

VILLAGE OF GRAFTON

BOARD OF PUBLIC WORKS MEETING MINUTES

MONDAY, MAY 8, 2017

The Board of Public Works meeting was called to order at 6:00 p.m. by Chair Sue Meinecke.

Board members present: Trustee Sue Meinecke, Trustee Tom Krueger, Trustee Dave Liss, Les Blum and Pat Murray.

Staff present: Director of Public Works/Village Engineer Amber Thomas, Utility Superintendent Tim Nennig, Facility Operations Coordinator Larry Roy and Administrative Assistant Melissa Depies.

Others present: Village Administrator Jesse Thyges, Director of Administrative Services Paul Styduhar, Trilogy Consulting representatives Christy Cramer and Erik Granum, Ozaukee Press reporter Joe Poirier, Patrick Clemins and Bill Hass.

HEAR PERSONS REQUESTING TO BE HEARD

None

MINUTES

Motion by Les Blum, seconded by Pat Murray to approve the April 10, 2017 Board of Public Works meeting minutes, as presented. Motion carried.

WATER & WASTEWATER

Proposed water and sewer rate increases – Trilogy Consulting

Facility Operations Coordinator Larry Roy stated that the Village authorized a water and wastewater rate study to be completed. Trilogy Consulting was given direction to stabilize the constant revenue decline due to the declining sales volumes.

Mr. Roy introduced Trilogy Consulting representatives Erick Granum who completed the water rate study and Christy Cramer who completed the wastewater rate study. Each representative gave a presentation as to what factors were taken into consideration when determining the rates for each area. Those factors include operation and maintenance expenses and revenues, the 5-year capital improvement program, taxes, debt service and recommended reserve.

The last comprehensive rate study was done in 2014 which allowed for an 8.0 percent increase in the water rates and a 9.0 percent increase in the wastewater rates. A simplified rate increase was done in 2016 which allowed for a 3.0 percent increase in water and a 5.0 percent increase in wastewater. This study is recommending an increase in water rates of 12.5 percent. The study is also recommending an increase of 48.0 percent in the wastewater rates phased in over a five year time period. The proposed wastewater rate would increase 20.0 percent in 2017, 15.5 in 2018, 2.5 in 2019, and 2.0 in 2020 and 2021.

Mr. Blum questioned what the recommended reserve was based on. Mr. Granum responded that this figure is based on one year of debt service, three months of operating expenses, and capital reserve.

Trilogy is recommending a change in the methodology of how the rates are determined to allocate additional costs to fixed charges. These include portions of the capital costs related to the distribution main. Charges associated with lost water will also be recovered through fixed charges.

There will be no changes in the public fire protection charges. There will be an increase in the private fire and general service meter charges. The residential volume charge will decrease from \$2.68 per 1000 gallons to \$2.64 per 1000 gallons.

Mr. Roy explained that there will be a change in the bulk water rates. Vendors who use the site on a regular basis will be permitted users and will be charged an annual permit fee of \$100, \$5 per load, and \$2.64 per gallon of water. The periodic or non-permitted user will be charged \$25 per load and \$2.64 per gallon.

Mr. Roy stated that once this recommendation for water rate increase is submitted to the Public Service Commission (PSC) it is out of the Village's hands. The PSC can change this completely. Mr. Granum stated that the PSC usually does tweak the report; however typically does not change it drastically.

Ms. Christy Cramer explained the wastewater analysis stating that they are recommending a 48.0 percent increase spread out over the next five years to generate sufficient revenues to fund more of the capital improvements program with current revenues and increase the cash reserves to the recommended level.

It was reiterated that the water rate increase must be approved by the PSC while the wastewater rate increase is approved by the Village Board.

Trustee Meinecke stated that she was not comfortable with the operation and maintenance and debt expenses provided in the report as both water and wastewater were 31.8 percent. Director of Administrative Services Paul Styduhar stated they the figures are accurate and were taken from the approved 2017 budget and the 5-year capital improvement program; however debt service is based on projected project costs and rates.

