



Minutes of October 6, 2015

A meeting of the Wausau Water Works Commission was called to order at 1:30 p.m. in City Hall on October 6, 2015. In compliance with Wisconsin Statutes, this meeting was posted and receipted for by the Wausau Daily Herald on September 24, 2015.

1) Roll Call

Members present: Commissioners Gehin, Gisselman, Rebman, Force (arrived at approximately 1:33 p.m.).

Others present: Eric Lindman, Anne Jacobson, Scott Boers, Dave Erickson, Deb Geier, Ken Ligman, Becher Hoppe.

2) Approve Minutes of the September 1, 2015 meeting

Motion by Mr. Rebman to approve the minutes of the September 1, 2015 meeting. Seconded by Mr. Gisselman. Motion carried unanimously 3-0.

3) Director's Report on Utility Operations

Lindman stated there was a sodium hydrochloride pump failure this past month. It had been in service since 1994. The pump was replaced for a cost of \$3,800.

The Water Division has been diligently sending out letters to property owners who have private wells. 125 letters have been sent out. Of those, 19 did not respond to the initial letters. A disconnect notice was sent to those 19 and 10 of those have not responded. Shut offs will begin next week Tuesday. There are approximately 1,000 private wells in the City and the Water Utility is notifying owners a group at a time to obtain compliance. The City Inspections Department has a new software system that can also be used for tracking private wells and permits. A permit currently costs \$15 for five years.

Bearings failed in the thickener in the recycling plant. Repairs will be made in-house with parts costing approximately \$3,000.

A policy for a deferred payment plan is being developed for those who cannot afford the upfront costs to repair a leaking service. Property owners would have the option to make monthly payments to a point and then the unpaid balance would go on the tax roll. Mr. Force indicated he received an AARP mailing regarding lateral insurance and questioned if anyone has seen this. Geier indicated she has seen this offered from another company.

Repairs were made on the carbon dioxide system.

The Bull Falls Tappers came in second to Madison in a tapping competition.

A consultant, who was recommended by the DNR, is working with the Water Works staff on a tabletop exercise that will be conducted next week. The previous exercise was performed in 2005. Several local agencies that are considered critical customers have been invited to attend.

The Wastewater Treatment Plant is on track to meet permit limits for the month of September. Phosphorus levels were a bit of a concern in August but met the discharge limit.

Weather has been good for sludge hauling, which was a concern in the beginning of September.

August Winter is proceeding with the digester mixing project. They are a bit behind schedule as they have been waiting for equipment to arrive. Ligman stated the project has been going well as the contractor has very good workmanship and is very knowledgeable. They are just handicapped by the equipment supplier. He believes the project will be completed in early December.

Final Clarifier #3 was put back into service on September 4th just prior to the heavy rain on Labor Day.

Nate Raduechel, one of the sewer maintainers resigned to take a position with Schofield. He was a good worker and it is unfortunate we were unable to bring his pay up. Lindman explained that Nate was hired during the transition time of the new pay plan. The staff he was working with were getting paid significantly more as they were hired under the former pay plan. An internal alignment could not be done to bring his pay up to an equivalent based on his experience. He had been an employee for 2 ½ years and Erickson feels that we have trained him and sent him on. His rate of pay at Schofield will be in line with those he was working with at the City. The position is in the process of being advertised and hopefully someone will be on board in November. Mr. Gisselman questioned if staff anticipates difficulty in hiring someone. Lindman stated it is unfortunate because a new hire will be paid more than Nate was. There are other street department employees in the same boat. Nate started on a base rate with the understanding a pay increase would take place after a probation period. However, during that time frame pay freezes took place. Mr. Force questioned if we are in danger of this happening with other employees. Lindman indicated the Water Utility has three employees this effects. Boers explained that we are in danger of losing good employees that will have to be replaced with someone without the experience, training and knowledge. Based upon this, the Commission directed staff to ask the Human Resource Committee to review the policy.

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 regarding the well rehabilitation project. (Proposals were opened by the Board of Public Works on September 24, 2015.)

