



Minutes of January 5, 2016

A meeting of the Wausau Water Works Commission was called to order at 1:30 p.m. in City Hall on January 5, 2016. In compliance with Wisconsin Statutes, this meeting was posted and receipted for by the Wausau Daily Herald on December 30, 2015.

1) Roll Call

Members present: President Tipple, Commissioners Gehin, Gisselman, and Force.

Others present: Eric Lindman, Scott Boers, Dave Erickson, Deb Geier, Ken Ligman, Becher Hoppe; Tonia Speener, Clark Dietz.

2) Approve Minutes of the December 1, 2015 meeting

Motion by Mr. Gisselman to approve the minutes of the December 1, 2015 meeting. Seconded by Mr. Gehin. Motion carried unanimously 4-0.

3) Director's Report on Utility Operations

The mild start to winter in 2015 has given staff the opportunity to complete deferred maintenance items.

A pre-order of water meters was placed in December for delivery in 2016. By pre-ordering, approximately \$7,000 was saved.

Cities and Villages Mutual Insurance has awarded Gold Awards to Scott Boers for completing the Certificate in Supervision series, and to Deb Geier for completing the Certificate in Risk Management/Safety series.

Crews recently repaired a water main break on 4th Avenue between Merrill Avenue and Eldred Street. The new correlator was taken into the field. Boers explained that water was coming up about 20 feet from where the correlator indicated the break. Using the old sounding equipment, staff had a location of approximately 60 feet from the actual leak. Trusting the new correlator and training received, staff dug where the correlator indicated the leak was and was right on the break. Mr. Gehin questioned if there was a reduction in main breaks with the mild winter. Boers responded there have only been two breaks so far this season. Mayor Tipple noted that after this winter season it would be interesting to have a comparison from last winter to this winter.

Scott and Deb met with Hydro Corp in December and plan on moving forward with 781 inspections. Another meeting is scheduled for January 12th to finalize plans. Staff is waiting for the contract to be reviewed by the City Attorney. The plan is to start with public authority buildings. 781 inspections will be completed this year and the price will be adjusted next year according to need. Boers anticipates 600 inspections next year, but the exact number will not be known until numbers are finalized.

The private well program continues to move forward. Geier stated as of this morning, 54 permits were issued in 2015 with two additional permits mailed today and test results waiting for another. 44 wells were abandoned. There are approximately 16 properties that have not responded and they will be receiving disconnect notices shortly. A second group of letters was sent out to properties in areas where known wells were located at one time. Property owners were asked

to schedule an inspection or sign a certification that they do not have a well. 123 certifications were received and 110 property owners will be receiving reminder letters. For 2016 there are an additional 302 properties that will receive letters for repairs, permits, inspections or certification of no well. Mr. Gehin questioned if this would complete the entire list. Geier replied yes and noted that when she started there were approximately 1,000 properties with unknown wells or expired permits. This number is now just over 500 properties.

Well 6 is back online. The contractors report has not yet been received, but it seems that well production has increased twenty percent with a twenty percent reduction in pump speed. This means less energy is used, less wear on the pump, and higher production.

Well 9 is currently offline for rehabilitation. The inspection and recommended repair report from Layne was attached to the Director's Report.

DPW is no longer accepting spoils from the utility and they would like us to deposit the spoils at the airport. Depositing at the airport would be alright except for additional haul time when working on the other side of town. We should be looking for additional property at different areas of the city to deposit spoils in order to minimize haul times. The piles are not contaminated, just saturated. Typically the spoils are dumped, water drains from it, and most of it is able to be reused. Mr. Force asked if this is unsightly. Lindman noted there would be truck traffic and silt fence would be located around it. It would be unsightly in residential neighborhoods. Boers added that the amount would vary depending upon the number of breaks. Lindman stated the old incubator site is a possible location, but he has not talked with Community Development regarding that yet.

The Wastewater Plant is on track to meet discharge limits for the month of December.

The Wastewater staff completed emptying and cleaning the North Primary Digester. Erickson stated this was finished on December 16th and was the last digester. Erickson explained the process and added that staff did a good job. With the new mixing system he is hopeful it will be an easier process in the future.

The new Pipehunter trailer mounted jetter was delivered. Envirotech provided training and a check-out of the equipment. There was an issue with the hydraulic fluid foaming but that has been corrected and the jetter is ready to go.

Jim Force, Gary Gisselman, Joe Gehin and Lindman attended the RMMSD board meeting in December. They were well received by all members and they seemed open to communication moving forward. RMMSD is moving forward with updating their existing facility equipment over the next 4 to 5 years. This will give the Utility time to complete a feasibility study in 2016.