Mr. Roy indicated that the report does include a 3.0 percent increase to include a new field operator.

Trustee Krueger commented that he understands the importance of this plan; however, he is not comfortable approving a five year increase plan based on projections. He suggested an annual review based on actual costs.

Mr. Roy questioned if an annual review could be done in house or would it need to be reviewed by Trilogy annually. Ms. Cramer indicated that the rate increases recommended for 2017 and 2018 will definitely be needed as they were based on 2016 spending and awarded contracts for 2017.

Trustee Krueger suggested that the rate impacts be reviewed at the same time as the capital improvement program. This is important information when approving capital improvements.

Mr. Blum commented that the Village needs to restore a decent rate of return so the buildings and facilities can be properly maintained.

Mr. Roy noted that even with this increase, Village of Grafton water and wastewater rates remain lower than the neighboring communities.

Motion by Trustee Krueger, seconded by Trustee Liss to recommend the Village Board accept the water and sewer rate studies and recommendations by Trilogy Consulting, and authorize them to submit the water rate increase application to the Wisconsin Public Service Commission. Motion carried.

Motion by Trustee Liss, seconded by Mr. Blum to recommend the Village Board increase sanitary sewer rates as advised by Trilogy Consulting effective September 20, 2017 contingent upon annual review and approval by the Village Board. Motion carried.

Update on Riverwalk Lighting

Village Administrator Jesse Thyes explained that the string lights on the Riverwalk were previously discussed. It was determined that the lights were aesthetically pleasing; however, the condo owners are unhappy with the lights and would like them taken down.

Administrator Thyes has had discussions with the Village Attorney and has reviewed the easement documents which indicate that the light shall not intrude property. It was believed that if this matter was taken to court it would be hard to defend.

Administrator Thyes has spoken to the president of the condo association who has agreed that the lights can be up for the holiday season; however they would like them removed for the remainder of the year.

A memorandum of understanding will be drafted indicating that the string lights on the Riverwalk will only be placed on a seasonal basis.

Rehabilitation of Final Clarifier #2

Field Operations Coordinator Larry Roy stated that this is the last rehabilitation project for the clarifiers. Final Clarifier #1 occurred in 2013, Primary Clarifier #1 occurred in 2014, and Primary Clarifier #2 occurred in 2016.

Mr. Roy explained that the contractors will remove all the steel and mechanical components, transport them off-site for refurbishment, and then return and reinstall the equipment.

Three bids were received with Sabel Mechanical of Fond du Lac being the lowest qualified bidder at \$66,497.

It was questioned if Sabel had done work for the Utility in the past. Mr. Roy responded that they performed the Final Clarifier #1 rehab work in 2013; that work was satisfactory except

they did not use UV resistant paint on the above water components. It was insured that UV paint would be used this time.

Trustee Krueger questioned what the amendment to the original proposal was. Mr. Roy indicated that the amendment was clarification and detail on what they were proposing to do as the original proposal was too vague.

Motion by Trustee Krueger, seconded by Mr. Murray to recommend the Village Board approve the Final Clarifier #2 Rehabilitation project and award the contract to Sabel Mechanical of Fond du Lac Wisconsin in the amount of \$66,497. Motion carried.

Inter-municipal water system emergency connection with the City of Cedarburg

Utility Superintendent Tim Nennig stated that the proposed municipal water system interconnection was discussed at length at the April meeting. Board members agreed that the interconnection was a benefit for both communities; however, the Village was concerned with the 50/50 cost share as the majority of the facilities will be owned and maintained by the City of Cedarburg.

Mr. Nennig stated that he contacted the PSC to determine the legalities of cost sharing and it was determined that the Village of Grafton and the City of Cedarburg could cost share the proposed connection equally. Percentages of infrastructure owned do not impact the split. Because the majority of the facilities are in the City of Cedarburg, Cedarburg will book the plant as 50 percent Cedarburg funded and 50 percent contributed.

