

**MINUTES OF THE
NORTH SHORE WATER COMMISSION
MEETING OF WEDNESDAY, OCTOBER 9, 2019**

A meeting of the North Shore Water Commission was held at the Filtration Plant, 400 West Bender Road, Glendale, Wisconsin on Wednesday, October 9, 2019.

Meeting was called to order at 8:00 A.M. by Mr. Edlebeck.

Present: John Edlebeck, Chair (Whitefish Bay); Scott Botcher, Secretary (Fox Point).; Charlie Imig, Member (Glendale)

Also present: Eric Kiefer, Plant Manager & Recording Secretary; Wendi Unger and Michelle Walter (Baker Tilly) from 8:00 AM to 8:37 AM.

PRESENTATION BY BAKER TILLY - AUDIT PREP

Wendi Unger and Michelle Walter from Baker Tilly were invited to discuss some topics to prepare the Commission. They distributed a packet to all of the attendees with a draft of a new back schedule which shows how funds are allocated and transferred between the operating and capital funds. There was discussion about how the schedule ties into other schedules and how it makes it easier to see how funds move from the operating to capital fund.

Mr. Edlebeck asked about how the general fund balance was set at the end of the year.

Ms. Unger and Ms. Walter explained that there are 2 documents that guided Baker Tilly in its determination. First, the Revised and Restated Agreement for Water Supply System (referred hereafter as "founding agreement") states that the operating reserve fund balance shall be kept at or above 12% of the operating budget.

In a resolution dated 10/10/2018, the Commission set various commitments and assignments that required the Commission to reserve funds for specific purposes. One of those commitments was to keep an operating reserve account of \$50,000.

Ms. Unger and Ms. Walter explained this is confusing and needs to be resolved before the next audit. Consequently, Baker Tilly set the ending general fund balance in 2018 to be 12% of the operating budget.

After asking the Commission as to how they would like to move forward, the Commission expressed their opinions. Mr. Botcher suggested that the Commission make the operating reserve unrestricted or unassigned so the Commission can use it as necessary for any purpose. Mr. Edlebeck and Mr. Imig agreed with Mr. Botcher's statement.

Mr. Kiefer said that he would draft a resolution for the Commission to consider at the November meeting to effectuate said changes.

Mr. Unger and Ms. Walter brought the discussion back to the proposed back schedule. They

explained the benefits of the new layout and suggested that it was easier to see and understand transfers between general and capital funds.

There was discussion about the mechanics and technical details on determining the amount of money to transfer from general to capital taking surplus funds into account.

After lengthy discussion on the matter, there was disagreement as to whether or not a check needs to be issued to each member community during the annual true-up process. During this process, some funds have to be refunded/credited back to members in order to keep all accounts in balance with the funding formulas established in the founding agreement.

Mr. Botcher suggested that it is unnecessary to issue a check as it pertains to the surplus. He suggested that a credit be issued instead.

Mr. Kiefer explained that at the beginning of the year, each community is given a letter stating how much they owe the Commission in monthly installments. Speaking from past experience, Mr. Kiefer believes that once that monthly payment is set up by each member, they are reluctant to change the payment. When the Commission issued credits in the past, he explained that the fiscal agents from each member communities frequently did not apply said credit and frequently overpaid the Commission.

Mr. Botcher suggested that it should be possible to avoid the check distribution, but he understands the trouble that Mr. Kiefer is experiencing.

Ms. Unger and Ms. Walter asked the Commission if the proposed back schedule should be changed, abandoned, or used as presented. It was the consent of the Commission for Baker Tilly to use the new back schedule as presented.

No action was taken at this time.

MINUTES

It was moved by Mr. Botcher, seconded by Mr. Imig, and unanimously carried to approve the minutes for the meeting held September 18, 2019.

MONTHLY REPORT OF PLANT OPERATIONS

Mr. Kiefer provided the Commission with a report regarding plant operations. Mr. Edlebeck commented on the reduction in electrical cost and KWH. Mr. Kiefer noted that it had everything to do with the new pumping schedule and the new VFD that was purchased earlier this year. The report was placed on file without any motion.

ANNUAL OPERATING BUDGET

The monthly reports were put on file without motion.

