

VILLAGE OF GRAFTON
BOARD OF PUBLIC WORKS MEETING MINUTES
MONDAY, SEPTEMBER 9, 2019

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

Board members present: Trustee Tom Krueger, Trustee Sue Meinecke, and Pat Murray.

Board members excused: Trustee David Liss and Les Blum.

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

Others present: Trustee Lisa Uribe-Harbeck, Bill Harbeck, Trilogy Consulting - Erik Granum.

HEAR PERSONS REQUESTING TO BE HEARD

None

MINUTES

Trustee Krueger requested that on page 1, paragraph 3 of the Update on Green Bay Road Flooding the word installing be changed to rebuilding.

Motion by Mr. Murray, seconded by Trustee Meinecke, to approve the August 12, 2019, Board of Public Works meeting minutes as presented. Motion carried.

WATER & WASTEWATER

Rate Increase – Trilogy Consulting

Erik Granum – Trilogy Consulting, LLC, gave a presentation regarding the proposed 2019 rate increase.

In 2018 a rate study review was completed and rate increases were recommended for three consecutive years: 2018 – 15.5%; 2019 – 15%; and 2020 – 15%. Village Board approved the 2018 increase however wanted annual financial review to determine future rate increases.

The rate increase is used to build the cash reserves and maintain infrastructure for the Utility. The recommended reserve amount is \$2.5 million; and currently the Utility has \$1.7 million.

Upon review of water sales, future project costs estimates, and reserve balance, an 11.4% increase is proposed for 2019 and a 12% increase in 2020. Which is reduced from the 15% each year proposed in 2018.

Discussion was had regarding increasing flat charges versus usage charges. Water usage is decreasing therefore usage revenue is trending downward. As water usage declines, revenues decline, however costs for maintenance and construction continue to rise. There is less

fluctuation in revenues when flat charges are set which results in less rate increases in the future.

Trustee Krueger commented that information and justification for the rate increase needs to reach the customers. Facility Operations Coordinator Larry Roy stated that the information will be included with the September billing statement, on the Village web site, in Village offices, and in the Newspaper. Director Thomas stated that the information can also be posted on Facebook.

Trustee Krueger stated that based on the comparison chart with surrounding communities, Grafton is not the highest; however, we are creeping toward the top of the chart. He reiterated that the rate increase information and justification needs to get out to the customers.

Facility Operations Coordinator Roy stated that there have been some significant rate increases over the past three years; however, the Utility needs to keep the infrastructure, equipment, and plant in good working order. There have been many projects that call for these increases.

Director of Public Works/Village Engineer Amber Thomas stated that in 2018 a spreadsheet indicating the full cost of living in a community was provided when talking rate increases. She suggested that the spreadsheet be updated and made available to the Village Board members so they can see the overall comparison.

Bill Harbeck, 907 17th Avenue, indicated that he is not opposed to the rate increase; however, he believes that the increase should be on the usage fees and not flat fees.

Trustee Krueger noted that the reason for shifting the costs from usage based to fixed fees is because usage is going down considerably.

Facility Operations Coordinator Roy stated that this approach stabilizes the revenues and once stabilized at the correct level the increases in the fixed fees will reduce the need for future rate increases.

Trustee Harbeck stated that it is her opinion the increases should be in usage fees and not flat charges.

Trustee Meinecke questioned if the fees for the holding tank waste, septic tank waste, septage load rate and/or the septage annual permit fee could be increased. Utility Superintendent Tim Nennig stated that if the fees are too high those haulers will go to another location. The Utility could actually lose revenues if these fees are increased. Mr. Granum also commented that these fees account for less than one percent of the overall revenues.

There was discussion on having Trilogy recalculate the increase and shift the increase from flat fees to usage fees. Mr. Granum stated that the Utility will lose compounding revenues if the rate increase approval is delayed, which could lead to higher increases in 2020. Consensus was that the Board will recommend approval as presented; however they directed Mr. Granum to calculate the recommended 2020 increase in 2020 in mostly usage fees and minimally increase the flat fees.