A preliminary construction cost estimate of \$57,000 including \$5,120 in contingencies has been provided by R.A. Smith. Grafton has no funds budgeted in 2017 for this project; therefore, Cedarburg has agreed to cover all costs up front and accept payment from the Village in 2018.

Mr. Nennig stated that the City of Cedarburg is firm on the 50/50 cost share as it is based strictly on benefit. The facility will not be constructed if the Village does not agree to the 50/50 cost share.

Mr. Blum questioned if the inter-municipal connection would delay a major capital expenditure. Mr. Nennig stated that the connection will provide additional capacity in the event of an emergency such as a fire or an extended down time of a well or water tower.

Motion by Mr. Blum, seconded by Mr. Murray to recommend the Village Board authorize Village staff to coordinate the installation of an inter-municipal water system emergency connection with and through the City of Cedarburg at a cost to the Village not exceeding \$30,000; engineering and construction complete. Motion carried.

2016 Consumer Confidence Report

Utility Superintendent Tim Nennig stated that the Utility is required to prepare a Consumer Confidence Report, which is an annual statement describing the Village's drinking water supply and the quality of the water being provided. The report indicates that the Village has no water quality violations and the drinking water continues to meet or exceed all Federal and State requirements.

The report will be distributed as has been done over the past several years: copies will be available for public review and pick-up at all Village buildings, on the web site home page as well as the Utility page. Notices will also be sent through the utility billing, the News Graphic, and the Ozaukee Press notifying residents where they can obtain the information.

2017 Utility charge-out rates

Utility Superintendent Tim Nennig stated that periodically the Utility is requested to perform water and sewer related work for a private contractor, private property owner, or the Town of Grafton which is typically done on a time and material basis.

Charge-out rates for Utility staff has not been updated since 2013. Due to staff turn-over and equipment additions and replacements as well as hourly pay increases the charge-out rates have been updated. The rates will be updated on a more consistent basis from this point forward.

Mr. Blum suggested rounding the hourly rates up to the next dollar amount.

1st Quarter 2017 SDWA compliance results

Utility Superintendent Tim Nennig stated that the Utility recently completed 1st Quarter - 2017 Safe Drinking Water Act (SDWA) as required by the DNR. Samples were collected from all well sites on March 15 and March 16, 2017. Laboratory analytical work was performed on March 21, 2017 by Northern Lake Service out of Crandon, WI.

Mr. Nennig highlighted the test results for each well explaining the exceedances of various compounds in the raw water. As usual there were no surprises with the test results.

Utility Projects Update

Utility Superintendent Tim Nennig highlighted the Utility projects:

WWTP Facilities Planning Study: A Project kick-off meeting occurred on April 26, 2017. Utility staff continues to gather plant operational data and previous facility study and design work for the consultant.

Well #3 Rehabilitation - Phase II: Facility Operations Coordinator Larry Roy stated that the contractor mobilized on site last week. Pumping equipment has been removed and internal flushing of the well has occurred. This project is anticipated to take approximately 5 weeks. Mr. Nennig reported that Aurora Hospital/Cancer Center does regular tests on the water due to the sensitivity of the equipment and they called as soon as Well #3 was taken out of service. There are no problems, they were just questioning the change.

Audubon Avenue Lift Station Replacement: Project is anticipated to begin June 12, 2017, with a substantial completion date of October 31, 2017 and final completion November 30, 2017. The Utility is experiencing significant pump problems at this location; therefore, some immediate inexpensive repairs may be needed.

Report of benchmark measurements-Utility

Utility Superintendent Tim Nennig highlighted the Utility benchmarks stating that the figures on the sheet are comparing April to June. Benchmarks in 2016 were not updated monthly.