Lindman stated that several RFP's have been completed since he joined staff in April. The City does not have a general contract to use when sending out RFP's. He is currently working on preparing a draft of a general contract to attach to RFP's. This should reduce lag time with legal office review. The draft general contract should be to the Attorney's Office for review by the end of January. Mr. Gehin questioned if it was customary for the City to have a contract rather than one provided by the consultant. Speener indicated it is not uncommon. Lindman added that Weston and Kronenwetter use their own contracts.

A new employee will start for the Wastewater Division on Thursday.

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

4) Discussion and possible action on increasing the fee for a well permit.

Lindman explained that the current well permit is \$15 for five years, which is quite inexpensive. Staff is considering increasing the fee to \$100 for five years. Lindman believes that some of the wells are not being used and the increase may be a way to get those abandoned. Mayor Tipple questioned the fixed cost to monitor the well program. Geier believes the fixed cost would

be approximately \$75 if additional follow-up is not required. The charge for testing of the well is additional. She noted that of the 16 properties that she will be sending disconnect notices to, some had already received disconnect notices and scheduled an inspection. But they have not done the required repairs and will be receiving another disconnect notice. Geier stated that if water is disconnected, a fine is also imposed. Geier noted that the permit fee used to be \$60 for five years. When the DNR changed regulations, the home owner would have to hire a private pump installer to complete the inspections. This was not happening, so the City has been completing the inspections rather than having the home owner hire a pump installer.

Mr. Gisselman moved to recommend increasing the permit fee to \$100 for 5 years, effective July 1, 2016. Mr. Gehin seconded and noted this will have to go to Council for approval. Motion carried unanimously 4-0.

5) Discussion and possible action on acquiring property near Campus Drive for the possibility of drilling a new production well.

Lindman contacted Mathie Construction and they are open to discussion of selling this property. While a selling price was not mentioned, Lindman believes it will be around \$1 million as it was previously. This could also be another location for the Utility to use for spoil piles. Community Development is interested in it for portions of it to be developed and therefore this could be a collaborative effort. Mayor Tipple questioned if it was located within the Town of Maine. Lindman replied the south portion is located in the City of Wausau. Mr. Gehin feels it would be prudent to have the parcel under the Utility's control. Conversations may have to be held with the Town of Maine as this is where the City's only aquifer is located. Test drilling was done and two to three sites could be used for a well. He feels the parcel should be purchased to protect the sites and in the long run the land could be disposed of to receive the majority of the purchase price back. Mr. Force questioned the acreage. Mr. Gehin replied it is between 30 and 40 acres with small portions for the well. The remainder could be surrendered back to Community Development or a developer. Discussion followed on the purchasing process.

Mr. Gehin moved to authorize staff to work with other City departments to create a structure that would allow the City to purchase this parcel, including negotiating a First Right of Refusal in the interim. Seconded by Mr. Force. Motion carried unanimously 4-0.

6) Discussion and possible action on Digester Cover and Gas Storage Alternatives – Becher Hoppe.

Ligman stated that the gas sphere was built in 1939 and there are no records of the materials of construction. Therefore there was a question as to whether the sphere could be counted on for use in the future. Dixon Engineering was hired to inspect the sphere and it was found to be in fairly good shape. It does need to be repainted inside and out. There is corrosion on the bottom which can be repaired. Replacing the damaged/corroded areas, repainting, and completing a recertification so the sphere can operate at 40 psi (which was the original design working pressure), would cost approximately \$400,000. The cost of a new sphere is approximately \$1.2 million. This was compared to trying to add additional gas storage in the digester covers of the primary digester because they are starting to age and need replacement. However, that would not be cost effective. It is cost effective to repair the gas sphere, upgrade the gas storage compressors, and replace the north digester cover. The north digester cover is from 1939 and is a steel cover with a wood roof. It has been repaired several times but there are still gas leaks. There has been 77 years of use from the cover. The south cover was installed in 1969, is in fairly good condition, and does not need to be replaced in the near future. Becher Hoppe's recommendation is to replace the north cover with a fixed cover, repair the gas sphere, and replace the gas compressors. This will provide adequate gas so that the microturbines can run 24 hours, 7 days a week if needed.