MONTHLY BILLS

It was moved by Mr. Botcher, seconded by Mr. Imig, 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 (Primer and cuvettes)	\$191.34
American Water Works Association (annual membership renewal)	\$2,159.00
Clark Dietz (engineering pertaining to raw water main)	\$305.00
Diversified Benefit Services (section 125 plan admin)	\$96.50
Gielow's Lawn and Garden (supplies for lawn tractor)	\$264.95
Glendale Water Utility (storm and environmental charge)	\$591.60
Grainger (batteries, petri dishes, and counter)	\$107.84
Great America (lease payment for copier/printer)	\$100.00
Hawkins (treatment chemical: aqueous ammonia)	\$1,710.32
Home Depot (concrete adhesive, mortar, air compressor, and hardware)	\$291.95
Liquid Asset Diving Service (intake maintenance and inspection)	\$8,165.00
Northern Lake Service (compliance monitoring and lead and copper corrosion monitoring)	\$875.60
Office Copying Equipment (maintenance payment for copier)	\$30.36
Olin (treatment chemical: sodium hypochlorite)	\$3,019.72
Pace Analytical (compliance monitoring)	\$776.00
Precision Metrology (calibration of analytical balance)	\$65.00
Process Research Solutions (August and September services)	\$2,935.72
Rotroff Jeanson (accounting services)	\$1,085.00
Securian / Minnesota Life (employee life insurance)	\$138.46
Spectrum Business (internet services and Bender phone)	\$594.79
Village Ace Hardware (paint, sump pump, and plumbing supplies)	\$257.42
Village of Fox Point (gasoline for August)	\$62.88
Village of Whitefish Bay (quarterly water bill)	\$601.66
WaterStone Bank (credit card - General Fund)	\$412.54
-- Amazon (Amazon Prime - Annual Payment): \$119.73	
-- AT&T (monthly internet charge): \$61.77	
-- FedEx Office (copies): \$21.96	
-- Google (google apps for work and extra storage): \$58.16	
-- StraightTalk (cell phone - 2 months): \$92.02	
-- USPS (postage): \$58.90	
We Energies (Bender Electric)	\$14,011.25
We Energies (Bender Gas)	\$503.90
We Energies (Green Tree Electric)	\$15.99
We Energies (Henry Clay Electric)	\$16.78
We Energies (Klode Electric)	\$3,698.38
We Energies (Klode Gas)	\$54.90
Wisconsin State Lab of Hygiene (fluoride analysis)	\$26.00

<u>Capital Fund</u>	SUB-TOTAL	\$43,165.85
	SUB-TOTAL	\$0.00
	TOTAL	\$43,165.85

REVIEW AND AUTHORIZE CAPITAL EXPENDITURES

Mr. Kiefer provided the Commission with 90% level drawings, schedule, and OPC from SEH. Mr. Kiefer believes everything is on schedule. With that said, the Commission may be delayed by the regulatory review process. He explained that he had a meeting with WDNR and the Public Service Commission on Tuesday, October 8. At that meeting he was told that it could take up to 180 days for their review. This was very unsettling because WDNR has an obligation to review projects in 90 days, according to SEH. Holding the project back another 90 days will cause the Commission to miss the December 31, 2019 compliance deadline.

Mr. Edlebeck suggested that Mr. Kiefer send a letter to the appropriate person or office at the WDNR to memorialize the conversation that was had at the meeting and to explain the importance for a timely review. He explained that it will be helpful to properly document this information so that if WDNR fails to meet the 90-day statutory deadline, the Commission will be in a better position to get an extension.

Mr. Edlebeck also asked about the status of the peer review.

Mr. Kiefer explained that Strand Associates informed him that SEH has not provided them with requested documents, and therefore, they cannot complete peer review the project.

Mr. Botcher and Mr. Edlebeck suggested that Mr. Kiefer contact SEH to expedite the process because the project will soon be finalized. Furthermore, Mr. Edlebeck asked Mr. Kiefer to contact Strand Associates and request a report as soon as they receive the materials and have completed the peer review.

Lastly, Mr. Edlebeck suggested that Mr. Kiefer ask SEH to change the seed specifications so that future solar panels could be installed without grass interfering with panels. He suggested that they specify grass that does not grow higher than 3 feet or is a variety that is slow-growing.

It was moved by Mr. Imig, seconded by Mr. Botcher, and unanimously carried to approve the payment request for project 2019-1 in the amount of \$1,010.53 as described in Mr. Kiefer’s memo dated October 9, 2019.

PROCESS RESEARCH SOLUTIONS PROPOSAL

Mr. Kiefer provided the Commission with a proposal from Process Research Solutions (PRS) to provide continued professional engineering services pertaining to lead and copper compliance.

