

**NORTH SHORE WATER COMMISSION  
MEETING OF February 9, 2011**

A meeting of the North Shore Water Commission was held at the Filtration Plant, 400 West Bender Road, Glendale, Wisconsin on Wednesday, February 9, 2011.

Meeting was called to order at 7:30 A.M.

Present: Daniel Naze, Chairman; Michael West, Secretary; Richard Maslowski, Member

Also present: Eric Kiefer, Plant Manager & Recording Secretary; Jonathan Lee, Computer Administrator; Mark Peters, Operator Technician; John Knepel, Partner of Baker Tilly Virchow Krause

Absent: Richard Foster, Alternate for Whitefish Bay; Susan Robertson, Alternate for Fox Point; Dave Eastman, Alternate for Glendale

FINANCIAL AUDIT

John Knepel of Baker Tilly Virchow Krause presented the 2010 financial statements and the report on internal controls in draft format. There was a great deal of discussion regarding how to handle the surplus funds in the operating fund. There has been a history of the members taking one of two actions when there are surpluses. The most recent practice is to transfer each member's allocation of the surplus into the maintenance reserve fund. An older practice is to credit each member their allocation of the surplus—which reduces operating payments for the following year.

Because of the way funds are typically transferred into and out of the maintenance reserve fund, the allocation of the maintenance reserve fund does not match the capital allocation percentages. Over time, some members will accumulate excess fund balance and others will spend down their allocation. In 2011, it appears that Fox Point would be in risk of running a deficit in the maintenance reserve fund should there be a major expense and no additional money is transferred into the fund. To prevent this situation from occurring and to help correct the disparity between the members in allocations, the Commission discussed its alternatives.

John Knepel presented an alternative page which showed what fund balances would be at if only Fox Point transferred their allocation of the operating surplus to the maintenance reserve fund and the other two communities received credits to the operating fund. This alternative appeared to be the best solution at the time.

It was moved by Mr. West, seconded by Mr. Maslowski, and unanimously carried that the financial statements with the modifications presented by John Knepel regarding the transfer of operating surplus be accepted by the Commission.

PROPOSAL FOR FINANCIAL ANALYSIS

Baker Tilly provided a proposal for assisting the Commission in its analysis of the worth of the treatment plant as it pertains to the potential sale of share to the

Village of Shorewood. The level and type of analysis proposed was found to be too detailed and would take too much time at this point in our discussion with Shorewood. The Commission expressed its interest in getting an analysis with the same methodology in a report that was prepared by Conley, McDonald, Sprague & Co. in 1974 entitled, "Financial Study Showing Possible Benefits to the Participants of the North Shore Water Supply System by Furnishing Water to the Village of Bayside." The Plant Manager will work with Baker Tilley to get an updated proposal and may take action accordingly.

MINUTES

It was moved by Mr. Maslowski, seconded by Mr. West, and unanimously carried that the minutes for the meeting held Thursday, January 13 be approved as drafted.

MONTHLY REPORT OF PLANT OPERATIONS

Monthly reports of plant operations for January were placed on file without motion.

MONTHLY BILLS

It was moved by Mr. West, seconded by Mr. Maslowski and unanimously carried that the following bills for the month of January, 2011 be approved and authorization was given to the Fiscal Agent to make such payments:

Baker Tilly Virchow Krause (audit services)	5,000.00
Cintas (uniform and janitorial supplies)	315.77
City of Milwaukee (standby service)	1,350.00
Diversified Benefit Services (section 125 plan administration, annual set up fee)	199.28
Eric Kiefer (reimb: Google Apps renewal, stamps)	539.60
Fuchs & Boyle (legal services)	19.50
Grainger (pneumatic valves)	258.30
Great America (lease payment for office copier)	87.00
Great Lakes Excavating (snow removal services)	400.00
Hach Company (lab supplies)	174.95
Hawkins (treatment chemicals: aqua ammonia, polymer)	1,083.40
ITT Water & Wastewater (black nitrile nozzle caps for filter sandwash system)	1,505.86
Local Government Property Insurance Fund (property insurance renewal)	9,929.00
MMSD (4th quarter sludge disposal)	442.36
Modular Piping Supply (plumbing materials)	57.59
Northern Lake Service (water analysis service)	54.00
Office Copying Equipment (monthly maintenance agreement)	50.31
Office Depot (office supplies)	47.34
Rotroff Jeanson (monthly accounting services)	875.00
Starnet Technologies (control system support agreement)	10,880.00
Starnet Technologies (software support contract-Emerson/Bristol systems)	9,488.24
Time Warner Cable (Klode phone)	32.16
Time Warner Cable (internet service)	764.80

UPS Store (shipping)		245.78
US Cellular (cellular phone service)		42.45
Village Ace Hardware (unit heaters)		37.78
Village of Whitefish Bay (Bender phone: July - Dec 2010)		1,463.58
Waste Management (garbage disposal)		370.35
Waste Management LampTracker (mercury lamp disposal kit)		74.95
We Energies (Bender electric)		13,393.13
We Energies (Henry Clay electric)		12.80
We Energies (Klode electric)		4,317.25
We Engeries (Bender gas)		3,197.44
We Energies (Klode gas)		16.89
Wilkens-Anderson (lab supplies)		46.87
	SUB-TOTAL	\$66,773.73
<u>Maintenance Reserve</u>		
Emerson (SCADA upgrade equipment)		6,080.05
	SUB-TOTAL	\$6,080.05
	TOTAL	\$72,853.78

### DISCUSSION OF CHROMIUM

The Plant Manager discussed the current news regarding chromium-6 and the results from January's testing event. The level found in the raw water, water from our intake, was at 0.292 parts per billion (ppb). The level found in tap water entering the distribution system was at 0.289 ppb. All chromium-6 tests were analyzed by Columbia Analytical Services. This was unexpected because of a pervious testing event in early January of total chromium. Six samples were taken by two different employees throughout the water treatment process and all six results returned as not detected, which meant below 0.18 parts per billion. Northern Lake Service performed the analysis on that batch of samples. Total chromium samples were collected at the same time as the chromium-6 samples. Those samples were sent to Brooks Rand Labs which specializes in ultra-low level metal analysis; results are pending.

