

CITY OF OAK CREEK WATER & SEWER UTILITY

OFFICIAL NOTICE

PLEASE TAKE NOTICE that the Water and Sewer Utility Commission will meet at the Oak Creek Water & Sewer Utility, 170 West Drexel Avenue, Oak Creek, Wisconsin, 53154 on Tuesday, November 8, 2016, at 9:00 am.

The purpose of this meeting will be to discuss the topics listed on the attached agenda.

It is possible that members of and possibly a quorum of members of our governmental bodies of the municipality may be in attendance at the above-stated meeting to gather information; no action will be taken by any governmental body at the above-stated meeting other than the governmental body specifically referred to above in this notice.

PUBLIC NOTICE

Please Note: Upon reasonable notice, a good faith effort will be made to accommodate the needs of disabled individuals through sign language interpreters or other auxiliary aid at no cost to the individual to participate in public meetings. Due to the difficulty in finding interpreters, requests should be made as far in advance as possible, preferably a minimum of 48 hours. For additional information or to request this service, contact the Oak Creek City Clerk at 414-766-7023 or write to the ADA Coordinator at the Health Department, City Hall, 8040 South 6th Street, Oak Creek, Wisconsin, 53154.

DATED, at Oak Creek, Wisconsin, this the 3rd day of November, 2016.

/s/ Michael J. Sullivan
General Manager

A G E N D A
WATER AND SEWER UTILITY COMMISSIONERS
CITY OF OAK CREEK

<u>TIME</u>	<u>DATE</u>	<u>LOCATION</u>
9:00 am	Tuesday November 8, 2016	Headquarters Building 170 West Drexel Avenue

1.0 OPENING OF MEETING

- 1.1 Roll Call
- 1.2 Minutes Approval - Regular Meeting 10-11-16

2.0 CLOSED SESSION

- 2.1 Closed session in accordance with Section 19.85 (1) (g) of the Wisconsin State Statutes for the following purpose:
 - A. CT Tank Compliance Project
 - B. Waukesha Water Sales Agreement

3.0 PROJECT APPROVALS

4.0 MISCELLANEOUS MATTERS

- 4.1 Certificate of Achievement for Excellence in Financial Reporting
- 4.2 Oak Creek/Waukesha Addendum to Letter of Intent
- 4.3 Deferred Payment Agreement Policy
- 4.4 AT & T Howell Tower Lease Amendment
- 4.5 Officer Elections
- 4.6 General Services Agreement with CDM Smith

5.0 FINANCIAL MATTERS

- 5.1 Project Payment Approval
- 5.2 Voucher Approval
- 5.3 Utility Investments
- 5.4 2017 Operating Budget Approval

6.0 ADMINISTRATIVE & OPERATIONS REPORTS

- 6.1 Aldermanic Report
- 6.2 Administrative Operations Report
- 6.3 Engineering Operations Report
- 6.4 Distribution Operations Report
- 6.5 Plant Operations Report
- 6.6 Manager's Report

7.0 ADJOURN



Government Finance Officers Association
203 N. LaSalle Street - Suite 2700
Chicago, IL 60601

Phone (312) 977-9700 Fax (312) 977-4806

10/21/2016

NEWS RELEASE

For Information contact:
Stephen Gauthier (312) 977-9700

(Chicago)--The Certificate of Achievement for Excellence in Financial Reporting has been awarded to **Oak Creek Water and Sewer Utility** by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management

An Award of Financial Reporting Achievement has been awarded to the individual(s), department or agency designated by the government as primarily responsible for preparing the award-winning CAFR. This has been presented to:

Annette L. Stenzel, Accounting Supervisor

The CAFR has been judged by an impartial panel to meet the high standards of the program including demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the CAFR.

The GFOA is a nonprofit professional association serving approximately 17,500 government finance professionals with offices in Chicago, IL, and Washington, D.C.

