

**MINUTES OF THE
NORTH SHORE WATER COMMISSION
MEETING OF Wednesday, December 14, 2016**

A meeting of the North Shore Water Commission was held at the Filtration Plant, 400 West Bender Road, Glendale, Wisconsin on Wednesday, December 14, 2016.

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

Present: John Edlebeck, Chair; Mike West, Secretary; Dave Eastman, Member.

Also present: Eric Kiefer, Plant Manager & Recording Secretary

Absent: Paul Boening, Alternate for Whitefish Bay; Scott Botcher, Alternate for Fox Point; Rachel Reiss, Alternate for Glendale

MINUTES

It was moved by Mr. Eastman, seconded by Mr. West, and unanimously carried to approve the minutes for the meeting held November 9, 2016.

MONTHLY REPORT OF PLANT OPERATIONS

Mr. Kiefer provided the Commission with the monthly report of operations. During his presentation, Mr. Kiefer noted that pumpage this November is fairly close to last November. 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. Eastman, seconded by Mr. West, and unanimously carried that the following bills and estimated invoices be approved and authorization was given to the Fiscal Agent to make such payments:

<u>Vendor</u>	<u>Amount</u>
Batteries Plus (batteries)	186.53
BMO Harris Bank (credit card)	1,064.15
-- Google (monthly charge for apps): \$54.16	
-- Midwest Graphics (scanning prints to pdf): \$964.00	
-- Straight Talk (monthly phone plan - Foreman): \$45.99	
Clark Dietz (general engineering services)	1,380.00
Creative Safety Supply (label maker supplies)	569.96
Diversified Benefit Services (Section 125 Plan administration)	95.93
Earthlink (Bender phone)	153.97
Eric Kiefer (reimbursement for WQTC conference)	350.00

Eurofins (cryptosporidium analysis)	380.00
Fuchs & Boyle (legal service)	165.75
Grainger (general hardware, floor stripping and waxing supplies, lubricant, lamps, custodial supplies, drill bits, lifting straps, batteries, cordless tools)	1,663.70
Great America (lease payment for copier/printer)	100.00
Hawkins (treatment chemicals: aqueous ammonia and phosphate)	3,024.86
Hydrite (treatment chemical: sodium hypochlorite)	2,794.60
Idexx (Colilert growth media)	1,481.70
Minnesota Life (employee life insurance)	121.00
Northern Lake Service (analysis of water samples for compliance monitoring)	67.00
Office Copying Equipment (maintenance payment for copier/printer)	20.56
Rotroff Jeanson (accounting services)	950.00
SEH (engineering services regarding reservoirs)	3,100.00
T-Mobile (mobile internet)	62.10
UPS Store (shipping services)	173.20
Time Warner Cable (internet services and Klode phone)	391.01
US Cellular (cellular phone service)	4.25
Village Ace Hardware (hardware, antifreeze, rake, plumbing supplies, clamps, caulk, lamps, and containers)	173.50
Village of Fox Point (gasoline)	38.88
We Energies (Bender Electric)	13,915.24
We Energies (Bender Gas)	703.94
We Energies (Green Tree Electric)	18.43
We Energies (Henry Clay Electric)	19.24
We Energies (Klode Electric)	3,938.53
We Energies (Klode Gas)	11.58
Wilkens-Anderson (reagent water and turbidity standard)	793.14
William Reid LTD (replacement membrane and filling solution for chlorine probe)	200.14
Wisconsin DATCP (certification for water testing lab)	680.00
Wisconsin State Lab of Hygiene (microbiology proficiency program enrollment and fluoride analysis)	555.00

SUB-TOTAL \$39,347.89

Maintenance Reserve

SUB-TOTAL \$0.00

TOTAL \$39,347.89

STATUS OF CAPITAL IMPROVEMENT PROJECTS AND APPROVAL OF PAYMENTS

Mr. Kiefer explained there was much progress with the Chemical Feed Upgrade Project. Mr. Kiefer anticipates the project will probably be complete by the end of year; however, there is a chance that some of the work will need to be finished up in January. Mr. Kiefer explained the high service valve replacements for high service pump #3 is substantially complete. He noted that because of how everything worked out this year, it is not likely that high service pump #5 will be replaced in the foreseeable future. Therefore, staff did not work on any of those related valve replacements.

