

**REVISED MINUTES OF THE
NORTH SHORE WATER COMMISSION
MEETING OF WEDNESDAY, FEBRUARY 13, 2019**

A meeting of the North Shore Water Commission was held at the Filtration Plant, 400 West Bender Road, Glendale, Wisconsin on Wednesday, February 13, 2019.

Meeting was called to order at 8:00 A.M. by Mrs. Safstrom.

Present: Rachel Safstrom, Chair (Glendale); John Edlebeck, Secretary (Whitefish Bay);
Scott Botcher, Member (Fox Point)

Also present: Eric Kiefer, Plant Manager & Recording Secretary; Charlie Imig, Alternate
(Glendale); Wendi Unger and Michelle Walter, Baker Tilly; Paul Pasko, SEH

FINANCIAL AUDIT PRESENTATION

Mr. Edlebeck arrived at 8:07 AM which was during discussion of the financial statements.

Wendi Unger and Michelle Walter provided the Commission with the 2018 financial statements and other required communications. In summary, they went through the documents to give the Commission an overview of what is in the documents and an explanation of recent changes to accounting standards.

During the presentation, there was discussion about fund balance. Ms. Unger explained that the total General Fund balance on December 31, 2018 was set to 12% of the operating budget, as described in the agreement. In order to get the total up to 12%, the Operating Reserve fund balance was set to \$47,214. She asked the Commission if they had any issues with this interpretation of the agreement. There were no objections.

There was discussion about whether or not the Operating Reserve should be "Assigned" or "Unassigned." Mr. Botcher commented that it is probably better to classify it "Unassigned."

Ms. Unger and Ms. Walter also wanted feedback regarding pages 42 and 43 that provides detail about how the surplus was allocated to the 3 members. Ms. Walter explained the process that was used to transfer funds and set the ending balances. Ms. Unger and Ms. Walter asked if the Commission approves of the process; they explained that they moved the funds based on a strategy that was informally adopted by the Commission to build up the Capital Fund in preparation of the reservoir upgrade project. There were no objections.

Ms. Unger discussed how the Village of Fox Point and the Village of Whitefish Bay will owe money, and the City of Glendale will receive a refund. They explained this will true-up fund balances so that all 3 members will have fund balances in the correct proportions.

Mr. Edlebeck requested that Mr. Kiefer give the Village notice about the funds that are due. In doing so, he suggested that he give a definitive request. In other words, state the amount the due and request payment by a certain date.

It was moved by Mr. Botcher, seconded by Mr. Edlebeck, and unanimously carried to accept the financial statements with minor changes as discussed and required communications presented by Baker Tilly.

MINUTES

Mr. Kiefer noted that there was a typo in the minutes submitted to the Commission. Under the Monthly Bills section, "Mrs. Edlbeck" should be "Mr. Edlebeck." It was moved by Mr. Botcher, seconded by Mr. Edlebeck, and unanimously carried to approve the minutes as amended during discussion for the meeting held January 9, 2019.

MONTHLY REPORT OF PLANT OPERATIONS

Mr. Kiefer provided the Commission with a report regarding plant operations. During discussion, he mentioned that pumpage is lower compared to last year January; this implies there were fewer main breaks this winter. The report was placed on file without any motion.

ANNUAL OPERATING BUDGET

Mr. Kiefer presented the monthly financial reports, and they were put on file without motion.

MONTHLY BILLS

It was moved by Mr. Edlebeck, seconded by Mr. Botcher, and unanimously carried that the following payments be approved and authorization was given to the Fiscal Agent to make such payments.