DEFERRED PAYMENT AGREEMENTS
Oak Creek Water and Sewer Utility
Effective January 1, 2017

The Oak Creek Water and Sewer Utility (Utility) shall offer deferred payment agreements to residential accounts (excluding residential tenants) and may offer such agreements to other customers, in accordance with PSC Administrative Code 185.38. The types of customers who would fall into the "other" category include Commercial, Industrial, Public Authority, Wholesale and tenants within any classification. A deferred payment agreement will be offered to these "other" classes of customers only under the following criteria:

Commercial, Industrial and Public Authority Customers – A deferred payment agreement will only be offered if the customer requests more time to pay their balance due. The agreement will allow a customer to pay their balance due over **three** months or less, with no penalties applied on the past due balance during this time. The final payment must be due by October 20 in order to allow the Utility to roll any unpaid balance to the tax roll on November 16 of the same year. Even though a deferred payment agreement may be provided to a customer, this does not preclude the Utility from sending delinquent bills or tax letters to the customer.

Wholesale Customers – Deferred payment agreements will not be offered to wholesale customers due to the large dollar amounts they are typically billed for.

Residential Tenant Customers – A deferred payment agreement will only be offered if the customer requests more time to pay their balance due. The agreement will allow a tenant customer to pay their balance due over **six** months or less, with no penalties applied on the past due balance during this time. The final payment must be due by October 20 in order to allow the Utility to roll any unpaid balance to the tax roll on November 16 of the same year. Even though a deferred payment agreement may be provided to a customer, this does not preclude the Utility from sending delinquent bills or tax letters to the tenant customer, homeowner and the landlord.

Commercial, Industrial and Public Authority Tenant Customers – A deferred payment agreement will only be offered if the customer requests more time to pay their balance due. The agreement will allow a tenant customer to pay their balance due over **three** months or less, with no penalties applied on the past due balance during this time. The final payment must be due by October 20 in order to allow the Utility to roll any unpaid balance to the tax roll on November 16 of the same year. Even though a deferred payment agreement may be provided to a customer, this does not preclude the Utility from sending delinquent bills or tax letters to the tenant customer, homeowner and the landlord.

All payment agreements shall be agreed to by both parties (the Utility and the Customer). The terms of the agreement shall be documented in writing and signed by both the Accounting Supervisor and the Customer. A copy will be provided to the Customer.

