

**CITY OF DELAVAN
WATER & SEWAGE COMMISSION
Thursday, October 12, 2017 – 4:30 P.M.
Common Council Chambers
AGENDA**

1. Call to Order and Roll Call
2. Approval of Minutes – August 8, 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
 - d. Director of Public Works Report
6. WalCoMet
7. Review 2018 Budget
8. Suggested Future Agenda Items
9. 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.

2 .

**CITY OF DELAVAN
WATER & SEWAGE COMMISSION
August 8, 2017**

Call to Order: Vice-President Salitros called the regular meeting of the Water & Sewage Commission to order at 4:30 p.m. in the Municipal Building Council Chambers.

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

Approval of Minutes: Alderman Stebnitz moved to approve the minutes of June 8, 2017 and June 15, 2017, seconded by Mayor Nieuwenhuis and unanimously carried.

Public Comments /Communications: None.

Review of Financial Statements and Approval of Bills and Vendor Payments: Ms. Hayden noted that the Andes refund will be on the next month financials. Mr. Pippitt moved to approve the Financial Statements and Bills and Vendor Payments in the amount of \$154,072.49. The motion was seconded by Alderman Stebnitz and unanimously carried.

Reports of City Administrator: Ms. Pieroni reported that she has not received any updated information on the potential credit from WalCoMet relating to two of the City's 2017 WalCoMet bills. She explained that that the concern is WalCoMet's use of additional work days instead of 5 work days and 2 weekend days for testing the sewer strength when there is an issue with the testing equipment. The strength of the City's discharge is significantly higher Monday through Friday. When more workdays are used in calculating the strength for the 7-day testing period which is used to bill for the entire month, the result is higher bills to the City.

She updated the Commission on the refinancing of the 2007 Water Revenue Bonds with General Obligation Bonds. Originally it was felt the City could size the issue to allow for the unrestricted use of the debt service reserve funds for other projects. Bond counsel has advised that we must take the reserve funds and reduce the amount of dollars that would need to be borrowed. However, we would not be required to apply the funds that were to be used by the Utility and TID in 2017 to cover the December payment on the current bonds to further reduce the amount of the proposed issue. This will improve the TIF cash flow and reduce the amount that the utility may have to cover for certain utility projects that the City hopes to complete before the TIF #4 construction period ends. Based on these changes the proposed issue has been reduced to \$1,675,000.

Mr. Salitros asked what projects these funds would be used for. Ms. Pieroni indicated it could be for the water looping project and completion of the industrial park to Marsh Road, noting that based on current projects the TID will not have sufficient dollars to complete both these projects. Mr. Salitros was concerned that we would be extending a dead-end main in the industrial park that will not be used in the foreseeable future. The asset would then become a depreciable expense on the water bills for the Utility rate payers. He also expressed concern that the Water Commission has no authority to make the final decision, noting that this decision will be left to the Council. It was clarified that the Commission would be reviewing these projects in advance of their consideration by the Council and that the Commission would need to make a recommendation to the Council relative to their position

on these projects as they relate to the Utility.

Finance Director's Report: No report.

Public Works Superintendent Report: All of the lead and copper samples that were tested passed.

Director of Public Works Report: No report.

Alderman Stebnitz moved, seconded by Mr. Pippitt, and unanimously carried to accept the staff reports.

WalCoMet: Nothing additional.

Consider recommendation for award of the Sanitary Sewer Rehabilitation Project to McCann's Underground of Oregon, WI for the ten sanitary sewer pipe liners and the two sanitary sewer point repairs for a total amount not to exceed \$98,077: Mr. Piester reported on the bids on that were received. Mr. Salitros asked if the contract is approved at a not to exceed amount, what authority does staff have to authorize a change order. Staff agreed that the contract should be approved without the "not to exceed" verbiage. Alderman Stebnitz moved to recommend to the Common Council to approve the award of the Sanitary Sewer Rehabilitation Project to McCann's Underground of Oregon, WI for \$98,077. The motion was seconded by Mr. Pippitt and unanimously carried.

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 Alderman Stebnitz and unanimously carried.

Susan Kitzman
City Clerk

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



5a

Memorandum

To: Members of the Water and Sewer Commission

From: Denise Pieroni, City Administrator

Date: October 9, 2017

Subject: City Administrator's Report to the Commission for the October 12th Meeting

WalCoMet Billings for February & March, and more recently July, Services: This issue relating to the impact of non-consecutive testing results has not yet been resolved. Although it did not involve a weekend issue, the July bill was based on test results from an additional Tuesday versus a Friday which again negatively impact the City in terms of the amount billed. I met with Neal, WalCoMet's recently appointed Administrator, and Cindy on September 20. I advised them that we need a permanent solution to this issue. Both seem to understand our concern and are working on options that will address this situation for the long-term. They advised me that they will be installing new flow monitoring and sampling equipment at our main discharge point and are hoping that they may be able to accommodate both the new and old units at this location. If this is possible they would gather samples from both, but would only use the sample from the old equipment if they were not able to get a sample from the new equipment. We should be hearing back from them by mid-November in terms of both a credit and what they are recommending to address this issue in the future.

