



Minutes of September 1, 2015

A meeting of the Wausau Water Works Commission was called to order at 1:30 p.m. in City Hall on September 1, 2015. In compliance with Wisconsin Statutes, this meeting was posted and receipted for by the Wausau Daily Herald on August 27, 2015.

1) **Roll Call**

Members present: Commissioners Force, Gehin, Gisselman, Rebman.

Others present: Eric Lindman, Dave Erickson, Deb Geier, Valerie Swanborg, Ken Rye, Tonia Speener, Clark Dietz; Steven Schultz, Clark Dietz; Ken Ligman, Becher Hoppe; Jim Medley, WMZK.

2) **Approve Minutes of the August 4, 2015 meeting**

Motion by Mr. Rebman to approve the minutes of the August 4, 2015 meeting. Seconded by Mr. Force. Motion carried unanimously 4-0.

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

123 letters have been sent out regarding the private well program and 30 inspections have been scheduled. Owners were given 30 days to respond, which is up September 1st. Those that do not respond will receive another letter giving them a 15 day notice that if they do not respond their water will be shut off. The intent is to track individual wells located within the City and get us back into compliance. Bill Hebert with the Inspections Department has indicated that any house with the water shut off will become inhabitable. Mr. Force questioned if the properties were residential or commercial. Geier replied they are all residential. Gisselman noted that some of the properties may be rental. Geier confirmed and indicated that the letters were sent to the property owners. She indicated that this is just the first group of letters to be sent. Mr. Force questioned what is involved in inspection of a well. Geier explained that the well does have to be up to plumbing code, in working condition and test bacterially safe. Mr. Force asked if the inspections take around an hour of time. Geier confirmed. Mr. Gehin clarified that this has been delegated by the DNR and it is the City's responsibility. Geier stated inspections are being done at no cost to the owner. The only cost to the owner is the bacteria test and the permit. A permit costs \$15 for five years.

The Utility obtained 62 compliance samples. The results from two samples have not been received yet. At this point we have passed and are in compliance, even if the remaining two samples fail. Mr. Gehin added that this has been a lot of work by staff and the Commission as a whole appreciates it.

The leak survey has found a number of homes with leaks on their side. Some homeowners have contacted Community Development to help fund the repairs. Geier has been working with the City Attorney on a policy to help a homeowner qualify for Community Development funds. This would allow the Utility to pay for the repairs upfront with costs repaid

within a year. Mr. Force questioned the result of the leak study on the City side. Lindman stated leaks were found and have been repaired.

Geier recently attended Public Information Officer training. The DNR encourages the Utility to complete a tabletop exercise every year. She is working with a vendor to complete the exercise. The training she attended provided good information on addressing the press and the public. The tabletop exercise will be completed in October.

Bids for fluoride are due September 11th and will be opened by the Board of Public Works on September 15th.

Staff has been working with the DNR to extend the compliance deadline for the cross connection program. There are a few amendments to the agreement for the cross connection program, but costs are to remain the same. The compliance deadline date was extended to the end of 2017.

Staff has been in contact with the PSC regarding recouping costs for the cross connection control program. The PSC has indicated the costs could be recouped through a rate study that would affect all rate payers. However, there are only about 10% of the rate payers that are required to participate in the cross connection program. Conversations will continue with the PSC. Dave Lawrence with the Wisconsin Rural Water Association has been proactive in this and also feels this cost should not be dispersed to all rate payers.

Staff is waiting on approval from the DNR for installation of the watermain for the Murray site in the Business Campus. Lindman and staff have spoken with PGA, who is looking at developing the site. This item may be pushed off until next year as the contractor may be obtaining a developers agreement.

The Wastewater Division exceeded its BOD waste load allocation on two days in August as a result of draining Clarifier #3 for inspection. We are still expected to meet the average for the month. Mr. Gehin questioned if sand filters were ran during this period. Erickson stated the sand filters are critically short on sand and in need of maintenance. They are arguably not operable, but in the budget to be addressed.

The phosphorus results have been a bit higher. This is believed to be due to Clarifier #3 being out of service. The contractor is scheduled to be here this week.

