

**MINUTES OF THE  
NORTH SHORE WATER COMMISSION  
MEETING OF Wednesday, October 12, 2016**

A meeting of the North Shore Water Commission was held at the Filtration Plant, 400 West Bender Road, Glendale, Wisconsin on Wednesday, October 12, 2016.

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

Present: John Edlebeck, Chair; Scott Botcher, Alternate for Fox Point; Dave Eastman, Member.

Also present: Eric Kiefer, Plant Manager & Recording Secretary

Absent: Paul Boening, Alternate for Whitefish Bay; Mike West, Secretary; Rachel Reiss, Alternate for Glendale

**MINUTES**

It was moved by Mr. Eastman, seconded by Mr. Botcher, and unanimously carried to approve the minutes for the meeting held September 14, 2016.

**MONTHLY REPORT OF PLANT OPERATIONS**

Mr. Kiefer provided the Commission with the monthly report of operations. In his presentation, he mentioned that there was a one-time fuel cost adjustment credit that reduced the electrical cost for the month of September. He also noted production is up slightly this year over last year. The report of operations was placed on file without any motion.

**ANNUAL OPERATING BUDGET**

Mr. Kiefer presented the monthly financial reports. The reports were put on file without motion.

**MONTHLY BILLS**

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

<b><u>Vendor</u></b>	<b><u>Amount</u></b>
American Bolt Corp (bolts, nuts, and washers)	341.08
American Water Works Association (annual renewal of membership)	1,948.00
BMO Harris Bank (credit card)	567.15
-- Google (monthly charge for apps): \$54.16	
-- Redbooth (online task management app subscription - 1 year): \$420.00	
-- Straight Talk (monthly phone plan - Foreman): \$45.99	
-- USPS (stamps): \$47.00	
Brooks Angell (reimbursement for certificate renewal)	45.00

- CDW-G (2-year renewal of firewall services)	1,635.16	
ChemTrade (treatment chemical: alum)	3,833.71	
Concentra (pre-employment testing)	162.50	
Diversified Benefit Services (Section 125 Plan administration)	95.00	
Earthlink (Bender phone)	148.11	
Fuchs & Boyle (legal service)	136.50	
Glendale Water Utility (storm and environmental charge for Bender)	543.60	
Grainger (paper towel, flag, lamps, cable, soap, conduit fittings, label maker supplies, pressure gauge, fuse, filters, cable ties, and recirculation pump repair supplies)	825.47	
Great America (lease payment for copier/printer)	100.00	
Hach (phosphate reagent, lamp for DR5000)	650.81	
Hawkins (treatment chemicals: aqueous ammonia and phosphate)	2,172.36	
Home Depot (receptacles and covers)	83.40	
Hydrite (treatment chemical: sodium hypochlorite)	2,763.85	
Idexx (colilert growth media)	386.44	
Key Benefit Concepts (post employment benefits report)	2,200.00	
Mesa Labs (prospore2 spore suspensions)	151.04	
Minnesota Life (employee life insurance)	121.00	
MMSD (3rd quarter sludge)	2,575.63	
Nalco (treatment chemical: polymer and Veligon TL-M)	2,365.13	
Northern Lake Service (analysis of water samples for compliance monitoring)	627.00	
Office Copying Equipment (maintenance payment for copier/printer)	17.80	
Quill (copy paper)	111.96	
Rotroff Jeanson (accounting services)	950.00	
Starnet Technologies (4th quarter data charges)	300.00	
Superior Chemical (reinforced wipes)	144.00	
T-Mobile (mobile internet)	31.05	
Time Warner Cable (internet services and Klode phone)	391.08	
US Cellular (cellular phone)	4.25	
USA Bluebook (hoses, stormwater test supplies, chlorine reagent)	115.60	
Vacuum, Pump, and Compressor (controller - main circuit board)	1,550.65	
Village Ace Hardware (sump pump and heater)	137.68	
Village of Fox Point (gasoline)	104.48	
We Energies (Bender Electric)	13,479.34	
We Energies (Bender Gas)	68.81	
We Energies (Green Tree Electric)	17.74	
We Energies (Henry Clay Electric)	18.61	
We Energies (Klode Electric)	3,729.35	
We Energies (Klode Gas)	10.47	
Wilkens-Anderson (chlorine reagent and petri dishes)	184.38	
Wisconsin State Lab of Hygiene (fluoride analysis)	25.00	
	SUB-TOTAL	\$45,870.19
<u>Maintenance Reserve</u>		
	SUB-TOTAL	\$0.00

TOTAL \$45,870.19

### STATUS OF CAPITAL IMPROVEMENT PROJECTS AND APPROVAL OF PAYMENTS

Mr. Kiefer reported that Starnet Technologies completed the UPS Replacement Project in approximately 4 hours, which was much shorter than anticipated. Everything is working as planned.

Mr. Kiefer then explained how plant staff is making progress on the chemical feed system. At this point, plant staff is plumbing the new chemical feed system together. Mr. Edlebeck was pleased to learn how involved plant staff was in this project.

It was moved by Mr. Botcher, seconded by Mr. Eastman, and unanimously carried to approve the payment request as presented in Mr. Kiefer's memoranda dated October 12, 2016 in the amount of \$18,403.16 for the UPS Replacement Project and \$7,140.36 for the Chemical Feed Project and using the current capital allocation rates.

### POST-EMPLOYMENT BENEFIT VALUATION STUDY

Mr. Kiefer provided the Commission a report prepared by Key Benefit Concepts regarding the valuation of post-employment benefits at the North Shore Water Commission. Mr. Kiefer focused his discussion on page 2 of the summary provided by Key Benefit Concepts. He explained that the unfunded actuarial accrued liability (UAAL) is \$40,099.

Mr. Botcher mentioned that the Village of Fox Point went through a similar valuation using Key Benefit Concepts. He directed the Commission's attention to Table G in the report and mentioned how he thought the projected payroll increases could arguably be adjusted down based on current and foreseeable compensation trends. After discussing the matter, it was the consensus of the Commission that it wasn't necessary to request that change given the overall liability is relatively low.

It was moved by Mr. Eastman, seconded by Mr. Botcher, and unanimously carried to accept the report prepared by Key Benefits Concepts regarding the valuation of post-employment benefits dated September 2016.

### GLENDALE'S REQUEST TO INSTALL A REMOTE METER BETWEEN GLENDALE AND FOX POINT WATER UTILITIES

Mr. Kiefer explained that plant staff has been examining the costs and benefits related to the construction of a metering facility to allow for the existing interconnection to be left in the open position. He started by conducting some water quality monitoring in Glendale's dead-end. Based on his results and Clark Dietz hydraulic model, Mr. Kiefer did not believe there would be any significant improvement in water age as a result of the project.

Mr. Eastman explained that the major benefit of keeping the interconnection open would be with fire flow improvement and providing adequate water service in the event of a main break.

Mr. Kiefer agreed with Mr. Eastman and explained that the hydraulic model and field testing

conducted by utility personnel and consulting engineers confirm Mr. Eastman's statement.

Mr. Kiefer proceeded by explaining the magnitude of the expense in comparison to the annual capital budget. In order to fund the project, the Commission would have to use the Maintenance Reserve Fund to offset some of the planned capital expenditures. He went on to mention a recent discovery of a reservoir problem. Based on a recent drain-down inspection of the southwest reservoir, several leaks were discovered. Depending on how the Wisconsin Department of Natural Resources react, the Commission may be required to bring all of the reservoirs up to current regulatory code. Such costs could exceed \$1,000,000. It is the recommendation of Mr. Kiefer that the Commission postpone any budgeting for this project until plant staff gets a better idea of the costs associated with this project.

Mr. Eastman also suggested that the Commission wait for the a final report from Clark Dietz regarding the expected benefits of the interconnection. It was the consensus of the Commission that the project be postponed as suggested by Mr. Kiefer and to discuss the matter again after a final engineering report is available from Clark Dietz.

### BUDGETS

Mr. Kiefer explained that his budgeting process was disrupted by the discovery of reservoir problems. Consequently, Mr. Kiefer believes the Commission should eliminate any unnecessary spending from the Maintenance Reserve Fund so that much of the repairs and improvements can be financed by fund balance.

Mr. Kiefer recommends that proposed alternative "E" be adopted by the Commission. Under this alternative, the proposed interconnection project and the high service pump 5 replacement project would be postponed. Mr. Kiefer explained that version "E" would allow for a 1% increase in the Operation and Maintenance Budget and a 16% reduction in the Capital Improvement Budget.

Mr. Edlebeck commented on the scope of the reservoir project and suggested that the Commission budget for some of the costs using the Capital Improvement Budget. Mr. Kiefer said that he does not know the scope of the project and cannot estimate those costs at this time. He said he would know more after his November 7th meeting with the Wisconsin Department of Natural Resources.

Despite the limited information, it was the consensus of the Commission that the Capital Improvement Budget shouldn't drop from last year. Consequently, the Capital Improvement Budget, Version "E," was amended at the meeting to increase the budget for account number 332 from \$46,161 to \$79,267. This will serve to fund at least some portion of the reservoir repairs and improvements.

It was moved by Mr. Eastman, seconded by Mr. Botcher, and unanimously carried to approve the 2017 Operation & Maintenance and 2017 Capital Improvement Budget, Version E, dated 10/12/2016 as amended during discussion.

### OPERATION AND MAINTENANCE BUDGET - 2017

– REVENUES –

ACCT. NO. & TITLE

Payment from Member Communities - Agreement

BUDGET  
1,231,018

Wholesale Water Sales - Operating Component	70,000
Investment Income	600
Other	14,000
TOTAL	1,315,618

– EXPENSES –

ACCT. NO. & TITLE	BUDGET
– UTILITY OPERATING INCOME –	
408 – Taxes	38,244
– SOURCE OF SUPPLY –	
600 – Operation Supervision and Engineering	788
601 – Operation Labor and Expenses	1,372
602 – Purchased Water	10,000
603 – Miscellaneous Expenses	1,011
604 – Rents	-
610 – Maintenance Supervision and Engineering	1,510
611 – Maintenance of Structures and Improvements	1,372
612 – Maintenance of Collecting and Impounding Reservoirs	-
613 – Maintenance of Lake, River and Other Intakes	4,031
614 – Maintenance of Wells and Springs	-
616 – Maintenance of Supply Mains	-
617 – Maintenance of Miscellaneous Water Source Plant	-
– PUMPING EXPENSES –	
620 – Operation Supervision and Engineering	15,435
621 – Fuel for Power Production	3,775
622 – Power Production Labor Expenses	-
623 – Fuel or Power Purchased for Pumping	241,482
624 – Pumping Labor and Expenses	134,423
625 – Expenses Transferred - Credit	-
626 – Miscellaneous Expenses	27,140
627 – Rents	-
630 – Maintenance Supervision and Engineering	8,867
631 – Maintenance of Structures and Improvements	14,425
632 – Maintenance of Power Production Equipment	4,389
633 – Maintenance of Pumping Equipment	42,834
– WATER TREATMENT EXPENSES –	
640 – Operation Supervision and Engineering	15,435
641 – Chemicals	85,560
642 – Operation Labor and Expenses	189,108
643 – Miscellaneous Expenses	27,007
644 – Rents	-
650 – Maintenance Supervision and Engineering	3,942
651 – Maintenance of Structures and Improvements	11,674
652 – Maintenance of Water Treatment Equipment	88,662
– TRANSMISSION AND DISTRIBUTION EXPENSES –	
660 – Operation Supervision and Engineering	1,510
661 – Storage Facilities Expenses	1,372
662 – Transmission and Distribution Lines Expenses	-
663 – Meter Expenses	-
664 – Customer Installation Expenses	-
665 – Miscellaneous Expenses	-
666 – Rents	-
670 – Maintenance Supervision and Engineering	788
671 – Maintenance of Structures and Improvements	-

672 – Maintenance of Distribution Reservoirs and Standpipes	-
673 – Maintenance of Transmission and Distribution Mains	-
675 – Maintenance of Services	-
676 – Maintenance of Meters	1,000
677 – Maintenance of Hydrants	-
678 – Maintenance of Miscellaneous Plant	-
– CUSTOMER SERVICE EXPENSES –	
901 – Supervision	-
902 – Meter Reading Expenses	-
903 – Customer Records and Collection Expenses	-
904 – Uncollectible Accounts	-
905 – Miscellaneous Customer Accounts Expenses	-
906 – Customer Service and Information Expenses	788
– SALES EXPENSE –	
910 – Sales Expenses	-
– ADMINISTRATIVE AND GENERAL EXPENSES –	
920 – Administrative and General Salaries	35,942
921 – Office Supplies and Expenses	15,134
922 – Administrative Expenses Transferred - Credit	-
923 – Outside Services Employed	90,557
924 – Property Insurance	21,332
925 – Injuries and Damages	40,340
926 – Employee Pensions and Benefits	126,138
928 – Regulatory Commission Expenses	-
929 – Duplicate Charges - Credit	-
930 – Miscellaneous General Expenses	7,159
931 – Rents	-
932 – Maintenance of General Plant	1,072
TOTAL	1,315,618

**CAPITAL IMPROVEMENT BUDGET - 2017**

– REVENUES –	
ACCT. NO. & TITLE	BUDGET
– UTILITY OPERATING INCOME –	
Payment from Member Communities - Agreement	206,353
Wholesale Water Sales	-
Investment Income	-
TOTAL	206,353
– EXPENSES –	
ACCT. NO. & TITLE	BUDGET
– INTANGIBLE PLANT –	
301 – Organization	-
302 – Franchises and Consents	-
303 – Miscellaneous Intangible Plant	-
– SOURCE OF SUPPLY PLANT –	
310 – Land and Land Rights	-
311 – Structures and Improvements	-
312 – Collecting and Impounding Reservoirs	-
313 – Lake, Rivers, and Other Intakes	-
314 – Wells and Springs	-
316 – Supply Mains	-
317 – Other Water Source Plant	-

– PUMPING PLANT –	
320 – Land and Land Rights	-
321 – Structures and Improvements	-
323 – Other Power Production Equipment	-
325 – Electric Pumping Equipment	-
326 – Diesel Pumping Equipment	-
328 – Other Pumping Equipment	-
– WATER TREATMENT PLANT –	
330 – Land and Land Rights	-
331 – Structures and Improvements	-
332 – Sand or Other Media Filtration Equipment	79,267
333 – Membrane Filtration Equipment	-
334 – Other Water Treatment Equipment	18,120
– TRANSMISSION AND DISTRIBUTION PLANT –	
340 – Land and Land Rights	-
341 – Structures and Improvements	-
342 – Distribution Reservoirs and Standpipes	-
343 – Transmission and Distribution Mains	-
345 – Services	-
346 – Meters	-
348 – Hydrants	-
349 – Other Transmission and Distribution Plant	-
– GENERAL PLANT –	
389 – Land and Land Rights	-
390 – Structures and Improvements	-
391 – Office Furniture and Equipment	-
391.1 – Computer Equipment	-
392 – Transportation Equipment	25,000
393 – Stores Equipment	-
394 – Tools, Shop and Garage Equipment	-
395 – Laboratory Equipment	-
396 – Power Operated Equipment	-
397 – Communication Equipment	-
397.1 – SCADA Equipment	83,966
398 – Miscellaneous Equipment	-
TOTAL	206,353

## MANAGER'S REPORT

1. Basin 5 has been taken out of service because of problems with the sludge collection system.
2. The southwest reservoir was drained, inspected, and disinfected. During inspection, plant staff and consulting engineers found leaks. Wisconsin Department of Natural Resources will review repair plans and may require additional improvements to comply with regulatory code.
3. Overall, the filter drain valves are not closing as tightly as before. Consequently, partially treated water is filling up the reclaim basin causing the amount of “recycled” water moving through the treatment process to approach the allowable limit. Until some of those actuators can be replaced next year, plant staff is handling the problem by draining the filters that are

out of service.

4. Plant staff replaced the main circuit board for the north air compressor; this air compressor is now back in service.
5. Plant staff replaced the pressure gauge at the Glendale standpipe. The faulty gauge was preventing staff from filling the tower to the appropriate level.
6. Plant staff replaced the heater and sump pump in the Whitefish Bay valve pit.
7. Plant staff is now using an application called Redbooth to assist with task management.
8. Mason Mueller started employment as Intern.

NEXT MEETING

The next regular meeting was scheduled for Wednesday, November 9, 2016 at 8:00 AM.

ADJOURNMENT

It was moved by Mr. Eastman, seconded by Mr. Botcher, and unanimously carried to adjourn at 8:59 A.M.

Submitted by:



Eric Kjefer, Plant Manager and Recording Secretary

10/13/2016

Date