<u>Vendor</u>	<u>Amount</u>
Amazon (custodial supplies, chair glides, plate count agar, primer, rust reformer, Ethernet over coax equipment, folders, hoses, and phone adapter)	\$1,199.94
Baker Tilly (financial audit)	\$6,164.26
Clark Dietz (engineering services)	\$1,211.18
Concentra (pre-employment testing)	\$181.50
Diversified Benefit Services (Section 125 Plan enrollment services and administration)	\$199.97
G&S Landscape (snow removal)	\$700.00
Grainger (biohazard bags, light bulbs, mop heads, electrical supplies, screwdrivers, pipet tips, petri dishes, reagent water, respirator, an 2-cycle oil)	\$964.29
Great America (lease payment for copier/printer and property tax)	\$167.48
Hawkins (treatment chemicals: aqueous ammonia and phosphate)	\$962.71
Idexx (quantitrays)	\$659.14
John Mahnke (reimbursement of certification fee)	\$45.00
Lubrication Engineers (grease)	\$93.20
McMaster-Carr (light bulbs and fixtures)	\$44.47
Northern Lake Service (compliance monitoring)	\$68.00
Office Copying Equipment (maintenance payment for copier/printer)	\$41.53
Olin (treatment chemical: sodium hypochlorite)	\$3,068.79

Pace Analytical (UCMR4 compliance monitoring)	\$2,296.00
Quill (office supplies)	\$90.39
Rotroff Jeanson (accounting services and audit prep)	\$2,355.00
Securian / Minnesota Life (employee life insurance)	\$115.24
SEH (services pertaining to change in corrosion control chemical and 2018 reservoir inspection)	\$2,944.90
Starnet Technologies (1st quarter NCC data charges)	\$300.00
Spectrum Business (internet services, Bender phone, and Klode phone)	\$571.17
Superior Chemical (degreaser and wipes)	\$179.12
T-Mobile (mobile internet)	\$31.05
US Cellular (cell phone)	\$4.25
Village Ace Hardware (plumbing supplies, salt spreader, aluminum scoop, and latch)	\$236.30
WaterStone Bank (credit card - General Fund)	\$320.23
-- AT&T (monthly internet charge): \$61.77	
-- eBay gibuys (valve manifold): \$158.40	
-- Google (google apps for work): \$54.16	
-- StraightTalk (cell phone): \$45.90	
We Energies (Bender Electric)	\$13,806.52
We Energies (Bender Gas)	\$1,845.71
We Energies (Green Tree Electric)	\$16.24
We Energies (Henry Clay Electric)	\$16.78
We Energies (Klode Electric)	\$4,153.72
We Energies (Klode Gas)	\$17.07
Wilkens-Anderson (pipettor)	\$189.77
	SUB-TOTAL
	\$45,260.92
<u>Capital Fund</u>	
Gielow's Lawn and Garden (snow blower, Toro 721R-C)	\$625.00
	SUB-TOTAL
	\$625.00
	TOTAL
	\$45,885.92

HIGH SERVICE PUMP NO. 4 VFD REPLACEMENT

Mr. Kiefer provided the Commission with a tabulation of proposals, a projection of savings over the next 20 years of operation if the Commission elects to install the Yaskawa U1000 VFD, and marketing information about the drive.

During discussion of this topic, Mr. Kiefer provided a brief history of the problem. Mr. Kiefer explained that there are a lot of variables that were considered when he was soliciting proposals for a replacement VFD. Given a \$50,000 limit was placed on this project in December, Mr. Kiefer quickly ran into a problem. The kind of drives that were recommended by Clark Dietz were 2 to 3 times the

cost of a typical drive the Commission uses right now, and the \$50,000 was limiting. Consequently, Mr. Kiefer looked at alternative drives that were of lesser efficiency as well as one drive that did meet the specifications of Clark Dietz.

After talking to Focus on Energy, Mr. Kiefer learned that the Commission is entitled to receive an incentive of \$10,000 no matter which drive is purchased. Consequently, Mr. Kiefer recommends that the Commission go with the proposal from L&S Electric in the amount of \$57,000 for the Yaskawa U1000 drive. With the incentive, the net cost will be \$47,000 which is within the limit set by the Commission. Furthermore, Mr. Kiefer believes that the energy savings from this efficient drive should pay for itself over its expected 20 year life.

