at \$80,000, which would include upgrades to the tanker truck to allow hauling of the trailer.

Mr. Rebman moved to approve preparing bid documents for bidding a trailer mounted sewer cleaner. Seconded by Mr. Force. Motion carried unanimously 3-0.

**5) Discussion and possible action on moving forward with bidding work for two well rehabilitation projects.**

Lindman explained that this is regarding rehabilitation work on Well 6 and Well 9. Boers explained that this is normal maintenance and years prior this was included in the budget to do one well. The work is approximately \$30,000 at a maximum per well depending upon if it is a total tear down or chemical rehabilitation. Staff is proposing a chemical rehabilitation of Well 9, which is estimated at \$15,000. A full rehabilitation is proposed for Well 6, which would consist of total tear down and clean out, and is estimated at \$15,000 for the camera to check the well plus parts and labor for any repairs. Lindman stated \$30,000 was included in the 2015 budget. Boers indicated the last time either well was looked at was 2008. Rehabilitation is recommended once a well loses 25% of its capacity. One well is running at a loss of 34% and other is 32.4%. Mr. Force questioned if there was any contingency. Lindman explained there is not a contingency but not all work under the 2015 budget has been authorized yet.

Motion by Mr. Force to approve moving forward with bidding work for two well rehabilitation projects. Seconded by Mr. Rebman. Motion carried unanimously 3-0.

**6) Discussion and possible action to prepare a RFP for engineering services to design the 72<sup>nd</sup> Avenue lift station and the Cleveland Avenue lift station.**

Lindman stated this is for acquiring engineering services to design the lift stations with possible construction in 2016.

Motion by Mr. Rebman to prepare a RFP for engineering services to design the 72<sup>nd</sup> Avenue lift station and the Cleveland Avenue lift station. Seconded by Mr. Force. Motion carried unanimously 3-0.

**7) Discussion and possible action regarding establishing a policy on opting out of electronic reading.**

Geier explained that a Neptune Gateway system is used for reading meters. Neptune radio boxes are also used, which were installed approximately eight years ago. Staff has been working the way through the process of bringing it up to a fixed network system. There has been a major investment made in the meter reading equipment. Establishing a policy that would not allow opting out of the electronic reading has been discussed. Allowing opting out would require staff to physically read the meters, which is what they are trying to get away from. The Gateway system is working very well and it has eliminated additional follow-ups, allowing staff to get caught up in other areas. The electronic meter reading does provide better customer service by being able to determine if there are issues with water leaks. She provided an example of a vacant property that had a leak and staff was able to pinpoint when the leak started. With the system, staff has also found meters that were running backwards. Mr. Force questioned if all meters in the City are being read electronically. Geier explained that all meters are read electronically, but approximately 75% are read through the Gateway system.

Motion by Mr. Rebman to establish a policy on opting out. Seconded by Mr. Force.

Mr. Force questioned the reason for the policy. Geier stated one person has asked to opt out. Mr. Force stated one approach would be to indicate that we have been doing this along. He suggested pointing out the advantages from time to time. Geier intended to do so, but wanted to make sure the system was up and running well. Mr. Force stated that sometimes the customer does not realize the advantages to them. Mr. Force did some research and could not find opt out policies in other communities but he did find statements that the information is not released, which may be something that should be pointed out. Geier stated Madison does charge a fee to opt out and Appleton has an opt out policy similar to what staff proposed. If the City would charge a fee, it would have to be approved by the Public Service Commission.

There being a motion and a second, motion to approve establishing a policy on opting out carried unanimously 3-0.

#### **8) Discussion and possible action regarding the cross connection program.**

Lindman explained that HydroCorp has provided a proposal and scope of work for a cross connection program. Boers indicated he met with HydroCorp and discussed the intricacies of a program. The program we currently have is not in compliance with the DNR. The issue has been mainly time and personnel. HydroCorp believes it would take a minimum of 25 to 30 hours a week to administer the program, which would include setting up the program, mailing letters, scheduling, answering phone calls and questions, information tracking, filing information with the State and DNR, letters of non-compliance, and backup notices. Inspections would also need to be done every other year to ten years depending upon the hazards and type of building. The current system requires the private companies to complete a survey and send in the information. This system has not been followed up with. If staff would administer the program it would take one full-time employee for inspections. There are 1,310 sites that need to be surveyed and kept track of. It would most likely take one employee a year to complete surveys of half of the sites. The cost of an employee with benefits would be approximately \$70,720. Another employee would be needed to cover the clerical work, which would cost approximately \$62,400 a year with benefits. A one year cost for the two employees would be \$133,120.