Lindman explained that proposals were solicited for the rehabilitation of Wells No. 6 and No. 9. Boers prepared the RFP and Lindman prepared the bid schedule. Lindman indicated the bid schedule was probably not the best as far as the exact work that needed to be completed. A lot of the work is unknown if it is needed at this point, but staff wanted costs up front. The bids submitted were reviewed in detail by Boers. Boers stated the bid numbers received from the contractors are deceiving. There were thirteen items on the bid schedule, which included everything up to a new well pump and new motor. Staff does not believe those items will be needed at this time or in the near future. Out of the thirteen bid items, seven items that staff knows are needed were compared. The seven items compared were development, televising, acidizing and chemical treatment, mechanical treatment, well pump rebuild for Well 6, well pump rebuild for Well 9, and mobilization. After adding these items together Layne Christianson was the lowest with \$47,008 and Municipal was at \$50,688. CTW was at \$32,323 but they omitted air shocking of the well which was included in the other two bids. CTW had this cost as an extra which would add \$18,500, bringing their total to \$50,823. It is anticipated that Well 9 will need a new bowl assembly. Layne submitted a cost of \$4,000, Municipal \$3,600, and CTW did not provide a breakdown. With the bowl assembly Layne's cost is \$51,008, Municipal \$54,288 and CTW \$50,823 plus bowl assembly costs. Boers believes Layne provided the best proposal with the most parts added into their rebuild; therefore he recommends accepting the proposal submitted by Layne Christianson.

Mr. Gisselman questioned if the City has worked with Layne Christianson before. Boers confirmed. Lindman mentioned the budget is \$30,000. Staff proposes to start with one well and do as much work as possible up to \$30,000. Mr. Gehin questioned if it would be possible to transfer into the next budget to finish the work and asked when work would begin. Boers indicated the contractor would apply for DNR permits, which would take a couple of weeks, and could mobilize within two weeks after permit approval. Mr. Gehin believes that \$15,000 to \$20,000 is planned per well and a budget of \$30,000 should get at least one well completed. Mr. Gisselman asked if the remainder is included in the 2016 budget. Lindman believes \$80,000 was proposed for the 2016 budget in hopes of completing as many wells as possible. Boers indicated rehab of the wells is one of the recommendations of the Water Quality Study. Mr. Force questioned why we asked companies to bid on items that we did not need. Boers indicated this was the first time a RFP was created for the wells. This is a learning phase and will be reworked for a better RFP the next time. Lindman explained that part of the issue is that you do not know what is needed to be redone upfront and staff is trying to anticipate a worst case scenario. Mr. Force noted the bidding process of this and other RFP's. Lindman stated this RFP explained what staff knew was needed and the possibility of other things that would be known once equipment is taken apart. Mr. Gehin added that from his past experience he knows this is a difficult process as additional work is usually found needed once rehabilitation begins.

Motion by Mr. Force to accept the proposal submitted by Layne Christensen as modified. Seconded by Mr. Rebman. Motion carried unanimously 4-0.

5) Make recommendation for the purchase of aluminum sulfate. (Bids were opened by the Board of Public Works on September 24, 2015.)

Lindman stated that five bids were received. Chem Trade Logistics was the low bid in the amount of \$285 a dry ton. Currently the Wastewater Plant is using Affinity Chemical and they have had good luck with their product. One thought was to go with the low bidder but at some point if it seems like we are using more chemical than what we are using now we would come back to the Commission and request to use Affinity Chemical. Mr. Force questioned the amount used. Erickson replied a truck load is purchased about every two weeks. He explained that we have used a lot less alum since January by using hydrated alum from Affinity Chemical. The bids are close enough that if we end up using more it would cost more by purchasing from Chem Trade. The proposal states the contract can be terminated at any time. Staff recommends trying the product from Chem Trade and will monitor the usage of alum.

Mr. Rebman moved to approve the purchase of aluminum sulfate from Chem Trade Logistics. Mr. Gisselman seconded.

Discussion followed on asking for proposals rather than bids when purchasing chemicals. Jacobson explained that bids are required on public construction projects by state law. State statute does not require public bidding for chemicals. The City procurement policy requires certain processes be followed based upon the amount to be spent. Discussion followed on bids versus proposals.

