



## Minutes of August 2, 2016

A meeting of the Wausau Water Works Commission was called to order at 1:30 p.m. in City Hall on August 2, 2016. In compliance with Wisconsin Statutes, this meeting was posted and receipted for by the Wausau Daily Herald on July 29, 2016.

### 1) **Roll Call**

Members present: Commissioners Abitz, Force, Gehin, and Rebman.

Others present: Eric Lindman, Scott Boers, Cheryl Sell, Dave Erickson, Valerie Swanborg, Tonia Speener, Clark Dietz; Ken Ligman, Becher Hoppe; Steve Schultz, Becher Hoppe.

### 2) **Approve Minutes of the June 29, 2016 meeting**

Motion by Rebman to approve the minutes of the June 29, 2016 meeting. Seconded by Force. 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.

Lindman introduced Cheryl Sell, who started as the Utility Resource Manager on July 11. Sell noted that for 16 years she was the head water operator in Oconto Falls where she did things such as operating valves and hydrants, assisted the manager, bid projects, PCS reports, and monthly data reporting for water and wastewater.

Abitz questioned if there were issues with only one high service pump or if work would be completed on all the high service pumps. Boers replied eventually work will be completed on all, but only on High Service Pump #1 this year. The bearings on both the motor and pump needed repair. It was cheaper to rebuild the pump and supply a new motor. The energy savings from the new motor will probably pay for the motor within three years. All six pumps are from 1964.

Boers explained that a computer is set up in the lab to keep track of the data for reporting to the DNR. There were hard drive issues with this system and the SCADA system has been down for approximately three weeks. The computer and software are being replaced and he hopes to be able to retrieve the data. Boers hopes to have the system running next month. He noted this work is independent of the IT Department and the existing software is from 1999.

Boers indicated that uni-directional flushing began yesterday and he will provide a report next month.

Force questioned where the sewer lining project is taking place. Erickson said this project is in various areas and he could provide exact locations to Force.

Force questioned the estimated cost regarding the North Secondary Digester. Erickson replied the cost will depend upon what is done. Estimates range from \$1 million for replacement of the cover down to zero to put back in service as is. At this point staff is trying to determine what path to take. \$7,000 has been spent on patching holes. One idea is to put it back in service and plan to replace the cover in the near future. The other idea is to complete some sandblasting and painting

to see if we could hold off on replacement. Ligman explained that when the South Secondary Digester was down, it was inspected and found in good shape. It was a surprise to find issues in the North Secondary Digester. As repairs were completed more sections were found to need repair. The inspector is coming back to provide an educated opinion on what to do and for what costs.

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

**4) Make recommendation for the purchase of a 66,000 GVWR Tandem Dump Truck chassis. (Proposals were opened by the Board of Public Works on July 12, 2016.)**

Boers stated that after comparing the proposals it was found that Wisconsin Kenworth was the only chassis that met spec. The Sewer Utility has had two of these trucks in service for over 10 years with no issues. Mark Hanson, DPW Fleet Manager, had indicated that these particular trucks have the lowest cost per mile to operate and maintain. Boers believes the extra cost is worth it due to the proven track record. Force noted that since the City has these units, staff is familiar with servicing Kenworth trucks. Abitz asked if other trucks would be replaced. Boers replied the Water Department has two trucks. This would replace a truck purchased in 1989. Lindman added that the cost of the chassis falls within budget.

Abitz moved to accept the proposal from Wisconsin Kenworth in the amount of \$103,840. Seconded by Rebman. Motion carried unanimously 4-0.

**5) Discussion and possible action on the proposed revised organizational chart for the Water and Sewer Utility.**

Lindman has been working on this with Human Resources since last summer. HR currently has a RFP out to hire a consultant to review all positions within the City for classifications and wages. Lindman has been working with staff on the organizational chart so that services provided can be maintained efficiently. Two new positions are proposed; a full-time lab tech for Wastewater and an Administrative position for Water.

Abitz noted that the lab tech who was present when she toured the plant was a college intern. She asked if we would be going strictly through the college to hire this position. Erickson explained that he has been using interns from Stevens Point; however, every six months he has to start over with a new intern. He would like to hire a full-time position to avoid this. Abitz asked if an intern would still be hired if a full-time position is on staff. Erickson replied that would be a budget issue. He is hoping to get a full-time position first and if budget allows have an intern during the summer. Abitz questioned the cost of the position. Lindman researched the position and found the pay for lab technicians ranges depending upon what type of testing they do and job duties. The position ranged from \$30,000 to \$52,000. This is not currently budgeted for. A job description has been drafted and would have to be approved by the Human Resource Committee and then budgeted for 2017.

