

**AMENDED MINUTES OF THE
NORTH SHORE WATER COMMISSION
MEETING OF WEDNESDAY, FEBRUARY 12, 2020**

A meeting of the North Shore Water Commission was held at the Filtration Plant, 400 West Bender Road, Glendale, Wisconsin on Wednesday, February 12, 2020.

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 from Baker Tilly

FINANCIAL AUDIT

Wendi Unger and Michelle Walter from Baker Tilly were invited to present the draft 2019 financial statements and other required communications.

Ms. Walter went through the documents explaining and emphasizing important information shown throughout the documents.

A great deal of emphasis was put on page 42 of the financial statements entitled, "Schedule of Changes in Fund Balances - Governmental Funds." This page was developed with the following three assumptions. First, is that the operating fund balance should be kept at the minimum required by agreement, which is 12% of the current year operating budget. Second, any and all additional funds in the operating fund, in excess of the required minimum, should be transferred to the Capital Fund. Lastly, receivables and payables should be issued to get the ending fund balance to match the operating and capital allocation rates.

Mr. Botcher explained that this process is much better than the previous process. It will save effort, and it is a much easier process to understand and to apply going forward.

Mr. Kiefer explained why this process yielded a relatively large payable to Glendale, a large receivable for Whitefish Bay, and a small receivable for Fox Point. Mr. Kiefer explained that it is related to the current annual operating commitment being based on the previous year's pumpage. For instance, in 2019, Whitefish Bay received more water (as a percentage of the whole) than it received in 2018. Furthermore, the capital rates are different than the operating rates.

Mr. Botcher also mentioned that it is now permissible to do biennial audits versus annual audits. It is something the Commission should at least consider given the relatively simple nature of its audit. The Commission discussed this concept in general but did not reach a consensus if it is possible given other reporting constraints. This topic may be brought up in a future Commission meeting.

There was also discussion about the timing of the financial audit. Ms. Unger explained that information from an audit needs to be included in the PSC reports (of member utilities) which are due in March. In her opinion, the timing of the financial audit is appropriate.

Mr. Kiefer explained that the Commission has a large, publically bid capital project coming up; it is possible that the project won't be completed on time, or invoices may not be received before the audit--especially if there are any problems that come up during construction. He said that it is possible for invoices from 2020 to arrive in February 2021. If that happens, there was consensus that the Commission would handle that via journal entries by Baker Tilly. The 2020 financial statements will be kept as draft for as long as possible--if there is any suspicion of a forthcoming invoice. If necessary, estimates will be recorded.

It was moved by Mr. Botcher, seconded by Mr. Imig and unanimously carried to approve and accept the 2019 Financial Statements as presented pending the finalization of the reports by Baker Tilly.

MINUTES

It was moved by Mr. Imig, seconded by Mr. Botcher, and unanimously carried to approve the minutes for the meeting held January 8, 2020.

MONTHLY REPORT OF PLANT OPERATIONS

Mr. Kiefer provided the Commission with a report regarding plant operations. Mr. Kiefer explained that although the Fox Point / Whitefish Bay interconnection meter gets calibrated annually, he is concerned that something may have happened to the meter. Whitefish Bay's totalized flow is slightly greater than usual for January--and Fox Point's totalized flow is slightly lower than usual. Consequently, plant staff closed this particular interconnection on February 11 and will see what happens to daily delivery volumes over the upcoming weeks. Mr. Kiefer will likely keep this interconnection closed until the meter can be tested for accuracy.

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 (paper towel, lamp holders, toilet paper, dust collection bag, and circular blade)	\$237.54
Angela Beling (mileage reimbursement)	\$190.38
Baker Tilly (financial audit services)	\$6,500.00
Batteries Plus (batteries and replacement UPS)	\$89.93
Buelow Vetter (legal services pertaining to handbook review)	\$1,899.00
Clark Dietz (general engineering services)	\$856.19
Diversified Benefit Services (section 125 plan administration, enrollment, and	\$204.50

