



## Minutes of June 29, 2016

A meeting of the Wausau Water Works Commission was called to order at 2:00 p.m. in City Hall on June 29, 2016. In compliance with Wisconsin Statutes, this meeting was posted and receipted for by the Wausau Daily Herald on June 24, 2016.

### 1) **Roll Call**

Members present: President Mielke, Commissioners Force, Gehin, and Rebman.  
Others present: Eric Lindman, Scott Boers, Deb Geier, Tonia Speener, Clark Dietz; Steve Schultz, Becher Hoppe.

### 2) **Approve Minutes of the June 7, 2016 meeting**

Motion by Rebman to approve the minutes of the June 7, 2016 meeting. Seconded by Gehin. Motion carried unanimously 4-0.

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

Since the Director's Report is reviewed by the Commission members prior to the meeting, the Commission agreed by consensus to forego the reading of the report and ask questions on any items.

The Commission members asked for an update on lead and copper sampling. Geier explained 30 samples were required this year. All 30 samples have been received with three samples still at the lab. The first 27 samples were in compliance. We are allowed three failures; therefore, if the remaining three samples all fail, we would still pass.

Gehin asked if the additional Gateways are being installed. Geier replied the units have not been ordered yet. Lindman added that we are working with the Electrical Department regarding installation, which would help keep the cost down. Force questioned if there was an update regarding a cost share with Schofield. Geier said Schofield has not responded yet, although their Utility Clerk has looked at the system and is in favor of it. Geier believes they will proceed slowly with it but allow us to install a Gateway. This will give them an opportunity to see how well their system will work with the Gateways. Schofield installs integrated meters that have the radio box as part of the meter, which do not always perform as well as a separate radio box.

Force had heard that a hydrant was not working on Genrich Street and water had to be trucked in during a recent fire. Boers has not heard from the Fire Department and they would have contacted him if there was an issue.

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

### 4) **Discussion and possible action on the proposed 2017 Capital Budget.**

Lindman provided a proposed capital budget for 2017 through 2021. The water side has significantly increased from the past year. There is not an exact dollar figure for the acquisition of land for a proposed well as there are not firm agreements with the property owner. The street projects have been estimated the best that staff can at this point. There is a watermain extension

proposed off of East Kent Street due to the water line needing to be shut down during the reconstruction of Townline Road in 2018. The watermain is proposed to be extended approximately 1,800' from East Kent Street where it currently ends in the park to Northwestern Avenue.

Rebman questioned the proposed project on Elm Street, which is a pipe lining project. Boers explained the pipe is a thin, steel 14" pipe. The lining project started at the Elm Street Reservoir approximately 6 years ago and seems to be holding up rather well. The problem with this pipe is pin holes and it is hard to detect leaks due to the large size of the pipe. Gehin further explained that this pipe was installed in the 60's to provide water to Wausau Insurance and the hospital. It was probably not the best selection of pipe.

Gehin questioned how critical the Stettin Drive project is. Boers indicated the loop will run from Stettin School on 56<sup>th</sup> Avenue to 44<sup>th</sup> Avenue. Gehin is concerned with the timing of this project due to the proposed walkway to Brockmeyer Park. Gehin suggested that both projects be coordinated together.

Force questioned if capital improvements are based upon both future need as well as repair/replacement of existing infrastructure. Lindman confirmed and indicated staff tries to balance projects based upon priority. He noted that a facility plan will also be proposed for both water and sewer. This plan will give an overall view, give direction on where we need to go and establish priorities. Gehin questioned if we are under pressure to complete the work at the Water Plant. Boers replied there is an expectation that within the next couple of years we will have an alternate reservoir for the clear well. Lindman stated the DNR has been agreeable so far since we are making progress toward a facility plan.

Gehin moved to accept the proposed 2017 Water Capital Budget and directed staff to take the necessary actions for continuation of the 2017 Water Capital Budget. Seconded by Rebman. Motion carried unanimously 4-0.

Lindman noted that \$250,000 for the customer billing system was included entirely in the water budget but should be split between water and sewer for \$125,000 for water and \$125,000 for sewer for 2018 and 2019.

Gehin asked if the costs for the interceptor line (\$500,000 for 2019, 2020 and 2021) are estimated. Lindman confirmed and stated different options are being looked at, such as lining versus replacement. However, either way it is quite expensive. These costs are estimates to complete sections of the interceptor over the next three years. Gehin suggested drilling cores in convenient places to verify the integrity of the pipe.

Gehin asked if we are convinced a screen mechanism needs to be installed at the Industrial Park lift station. Lindman stated this is still under discussion. Gehin noted that Marshfield was going to install a screen but installed a certain kind of pump instead. Schultz believes that Marshfield installed an oversized pump and did not install any type of screen.

Gehin moved to accept the proposed 2017 Sewer Capital Budget as discussed. Seconded by Force. Motion carried unanimously 4-0.

## **5) Discussion and possible action on the proposed 2016 borrowing for the Water and Sewer Utility through the State Trust Fund Loan.**

Lindman explained it is proposed to borrow \$2 million for each utility to cover capital costs. This will be the first full calendar year with the water rate increase and will be revisited after the first of the year. The loans are at a good rate, can be paid back at any time, and would allow us to keep cash on hand. He added that staff has met with Finance regarding this and this borrowing was proposed to ensure capital projects are covered and cash remains on hand.

Gehin moved to accept the proposed 2016 borrowing for the Water and Sewer Utility through the State Trust Fund Loan and directed staff to continue to work with Finance. Seconded by Force. Motion carried unanimously 4-0.

**6) Monthly Financial Reports and ongoing tracking of the budget.**

Lindman stated water revenue is increasing. Gehin noted that the sewer side is on track for the same operating income as the previous year. Swanborg added there are no red flags. Sewer revenue is on pace with last year. May was the first month the water rate increase had some impact. Revenues and expenses are on track to last year but not necessarily to budget. This is due to large expenses that come in December. The monthly budget is slightly inflated because when averaged it shows higher expenses than what is incurring. The best indicator is to compare current year to prior year. Since we are tracking similar to last year, she expects to have a positive net fund increase this year in both utilities. She added that the sewer is stronger than the water. The water net fund increase was around \$300,000 and sewer around \$500,000. This is in part because there was not a full year of the water rate increase.

**7) Adjourn**

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

Lori Wunsch, Recording Secretary

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