It was moved by Mr. Eastman, seconded by Mr. West, and unanimously carried to approve the payment request as presented in Mr. Kiefer's memoranda dated December 14, 2016 in the amount of \$12,650.69 for the Chemical Feed Project and \$6,247.06 for the Valve Replacement Project using the current capital allocation rates.

CHEMICAL QUOTATIONS

Mr. Kiefer explained that he would like to change his recommendation for one of the chemicals that was quoted last month. After contacting the vendors selected to provide chemicals in 2017, he discovered that Univar does not do mini-bulk delivery of aqua ammonia. Consequently, Mr. Kiefer would like to accept Hawkins' quotation instead which includes mini-bulk delivery.

It was moved by Mr. Edlebeck, seconded by Mr. West, and unanimously carried to accept the chemical quotations as noted in Mr. Kiefer's amended recommendations dated December 8, 2016.

Accepted Quotations:

Hawkins: ammonium hydroxide (19%) - \$0.24/lb

Alexander: sodium hypochlorite (12.5%) - \$0.694/gal

Rowell: hydrofluosilic Acid (23%) - \$0.210/lb

Alexander: liquid Aluminum Sulfate - \$275/dry ton

Hawkins: phosphate (LPC-132) - \$0.440/lb

Hawkins: polymer (Flocculation Aid) - \$0.65/lb

Nalco: polymer (Mussel Control) - \$1.11/lb

LEAD AND COPPER RULE LETTER FROM WDNR

Mr. Kiefer explained that this item was placed on the agenda as requested by Dave Eastman. After introducing the topic, Mr. Kiefer explained that lead has recently been in the news with recent action taken by the City of Milwaukee to require full lead service replacements when a leak has been detected on the public side of the service. This topic was discussed by the Commission.

Mr. Kiefer went on to explain how the Commission and member utilities are currently regulated for lead and copper. He further explained that if the lead levels exceed the action level, all 3 members and the Commission would be responsible.

Mr. Eastman asked Mr. Kiefer to describe what would happen if the Commission exceeded the action level. Mr. Kiefer explained that under current regulations, there would be more testing. If the lead levels don't drop sufficiently, the DNR would require lead service line replacements.

Mr. Kiefer also explained that the Commission cannot alter its treatment unless approved by DNR. If testing indicated there was a problem with lead, the Commission would fast track the execution of any study that would be required by the DNR and implement recommended changes to treatment as soon as possible.

During this discussion, the topic of lead testing protocol was introduced. Mr. Kiefer made special note to all of the Commissioners that lead testing is not simple; it is confusing even for seasoned professionals. Mr. Kiefer explained that the 1st liter of water that comes out of the faucet is different in quality from the 2nd. And the 2nd sample is different from the 3rd, and so on.

Several Commissioners stated that they send people interested in lead testing to the North Shore Health Department. Mr. Kiefer commented that he has talked to them and can verify that they instruct people to take samples according to DNR's protocol.

The topic was discussed without any action taken by the Commission.

SOUTHEAST AND SOUTHWEST RESERVOIRS

Mr. Kiefer announced that the southeast reservoir was recently inspected. Unfortunately, the expansion joint in the southeast reservoir, much like the southwest reservoir, has failed. Consequently, both the southeast and southwest reservoirs cannot be used until they comply with regulatory code.

Using a diagram, Mr. Kiefer explained where the expansion was and what action needs to be taken to bring them up to code.

At the last Commission meeting, Mr. Kiefer stated the estimated cost to resolve the problem was around \$2 - 2.5 million. By abandoning the northwest and southwest reservoirs and by proposing a creative alternative to installing "traditional" overflows, Mr. Kiefer now believes the cost is likely going to be between \$1 - 1.3 million.

Mr. Kiefer stressed that the Commission does not have to act immediately on this matter since the northeast and northwest reservoirs are in good condition. Their capacity is still much greater than what is needed.

Mr. Edlebeck asked about several of the engineering details given in the draft report from SEH. Mr. Kiefer answered them as he could. Mr. Kiefer mentioned that the report is in draft form and hopefully, they will be finalized in about a month or so.