Andes Candies: The most recent emails from Andes regarding a response to our proposed change in the high strength billing methodology is attached.

Refinancing of the 2007 Water Revenue Bonds with General Obligation Bonds: Attached for your information is the Sale Date Report on the recent refinancing. The good news is that they were able

Highway 50 Project: The cost to date for the water main work (including the work at the intersection of Geneva and Wright) on the Highway 50 D.O.T. contract stands at \$611,829.88. Mark is of the belief that the State has not yet invoiced the City for any of these construction costs and have only allotted for 20% of the mobilization amount. The other 80% of the mobilization costs will total an additional \$125,880, which would bring us in at \$737,709.88. Current Council approved contract amount is at \$749,650.

Denise Pieroni

Subject: FW: Update on Response to City Proposed High Strength Billing Modifications

From: Cloninger, Gregory [mailto:gcloning@tootsie-roll.com]
Sent: Thursday, September 21, 2017 8:21 AM
To: Denise Pieroni <cityadmin@ci.delavan.wi.us>
Subject: Re: Update on Response to City Proposed High Strength Billing Modifications

Just to let you know, I did contact Sigma Services to let them know we need to put our collective heads together soon so we can review where we stand currently and draft a counter proposal if necessary.

From: Denise Pieroni <cityadmin@ci.delavan.wi.us>
Sent: Wednesday, September 20, 2017 12:29 PM
To: Cloninger, Gregory
Subject: RE: Update on Response to City Proposed High Strength Billing Modifications

Thanks Greg for the update. It is greatly appreciated.

Denise Pieroni
City Administrator

From: Cloninger, Gregory [mailto:gcloning@tootsie-roll.com]
Sent: Wednesday, September 20, 2017 10:50 AM
To: Denise Pieroni <cityadmin@ci.delavan.wi.us>
Subject: Re: Update on Response to City Proposed High Strength Billing Modifications

Good morning Denise,

I hope your Summer has gone well...it has passed much too quickly.

Regarding our current status, the burden of communication lies with Andes. Unfortunately, we have had some delays that have prevented Leigh, Sigma Services and I from being able to get together and formally address our concerns with the City's latest proposal. Leigh was out of the Factory for 3+ weeks from late July until mid-August, then he had a death in his family that took him away for an additional week.

We have been challenged with project work requested by Wal-Mart that needs to be completed ASAP to meet their buying guides for 2018.

I know those sound like excuses, but they are all legitimate reasons that have contributed to our inability to gather as a group. We gave you and the Council our word that we would work towards an agreement by the end of the year. That remains our goal and I will do my best to expedite matters on our end.

Greg

Denise Pieroni <cityadmin@ci.delavan.wi.us>
Sent: Tuesday, September 19, 2017 2:58 PM

To: Cloninger, Gregory

Subject: Update on Response to City Proposed High Strength Billing Modifications

Gregg,

Hoping you can update me on the status of this matter. I has several members of the Council ask if we were close to reaching agreement.

Denise Pieroni

City Administrator



5c

Public Works Superintendent Report

To: Water & Sewerage Commission
From: James Piester, Public Works Superintendent
Date: October 9, 2017
Subject: Public Works Superintendent Report

2017 Capital Water & Sewer Utility Construction Projects: The Geneva Street/Hwy "50" Water Main portion of the project and the change ordered water main work on Wright Street is all completed.

August/September Public Works Maintenance Projects: Projects in the **Water and Sewer Division** include facilitating utility work with the contractor for the Hwy "50" project, maintenance work at the Water Treatment Facilities, city wide annual fire hydrant flushing, water main valve repairs and safe bacteriological distribution/ private well water sampling.

Projects at the **Street Division** include tree work, storm sewer catch basin repairs asphalt patch work at various locations, street light work associated with the Geneva Street Reconstruction Project and maintenance work on buildings and vehicles.

Public Works/Emergency Call Ins: Maintenance Worker Wilson responded to a call in on 8/15/17 for a booster pump failure at the Central Treatment Facility. Wilson was also called in on 8-16-17 for a fail to run at the West Side booster station and on 8/20/17 for a water leak problem in one of the units at 215 Franklin Street. Maintenance Worker Kaiser responded to call in on 8/26/17 for a sanitary sewer lateral backup at 322 S. Seventh Street. The problem was determined to be in their private lateral.

In-house/ Projects The Water Utility performed twenty lead and copper samples on June 26th. The samples were all analyzed by Northern Lake Service Inc. and are all below the maximum contaminant levels. Consumer/ Customer letters were sent out within (30) days indicating results for lead and copper and a 2107 certification to the DNR for compliance of Lead and Copper sampling.