There being a motion and a second, motion to approve the purchase of aluminum sulfate from Chem Trade Logistics carried unanimously 4-0.

6) Discussion and possible action on a request to install an irrigation well at the Tribute Golf Course and a watermain connection for backup irrigation.

Lindman has met with the owners of the golf course who are proposing to place a two acre pond for irrigation and drill a new well to fill the pond. They are also proposing to tie into the watermain to use as a backup for irrigation. They are working with an engineering firm and plans would be reviewed by the Engineering Department and the Utility before installation. Mr. Gehin questioned if a test well has been done. Lindman is not aware of a test well.

Mr. Force moved to accept the proposal from Tribute Golf Course. Seconded by Mr. Rebman. Motion carried unanimously 4-0.

7) Discussion and possible action on a request from Dave's Septic to discharge to the Wastewater Treatment Plant.

Lindman explained that this septic hauler would like to discharge waste at the treatment plant. There has been a history with this company as far as payment. The company has changed hands and there was a bankruptcy in 2003. Erickson would like to allow Dave's Septic to discharge and can turn off their gate key if they fall behind on payments. Mr. Force questioned the charge. Erickson explained the rates, which are set per Municipal Code. In general, the cost is approximately \$120 per a 6,000 gallon truck. Mr. Gisselman questioned how long the current owners have owned the business. Erickson believes they have owned it for a couple of years. Mr. Force asked where the company is dumping now. Erickson stated for the most part it is placed on farm fields, but once the ground freezes that becomes more restricting. He added that Merrill did reject them as they got behind on their bill. Erickson suggested allowing them to discharge and if payment is outstanding 30 days past the due date, he could turn off their gate key.

Motion by Mr. Rebman to allow Dave's Septic to discharge to the Wastewater Treatment Plant with the provision of turning off their gate key if payment is outstanding 30 days past the due date. Seconded by Mr. Gisselman. Motion carried unanimously 4-0.

8) Discussion and possible action on a deferred payment plan for lateral repairs and lead line replacements.

Jacobson worked with staff to prepare a notice to fix water leaks and prepared a Lateral Repair/Replacement Agreement for the property owner to sign. This was based upon what other communities are doing and is consistent with well abandonments. She does not feel the ordinance needs to be updated and feels the letter is consistent with the ordinance. The notice identifies the leak, informs the owner it needs to be repaired immediately and puts the burden on the owner to contact a licensed plumber. The Utility would monitor and inspect the work and pay the plumber for the work. The owner can then make payment back to the City with the unpaid balance transferred to the tax roll.

Geier indicated there are two owners wanting this agreement at this point and two more regarding well abandonments. One of the owners is a new property owner who does not have equity in the home and does not qualify for a loan from Community Development. She wants to have the lateral repaired but does not have the resources to obtain a loan. Boers indicated the last survey identified 20 homeowner leaks.

The notice states the repair must be completed within 10 days of the date of this letter. Mr. Force does not believe this gives the property owner enough time to find a plumber and fix the leak. Discussion followed on revising the letter to give the owner 10 business days to contact the Utility and underlining the word licensed relating to the plumber.

Mr. Gisselman moved to approve the deferred payment plan for lateral repairs and lead line replacements. Seconded by Mr. Rebman. Motion carried unanimously 4-0.

9) Discussion and possible action on an agreement with WMZK for an antenna located on the Brown Street Water Tower.

Lindman stated it was determined that the minimum amount to charge monthly for the antenna is \$500. An agreement was drafted and sent to WMZK, along with an invite to this meeting. Lindman did not receive a response back from WMZK.

Mr. Force moved to approve the agreement. Seconded by Mr. Gisselman.

Jacobson noted two items that could be changed in the agreement if the Commission wished. The first item is the amount charged and the other is to require biannual payments rather than annual. Mr. Force stated there was some discussion last month regarding removing the

equipment. Lindman indicated that the equipment can be used for our meter reading system. According to documents in the past, WMZK was informed that the equipment has become the property of the Utility.

Jacobson asked if the contract should be an annual contract and the committee agreed.

There being a motion and a second, motion to approve the agreement carried unanimously 4-0.