August Winter began the Digester Heating and Mixing Project. The plan is to have the south primary and south secondary digester completed by the end of September.

Visu Sewer has begun the CIPP project and should be completed in approximately three weeks. This project takes place in various locations throughout the City.

Steve Schultz, Clark Dietz, stated a video conference was held with staff regarding the Water Quality Investigation. A number of questions were addressed including cost estimates for future recommended actions and more detail on those actions.

Motion by Mr. Force to approve the Director's Report as presented and place on file. Seconded by Mr. Gisselman. Motion carried unanimously 4-0.

4) Make recommendation for the purchase of a 700 gallon trailer mounted dual reel jet. (Proposals were opened by the Board of Public Works on August 27, 2015.)

Lindman explained that three proposals were received and \$80,000 was budgeted for this purchase. Rye reviewed the proposals submitted and recommends purchasing the unit from the vendor who submitted the lowest proposal, Envirotech Equipment. He noted that they met the specifications and has favorably worked with them before.

Motion by Mr. Force to approve the purchase of a 700 gallon trailer mounted dual reel jet from Envirotech Equipment Co. in the amount of \$79,165. Seconded by Mr. Rebman. Motion carried unanimously 4-0.

5) Make recommendation on Request for Proposals for roof repairs at the Wastewater Treatment Plant. (Proposals were opened by the Board of Public Works on August 31, 2015.)

Lindman stated bids were received from Kulp's and Commercial Roofing, with Kulp's submitting the low bid. Two other companies looked at the roof but did not submit a bid. Erickson stated that Commercial Roofing did not physically look at the roof. Lindman indicated that \$250,000 was included in the budget for a roof repair and replacement project; however, this year only repairs will be completed. Erickson explained that the main plant building has a fully adhered roof, which has stood up better than the other roofs. The hope is to do some repairs to the roof to get another five years out of it. The other roofs are ballasted and the membrane has pulled away from the parapet walls causing tears, breaks and exposure to the sun.

Motion by Mr. Rebman to accept the proposal submitted by Kulp's for roof repairs. Seconded by Mr. Gisselman. Motion carried unanimously 4-0.

Erickson feels the wide range of the costs on the two proposals may be due to Commercial Roofing not entirely interested in the project.

6) Discussion and possible action on allowing WMZK to resume transmitting from an antenna located on the Brown Street Water Tower.

Lindman explained the Mr. Mel Winters contacted him in early August regarding obtaining access to the antenna located on the Brown Street Water Tower. There was a contract in place; however, that was breeched in 2013. Additionally, WMZK still owed for the lease. Lindman had several emails back and forth with Winters. A formal letter was sent stating the need for WMZK to pay what is owed and that the City was not interested in allowing access to the antenna. The letter also contained items that needed to be provided to the City prior to consideration of allowing access. At this point there is no contract with WMZK. The equipment on the bottom of the tower was removed in 2013 but the antenna remained. According to letters sent by the City in 2013 it was considered abandoned and now the property of the Utility. Winters would like permission to access the antenna and start broadcasting. Since there is no contract in place with WMZK, staff does not recommend allowing access.

Jim Medley, Operations Manager, stated the letter indicating the equipment was abandoned was addressed to Kurt Felt. At the time the equipment was removed at the base of the tower they did not have a licensed tower climber to retrieve the antenna and line. Subsequently, Mr. Felt left the company and the project fell by the wayside as he was the only one with the knowledge on the issue. They would understand if a new lease is not approved; however, they ask for the right to retrieve the antenna and line. Mr. Force questioned if the account is now paid in full and Lindman confirmed. Mr. Rebman asked if WMZK was interested in another contract. Medley stated the owners did submit a new contract. They were up against a federal deadline to reactivate the translator by August 20. They met the deadline and reactivated it but since have also decommissioned it. Medley said it is up to the Commission if they would like to enter into an agreement but they would at least like the antenna back as it is a piece of federal broadcast equipment held by license. Lindman stated that Winters had submitted a rough form of a contract but it was not ready for Commission review. Also, the contract would have to be reviewed by the Attorney's Office before Commission approval. Winters suggested a fee of \$300 a month, which is less than what they were paying. Staff is unsure if that would be worthwhile. Geier noted that removing the antenna would require maintenance of the tower. Mr. Force questioned what a reasonable monthly fee would be. Geier believes they were paying approximately \$345 per month. Cellphone providers pay approximately \$25,000 a year. Lindman stated in the past there were issues with receiving the monthly rent. Due to the past history, staff would like to require upfront payment if we were to enter into an agreement. Geier added that staff's time for collection procedures exceeded what they owed. Medley questioned what repairs would have to be made to

