

**MINUTES OF THE
NORTH SHORE WATER COMMISSION
MEETING OF WEDNESDAY, AUGUST 15, 2018**

A meeting of the North Shore Water Commission was held at the Filtration Plant, 400 West Bender Road, Glendale, Wisconsin on Wednesday, August 15, 2018.

Meeting was called to order at 8:00 A.M. by Ms. Reiss.

Present: Rachel Reiss, Chair (Glendale); John Edlebeck, Secretary (Whitefish Bay); Scott Botcher, Member (Fox Point)

Also present: Eric Kiefer, Plant Manager & Recording Secretary

MINUTES

It was moved by Mr. Botcher, seconded by Mr. Edlebeck, and unanimously carried to approve the minutes for the meeting held July 11, 2018.

MONTHLY REPORT OF PLANT OPERATIONS

Mr. Kiefer provided the Commission with a report regarding plant operations. During his discussion, he mentioned that pumpage is higher this July than last year July because it was hotter and drier than last July. Mr. Kiefer also mentioned that We Energies issued credits due to a change in corporate tax rates resulting in lower electrical costs in July than expected.

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. Botcher, seconded by Mr. Edlebeck, 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 (v-belt, plumbing supplies, battery, floor cleaner, air filter, and center pull towel)	\$619.61
Atsou-Tse Koffi-Kutodzo (reimbursement for seminar registration and mileage)	\$197.84
Brock-White Company (Sikabit sheet and primer)	\$388.65
BMO Harris Bank (credit card - General Fund)	\$45.90
-- <i>Straight Talk (cell phone): \$45.90</i>	
Diversified Benefit Services (Section 125 Plan administration)	\$95.00
Eurofins (compliance monitoring)	\$380.00

Fuchs & Boyle (legal service)	\$25.00
Grainger (drain valve, janitorial supplies, electrical supplies, trimmer line, paint, sealant, and circuit breaker)	\$478.41
Great America (lease payment for copier/printer)	\$100.00
Hawkins (treatment chemicals: aqueous ammonia and phosphates)	\$2,851.28
Heritage (letterhead)	\$244.56
Home Depot (grass seed, lumber, and felt)	\$80.00
Idexx (color comparator, Colilert growth media, collection vessels, and quantitrays)	\$2,747.46
Liquid Asset Diving Service (intake inspection and video)	\$3,850.00
Mulcahy Shaw Water (reagent for Swan chlorine analyzer)	\$702.30
Nalco (treatment chemical: mussel control chemical)	\$1,996.89
Northern Lake Services (compliance monitoring)	\$1,768.00
Office Copying Equipment (maintenance payment for copier/printer and toner)	\$24.91
Olin (treatment chemical: sodium hypochlorite)	\$2,788.14
Pace Analytical (UCMR4 compliance monitoring)	\$1,083.00
Quill (office chairs and tape)	\$213.78
Rotroff Jeanson (accounting services)	\$1,040.00
Securian / Minnesota Life (employee life insurance)	\$142.89
Spectrum Business (internet services, Bender phone, and Klode phone)	\$525.95
Starnet Technologies (NCC data charge 3rd quarter)	\$300.00
Swanson Flo (valve actuator repair)	\$891.88
T-Mobile (mobile internet)	\$31.05
US Cellular (cell phone)	\$4.25
USABluebook (phosphate reagent, chlorine reagent, stormwater reagents, and sample cells)	\$994.24
Village Ace Hardware (photocontrol, RoundUp, cleaner, specialty bits, plumbing supplies)	\$104.14
Village of Fox Point (gasoline)	\$353.90
Village of Whitefish Bay (refund payment received for actuator - invoice was paid twice)	\$4,338.76
WaterStone Bank (credit card - General Fund)	\$198.35
-- AT&T (monthly internet charge): \$59.19	
-- Google (google apps for work): \$54.16	
-- Starbucks (eGift cards): \$35.00	
-- USPS (stamps): \$50.00	
We Energies (Bender Electric)	\$15,550.03
We Energies (Bender Gas)	\$208.52
We Energies (Green Tree Electric)	\$17.44
We Energies (Henry Clay Electric)	\$17.45
We Energies (Klode Electric)	\$4,511.16
We Energies (Klode Gas)	\$14.66
Wisconsin State Lab of Hygiene (fluoride analysis)	\$25.00
SUB-TOTAL	\$49,950.40

Capital Fund

SUB-TOTAL \$0.00

TOTAL \$49,950.40

CAPITAL PROJECTS

Mr. Kiefer told the Commission that the filter valve actuators arrived and that plant staff started mounting them. He explained that the purchase of the actuators from Swanson Flo was approved earlier in the year.

Mr. Kiefer briefly discussed the work done on the SCADA Upgrade Project and then explained that Ellenbecker Exteriors finished the garage roof, siding, and windows. Mr. Kiefer said the City of Glendale inspected work, and the garage passed inspection.