10) Discussion and possible action on moving forward with regional facilities planning and evaluation with Rib Mountain Metropolitan Sewerage District as stated in September 9, 2015 letter.

Lindman stated that a letter was received from Rib Mountain Metropolitan Sewerage District asking for a resolution from the Council. It seems that they are looking for a financial commitment at this time. Mr. Gehin feels we need to find out what it would cost for the City to retain their facility and meet standard, which means we need to go into a facility planning stage. As part of the facility planning we would have to come up with a cost of transmission. It would not be fair to go to the Council at this point without costs. Discussion followed and Lindman stated he will reach out to Mr. Johnson.

Mr. Force moved to table moving forward with regional facilities planning and evaluation with Rib Mountain Metropolitan Sewerage District until further information is obtained. Seconded by Mr. Gisselman. Motion carried unanimously 4-0.

11) Discussion and possible action on Change Order #1 for the Digester Mixing Replacement Project; August Winter & Sons, Inc.

Lindman stated the total change order is \$55,962.00. The budget was approximately \$1.6 million and the project costs are approximately \$1.3 million. Therefore the change order is within budget.

Mr. Force moved to approve Change Order #1 for the Digester Mixing Replacement Project. Seconded by Mr. Gisselman. Motion carried unanimously 4-0.

12) Discussion and possible action on 2016 Capital Improvements Projects.

Lindman stated on the Wastewater side total projects are \$5.5 million. The sewer collection and proposed development extensions are at \$2 million and internal items with collection system and the treatment plant are proposed at \$3.5 million. Mr. Force questioned how the \$5.5 million in capital expenditures impacts the budget. Lindman explained the Sewer Utility is projected to have \$5.2 million in revenue in 2016. Some of the capital projects are subdivisions and street reconstruction projects, and some of these costs are assessed. Mr. Gehin noted that some of the proposed costs are not finalized. Lindman added that staff has done its best to put firm figures to the projects. Discussion followed. Mr. Force noted that the combined budgetary history for sewer and water capital and operating shows estimated expenses at \$10,611,000 and estimated revenues at \$10,869,000. Therefore on an estimated basis we would be operating on the black.

Mr. Gisselman moved to approve the 2016 Capital Improvements and Operating Budget. Seconded by Mr. Force. Motion carried unanimously 4-0.

13) Discussion and possible action on 2016 Operating Budget.

This item was discussed and approved in conjunction with the previous item.

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

Lindman stated that the Wisconsin State Trust Fund loan, \$1,000,000 for water and \$3,000,000 for sewer, was received in September. An additional advance amount of \$92,000 was provided to the water utility because of the negative cash position in August. Mr. Force asked if we

are on track to be close to the revenue number for water by year end. Mr. Gehin explained the full benefit of the rate increase will only be received for the last six months.

15) Discussion and possible action on approval of Interfund Loan Agreement between Wausau Water Works – Drinking Water Division and Wausau Water Works – Wastewater Division.

Mr. Gehin explained that this agreement was previously approved but the agreement needs to be ratified.

Mr. Force moved to ratify the Interfund Loan Agreement between Wausau Water Works – Drinking Water Division and Wausau Water Works – Wastewater. Seconded by Mr. Gisselman. Motion carried unanimously 4-0.

16) Discussion and possible action on budget modification for purchase of additional water meters.

Lindman stated the meters that are scheduled for maintenance calibration cannot be put back into service because of the lead content in the brass. Staff does not intend to do the Scada upgrade this year and would like to reallocate those funds to purchase meters.

Mr. Force moved to approve the budget modification for the purchase of additional water meters. Seconded by Mr. Rebman.

Mr. Gehin questioned the amount budgeted for meters next year. Geier replied \$90,000 was included in the budget but that may need to be increased. Lindman stated staff was proposing to start a study for the new Water Treatment Plant next year for which \$250,000 was budgeted for. \$50,000 will remain in the budget to initiate drawings and obtain ideas from an engineering firm. The remaining \$200,000 will be used for meters to allow staff to continue to try to stay in compliance with meter replacement and exchanges. Boers added that some of the older meters are not reading correctly.

There being a motion and a second, motion to approve the budget modification for the purchase of additional water meters carried unanimously 4-0.

17) Adjourn

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