OAK CREEK WATER AND SEWER UTILITY
Operating Budget Summary - Water Utility
2017

	Actual 2015	Estimated Total 2016	Budget 2016	Variance - 2016 Est. to 2016 Bud. Favorable/ (Unfavorable)	Budget 2017	Variance - 2017 Budget to 2016 Est. Favorable/ (Unfavorable)
Operating Revenue:						
Metered sales - retail	\$ 5,170,945	\$ 5,427,410	\$ 5,247,500	\$ 179,910	\$ 5,590,200	\$ 162,790
Metered sales - wholesale	3,834,565	3,666,586	3,930,200	(263,614)	3,776,600	110,014
Unmetered sales	16,575	17,064	14,200	2,864	17,100	36
Private fire protection	166,787	171,473	165,800	5,673	171,500	27
Public fire protection - retail	1,061,175	1,080,349	1,074,400	5,949	1,112,800	32,451
Public fire protection - wholesale	74,716	75,898	75,800	98	78,200	2,302
Miscellaneous	359,836	356,837	373,900	(17,063)	362,100	5,263
Total Operating Revenue	10,684,599	10,795,617	10,881,800	(86,183)	11,108,500	312,883
Operating Expense:						
Operation expense:						
Source of supply-						
Labor	38,174	37,564	38,700	1,136	38,400	(836)
Materials	5,322	5,245	5,600	355	5,400	(155)
Pumping expense -						
Labor	264,152	273,276	274,600	1,324	283,800	(10,524)
Materials	490,467	490,592	490,700	108	504,500	(13,908)
Water treatment expense -						
Labor	335,989	337,103	345,600	8,497	348,900	(11,797)
Materials	2,245,576	461,508	460,100	(1,408)	475,300	(13,792)
Transmission and distribution -						
Labor	478,169	522,828	516,000	(6,828)	533,200	(10,372)
Materials	324,882	140,865	96,500	(44,365)	122,100	18,765
Customers' account expense -						
Labor	83,731	87,563	87,900	337	89,400	(1,837)
Materials	15,689	13,267	13,900	633	13,700	(433)
Administrative and general -						
Labor	131,136	131,087	131,400	313	133,700	(2,613)
Materials	1,027,163	1,225,507	1,025,500	(200,007)	1,310,000	(84,493)
Total operations expense	5,440,450	3,726,405	3,486,500	(239,905)	3,858,400	(131,995)
Allocated expenses						
Depreciation	204,072	89,714	92,300	2,586	66,200	23,514
Taxes	2,497,320	2,580,200	2,680,200	100,000	2,709,200	(129,000)
Taxes	1,856,585	1,861,185	1,808,800	(52,385)	1,917,000	(55,815)
Total Operating Expense	9,998,407	8,257,504	8,067,800	(189,704)	8,550,800	(293,296)
Net Operating Income	686,192	2,538,113	2,814,000	(275,887)	2,557,700	19,587
Nonoperating Revenues (Expenses)	(697,054)	(408,998)	(463,520)	54,522	(389,400)	19,598
Income Before Capital Contributions	(10,862)	2,129,115	2,350,480	(221,365)	2,168,300	39,185
Capital contributions						
Water connections	2,390,231	-	-	-	-	-
Water connections	-	-	-	-	-	-
Change in Net Assets	\$ 2,379,369	\$ 2,129,115	\$ 2,350,480	\$ (221,365)	\$ 2,168,300	\$ 39,185
Change in Net Assets, excluding capital contributions and water connections	\$ (10,862)	\$ 2,129,115	\$ 2,350,480	\$ (221,365)	\$ 2,168,300	\$ 39,185

OAK CREEK WATER AND SEWER UTILITY
Operating Budget Summary - Sewer Utility
2017

	Actual 2015	Estimated Total 2016	Budget 2016	Variance - 2016 Est. to 2016 Bud. Favorable/ (Unfavorable)	Budget 2017	Variance - 2017 Budget to 2016 Est. Favorable/ (Unfavorable)
Operating Revenue:						
Oak Creek charges	\$ 1,394,725	\$ 1,428,890	\$ 1,398,100	\$ 30,790	\$ 1,428,200	\$ (690)
MMSD charges	2,196,541	2,439,361	2,185,600	253,761	2,463,000	23,639
Other charges	116	3,040	200	2,840	3,000	(40)
Miscellaneous	48,393	48,289	47,500	789	48,200	(89)
Total Operating Revenue	3,639,775	3,919,580	3,631,400	288,180	3,942,400	22,820
Operating Expense:						
Operation expense:						
Sewer User Charge - MMSD	2,213,262	2,265,977	2,186,000	(79,977)	2,463,000	(197,023)
Pumping expense -						
Labor	5,152	8,380	5,400	(2,980)	8,500	(120)
Materials	4,107	3,992	4,500	508	4,100	(108)
Collection expense -						
Labor	224,411	224,178	230,500	6,322	228,800	(4,622)
Materials	47,032	28,271	54,200	25,929	29,100	(829)
Customers' account expense -						
Labor	48,097	49,821	50,100	279	50,800	(979)
Materials	6,724	5,685	6,000	315	5,900	(215)
Administrative and general -						
Labor	50,232	51,993	50,700	(1,293)	53,000	(1,007)
Materials	234,137	244,744	235,900	(8,844)	255,000	(10,256)
Total operations expense	2,833,154	2,883,041	2,823,300	(59,741)	3,098,200	(215,159)
Allocated expenses	200,907	292,992	293,000	8	301,800	(8,808)
Depreciation	483,129	533,100	583,100	50,000	559,800	(26,700)
Taxes	31,856	31,372	31,900	528	32,300	(928)
Total Operating Expense	3,549,046	3,740,505	3,731,300	(9,205)	3,992,100	(251,595)
Net Operating Income	90,729	179,075	(99,900)	278,975	(49,700)	(228,775)
Nonoperating Revenues (Expenses)	30,244	68,960	42,300	26,660	64,600	(4,360)
Income Before Capital Contributions	120,973	248,035	(57,600)	305,635	14,900	(233,135)
Capital contributions	2,002,637	-	-	-	-	-
Sewer connections	-	-	-	-	-	-
Change in Net Assets	\$ 2,123,610	\$ 248,035	\$ (57,600)	\$ 305,635	\$ 14,900	\$ (233,135)
Change in Net Assets, excluding capital contributions and water connections	\$ 120,973	\$ 248,035	\$ (57,600)	\$ 305,635	\$ 14,900	\$ (233,135)