It was moved by Mr. Edlebeck, seconded by Mr. Botcher, and unanimously carried to accept the proposal from L&S Electric in the amount of \$57,000 for the Yaskawa U1000 VFD.

SELECTION OF ENGINEERING PROPOSAL

Mr. Kiefer explained that 2 proposals were submitted for the reservoir upgrade project: one from Strand Associates and one from SEH. Mr. Kiefer explained that Clark Dietz is listed as a subcontractor to SEH. Mr. Edlebeck explained that other consulting engineers were contacted, but they did not provide a proposal.

As part of the selection process, Mr. Kiefer stated that both firms were invited to an interview. Mr. Edlebeck and Mr. Kiefer conducted the interviews on behalf of the Commission.

Mr. Edlebeck and Mr. Kiefer reported that the proposals were fantastic. They provided detailed proposals as requested in the RFP. The scope of work was exactly as identified in the RFP, and all of the individuals listed in the proposals had the level of experience the Commission expected.

Mr. Edlebeck and Mr. Kiefer were very pleased with the interviews. Furthermore, the references had a lot of great things to say about these firms.

With that, Mr. Kiefer expressed that he would be happy to work with either engineering firm and does not have a preference for either one.

Mr. Edlebeck explained that he was very happy with both firms. Essentially, the proposals are equivalent. He commented that the proposal and interview from SEH included more discussion of the City of Glendale's involvement in the project than Strand Associates. He believes SEH and Clark Dietz might be better prepared to get all necessary approvals from the City of Glendale because of Mustafa Emir's involvement.

Mr. Kiefer and Mr. Edlebeck confirmed Mr. Emir is donating his own time on the project which is reflected in the proposal submitted by SEH.

Mrs. Safstrom commended that both proposals seem equivalent to her. With all else being equal, she commented that the hourly not-to-exceed fee should be used for selection.

Mr. Kiefer reported that the proposal from SEH has an hourly not-to-exceed fee of \$144,183 and Strand Associates has an hourly not-to-exceed fee of \$153,754.

It was moved by Mr. Edlebeck, seconded by Mr. Botcher, and unanimously carried to accept the proposal from SEH as presented with a hourly not-to-exceed fee of \$144,183.

SAFE DRINKING WATER LOAN PROGRAM

Mr. Botcher reported that he had a conversation with an individual that works with the State Drinking Water Loan Program (SDWLP). He announced that the North Shore Water Commission is not eligible to receive a loan through this program, but each member would be. Mr. Botcher believes each member should at least consider using this program; however, he is not convinced it makes the best financial sense. Because of the terms of the SDWLP, members would not be eligible for principal forgiveness or reduced interest rate that a disadvantaged municipality would receive.

Furthermore, Mr. Botcher believes the terms of the loan would require compliance with certain acts such as Davis-Bacon. That might ultimately increase cost enough to make the loan more expensive than raising funds through issuing bonds.

No action was taken regarding this item.

LOCATING AND CONDITION ASSESSMENT OF RAW WATER TRANSMISSION MAIN

Mr. Edlebeck and Mr. Kiefer provide the Commission some background information regarding the challenges of locating the raw water transmission main. They explained the efforts that were taken to get proposals and the shortcomings of various locating methods. Furthermore, Mr. Edlebeck explained that during his review of a proposal submitted by Pure Technologies, he found a number of non-trivial assumptions were made; after discussing the proposal with Paul Pasko (an engineer from SEH), it was discovered that a number of structures would have to be modified and valves would have to be replaced before Pure Technologies could use their equipment to locate the raw water transmission main.

Mr. Pasko explained his background and very recent experience with locating "untraceable" water mains such as the Commission's raw water transmission main. He gave a detailed description of 2 projects.

Mr. Pasko explained how he could help the Commission. He gave examples of deliverables that he would provide the Commission. Afterwards, Mr. Pasko asked if he had a correct understanding of the scope of work so that he could submit a proposal before the next meeting. It was the consensus of the Commission that he had a proper understanding of the scope of work.