The Utility is down two full time field operators; therefore the Utility benchmarks are not being met.

Diggers Hotline Locate Requests: Staff is currently unable to complete all the locate requests due to staffing shortage.

Fire Hydrants Operated/Flushed: Hydrant flushing was completed by two field employees in three weeks. This activity did require some overtime due to the staff shortage.

New Customer Water Meters Installed: There have only been two new meters installed to date.

Water Meters Tested: Utility staff has surpassed the goal for meter testing. Staff is currently evaluating the existing meter testing practices, metering equipment being used and new technology. The evaluation is being done to ensure the Utility is current with industry metering trends. Emphasis is on improving the timeliness of meter reading data collection, improved customer service options, and more efficient use of the laborers.

There has been zero sewer main backups and only one water main break.

Sewer Mainline Jetting: Annual sewer cleaning efforts have not yet begun due to staff shortage.

PUBLIC WORKS

Major projects update

Director of Public Works/Village Engineer Amber Thomas updated the Board on current projects:

Lumberyard Design/Construct: Currently waiting for final plans for gas, electric, and water services once these are received the project will move along much faster.

Towneplace Suites Hotel Public Utility Installation: The project is going very slow due to high water in the area. The project is being inspected by R.A. Smith on behalf of the Village.

Sidewalk Replacement Program: Safe Step has completing the grinding/cutting of the trip hazards and Green Hills Contracting has begun the removal and replacement portion.

Street Reconstruction: Sanitary sewer, watermain and storm sewer on Power Street has been completed. Crews are currently installing facilities on Tenth Avenue, Elm Street will follow.

Report of benchmark measurements-Public Works

Director of Public Works/Village Engineer Amber Thomas highlighted the benchmarks:

Crack Sealing: Project was recently completed. All material has been used; however, not as much area was covered as anticipated due to the volume of cracks.

Trees Planted: 108 trees have been ordered and delivered. Crews are planting trees this week.

A new street name sign has been ordered for Gateway Drive which is the access road to Water Street Brewery, Hampton Inn and the Towneplace Suites.

Recycling: The DNR has changed the requirement for electronic recycling therefore the Village can no longer accept non-approved items. The cost to recycle non-DNR accepted material is quite costly.

OLD BUSINESS

Update on Superintendent of Public Works job posting

Director of Public Works/Village Engineer Amber Thomas stated that staff interviewed eight candidates; four internal and four external. Three candidates were interviewed a second time; two internal and one external. Staff is will be making a decision relating to this position in the near future. Mr. Helm's retirement date has been set for July 21, 2017.

Update on vacant field operator positions at the Water & Wastewater Utility

Director of Public Works/Village Engineer Amber Thomas stated that an offer has been made to two candidates; both employees will begin on May 22, 2017. One of the employees is a current Public Works Crewperson; therefore Public Works will be short one person. Advertising for this position will commence once the job description has been reviewed and updated.

Mr. Blum questioned if the candidates have firefighting credentials. Ms. Thomas stated that the Public Works Crewperson is a certified firefighter; however the second candidate is not. He will be required to obtain his certifications in the future.

Village Administrator Jesse Thyges explained that the job descriptions are being updated to include that qualified candidates with firefighting certifications will be given preference. New employees will be trained at the position they were hired for first and then fire certifications will be done at a later time.

Trustee Krueger questioned if the driveway issue at 1470 Falls Road was resolved. Ms. Thomas stated that the Village offered to pay a portion of the construction cost with an agreement that there would be no more future claims in the matter. The property owner did not agree therefore the matter is still pending.

NEW BUSINESS

Trustee Krueger questioned if letters have been sent to the business requesting assistance with watering the flower pots. Ms. Thomas stated that the letters have not yet been sent; however, staff is currently working on that project.

ADJOURN

Motion by Trustee Krueger, seconded by Mr. Murray to adjourn the meeting at 8:05 p.m. Motion carried.