

CITY OF DELAVAN
WATER & SEWAGE COMMISSION
Tuesday, March 14, 2017 – 4:30 P.M.
Common Council Chambers
AGENDA

1. Call to Order and Roll Call
2. Approval of Minutes – February 16, 2017
3. Public Comments /Communications
4. Review of Financial Statements and Approval of Bills and Vendor Payments
5. Reports
 - a. City Administrator’s Report
 - b. Finance Director’s Report
 - c. Public Works Superintendent Report
6. WalCoMet
7. Consider supplemental agreement with Stanley Consultants for professional services relating to High Strength Wastewater Discharge Billing in the amount not to exceed \$9,750.00.
8. Consider amendment of Sewer Utility WalCoMet (treatment) Rates
9. Suggested Future Agenda Items
10. Adjourn

Note: A quorum of the members of the City Common Council who are not also Commission Members may be in attendance to gather information and participate in discussion about an issue over which they have decision-making ability. This may constitute a meeting of the Council pursuant to State ex rel. Badke vs Greenfield Village Board, 173 Wis.2d 553, even though the Common Council will take no formal action at this meeting. This meeting must be noticed appropriately and is intended to comply with the requirements of Badke and the Wisconsin Open Meetings Law. If a person with a disability requires that the meeting be accessible or that materials at the meeting be in an accessible format, please call the City Clerk within 48 hours in advance of the meeting to request special accommodations. For assistance please call 728-5585 or the hearing impaired should call 1-800-947-3529.

CITY OF DELAVAN
WATER & SEWAGE COMMISSION
February 16, 2017

Call to Order: President Rehak called the regular meeting of the Water & Sewage Commission to order at 4:45 pm in the Municipal Building Council Chambers.

Roll Call: Members Present: President Rehak, Vice President Pippitt, Mayor Nieuwenhuis, and Alderman Stebnitz. Absent: Joe Salitros. Also Present: City Administrator Pieroni, Finance Director Hayden, Public Works Superintendent Piester, Director of Public Works Wendorf and City Clerk Kitzman.

Approval of Minutes: Alderman Stebnitz moved to approve the minutes of January 19, 2017, seconded by Mayor Nieuwenhuis and unanimously carried.

Public Comments /Communications: None.

Review of Financial Statements and Approval of Bills and Vendor Payments: Alderman Stebnitz moved to approve the Financial Statements and Bills in the amount of \$188,409.30. The motion was seconded by Mayor Nieuwenhuis and unanimously carried.

Reports:

City Administrator's Report: Ms. Pieroni noted they will meet with Andes Candies on Friday.

Finance Director's Report: Ms. Hayden noted that there are a number of small balances on final bills. The balances are both positive and negative, but all are under \$5 with a \$2 net difference. She noted that the staff will proceed with the write-off of these balances unless directed otherwise by the Commission. No concern relative to the process outlined were raised by the Commission.

Public Works Superintendent Report: Mr. Piester noted they are now up to seven water main breaks for the season.

Mr. Pippitt moved, seconded by Alderman Stebnitz and unanimously carried, to approve the City Administrator, Finance Director and Public Works Superintendent Reports as presented.

WalCoMet: No report.

Consider Highway 50 Watermain Replacement Engineering Services Agreement for a not-to-exceed amount of \$26,600 with Baxter & Woodman: Mr. Piester noted that staff will be handling most of the day to day overseeing of the installation of the watermain. Baxter & Woodman will be providing inspection assistance and will also be responsible for the processing the required DOT paperwork. Alderman Stebnitz moved to recommend to the Common Council the approval of the engineering services agreement with Baxter & Woodman relating to the Highway 50 watermain project at a not-to-exceed cost of \$26,600. The motion was seconded by Mr. Pippitt and unanimously carried.

Review Highway 50 Watermain Replacement D.O.T. Bid Results: Alderman Stebnitz moved to recommend to the Common Council the formal acknowledgment of the Wisconsin D.O.T. contract award to James Peterson Sons Inc. for the watermain replacement work at the estimated cost to the City of Delavan of \$655,498.40. The motion was seconded by Mayor Nieuwenhuis and unanimously carried.

Review Annexation Agreement for property on Homestead Road: City Administrator Pieroni reviewed the Annexation Agreement relating to property on Homestead Road, formally owned by Mr. and Mrs. Pagel. The main provision covered in the Agreement is that when the City extends the watermain, the property owners are responsible for paying their share of the cost to extend the main.