Mr. Kiefer explained how this project is not budgeted; furthermore, he explained that earlier in the Commission meeting, the Commission approved another unbudgeted project to install a new VFD for an ultimate net total of \$47,000. In his estimation, he believes this project could easily cost more than \$80,000 for the Commission to locate the raw water transmission main.

Mr. Botcher asked if the project needed to happen this year. He asked if the project could be postponed until it can be budgeted.

It was the consensus of the Commission that a decision would be made after engineering cost

estimates and recommendations are made.

Mr. Edlebeck and Mrs. Safstrom are concerned in general about getting the raw water transmission main located because construction projects in the future will require the Commission to properly locate the main.

The Commission anticipates Mr. Pasko will submit a proposal before the March meeting. The topic will be put on the March meeting agenda.

MANAGER'S REPORT

1. Plant staff, SEH, and WDNR have been discussing our upcoming project to change the current corrosion control chemical. It appears WDNR is now satisfied with the application and is in the process of determining additional lead and copper monitoring requirements for the transition.
2. Communications to Fox Point, via our secure network, has been problematic over the past couple of months. This problem affected performance across the entire network. After extensive troubleshooting, plant staff replaced some faulty network equipment at Fox Point on Monday, February 11. It appears this worked and network performance is back to normal.
3. The intake clogged with fazil ice twice on Wednesday, January 30. Plant staff responded by partially draining the raw water transmission main back the shorewell. This strategy worked for both events.
4. We Energies along with Commissioner John Edlebeck walked through the plant to complete an energy assessment on January 10. A report is due on Thursday, February 14 detailing We Energies recommendations for improving energy efficiency. Plant staff has responded to many inquires made by We Energies after the walkthrough.
5. Arch Electric along with Commissioner John Edlebeck met to discuss the possibility of installing solar panels at the NSWC. Arch Electric will be providing the Commission with a report to illustrate potential costs and benefits of installing them at the Bender facility.
6. Plant staff performed routine maintenance on the high service pumps, low lift pumps, and backwash pumps. Also, plant staff started prepping the high service pumps for painting.
7. Plant staff performed maintenance on the alum and sodium hypochlorite transfer pumps including replacement of seals and the replacement of carbon steel fasteners to stainless steel fasteners to prevent excessive corrosion.
8. To keep up with snow removal, a new snow blower and salt spreader were recently purchased.
9. Amber Gerdman was hired as Relief Operator Technician; her first day was January 14.

Mr. Edlebeck requested that Mr. Kiefer notice discussion of an email that was sent by Mr. Kiefer to the member utilities in response to an email sent by Mr. Jason Chappelle of the Wisconsin Department of Natural Resources. Mr. Kiefer indicated that he would put this item on the agenda for the March meeting.

CLOSED SESSION

At 9:31 A.M. it was moved by Mrs. Safstrom, seconded by Mr. Botcher, and unanimously carried that the Commission enter into closed session pursuant to section 19.85 (c) of Wisconsin Statutes to discuss and consider wage rates and salaries for specified employees.

By roll call vote, the Commission reconvened into open session at 9:38 A.M.

Ms. Safstrom moved to approve the compensation plan for its hourly employees as described in Mr. Kiefer's memo dated 2/13/2019 and to increase Mr. Kiefer's annual salary from \$91,567 to \$93,581 (2.2% increase). The motion was seconded by Mr. Botcher. During discussion, Mr. Botcher stated that he is only in favor of the 2.2% increase for hourly employees at the top end of the scale, versus a 2.0% increase, because there are some employees that will be losing a shift differential of \$0.25 / hr. The extra 0.2% will help affected employees. The motion unanimously carried.

NEXT MEETING

The next regular meeting was scheduled for Wednesday, March 13, 2019 at 8:00 AM.

ADJOURNMENT

It was moved by Mr. Edlebeck, seconded by Mr. Botcher, and unanimously carried to adjourn at 9:39 A.M.

Submitted by:



Eric Kiefer, Plant Manager and Recording Secretary

3/13/2019

Date