the tower by removing the antenna. Geier responded that any place where there are bolts or connections would have to be repaired and painted. Medley stated there is a wrap clamp around the rail and it is not drilled into. The cable is wired tied to the ladder.

Mr. Force questioned if the company would broadcast from someplace else if this antenna is lost. Medley indicated they would have to purchase a new antenna and cable, and the City would have a worthless piece of equipment. Mr. Force suggested trying to renegotiate a new contract as long as the account is paid up. Medley stated Winters was shocked that a counter offer was not received to his proposal. He added that if a deal cannot be reached the owners would like to reserve the right to remove the remaining equipment. Lindman stated the contract that was sent was not a legitimate contract, but could be used as a starting point. Lindman asked if consideration will be given for removal of the antenna if an agreement cannot be reached. It was noted that if no agreement is reached, the antenna should come down as it could potentially do damage if it becomes loose.

No action was taken on this item as staff was directed to work with the company to prepare a contract.

7) Discussion and possible action on budget modification for the 2015 Brown Street Water Tower Project.

Lindman reminded the committee that this project initially went out for bid this spring and it came in over budget. The project was rebid with third party inspections and it again came in over budget at \$135,000. Lindman explained that there are three projects budgeted for that will not be completed this year. The budgets of those projects total \$90,000. The Utility has set the Brown Street Water Tower Painting Project as a priority. This project would need an additional \$15,000 to have a budget of \$140,000. The Utility is also proposing a \$55,000 project (new mixer and power for the Highland Ave Water Tower) that was not initially budgeted for. This tank has had some issues with water quality. Mixers have been proven to maintain water quality and therefore staff feels that bringing power and a tank mixer would be a good solution. Staff is requesting to reallocate the budgeted money for 17th Avenue, 2nd Avenue and the plant computer SCADA upgrade. Gisselman questioned if the projects have been completed and done under budget. Lindman explained that the projects will not be done this year. 17th Avenue and 2nd Avenue will be budgeted for when the projects are proposed again.

Motion by Mr. Rebman to approve allocating \$15,000 to the Brown Street Water Tower Project thereby increasing the project budget to \$140,000. Mr. Force pointed out that there would have been a \$90,000 savings in this year's budget and by approving the allocations this savings will no longer be there. Mr. Gisselman seconded Mr. Rebman's motion. There being a motion and a second, motion to approve allocating \$15,000 to the Brown Street Water Tower Project thereby increasing the project budget to \$140,000 carried unanimously 4-0.

8) Discussion and possible action on proposed new mixer and power for the Highland Avenue Water Tower.

Lindman stated that this project is estimated at \$55,000.

Motion by Mr. Rebman to approve allocating \$55,000 for a new mixer and power for the Highland Avenue Water Tower. Seconded by Mr. Gisselman.

Mr. Force does not like to approve and spend money for capital items that were not anticipated. Although this item is probably necessary to keep the water quality, it is not good practice especially with the current financial situation. Lindman explained that this became an issue this year and was not anticipated last year.

There being a motion and a second, motion to approve allocating \$55,000 for a new mixer and power for the Highland Avenue Water Tower carried unanimously 4-0.

Mr. Gehin noted that the level in the tank cannot be monitored without power. One option is to take it offline, but there has been a significant investment made in this tank and he

would like to see if we can maintain the integrity of it. Mr. Force believes that it comes back to the planning process and suspects that there will be improvement in these areas moving forward. He feels it is owed to the rate payers to avoid unforeseen or last minute expenses. Mr. Gehin noted that the winter two years ago and lead compliance have put the Utility in financial strain. Lindman explained that part of it is due to the Sanitary Survey. Staff has been identifying the requirements and trying to budget for the higher priority items. The CIP process started earlier this year and approval of the 2016 budget will come back to the Commission next month as some street projects have been delayed.