Suggested Future Agenda Items: None.

Adjourn: There being no further business to come before the Water & Sewage Commission, the meeting adjourned at 5:05 p.m. upon a motion by Mayor Nieuwenhuis, seconded by Mr. Pippitt, and unanimously carried.

Susan Kitzman

City Clerk

These are not official minutes until approved by the Water & Sewage Commission.



Finance 8
Water 7.

Memorandum

To: Water & Sewer Commission and Finance Committee Members
From: Denise Pieroni
City Administrator
Date: March 10, 2017
Subject: High Strength Wastewater Discharge Billing Alternative

Executive Summary: Staff is happy to report that significant progress was made at our last meeting with representatives of Andes Candies. We now need to provide a more detailed summary and draft contract document that representatives of Andes can take to their Board. Getting them to this point has taken more time than anticipated and has required updating of the analysis to include more recent billing information. Additional assistance from Larry Thomas will be needed in these next stages of the process. Mr. Thomas has prepared a supplemental agreement relating to this project which is attached. The not-to-exceed cost for the services outlined in the proposal is \$9,750.

Background/Supporting Data: I believe the bill that was received by Andes for the 4th quarter had an impact on their change in position relative to our proposed methodology. With that being said, we are in the process of getting additional information from the testing company but the testing numbers do not make sense and also seem out of line with what we were billed by WalCoMet the month that they were tested (ironically, WalCoMet tested us the same week we tested Andes. They have requested that we give some consideration of a possible adjustment. Staff hopes to have a recommendation to the Commission at the April meeting.

Key Issues: Mr. Thomas's services continue to be needed to finalize these negotiations.

Budget Impact: The sewer budget includes sufficient funds in accounts relating to professional service to cover this supplemental agreement.

Recommendation: Review proposal.

Recommended Action: Consider motion approving the supplemental agreement with Stanley Consultants for professional services relating to High Strength Wastewater Discharge.



Water 8
Finance 9

Memorandum

To: Water and Sewer Commission

From: Denise Pieroni
City Administrator

Date: March 10, 2017

Subject: Code Amendment relating to Sewer Utility WalCoMet (Treatment) Rates

Executive Summary: WalCoMet continues to allocate more of the debt service costs to the customer unit charge. Several years back when this customer unit charge was first significantly increased a decision was made to modify of customer unit and volume rates to reduce the impact to our residential customers. It is now being recommended that we begin phasing out these adjustments. As such, the rates, as proposed for 2017, commences this process. This transition will result in an increase to the amount paid by a customer who uses very little water; however, the average residential customer and all other user should actually experience a slight decrease in annual costs assuming their usage remains constant. As proposed, the customer unit rate will increase from \$2.73 to \$3.00 per equivalent meter and the volume charge will decrease from \$4.52 to \$4.41 per 100 cubic feet.

A chart showing this impact will be emailed out on Monday, with paper copies being provided at the meeting.

We would also like to discuss modifying the code to charge the WalCoMet customer rate, irrespective of the status of the account.

Background/Supporting Data: Addressed in the Executive Summary.

Key Issues: In past years, the sewer ordinance was modified to set certain guidelines to ensure recovery of the full cost of treatment (primarily the amounts the City was billed by WalCoMet). For example, if our applicable WalCoMet expenses fall within a range of 95% to 105% of the projected year end revenue no adjustment to the rates would be necessary. It is a moving target every year. If the rates fell out of the range, either on the high side or low side, rates would be adjusted accordingly. Based on the change in methodology used to set the rates to cover the costs incurred in conjunction with treating our sewage, this adjustment may no longer be necessary and staff would like to discuss the possible elimination of this adjustment process.

If the council and commission authorize the new rates adjusting both the unit charge and the volume charge, staff would prepare a mailer for the April billing. The new rates would be effective May 1 and appear on the June 10th billing.

Budget Impact: This should address the issue of the City depleting its sewer utility reserve that we need in order to maintain our collection system as a result of not generating the revenues need to cover WalCoMet charges.

Recommendation: Review proposed rate and code changes and recommend to the City Council adoption of the rate structure and code changes as proposed.

Recommended Action: Motion recommending to the Common Council passage of the ordinance amending Title 9, Chapter 3 relating to Sewer Utility Regulations and Rates.