ADMINISTRATIVE OPERATIONS

October 2016

Operating Budget:

Accounting Supervisor Stenzel prepared the Utility's annual operating budget for 2017.

Delinquent Notices:

Administrative staff mailed delinquent notices to 1,406 accounts stating that their balances are past due and will be placed on the tax roll, along with a 10% penalty if they are not paid by November 15. Notices were mailed to 1,348 customers in 2015 and 1,412 customers in 2014. The increase in the number of notices mailed for 2016 was 58 accounts, or 4.3%, and the decrease for 2015 was 64 accounts, or 4.5%.

Training:

Accounting Supervisor Stenzel attended the Baker Tilly Utility University seminar in Wisconsin Dells on October 11.

Workload:

Other administrative tasks included the following:

1. Added 4 customer accounts.
2. Billed 912 water customers and 942 sewer customers.

Gallons Billed (in thousands):

	YTD 2016	YTD 2015	YTD 2014	YTD 2013	YTD 2012	Average
Residential	356,853	345,139	337,437	347,137	413,147	359,943
Commercial	388,162	379,693	368,739	355,244	384,361	375,240
Industrial	358,326	325,520	339,196	327,406	304,383	330,966
Public Authority	11,262	17,897	13,518	16,565	19,165	15,681
Wholesale	1,130,097	1,203,894	1,119,490	1,156,845	1,272,908	1,176,647
Total	2,244,700	2,272,143	2,178,380	2,203,197	2,393,964	2,258,477
% Incr (Decr)	-1.2%	4.3%	-1.1%	-8.0%		

New Customers:

	YTD 2016	YTD 2015	YTD 2014	YTD 2013	YTD 2012	Average
Residential	22	21	19	26	30	23.6
Commercial	24	9	1	1	3	7.6
Industrial	0	1	0	0	0	0.2
Public Authority	1	1	0	0	0	0.4
Wholesale	0	0	0	0	0	-
Total	47	32	20	27	33	32
% Incr (Decr)	46.9%	60.0%	-25.9%	-18.2%		

New Commercial Customers (YTD 2016): Centennial Park (9 accounts), Chick Fil A (2 accounts), Pet Smart (2 accounts), Mattress Firm, Ryan Road Car Wash, Emerald Row Apartments, Sewing by Suzy, Autumn Creek Assisted Living Home, Splash Pad, Wheaton Franciscan Healthcare (2 accounts), Southfield Apartments (3 accounts)

Public Authority (YTD 2016): Oak Creek – Franklin School District

ENGINEERING OPERATIONS

October 2016

Forest Hill Water Main Relay

This project consists of relaying approximately 1,100' of water main in E. Forest Hill Avenue from approximately 600' east of S. Howell Avenue to S. Verdev Drive ahead of a planned City of Oak Creek paving project within the same limits. The design is approximately 95% complete and will be bid shortly after January 1, 2017.

As part of an agreement with the City of Oak Creek, the Utility has agreed to pay for the paving of half the road because numerous water main breaks in this vicinity have caused the road to degrade more quickly.