Mr. Rebman questioned the results received from the first mailing. Boers was not in charge of the program at that time, but judging by the records they have it was fairly poor with response approximately 33% and compliance less than 10%. Mr. Rebman questioned if HydroCorp completes the required plumbing work as well. Boers replied no and any work required would be at the cost of the owner.

Mayor Tipple questioned if this is the only company that does this type of program. Boers stated there are a couple of other companies. The cost provided by HydroCorp is \$91,524 annually.

Lindman explained that per the ordinance, businesses are responsible for completing their own inspections. Staff will look into if the City could provide the inspection service at a less cost to the owner. This would also help recover some of the cost of the program.

Mr. Force questioned the timeline. Boers indicated that we should be in compliance by the end of the year. But as long as there is a plan in place and action being taken, staff will work with the DNR regarding the compliance timeline.

Motion by Mr. Force to create a spec and bid out a cross connection program. Seconded by Mr. Rebman. Motion carried unanimously 3-0.

**9) Monthly financial reports and ongoing tracking of the budget.**

Swanborg pointed out that on the Water Utility side the change in net position on the income statement continues to run a deficit. The Sewer Utility is running a positive on the change in net position. This is why there are advance of funds going between water and sewer. The new water rates went into effect April 1 and will phase in over the three month billing cycle before seeing the total impact of the increased rates. This should help relieve the deficit position. The sewer advance to water at the end of December was \$720,000 which has grown to \$1,340,000. To make the statements more useful, staff is estimating annual payments and booking them. Therefore, last year will look higher because the estimates were not booked. Estimating the annual payments will provide a better picture of what to estimate at year end. She added that in April the current liabilities were reduced due to a principal payment made on a debt for both water and sewer.

Mr. Force stated the extension from sewer to water is over \$1 million. Swanborg explained that is cumulative to year to date, which is shown as a liability on the water side and a receivable on the sewer side. As the new rate structure comes in, it will show as a revenue and be available for operating. The water deficit will impact the borrowing decisions. As of now, sewer has a stronger financial position. Mr. Force questioned if the bonding agency looks at them separately. Swanborg confirmed and added it would be suggested that sewer seek borrowing funds and continue to advance funds to water. Mr. Force asked if the procedure of receiving bonding funds and transferring to another utility is acceptable. Swanborg will check into that but it has been a practice in the past.

**10) Update on the process of offering the property owner to have their lead service line replaced using the City's contractor with expense billed to the property owner.**

Lindman stated it was previously thought that the Utility had some responsibility of coordinating replacement. However, staff has since found out that the Utility only has the responsibility of notifying the home owners. The home owner could use the City's contractor, but it would be up to the owner to make the coordination.

**11) Discussion on the Schedule of Rates brochure.**

Mr. Force stated the Schedule of Rates brochure is well done from an engineering standpoint. He suggested revising the brochure to be more customer friendly by adding the typical residential meter size and location.

**12) Discussion and possible action on Second Amendment to Water Tower Lease Agreement between Wausau Water Works and New Cingular Wireless PCS, LLC.**

Jacobson stated that New Cingular has a contract beginning January 1, 2005 with two five year renewals. The last renewal happened January 1, 2015. She reminded the Commission that in August last year New Cingular wanted to renegotiate the length and term of the lease and reduce their rent payments. Jacobson then reviewed the lease and found that the proper written notice was not given by New Cingular to renegotiate the lease at the end of the renewal term. At that time the Commission directed Jacobson to write a letter indicating talks could continue but they are contractual obligated for another five years. Jacobson has received a letter indicating that they

would like to work together to extend the current lease which is set to expire on December 31, 2019. Currently they are paying \$28,000 a year. They would like a 30 year lease beginning January 1, 2020 starting at \$25,000 a year with a 10% escalator at each renewal term.

Mr. Force questioned where they would go if the lease is not renewed. Geier attended a conference where leases with cellphone companies were discussed. It was recommended to have annual escalators as cellphone companies are more prevalent than a regular phone company and do not appear to be going away. It was also recommended that annual escalators should be in the area of 3% to 5%, the carrier should be responsible for extra costs associated with tower painting and costs for after-hours calls. Mayor Tipple questioned if these items could be included in the future contract. Jacobson indicated any items could be renegotiated. Mr. Force stated there are several issues that should be discussed with New Cingular and suggested revisiting this in 2016.

Motion by Mr. Rebman to table the Second Amendment to the Water Tower Lease Agreement between Wausau Water Works and New Cingular Wireless PSC, LLC to 2016. Seconded by Mr. Force. Motion carried unanimously 3-0.

### **13) Adjourn**

There being no further business to discuss, motion was made by Mr. Rebman to adjourn the meeting. Seconded by Mr. Force. Motion carried unanimously 3-0.