This matter was discussed without any action taken by the Commission.

CAPITAL IMPROVEMENT PLAN

Mr. Kiefer provided the Commission with a proposed 5-year capital improvement plan along with a proposed 20-year capital improvement plan and a memo detailing a new strategy for funding capital improvements.

Mr. Kiefer explained that he is concerned about how much year-to-year variation there is in the capital improvement plan. Considering the large capital improvement project on the horizon, he does not want to cause a large financial burden on the members in one year. Instead, he would like to have the ability to smooth the capital contributions over a longer period of time.

To accomplish that, Mr. Kiefer is suggesting that the Commission and the member utilities consider revising the Founding Agreement to allow for the Commission to use the Maintenance Reserve Fund, which is acting as an emergency fund, for normal capital improvement projects. Under the current agreement, the Maintenance Reserve Fund can only be used for very particular projects. Also, its balance must be maintained at a specific range.

Mr. Edlebeck asked Mr. Kiefer to explain the kinds of funds that are available to the Commission.

Mr. Kiefer stated that all funds come from member communities and the wholesale water agreement. He went on to explain that the Commission does not have any assets--they are all apportioned to member municipalities. With that, he explained that there is a General Fund with a \$25,000 reserve and a Maintenance Reserve Fund with about \$600,000.

Mr. Edlebeck also asked about borrowing. Mr. Kiefer explained that the Commission does not have borrowing authority. All borrowing, if necessary, must be done by its members.

Mr. Eastman and Mr. West explained the process their municipalities use to finance Commission projects. Mr. Eastman went on to explain that he relies on the 5-year capital improvement plan to determine how much money Glendale should borrow.

Mr. Eastman also mentioned that he does not believe Mr. Kiefer's proposed strategy for funding capital projects may not work with Glendale's strategy for handling capital improvements. He suggested that it would be best to continue using the existing process.

Mr. West expressed concern about the way in which the Maintenance Reserve Fund is restricted to certain activity. Mr. West and Mr. Edlebeck mentioned that the Founding Agreement should be updated to eliminate what Mr. Kiefer describes as confusing language about the "emergency fund."

Mr. West also explained that the Commission has a long history of transferring surplus funds into the Maintenance Reserve Fund. The practice was discontinued because of how the fund become overfunded. He suggested that kind of activity could resume if the Founding Agreement is amended.

It was the consensus of the Commission to continue discussion of this matter at the next regular Commission meeting. No action was taken at this time.

MANAGER'S REPORT

1. The southeast reservoir was drained and inspected. Leaks were found by the expansion joint. Until further notice, the southwest (SW) and southeast (SE) reservoirs are out of service and cannot be used until they comply with regulatory code.
2. Plant staff filled both the SE and SW reservoirs with water as per recommendation of SEH. The valves are closed so no water will be able to move through them.
3. Plant staff intends to monitor the condition of the SE and SW reservoirs throughout the winter.
4. Plant staff replaced all of the lamps and photosensors on the Hach filter turbidimeters.
5. Starnet Technologies met with plant staff to discuss the SCADA Upgrade Project next year. Wonderware and Inductive Automation software packages are still being evaluated.
6. Plant staff retained Midwest Graphics to scan all of the Commission's drawings/prints to pdf format.
7. The School Road magmeter was tested by L&R Meter Testing on December 1 and was found

to be accurate and in good condition.

8. Plant staff stopped feeding Veligon TL-M for the year and will resume treatment in the spring. This product is fed for mussel control and is normally turned off in the winter.
9. UWM professor, Dr. Harvey Bootsma, resumed his research regarding carbon dioxide levels in Lake Michigan. He has been allowed to install research equipment in the Klode Park Pumping Station.


NEXT MEETING

The next regular meeting was scheduled for Wednesday, January 11, 2017 at 8:00 AM.

ADJOURNMENT

It was moved by Mr. West, seconded by Mr. Eastman, and unanimously carried to adjourn at 9:17 A.M.

Submitted by:



12/15/2016

Eric Kiefer, Plant Manager and Recording Secretary

Date