Mayor Tipple questioned if production would increase after the recommended repairs. Ligman explained that the operators are reluctant to operate it at 40 psi not knowing the

condition of the sphere. Rather than risking a catastrophe, it has been in use but at a much lower pressure. Ligman is confident that once repairs are made, it can operate at 40 psi. Erickson explained the wasting operation is done 5 days a week. Over the weekend not as much gas is produced and sometimes the microturbines have to step back because they run on fumes. With extra storage, this should not happen over the weekend. Staff also believes they will be able to generate more gas once both digesters are online. Mr. Force questioned if the microturbines are currently running all off of digester gas. Erickson confirmed. Mr. Gehin questioned if the \$400,000 included replacement of the primary digester cover. Ligman explained the \$400,000 is for the sphere only. The compressors are approximately \$150,000 and replacement of the cover is approximately \$900,000, which includes removal of the old cover and working in a confined area. Lindman stated replacement of both covers was budgeted for; however, only the north cover needs replacement. Discussion followed on the budget. For the February meeting, Lindman will prepare documentation showing the budget for all the projects regarding this work.

Mr. Gisselman moved to approve going forward with repairs/replacements as recommended by Becher Hoppe. Seconded by Mr. Force. Motion carried 3-0 with Gehin abstaining from the vote.

7) Discussion and possible action on Change Order #5 for the Digester Mixing and Heating Project.

Lindman explained that three items included in this change order for August Winter total approximately \$6,000. Additionally, another change order is pending in the amount of \$18,772 for roller replacement. It has not been fully determined yet if the rollers need to be replaced, but that should be determined later this month. Ligman explained the draft tube mixers are on the outside of the digester but the motors and drive gears are at the top of the tank and consequently there are stairs and a platform for maintenance purposes. As the project moved forward it was felt that reversing two stairs would better fit for the operator's movements of getting up and down. However, they failed to take into consideration the support for the stairs would be right over the heat exchanger in two locations. The suggested resolve was to place a plate on the stair and move the post over, which also provides protection to the heat exchanger. Because of the protection to the heat exchanger, it was decided to make that change on all four platforms for a cost of \$2,180. Ligman further explained that when the north secondary digester was emptied and inspected, damage was noticed to the pipe clamps. Large deposits of solids or rags that partially block the suction pump will cause vibration, which is what is believed to have caused the clamps to break. Replacement of the clamps costs \$710. The concrete corbels in the north secondary digester have broken / spalled concrete in three to four locations. This would be suspect to additional deterioration unless brought back to normal. Additionally, if this were to continue the cover could tilt and get jammed. The corbels can be rehabbed for \$3,450. The total for these three items is \$6,340.

Ligman explained the possible roller replacement. There are grooves on two sides of the secondary digesters for the cover to ride up and down. The digester shifted and the shoe that rides up and down was not making contact. The thought was to install a roller and position it such that it would make contact and prevent the cover from turning. However, this is expensive as the rollers themselves are almost \$4,000 and with labor it would be approximately \$18,000. In eight locations rollers are already located on top of the digester. He feels something can be done to the existing rollers rather than installing other rollers. If the plate has to be replaced it is a lot less costly than a new roller assembly. August Winter will be looking into this. Ligman noted that change orders to date are approximately \$45,000 on this \$1.4 million project. Ligman does not feel the portion of the change order in the amount of \$9,460 (retaining wall) is warranted and is not recommended.

Mr. Gehin moved to approve the first three items of the change order (moving the stair supports, replacement of pipe clamps, and repair of corbels) for a total of \$6,340. Seconded by Mr. Force. Motion carried unanimously 4-0.

Lindman explained the project register and added that there is \$61,488.40 remaining in the budget for this project.

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

Lindman stated the average monthly revenue for Water for November is \$412,000, which is up \$16,000 over October. However, this is still below the budgeted amount for the year by \$224,000. The average monthly expenses in November decreased by \$7,000 from October, but are still over budget for the year by \$16,000. The average monthly revenue for Wastewater for November is \$436,000, which is up \$16,000 from October. Sewer revenue is exceeding the budget for the year by \$148,000. The average monthly operating expenses for November are \$293,000, which is trending \$64,000 below the monthly budgeted amount of \$356,000. This results in the year to date operating expenses below budget by \$704,000. He had questioned Swanborg about the shortfall on the Water side and how that would typically be handled. Her response was several things have been done in 2015 in response to the deficit, such as the advance from the Sewer Utility and the April 1 rate increase. One thing to note is the Water revenue as of November 2015 increased over the November 2014 by \$478,000, which is a positive trend that will be seen moving forward. Another budget update will be provided in February. For the February meeting, Mr. Force asked for a concise analysis showing the impact of the rate increase month to month, including a projection into the first half of 2016. This will give a good indication if the rate increase was adequate for our needs. Lindman noted that there is an indication that we will need to go back to the PSC for a quick rate increase. Geier added requirements would have to be met for that and typically the first year of a rate increase you do not qualify. In the past the Utility has been into the rates for approximately three years before qualifying for a quick increase. She also noted that this was a wet year, which typically will negatively affect revenues by \$100,000 plus. A full rate increase could be applied for after April 1.

10) Adjourn

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