Lindman explained the Administrative position would handle the clerical items, such as tracking data for regulations, purchase orders, and be a liaison for Finance. This position would also have to be approved by the Human Resource Committee and budgeted for 2017.

Abitz moved to accept the two proposed new positions as shown on the revised organizational chart for the Water and Sewer Utility and directed staff to move this forward to HR. Seconded by Rebman.

Gehin stated that over the years the water plant and the wastewater plant have been automated, along with meter reading. At one time there were over 50 employees and now it is down to approximately 30. Over the years we have been very frugal and asking for these positions makes a lot of sense.

There being a motion and a second, motion to accept the two proposed new positions as shown on the revised organizational chart for the Water and Sewer Utility and direct staff to move this forward to HR carried unanimously 4-0.

**6) Discussion and possible action on the extension of water and sewer to 1940 Crabtree Drive.**

Lindman explained that there is a property off of Crabtree Drive that is located within the City limits. Currently there is no access to water and sewer as the utilities end to the south of the property. The owner of 1940 Crabtree Drive is proposing to build a home. He would like water and sewer extended to this property; however, an easement would be needed from the property to the south. Lindman noted that the property was proposed to be detached from the City in 2014, but the previous owner did not follow through. The current owner has stated if he cannot get water and sewer extended, it does not make sense for the property to remain in the City and would most likely propose to detach. Lindman has contacted Steve Monk regarding obtaining an easement along the east side of the property to the south. Abitz questioned the distance. Gehin believes it would not be greater than 250 feet. Lindman has informed the owner that he would be assessed for a portion of the main line cost. As of now this is conceptual and it depends upon if an easement can be obtained.

Force moved to authorize staff to work with the property owner to secure an easement and proceed with the extension. Seconded by Abitz. Motion carried unanimously 4-0.

**7) Discussion/update on the current Utility Capital Budget.**

Lindman indicated that there have been some projects that have not gone through this year and other projects that have been adjusted. He has been tracking the projects to ensure the Utility stays within the approved budget. We are within budget for 2016 and will be moving forward with some capital projects. Swanborg will assist with providing an overall tracking throughout the year. Currently budgets for 2017 are being proposed and staff is estimating what projects and developments will occur in 2017. Sometimes money needs to be moved around as projects do not take place as anticipated and other projects arise. Abitz asked if there was a list of projects that will be delayed or carried over to next year. Lindman replied that would be available in October or November. Discussion followed.

Lindman noted that the Sewer Department has large budget numbers because of the digester project. Force questioned what causes the difference between the budget and the adjusted budget. Lindman explained that the adjusted budget is because the bids came in higher or lower than anticipated. Abitz asked if any problems are anticipated on Stewart Avenue as issues arose when streets were reconstructed in her area. Lindman said with underground utility work rock is anticipated in areas but sometimes that goes over. Specifically for Stewart Avenue there is additional money for adjustment of manholes. This project is mainly an overlay project and most utilities are not scheduled to be replaced.

**8) Discussion and possible action on 2017 CIP Projects.**

The Committee of the Whole is in the review process of the capital projects and did not have any questions on the proposed projects. Gehin questioned the Industrial Park Sewer Lining Project. Lindman said this has been proposed on previous CIP budgets and the cost has been updated. Erickson was not aware of the lining but noted there may be some issues with capacity as the Industrial Park grows. Lindman will verify this project with Rye.

Force asked if there is any expected impact on rates. Lindman replied a small 3% rate increase will be proposed on the water side after the first of the year. An RFP will be sent out late summer for a facility plan. A small sewer rate increase may also be proposed in anticipation of capital projects moving forward.

Force moved to accept the Capital Improvement Plan for 2017. Seconded by Rebman. Motion carried unanimously 4-0.

**9) Discussion and possible action on hiring an energy service company as part of the facility plan RFP process.**

When Lindman attended a national conference in Chicago, he spoke with energy service companies who assist municipalities with trying to find energy efficiencies and savings, especially during large capital improvement projects. This can be anything from LED lighting to VFD's on large motors to determining which motors and pumps will run more efficiently over the long run. The City will hire an engineering firm for the facility plan, but at the same time we could have one of these companies on board. There may be a small fee upfront, but they typically work on a percentage basis on what savings can be provided. Lindman would like to incorporate this into the RFP for the facility plan. Speener indicated they do some of this work in-house. Ligman noted that Focus on Energy also helps and have gone through the wastewater plant previous. He does not feel there would be a windfall of savings but it always helps to take another look at things while you progress.