I-94 and Ryan Road Water Main Crossing

Preliminary permitting for soil borings on the east and west side of I-94 and Ryan Road is complete. Because of the numerous trees on the west side of I-94 at the existing crossing, the boring rig will need to enter on the freeway side. Consequently, the work will need to be done under a WisDOT permit. Engineering expects that permit to be issued within the next two weeks, after which time the borings will be done. Separate permitting through the WDNR and Army Corps of Engineers will be needed prior to actual construction of the new crossing. The work of receiving those permits is progressing concurrently with the design process. The plans and specifications are approximately 25% complete.

The State of Wisconsin budget cycle is still on-going. Thus WisDOT has yet to make a decision on the timing of their construction project. Without budget approval for WisDOT's interchange project, the question of compensability for Utility work still looms. At this time, it is not advisable to proceed with construction until the budget for the project is approved at the State level since between 90% and 100% of the Utility's project is compensable. However, the design for the project will be completed in time for a project next year in case it does get approved through the State budget process.

Thus Engineering will proceed with the design work, so that the project is shelf ready if and when the WisDOT interchange work is approved.

2016 Sanitary Sewer Rehabilitation Project

Plans and specifications for this project are complete. The project was advertised for bid on October 27, 2016 with a bid opening date of November 11, 2016. The project includes lining several thousand feet of sanitary sewer with approximately six excavations and pipe relays.

Partnership for Safe Water Distribution Improvements

This project consists of installing continuous chlorine monitors at both the Howell and Sycamore Tower sites. To date, both tower risers have been tapped, cabinets installed, and internal plumbing work completed. Engineering has also coordinated with Jack Knight of CH2M to integrate the monitors into the SCADA system. SCADA work should be complete in the next two months. Remaining work includes electrical installation and system start up. When complete, the Utility will be able to monitor chlorine residual and pH continuously. This will allow the treatment plant staff to optimize the operation of these facilities – the main goal of the Partnership for Safe Water.

DISTRIBUTION & COLLECTION OPERATIONS

October 2016

Water Main Break:

On October 11th the Utility had a report of a main break at 2100 East Rawson Avenue. A crew was sent to repair a 12" DIP that had a 4" blow hole. The main was installed in 1966.

On October 27th the Utility had a report of a main break at 3349 East Puetz Road. A crew was sent to repair a 24" DIP that had a 3" blow hole. The main was installed in 1968.

On October 30th the Utility had a report of a main break at 3425 East Puetz Road. A crew was called in to repair a 24" DIP that had a 2.5" blow hole. The main was installed in 1968.

Lateral Repairs:

On October 18th a crew was sent to 10090 South Cindy Lane to repair a 1" copper lateral. After excavating the lateral the street side of the lateral was leaking by the flare.

Sewer:

The week of October 24th Dukes Root Control was in to treat 13,847 feet of sewer mains.

In October Utility workers removed deposits and ground flow lines in 26 manholes.

Miscellaneous:

In October semi-annual flushing was completed.

In October Utility workers completed 7 restorations, including asphaltting and landscaping.

On October 24th Utility workers had their annual hearing screenings and pulmonary functions test completed.

DISTRIBUTION GOALS 2016

JOB DESCRIPTION	GOALS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTALS
Meter Testing & Exchanges	400	92	111	66	11	8	32	34	30	40	29			453
New Installs	30	5	3	4	6	9	4	2	8	7	9			57
Cross Connection Inspections	200	26	44	23	22	32	33	30	23	8	17			258
Industrial Inspections		24	8	15	10	23	54	61	74	33	24			326
Orion Replacements	200	41	48	40	19	29	34	47	25	8	25			316
Water Main Repairs		5	1	1	-	-	3	3	7	-	3			-
Water Lateral Repairs		-	2	-	-	-	-	-	-	-	1			3
Annual Hydrant Flushing	2,128				1,500	593								2,093
Semi-annual Flushing	215										215			215
Quarterly Flushing	74x4	74						74						148
Flush Emergency Connections	3								3					3
Watermain Crossings	63	63												63
Hydrant Greasing - