MINUTES OF THE
NORTH SHORE WATER COMMISSION
MEETING OF WEDNESDAY, SEPTEMBER 14, 2022

The North Shore Water Commission held a meeting on Wednesday, September 14, 2022, using an internet-based conferencing platform called Zoom.

Meeting was called to order at 8:01 A.M. by Mr. Edlebeck.

Present:

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

Also Present:

Below are individuals that attended the meeting.

Eric Kiefer, Plant Manager & Recording Secretary
Brooks Angell, Operations Supervisor
Kevin Ausman, Assistant Village Manager (Village of Fox Point)

MINUTES

It was moved by Mr. Imig, seconded by Mr. Botcher, and unanimously carried to approve the minutes for the meeting held August 10, 2022.

MONTHLY REPORT OF PLANT OPERATIONS

Mr. Kiefer presented the monthly report of plant operations. Afterwards, he noted that the American Water Works Association (AWWA) sent out an email warning water utilities of a potential chlorine supply chain issue. They are urging utilities to prepare for chlorine shortages on or after September 16.

Below are the items that were submitted to the Commission in the operations and maintenance prior to the meeting.

- Emily Ksobiech started full-time, regular employment on September 12, 2022 as Relief Operator Technician.
- Plant staff continued annual basin maintenance.
- Two servers crashed during routine software updates. In both cases, the Plant Manager restored the servers without any data loss.
- Plant staff met with a cybersecurity representative from EPA to conduct a follow-up assessment and to develop an action plan for more improvements.
- We Energies replaced electrical meters at the Klode Park facility.
- Plant staff with the assistance of Redford Data Services successfully updated the Ignition software platform controlling the plant's SCADA systems.

- The Bender generator went out of service the afternoon of September 12, 2022. Plant staff adjusted operations to ensure the distribution tanks are nearly full at all times until the generator is fully operational. In the event of an outage, plant staff will switch to the redundant substation to re-energize the plant.
- Plant staff is working with Strand Associates to develop a filter evaluation procedure. Plant staff will be doing some testing to see if the filter media should be replaced in the near future.

The report was placed on file without any motion.

ANNUAL OPERATING BUDGET

The budget reports were submitted ahead of the Commission meeting. As of July 31, the Commission remains under budget by approximately $72,212. Mr. Kiefer noted that summer operations are typically more expensive than winter months and that surplus funds will most likely diminish after September.

The reports were put on file without motion.

MONTHLY BILLS

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

Vendor	Amount
3FoldIT (labor charge, monthly VOIP charges, and monthly network services - 2 months)	$1,810.00
Amazon (reagent water, filters, bracket, custodial supplies, IT supplies, batteries, wire connectors, floor matts, and lamps)	$2,647.43
American Water Works Association (renewal of membership)	$2,357.00
Baxter & Woodman (corrosion control study assistance)	$4,951.25
Check Point (email security subscription)	$324.00
Diggers Hotline (raw water main locates)	$24.36
Diversified Benefit Services (Section 125 plan admin)	$95.00
Fuchs & Boyle (legal counsel)	$117.00
Grainger (valves, toilet repair parts, custodial supplies, drench hose, and motor oil)	$192.86
Hawkins (treatment chemicals: aqueous ammonia and phosphoric acid)	$4,049.18
Kenrich Industrial (crane & hoist inspection)	$565.00
Key Benefit Concepts (OPEB valuation)	$2,650.00
Lubrication Engineers (grease)	$121.46
Midwest Meter (meter registers)	$632.00
Milport (treatment chemical: sodium hypochlorite)	$14,187.28
Northern Lake Service (compliance and corrosion control study monitoring)	$641.45
Office Copying Equipment (monthly copier maintenance fee)	$9.95

R&R Insurance (causality and property insurance policies)		$63,530.00
Rotroff Jeanson (monthly services)		$1,450.00
Securian (life insurance)		$163.32
Spectrum (internet service)		$529.86
Strand Associates (engineering for filter evaluation)		$1,773.23
Superior Chemical (custodial supplies)		$94.19
Torrey Pines Scientific (repair of programmable hotplate)		$886.89
USABluebook (lab reagents)		$2,077.92
Village Ace Hardware (plumbing supplies and hardware)		$32.17
WaterStone Bank (credit card - General Fund)		$616.91
-- AT&T (monthly internet charge): $80.25		
-- Best Buy (hard drive replacement): $200.44		
-- Cyberhoot (monthly license for small teams): $25.00		
-- Domotoz (monthly subscription for network analyzer): $21.00		
-- Engineered Air (temperature sensor replacement): $65.60		
-- Google (google apps for business): $84.00		
-- Mail 'N More (postage): $6.74		
-- Straight Talk (monthly cell phone charge): $91.89		
-- Supermicro eStore (out of band software license key): $27.00		
-- Zoom (monthly fee): $14.99		
We Energies (Bender electric)		$16,534.80
We Energies (Bender gas)		$857.38
We Energies (Green Tree electric)		$15.14
We Energies (Henry Clay electric)		$16.15
We Energies (Klode electric - ESTIMATED)		$5,904.39
We Energies (Klode gas)		$1.61
William Reid (replacement hoses for Periflow chemical feed pumps)		$815.40
Wisconsin State Lab of Hygiene (fluoride analysis)		$26.00
	SUB-TOTAL	$130,700.58

Capital Fund

	SUB-TOTAL	$0.00
	TOTAL	$130,700.58

CAPITAL PROJECTS UPDATE

Mr. Kiefer explained that there have been minor capital improvement expenditures since the last meeting. He presented the payment requests for the Filter Upgrade Project and the Filter Railing Repairs and Column Stabilization Project. Both payment requests were for labor.

It was moved by Mr. Edlbeck, seconded by Mr. Botcher, and the motion unanimously carried to approve the payment requests in the amount of $1,302.35 for the Filter Upgrade Project and

$239.93 for the Filter Railing Repairs and Column Stabilization Project as described in Mr. Kiefer's memos dated September 14, 2022.

KEY BENEFIT CONCEPTS REPORT - GASB 75 ACTUARIAL VALUATION

Mr. Kiefer provided the Commission with a draft version of the required GASB 75 actuarial valuation report prepared by Key Benefits Concepts. He provided a basic overview of the report and explained that present value of post-employment benefits are shown in the report.

Mr. Botcher explained that the report fulfills a requirement, but the values projected in the reports are not entirely useful for an entity such as the North Shore Water Commission where the organization is small and the pension is fully funded. Furthermore, many assumptions are made, and those assumptions are not always optimized or modified for the client.

Mr. Edlebeck asked how the Commission plans on funding future obligations. Mr. Kiefer answered that currently the Commission is using a pay-as-you-go system.

It was moved by Mr. Botcher, seconded by Mr. Edlebeck, and unanimously carried to accept the report from Key Benefits Concepts dated August 26, 2022.

PFAS COST RECOVERY PROGRAM

Mr. Kiefer described the PFAS Cost Recovery Program that is sponsored by Natural Rural Water Association and Wisconsin Rural Water Association. They have engaged the law firm of Napoli Shkolnik to file a cost recovery action to provide water (and wastewater) utilities the opportunity to recover expenses for issues related to PFAS contamination. Mr. Kiefer explained that Mr. Imig sent him information about this program. He then sent it to Mr. Fuchs for legal review. Mr. Fuchs advised him there would be no harm in registering for the program.

Mr. Edlebeck looked into the program and explained that the program seems useful to water utilities. This program is a way to recover costs for PFAS-related expenses should Napoli Shkolnik be successful in winning the case. After further legal review, Whitefish Bay decided to register for the program.

Mr. Imig mentioned that Glendale is looking into registering for the program.

Mr. Botcher explained that Napoli Shkolnik may not be the best law firm to work with. He criticized the letter drafted by Chris Groh (WRWA) and Hank Naughton (Napoli Shkolnik). He did not believe all of the information was true, and he felt some statements were not genuine. Consequently, it may not be a good idea to associate with this law firm. At the very least, it is important for the Commission and member utilities to research the law firm of Napoli Shkolnik and how they do business before registering with them.

It was the consensus of the Commission to share information about the PFAS Cost Recovery Program, Napoli Shkolnik, and related information in weeks and months ahead. Mr. Kiefer confirmed that he will look into this matter in more detail and will make a decision to register with Napoli Shkolnik for the PFAS Cost Recovery Program or not in the near future.

No action was taken by the Commission regarding this matter.

PRESENTATION OF PROPOSED 2023 BUDGETS

Mr. Kiefer provided the Commission with 2 versions of the proposed 2023 Operating Budget and 2023 Capital Improvement Budget. The version labeled "A" reflected a 2.5% increase in wages and salaries, and the "B" version reflected an increase of 3.0%. Mr. Kiefer explained that he was asked to prepare the budget in this way at the August 10, 2022 meeting.

Mr. Kiefer walked through significant changes in the budget by account. Some key accounts are significantly decreasing while others are significantly increasing. He went through his notes that were submitted along with the budget proposals. Highlights include the following:

- A new firm has been retained to do diving work (related to the intake) which is resulting in a significant decrease in account 613.
- Fuel and electrical power is expected to increase which is driving an 11% increase in account 623.
- Natural gas is expected to increase which is contributing to a 13.9% increase in account 626 and an 8.8% increase in account 643.
- Various pump repairs are scheduled for 2023 and pumping contractors are expected to increase costs due to market pressures.
- With the end of the demonstrative corrosion control study, there will be a significant drop in account 923 for engineering services.
- Property insurance is expected to increase in 2023 by the same approximate magnitude.
- The cost of treatment chemicals are wildly changing and are unpredictable. Mr. Kiefer is expecting an increase of 44.7% for account 641.

Overall, Mr. Kiefer proposed an operating budget increase of 3.7% for version A and 3.9% for version B.

Moving forward, Mr. Kiefer explained that 2023 was expected to be a higher capital improvement budget than the previous two. While 2023 was originally planned to be a major year for basin improvements, Mr. Kiefer has instead proposed a capital improvement budget focused on improvements for unattended operations. He believes it is important to change working conditions to better attract and retain employees. Eliminating night shift, or a fraction thereof, is something that the current employees want.

Mr. Kiefer explained the various capital projects and their costs.

After thanking Mr. Kiefer for his presentation, Mr. Edlebeck asked the Commissioners to voice their opinions about the two different versions of the budget, versions A and B.

Mr. Botcher explained that he supported a 2.5% increase in wages and salaries. Currently, police are seeing an increase of 2.5%, or thereabouts. He is advocating for an increase at or near 2.5% for Fox Point employees and related entities, such as the North Shore Water Commission. Mr. Botcher also expressed that it is fiscally responsible to approve a 2.5% increase given current economic conditions.

Mr. Edlebeck explained that Village of Whitefish Bay staff are expected to see an increase of 3.0%. Furthermore, he believes that a 3.0% increase will help staff of the North Shore Water Commission to stay closer to the median market rate.

Mr. Imig stated that the City of Glendale is in the process of restructuring their budget. Consequently, he cannot predict what kind of increase staff will receive.

Mr. Botcher moved to approve and adopt the 2023 Operating Budget and 2023 Capital Improvement Budget labeled version "A" to reflect a 2.5% increase in wages and salaries. Mr. Imig seconded the motion. Mr. Botcher voted for the motion while Mr. Edlebeck and Mr. Imig voted against; the motion did not carry.

Mr. Edlebeck moved to approve and adopt the 2023 Operating Budget and 2023 Capital Improvement Budget labeled "Version B" to reflect a 3.0% increase in wages and salaries. Mr. Imig seconded the motion. Mr. Edlebeck and Mr. Imig voted for the motion while Mr. Botcher voted against; the motion carried.

NEXT MEETING

The next regular meeting was scheduled for Wednesday, October 12, 2022, at 8:00 A.M.; the meeting will be online via Zoom.

ADJOURNMENT

It was moved by Mr. Botcher, seconded by Mr. Imig, and unanimously carried to adjourn at 9:13 A.M.

Submitted by:

EK 10/7/2022

Eric Kiefer, Plant Manager and Recording Secretary Date