It was moved by Mr. Edlebeck, seconded by Mr. Botcher, and unanimously carried to approve the payment request for the Filter Improvement Project in the amount of \$46,745.69, the payment request for the SCADA Upgrade Project in the amount of \$171.75, and the Bender Garage Improvement Project in the amount of \$7,648.40 as per Mr. Kiefer's memos dated August 15, 2018.

INSURANCE RENEWAL

Mr. Kiefer provided the Commission with a renewal proposal from R&R Insurance for causality and property insurance. He explained that the proposal is for the same coverage at roughly the same cost. Mr. Kiefer assured the Commission that coverage are still in line with recommendations made by T.E. Brennan Company made in 2016.

It was moved by Mr. Botcher, seconded by Mr. Edlebeck, and unanimously carried to accept the proposal by R&R Insurance in the amount of \$56,583 for causality and property insurance.

HIGH SERVICE PUMP #4 MOTOR REPLACEMENT

Mr. Kiefer explained that CTW Corporation was retained to pull and to inspect the motor on high service pump #4. He explained that the motor overheated and was extremely hot to the touch. CTW Corporation determined the motor was shorting to the rotor. Unfortunately, this kind of failure is not common and the cost of repair is high. Consequently, CTW Corporation gave the Commission three options for proceeding.

The first option was to purchase a new motor, the second was to repair the motor, and the third was to purchase a refurbished motor from CTW.

The Commission asked Mr. Kiefer about the age and condition of the current high service pump motors and asked if a refurbished motor would last as long as a new motor. Mr. Kiefer explained how 3 of the high service pump motors are from 1962 and that motors for high service pumps #1 and #4 are much newer but are almost always in use since they have variable frequency drives (VFDs). Mr. Kiefer believes that a new motor wouldn't necessarily last any longer than a reconditioned motor; therefore, he recommends that the Commission purchase the refurbished motor from CTW

Corporation.

It was moved by Mr. Botcher, seconded by Mr. Edlebeck, and unanimously carried to accept option #3 of the proposal from CTW Corporation dated July 26, 2018 in the amount \$10,000.

ELECTRIC TRASH PUMP

Mr. Kiefer explained that the trash pump used for dewatering basins stopped working and that a new needs to be purchased. Since repair of the old trash pump would cost more than a new one, Mr. Kiefer is recommending that the Commission purchase a new trash pump.

Mr. Kiefer provided the Commission with a tabulation of quotations. He recommended the Commission purchase the lowest cost pump from USABluebook.

It was moved by Mr. Edlebeck, seconded by Mr. Botcher, and unanimously carried to accept the quotation from USABluebook in the amount of \$2,195.00.

ENGINEERING PROPOSAL FOR CORROSION CONTROL TREATMENT CHANGE

Mr. Kiefer provided the Commission with a proposal from SEH and Clark Dietz to assist the Commission in switching its phosphate-based corrosion control chemical. Mr. Kiefer mentioned that Baxter & Woodman submitted a proposal but then withdrew it on Monday.

Mr. Kiefer explained that he contacted Abigail Cantor and plans on receiving her assistance with the project. She helped the Commission with 3 lead and copper studies over the last 10 years and has a great deal of lead and copper data from the Commission. Her role will be to determine and justify the Commission's proposed phosphate dose with the new corrosion control chemical.

Ms. Reiss and Mr. Edlebeck expressed concern about the significant difference in price between the 2 proposals. Mr. Kiefer explained that he has worked with both engineering firms and has a long relationship with both of them. He believes both engineering firms know have very competent people that can successfully finish the project.

Ms. Reiss asked Mr. Kiefer if he is concerned with the low level of effort proposed by SEH. Mr. Kiefer explained that the proposal specifies all of the tasks that need to be completed, and it is for a lump sum. Mr. Kiefer suggested the fee may intentionally be low to win the project in order to build experience and credibility with the Commission--that would improve SEH's chances of being awarded the 2019 reservoir improvement project engineering project.

It was moved by Mr. Botcher, seconded by Mr. Edlebeck, and unanimously carried to accept the proposal from SEH in the amount of \$1,500.

DISCUSSION OF PRELIMINARY BUDGETS FOR 2019

Mr. Kiefer provided the Commission with preliminary budgets for 2019. Mr. Kiefer went through the budgets and explained which accounts are increasing, and which are decreasing. There was discussion of the following topics.

Operating Budget Increase: Mr. Kiefer is proposing an overall increase of 1%.

Investment Income Revenue: Mr. Kiefer indicated that he would like to have input on investment income revenue. Mr. Botcher indicated that he would help Mr. Kiefer before the next Commission Meeting.

Increase in Account #613: Mr. Kiefer explained that a recent inspection of the intake showed that mussel growth on the bar screens is rapidly increasing. Consequently, the bar screens need to be cleaned in 2019 and some sediments in the cones need to be removed.