mailings)	
Fuchs & Boyle (legal services)	\$58.50
Grainger (belt, gloves, wire connectors, ball valves, plumbing supplies, UPS replacements, LED lamps, aluminum stock, fluoride reagents, first aid supplies, hardware, grease, and petri dishes)	\$759.67
Great America (lease payment for copier including property tax)	\$148.87
Hawkins (treatment chemical: phosphate and ammonia)	\$2,669.33
Idexx (colilert, quantitrays, and test organisms)	\$2,425.24
MMSD (4th qtr sludge disposal)	\$1,777.33
Northern Lake Service (compliance and corrosion monitoring)	\$5,037.20
Office Copying Equipment (maintenance payment for copier)	\$43.05
Olin (treatment chemical: sodium hypochlorite)	\$3,128.00
Quill (general office supplies and accounting software)	\$781.36
Rotroff Jeanson (accounting services and audit assistance)	\$2,780.00
Securian (life insurance)	\$141.46
Spectrum (internet and phone)	\$594.79
Superior Chemical (janitorial supplies)	\$88.08
Village Ace Hardware (spray paint)	\$9.19
Village of Fox Point (gasoline)	\$55.75
Water Research Foundation (annual membership renewal)	\$3,249.00
WaterStone Bank (credit card - General Fund)	\$186.97
-- AT&T (monthly internet charge): \$61.94	
-- FedEx Office (copies): \$13.18	
-- Google (google apps for work and extra storage): \$58.16	
-- StraightTalk (cell phone charges): \$45.73	
-- Waterstone Bank (interest charge): \$7.96	
We Energies (Bender Electric)	\$13,177.02
We Energies (Bender Gas)	\$1,407.29
We Energies (Green Tree Electric)	\$16.24
We Energies (Henry Clay Electric)	\$16.90
We Energies (Klode Electric)	\$3,689.97
We Energies (Klode Gas)	\$14.12
William Reid (analyzer replacement parts)	\$1,636.59
Wisconsin State Lab of Hygiene (fluoride analysis)	\$26.00

SUB-TOTAL \$53,895.46

Capital Fund

SUB-TOTAL \$0.00

TOTAL \$53,895.46

RESERVOIR UPGRADE PROJECT UPDATE

Mr. Kiefer explained that Miles Jensen and Brad Weiss were scheduled to attend this Commission meeting; however, their airplane had a mechanical problem, and they are unable to be in attendance. Their main objective was to attend the pre-bid meeting following the Commission at 10:00 AM. Consequently, they are available by phone if the Commission wishes to call them.

Mr. Kiefer expressed his opinion that it would not be necessary to contact SEH; not much has happened since the last Commission meeting. There was one big potential problem that surfaced at the end of January. He explained that WDNR asked a question and inquired about a code compliance issue that was not previously mentioned. It wasn't until the sanitary survey on January 27 that the issue was resolved--the reviewer of the Reservoir Upgrade Project was able to visit our facilities and analyze our situation firsthand.

Because WDNR approval was delayed by a week, the bid notice was delayed by a week. The bid was advertised on February 3 and the bid opening was set for March 3. Some minor issues were addressed and fixed before the plans and specs were uploaded.

With that, Mr. Kiefer provided the Commission with a payment request for work performed on the Reservoir Upgrade Project (2019-1). Mr. Kiefer believes the invoices are appropriate for the work that was performed.

It was moved by Mr. Botcher, seconded by Mr. Imig, and unanimously carried to authorize payment to the Public Service Commission, SEH, and Strand Associates as prepared in Mr. Kiefer's memo dated February 12, 2020, in the amount of \$5,034.54.

WDNR MEETING REGARDING LEAD AND COPPER MONITORING AND DRAFT POLICY

Mr. Kiefer summarized the topics discussed at the WDNR meeting held at the Commission on January 13, 2020. One of the main topics was how to handle non-responsive residents. In order for member utilities to inactivate sites and subsequently activate other sites, they need to demonstrate that sufficient effort was taken to solicit participation. In other words, member utilities need to make multiple attempts to convince residents to collect a proper first-draw, lead and copper sample.

Because the Commission will be involved in collecting these samples, WDNR strongly suggested that the Commission develop a policy for lead and copper sample collection. In particular, the Commission should determine how many attempts will be made to get a water sample from a house before declaring the home non-responsive.

Mr. Kiefer asked the Commission to review the draft policy he developed. If there are any requested changes, he said he would incorporate them into the policy. He also indicated that he would ask legal counsel to review the policy.

Mr. Botcher requested Mr. Kiefer to make necessary changes and bring it back to the Commission without legal counsel review. He does not believe it would be necessary for this kind of policy. Mr. Kiefer said that he would not ask for Mr. Fuchs to review the draft policy.