9) Monthly Financial Reports and ongoing tracking of the budget.

Swanborg stated the Water Utility continues with an unfavorable net change in position to budget while the Sewer Utility continues favorable to budget. She has been watching the revenue per month and it has been averaging \$360,000 for the Water Utility, and the Sewer Utility averages around \$411,000 per month. Mr. Rebman questioned if the full impact of the rate increase has been received. Swanborg replied July was the first month with the full billing cycle of the new rates. She did see an uptick in July and anticipates this will be stronger going through the remainder of the year. The extra expenditures for the unanticipated items, such as lead abatement, and higher prices in parts continue to hurt the Water Utility budget-wise. This will be taken into account as the budgeting process continues for next year. She pointed out that preliminary approval was received regarding the State Trust Fund debt amount. She is proceeding further into the process for obtaining those funds for both Water and Sewer. The next steps are legal review and then it will be placed on the Commission agenda for approval. Mr. Gehin questioned the total amount of borrowing. Swanborg replied \$4 million total with \$1 million for Water and \$3 million for Sewer. The terms and percentage interest rate are unknown until final approval. But rates will range from 3.25% to 3.75% for typically ten years. Mr. Force questioned if an average of monthly operating expenses are known. Swanborg said the Sewer is approximately \$16,000 and the Water approximately \$18,000. Lindman is hoping to see a turn now that the compliance samples are back and additional expenses for lead testing are completed.

10) Discussion and possible action regarding the 2014 Compliance Maintenance Annual Report.

Erickson explained that when the CMAR report is submitted, a resolution from the City Council must be included. The instructions stated if there was an A or B grade specific details were not required. However, details are required if there were any highlighted areas of the report. An A grade was received in the Sewer System portion of the CMAR report. However, there were issues with two sanitary sewer overflows and a treatment facility overflow. The DNR is looking for information from the Council on what will be done regarding the overflows. Those details were not included in the previous resolution approved by Council. A revised resolution with more detail will have to be sent to Council. An extra monitor was added at the Wastewater Treatment Plant. Clarifier #3 is currently down. There is a crane in place and means to open the gate if needed. The issues with the lift stations were beyond our control and related to the winter with force main breaks.

Motion by Mr. Gisselman to approve the revised resolution and forward to Council for final approval. Seconded by Mr. Rebman. Motion carried unanimously 4-0.

11) Discussion and possible action for a budget amendment to add \$15,000 to purchase additional meters for the meter exchange program.

Geier stated initially \$75,000 was budgeted, but it was reduced to \$50,000. With a new addition to staff we are able to exchange meters that were installed prior to the end of 2000. Those meters primarily have lead in the brass and cannot be put back into service. We have been behind on completing meter exchanges and are trying to get back into compliance. The budget has

been spent and currently there are enough meters to get through the end of the month. Lindman explained that the \$15,000 will come from projects that were budgeted for but delayed. Mr. Force questioned if this would be budgeted for next year. Geier replied \$75,000 is proposed for the 2016 budget.

Motion by Mr. Force to recommend the budget amendment of \$15,000. Seconded by Mr. Rebman. Mr. Gisselman questioned if this would have to go to the Finance Committee. Lindman explained that this amount can be approved by the Finance Director. The sole source purchase was previously approved and is in effect through this year.

There being a motion and a second, motion to recommend the budget amendment of \$15,000 carried unanimously 4-0.

Mr. Force pointed out that almost every meeting the winter of 2014 is mentioned. The way things are going there could be a winter of 2016. It is not proper to say that will not happen again. He feels it is foolish not to at least anticipate to the extent that we can, which may mean adjustment to the rates to have enough cash on hand to withstand these kinds of things. Geier noted that 2015 was a rough winter as well because things that were barely holding together gave loose.

12) Adjourn

There being no further business to discuss, motion was made by Mr. Force to adjourn the meeting. Seconded by Mr. Rebman. Motion carried unanimously 4-0.