Electrical Costs: Mr. Kiefer explained that We Energies rates will not increase next year; consequently, account #623 will remain the same.

Labor Costs: Mr. Kiefer is projecting a 2% increase in wage rates; however, because how the pay schedule is structured, a couple of operators will be advancing to a higher level which will cause the overall labor cost to increase by 3.3%. Ms. Reiss and Mr. Botcher indicated that a 2% increase in wage rates seems to be in line with CPI at this particular time.

Health Insurance: Mr. Kiefer is projecting a 3.3% increase in health insurance costs. Before the next Commission Meeting, he should have firm numbers from the Wisconsin Dept of Employee Trust Funds.

Capital Improvement Budget: Mr. Kiefer explained that the big project for 2019 is engineering for the reservoir improvement project. Overall, he is proposing a capital budget decrease of 20%. The 2020 budget would be substantially larger.

Projected Revenue in Capital Improvement Budget: Mr. Edlebeck asked about projected revenue in the capital improvement budget. Mr. Kiefer explained that while he expects certain revenues such as the capital component of the wholesale water sales revenue, he is not including them in the budget because of the strategy the Commission previously discussed to increase capital fund balance. To increase fund balance, he is budgeting for 2019 capital expenditures to be paid by member utilities. This has been done over the past several years.

Wholesale Water Revenue: Mr. Kiefer gave an overview of how wholesale water revenue is handled by the Commission. Due to a couple of agreements, the wholesale water revenue is apportioned to various funds based on formulas.

Delivery Percentages: Mr. Kiefer explained that operating costs are apportioned by annual delivery volumes. He is expecting the delivery volumes to be nearly the same in 2019.

The preliminary budgets will be adjusted as needed before the next meeting. No action was taken at this time.

Mr. Botcher excused himself at 8:45 AM which occurred near the end of this agenda item.

LEAD AND COPPER UPDATE

The Commission has all of the required samples it needs for compliance with the lead and copper

rule (LCR). Mr. Kiefer gave the Commission a brief statistical analysis of the 2018 and 2015 results and explained that the 90th percentile, average, median, and max increased from the last monitoring period. Nevertheless, the Commission's 90th percentile level of 11 ppb is still below the 15 ppb action level.

Although there are a number of residents that have sample bottles and have yet to submit a sample, Mr. Kiefer believes it is unlikely that any more samples will be collected before September 30th, the end of the monitoring period.

Mr. Edlebeck asked Mr. Kiefer if he could describe what information was sent to residents regarding the results. Mr. Kiefer explained that he sent the required WDNR form indicating the lab results, a brochure from WDNR about lead in drinking water, a brochure from EPA about lead in drinking water, and a document developed by the North Shore Health Department regarding frequently asked questions about lead in drinking water.

Mr. Edlebeck and Ms. Reiss suggested that Mr. Kiefer provide the Commission with a memo regarding lead and copper compliance that could then be taken back to each member utility by the Commissioners. Mr. Kiefer indicated that he would develop that document on that and present it at the next Commission Meeting.

Mr. Edlebeck indicated that Whitefish Bay will be working on plan for helping those residents with high lead levels and a plan for managing lead and copper compliance.

Mr. Kiefer mentioned that he will be asking Abigail Cantor of Process Research Solutions to provide a report to the Commission to summarize findings from past lead and copper research and to recommend a strategy for staying in compliance with the lead and copper rule going into the future.

No action was taken at this time.

MANAGER'S REPORT

1. Liquid Asset Diving Service inspected the intake on July 31, 2018. Although there are no immediate problems, they informed the Commission that several items should be addressed before the next inspection. Their recommendation is that the Commission clean the bar screens on the intake cones and remove accumulated sediment at the bottom of the intake cones.
2. Cummins N Power performed annual maintenance of the Bender and Klode Park generators.
3. Kenrich Industrial inspected the overhead hoists and crane located at the Bender facility.
4. Reclaim pump #1 is not working properly. It appears that everything is working properly except for the pump assembly. Plant staff will coordinate with CTW Corporation to remove and inspect that pump in the near future.
5. Basin #1 has been drained, cleaned, inspected and put back into service.
6. Beckhoff contacted the Commission and requested cooperation in producing a short

marketing piece about the Commission's successful installation of Beckhoff PC/PLCs. A team from Beckhoff conducted a phone interview and took photos for that material; it will likely be published in their magazine within a couple of months.

NEXT MEETING

The next regular meeting was scheduled for Wednesday, September 12, 2018 at 8:00 AM.

ADJOURNMENT

It was moved by Mr. Edlebeck, seconded by Mr. Reiss, and unanimously carried to adjourn at 9:05 A.M.

Submitted by:



9/7/2018

Eric Kiefer, Plant Manager and Recording Secretary

Date