It was moved by Mr. Botcher, seconded by Mr. Imig, and unanimously carried to approve the proposal from Process Research Solutions dated October 1, 2019 for an estimated fee of \$12,490.

PROPOSED 2020 STAFFING CHANGES

Mr. Kiefer provided the Commission with a report detailing his recommendations for staffing changes. Mr. Kiefer stepped through his report summarizing key elements of his plan.

Mr. Botcher believes it is appropriate for Mr. Kiefer to call for changes in organizational structure and/or create positions so that Mr. Kiefer can more effectively manage plant staff. With that said, Mr. Botcher said it may be worthwhile to investigate a model of operations and management that is similar to MMSD.

Mr. Imig explained that the City of Glendale is going through a similar kind of staffing issue and they are trying to make comparable changes. He would support changes.

Mr. Edlebeck commented that they are going through a similar situation. While he agrees with Mr. Botcher about general support for making changes to the organizational structure, he has several suggestions and comments.

One of his comments was to establish positions that would be assistants to the proposed maintenance supervisor (MS) and operations supervisor (OS). That way there would be some training and preparation to replace the MS or OS should they separate employment.

Another comment was to clearly assign each employee a supervisor. In other words, every employee should have a single supervisor.

Lastly, Mr. Edlebeck suggested that the new MS and OS should have comparable number of reports. As drafted, the proposed organizational chart shows one vacant position that is underneath the MS.

The Commission and Mr. Kiefer discussed these issues. In this discussion, Mr. Kiefer explained that he believes the underlying problem with employee turnover is the work schedule. In general, people do not want to work nights and weekends. He believes a deliberate effort should be taken to make necessary improvements to go to unattended operation as soon as possible. This would alleviate the need to find individuals to work those shifts.

There was general agreement with Mr. Kiefer's suggestion. Mr. Edlebeck asked if Mr. Kiefer could provide the Commission with a report explaining what improvements are necessary to go unattended at night along with a budget for doing so. Mr. Kiefer said that he would modify the capital improvement plans and would give a report at the November meeting.

Mr. Botcher and Mr. Edlebeck also suggested that certain tasks should be contracted so that plant staff has more time to perform maintenance. Likewise, certain tasks performed by Mr. Kiefer could also be performed by contractors to allow for more redundancy.

No action was taken by the Commission at this time. This item will be placed on the November meeting for further discussion.

CAPITAL IMPROVEMENT PLANS

Mr. Kiefer suggested that this item be postponed so that he could update the capital improvement plans so that the Commission could ultimately eliminate the night shift.

Mr. Edlebeck also requested that Mr. Kiefer rank or prioritize projects within the capital improvement plans. Mr. Kiefer commented that he would do so.

No action was taken by the Commission at this time.

MANAGER'S REPORT

1. During the last monthly test of the Klode Park Pumping Station generator, the associated transfer switch failed to operate. Cummins has been retained to troubleshoot and recommend repairs.
2. Liquid Asset Diving Service removed some of the sediment within the intake cones. At the same time, they helped us test a new way of clearing frazil ice during winter operations using compressed air. The test was successful; however, sediments shifted and partially plugged the diffuser rings associated with our mussel control system. Plant staff is in the process of cleaning the line using various NSF-approved chemicals.
3. Plant staff finished painting the overhang by the main entrance.
4. The reclaim valve failed under normal operations. Plant staff repaired the valve and it is back in normal operation.
5. Plant staff inspected the reclaim basin and found large piles of anthracite that migrated from the rapid sand filters during normal backwashing over many years.
6. Redford Data Services eliminated the failing touchscreen associated with the ammonia feed system and moved all functionality of that system to the new Ignition HMI system.
7. After sending its trash pump back to the manufacturer twice, USABluebook will credit the Commission the full amount of the trash pump that was purchased in 2018. Plant staff intends to purchase a new trash pump before the end of the year.
8. Relief Operator Technician Mark Peters gave his retirement notice after 11.5 years of service to the Commission. His last day will be 10/16/2019.

NEXT MEETING

The next regular meeting was scheduled for Wednesday, November 13, 2019 at 8:00 A.M.

ADJOURNMENT

It was moved by Mr. Imig, seconded by Mr. Botcher, and unanimously carried to adjourn at 9:30 A.M.

Submitted by:



10/11/2019

Eric Kiefer, Plant Manager and Recording Secretary

Date