Force moved to consider hiring an energy service company as part of the facility plan RFP process. Seconded by Abitz. Motion carried unanimously 4-0.

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

Swanborg stated the water revenue shows the impact of the rate increase that took effect April 1. The current year is approximately 15% higher in revenue than the prior year. On the expense side, expenses are comparable to prior years. There are higher expense months in April and June which are due to a large purchase of meters and a large payment for contractual services. With 50% of the year complete, we are at about 44% of the yearly budget for charges of services, but above budget for prior years. Operating expenses are running a little behind the prior year. We are on budget with wages and salaries and slightly below budget with personnel benefits. It is expected to be below budget for benefits as this amount was budgeted before knowing what the benefit contracts would be. Contractual services and building materials are running behind budget but this may be due to the timing of invoices. For the current year to date we are positive \$130,000, which is about a \$300,000 pick-up from this point last year. She noted that the Water Utility is not eligible for a simplified rate increase until after the first of the year.

The sewer revenue has been steady year over year. Year to date there is a .5% increase over last year. She is anticipating sewer revenue to stay steady through the year. Expenses are showing a steady comparison to prior years. The revenue is showing about 47% with 50% of the year in and is comparable to last year. Being slightly behind budget does not concern her as year-end revenues will come into play. Labor is near budget with personnel benefits slightly behind budget. This is expected to remain constant throughout the year. Sewer has the same lag in billings regarding expenses and building materials. A large chemical purchase in July will show an increase in expenses. The change in net position for the year is running in the \$400,000 range, which is comparable to last year.

**14) Discussion and possible action on an agreement to accept holding tank waste from Maine Elementary School.**

This item was taken out of agenda order.

Lindman explained that due to Maine Elementary School's volume of usage, the DNR is requiring them to contract directly with a treatment plant for disposal of their holding tank waste. Erickson said that Brokaw would be the closet treatment plant, but it is a very small plant. The DNR does not recommend that they tie up Brokaw's capacity but it would be a consistent revenue stream for Brokaw. Brokaw could possibly accept this waste instead and no other waste. Maine Elementary School is required to have a signed contract to accept their waste and assures them the treatment plant has the capacity for the waste. Erickson questioned if the Commission would be interested in an agreement should they approach the Utility again. Abitz wondered if this would

cause more issues with the Town of Maine. Erickson explained this has to do with the Wausau School District and not directly with the Town of Maine. Erickson said if this is approved, the contract would require disposal at the treatment plant. He would not want to reserve the capacity and then end up not taking anything in. The contract would also state we would not take their waste if it does not meet our code requirements; such as if there was a fuel oil spill that contaminated their waste. Force questioned if any negative impact is foreseen. Erickson stated no.

Rebman moved to authorize staff to draft an agreement and bring back for consideration. Seconded by Force. Motion carried unanimously 4-0.

Gehin recommended letting the school district know that we are willing to work with them with details to be worked out.

**11) Discussion and possible action on acquisition of property located at 700 Bugbee Avenue and four abutting parcels to the north comprising of approximately 76.5 acres.**

Lindman stated that test wells were completed on this property. The Commission had previously directed staff to hold conversations with the property owner. Some of the property that is located within the City is listed for sale. Discussion followed on the location of the test wells.

**12) CLOSED SESSION pursuant to 19.85(1)(e) of the Wisconsin Statutes for deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session regarding the acquisition of property located at 700 Bugbee Avenue and four abutting parcels to the north comprising of approximately 76.5 acres.**

Motion by Abitz, second by Force to convene in closed session. Roll Call Vote: Ayes: Gehin, Rebman, Force, and Abitz. Noes: None. Motion carried 4-0.

**13) RECONVENE in open session to take action on closed session items if necessary.**

Motion by Rebman, second by Abitz to convene in open session.

Force moved to authorize staff to acquire an appraisal and Phase I and bring back to the Commission. Seconded by Rebman. Motion carried unanimously 4-0.

**15) Adjourn**

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

Lori Wunsch, Recording Secretary

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