The Plant Manager described that the Commission is not in any violation because chromium-6, by itself, is not regulated. It is regulated under the group of contaminants called total chromium which has a limit of 100 ppb. Chromium-6 and total chromium levels found are well below the current limit. There is momentum, however, to make chromium-6 a regulated contaminant in the near future. It is unclear what the limit would be if it were regulated.

It was the consensus of the Commission that the Plant Manager should continue testing quarterly at the raw and tap sample points for chromium-6 and total chromium.

### INTERN

Christine Ciske, a student in the Moraine Park Technical College, requested to work as an unpaid intern to fulfill the conditions of her program. The internship would last no more than 216 hours and would require supervision by plant staff. It was moved by Mr. Maslowski, seconded by Mr. West and unanimously carried that the Christine Ciske be allowed to work as an unpaid intern for a period not to exceed 216 hours pending a letter of agreement from Technical College.

## COMPUTER ADMINISTRATOR'S QUARTERLY REPORT

In summary, RTU6 and RTU 7 were replaced with new devices. The full report is placed on file.

## DISCUSSION OF ALTERNATIVE STAFFING CONFIGURATIONS

The Plant Manager discussed the current staffing level and the upcoming change on December 31, 2011, which is the day the Computer Administrator position is set to expire. If no further action is taken, the plant will be staffed 24 x 7 with a staff of 1 Plant Manager, 3 Operator Technicians, 1 Relief Operator Technician, and 1 Working Foreman starting January 1, 2012. He asked for the Commission to consider different staffing alternatives. The Plant Manager indicated there are important maintenance tasks that cannot be completed with our current staff; if the Computer Administrator position is not kept, there would be important SCADA and IT tasks that would not be completed. More employees or contractors would have to be retained to keep the plant in good operating condition in the future.

Commissioners mentioned there are a lot of factors that must be considered. First, there may be legislative changes coming this year which would affect members' ability to increase the NSWC budgets. Communities, such as Glendale, are not filling vacant positions until it becomes clearer what is going to happen at the state level. Second, a level of service should be identified which keeps the plant running and well-maintained under normal conditions—the peaks in demand should be addressed with contractors. Third, the SCADA system is important to our operations and should be regularly maintained and upgraded to avoid a large one-time project in the future. Forth, planning documents should be prepared to explain future projects and how they will be funded.

The Plant Manager will present preliminary budget proposals in June or July with three alternatives representing different staffing configurations.

## PLANT MANAGER'S MONTHLY REPORT

1. Filter maintenance is underway. Surface sandwash nozzles are being repaired and the external surfaces are being pressure-washed.
2. The sludge pump motor for pump #1 in the lower basement has been successfully replaced and put back into service. Plant staff is currently working on replacing the motor for pump #2.
3. The ammonia injectors experienced severe plugging for the first time in a year. We are investigating the source of the problem so that we can prevent it from occurring again.
4. Plant staff met with member utilities and other water utilities to talk about distribution system concerns. The meeting included the viewing of an AWWA webcast and a discussion.
5. In an effort to minimize energy costs, the plant has been working with member utilities to change tank schedules. Currently, the tanks are filled at

night and water is pumped out during the day. As a result, we pump most of our water at night and idle all day long. Because of the inefficiencies of running our high service pumps at a low speed all day long, plant staff has suggested using the tanks differently to improve pumping efficiencies. Alternative schedules are being investigated.

6. Icing was detected at the intake on February 4<sup>th</sup> and 5<sup>th</sup>. Ice was flushed out by partially draining the raw water transmission main back to the shorewell; the increased head pressure in the shorewell pushed ice stuck on the intake grating back into the lake.
7. The heating system for the gutters at Bender failed in January. The gutters are freezing up and spilling over periodically. No major damage has been observed. Plans are being made to replace the system.
8. The air dryer for our compressed air system was repaired by plant staff. Several leaking valves were replaced—this fix has significantly reduced our demand for air.

#### CLOSED SESSION

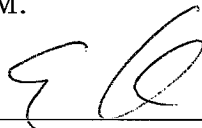
At 9:15 A.M., it was moved by Mr. West, seconded by Mr. Maslowski, and unanimously carried by roll call vote that the Commission meet in closed session pursuant to section 19.85(1)(c) Wisconsin Statutes to review the performance of the Plant Manager.

The Commission reconvened into regular session at 9:30 A.M.

It was moved by Mr. Maslowski, seconded by Mr. West, and unanimously carried that Plant Manager receive the same salary as earned in 2010 and, in addition, receive a one-time performance bonus on his next regular paycheck in the amount of \$4,000.

#### NEXT MEETING DATE AND ADJOURMENT

The meeting adjourned at 9:35 A.M. The next scheduled regular meeting will be on Wednesday, March 9, 2011 at 7:30 A.M.



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Eric Kiefer, Plant Manager & Recording Secretary