Motion by Trustee Meinecke, seconded by Mr. Murray, to recommend the Village Board approve an 11.4% increase to the sanitary sewer rates as advised by Trilogy Consulting effective September 20, 2019. Motion carried.

2020 Proposed Budget Review - Utility

Facility Operation Coordinator Roy highlighted notable changes in the 2020 proposed budget:

Water Utility expenses include Water System Master Plan Update, asphalt replacement at Well #4, and interior painting at Wells #2 and #5.

Wastewater Utility expenses include an additional infiltration/inflow study, adaptive phosphorus management operations, anaerobic digester cleaning and inspection, rebuilding two digester recirculation pumps, digester hallway repainting, rebuild of the sludge load-out pump, purchase of replacement UV system bulbs, and consultant analysis of the need for the planned multi-year sewer rate increases.

Capital projects and purchases include continued engineering and construction of the replacement headworks facility, continued Automated Metering Infrastructure (AMI) meter conversion, construction of the 17th Avenue Lift Station, entry door replacements at Well #5 and Well #7, engineering for improved phosphorus treatment, sidewalk installation for access to the sludge storage tanks, purchase of a replacement dissolved oxygen monitoring system, and installation of flow meters to measure sludge volumes fed to the anaerobic digesters.

Capital infrastructure improvements include sewer main relining in First Avenue and rehabilitation of sewer in the Green Bay Road Lift Station sewer service area.

Utility Projects Update

No discussion.

Report of benchmark measurements-Water & Wastewater

No discussion.

PUBLIC WORKS

Updated Standard Specifications for Construction

Director Thomas stated that the Village worked with Ruckert-Mielke to update the Standard Specifications for Development Construction to have consistent requirements on all projects within the Village.

Over the 2019 construction season it was discovered that there was information that was not carried over correctly; therefore, there are a number of items that need to be updated or corrected.

Trustee Krueger was not comfortable approving the specification until all corrections have been made.

Trustee Krueger believes that this document should be referenced in the Village Code and should be adopted by Village Ordinance.

Director Thomas commented that all 2019 projects, whether Village or developer, have a note referencing the 2019 specifications. The board believed this was sufficient in requiring compliance of the specifications until further updates are completed.

2020 Proposed Budget Review-Public Works

Director Thomas highlighted notable changes in the 2020 proposed budget:

The Public Works Department remains in need of an additional crewperson; however, did not request this addition in 2020 due to budgetary constraints.

Street Repair and Maintenance: Increased by \$50,000 for a Road Maintenance Program. This would be a seal coating program that would help maintain the integrity of the roads for a longer period of time. This was discussed during CIP budgeting and was determined it should be placed into the general fund.

Snow and Ice Control: The price of road salt increased approximately \$4.00 per ton and additional salt will be needed due to lower amounts available in the shed after the 2018/2019 winter.

Traffic Control: Included \$4,500 for a traffic impact study at the intersection of 12th Avenue and Washington Street to determine a better option to more efficiently move traffic.

Funding for street trees was removed from the 2020 budget and reallocated to the sidewalk rehabilitation program. This will allow staff to properly maintain the large amount of trees that have been planted over the last few years and catch up on needed pruning of older trees. In 2019 no sidewalks were repaired due to the high costs of the road improvements.

The Equipment Fund includes: \$220,000 – Front End Loader / \$120,000 – Snow Blower / \$30,000 – Loader Plow/Wing Attachments

Major Projects Update

No discussion.

Report of benchmark measurements–Public Works

No discussion.

DIRECTOR'S UPDATE

Trustee Krueger questioned the status of the claim against Ayres. Director Thomas stated that Attorney Herbrand is drafting a letter to Ayres to start discussions. There is a 30 day waiting period after that letter is sent before a claim to the insurance can be made.

There was limited discussion regarding the timing of the lights on the Bridge Street dam and the complaint from Mr. Hass.

ADJOURN

Motion by Mr. Murray, seconded by Trustee Meinecke, to adjourn the meeting at 7:16 p.m. Motion carried.