There was no action taken regarding this matter.

RESOLUTION REGARDING CHANGES TO STAFF ORGANIZATION, JOB DESCRIPTIONS, POLICIES, AND COMPENSATION

Mr. Kiefer provided the Commission with a resolution and a number of exhibits associated with the resolution to effectuate a number of changes. These changes were first introduced to the Commission in September 2019 and have been discussed at the Commission meeting at every meeting since then.

Mr. Kiefer explained that he and his staff have worked diligently to develop new job positions with a new organizational structure. Legal counsel reviewed proposed job descriptions, organizational charts, and a proposed, revised employee handbook.

The content of these materials were not reviewed at detail at the Commission meeting. With the exception of a couple of changes, the documents that were presented were the same that were brought to the Commission at the last meeting. Consequently, Mr. Kiefer just provided the Commission with a high-level overview of the documents.

Mr. Edlebeck explained that he made comments and intended to bring them to the Commission meeting; however, he did not have those comments with him.

Additional comments and suggestions were made throughout the discussion of this topic. They are summarized below.

- Mr. Botcher: Check to see if bullet point 7 under II. Workplace Environment, I. Light Duty is permissible. It may not be enforceable. Check with United Heartland directly.
- Mr. Edlebeck: Are there any other employee policies? If so, are they in a separate document? What about a policy regarding smoking?
- Mr. Botcher: Should the schedules be written into the job descriptions? If so, can they be presented in a way that provides more flexibility for management to change the schedule?
- Mr. Edlebeck: There are a number of other comments that he will provide to Mr. Kiefer after the meeting.

Despite these comments, Mr. Kiefer urged the Commission to adopt the resolution with the current version of all of the exhibits. He explained that there aren't any fundamental disagreements or problems with the current exhibits. He said the employee handbook and job descriptions can be updated at an upcoming Commission meeting. Because of all of the changes being made, action on this matter, as a whole, would have to be postponed until a future meeting. Mr. Kiefer believes it is the appropriate time to implement the proposed changes. There was consensus from the Commission that job descriptions and handbook should be discussed at the April meeting.

It was moved by Mr. Botcher, seconded by Mr. Imig, and unanimously approved to adopt the resolution entitled, "Resolution Of The North Shore Water Commission Regarding Changes To Staff Organization, Job Descriptions, Policies, And Compensation."

SHORELINE EROSION

Mr. Edlebeck explained that significant portions of the shoreline in Whitefish Bay, near Klode Park Pumping Station, eroded as a result of recent storms. Because of the proximity of the pumping station and other Whitefish Bay assets, Mr. Edlebeck is applying for grants to restore the shoreline and protect it from future erosion. He will keep the Commission informed as to any progress that is made; at some point, it may become necessary for the Commission to get involved in the process.

No action was taken by the Commission regarding this matter.

MANAGER'S REPORT

1. Plant staff repaired Basin 4 flocculator, and basin 4 is now back in service.
2. High Service Pump 4 was vibrating excessively at various speeds. CTW was retained to investigate the problem. An adjustment was made during the visit which greatly improved the situation; however, another adjustment will be required in the spring.
3. Wallace Tree and Landscape was retained to remove a tree near Bender Road and to remove a significant portion of a tree that fell near Reservoir 1.
4. Plant staff performed routine maintenance on low lift, high service, and backwash motors.
5. Raw water turbidity significantly increased in January and early February. The treatment plant is effectively removing turbidity with an increase of aluminum sulfate and polymer.
6. DNR conducted a sanitary survey on January 27, 2020. They have not provided any written documentation; however, plant staff does not anticipate any new deficiencies.
7. Plant staff performed maintenance on the chlorine analyzers and the online fluoride analyzer.
8. Angela Beling took the DNR certification test for surface water. Results are forthcoming.
9. Glendale standpipe overflowed in January due to a faulty level sensor reading. Plant staff worked with Glendale staff to perform routine maintenance on the sensor. It is believed that the sensor is back in good working condition.

NEXT MEETING

The next regular meeting was scheduled for Wednesday, March 11, 2020 at 8:00 A.M.

ADJOURNMENT

It was moved by Mr. Botcher, seconded by Mr. Imig, and unanimously carried to adjourn at 9:25 A.M.

Submitted by:

E/K

2/11/2020

Eric Kiefer, Plant Manager and Recording Secretary

Date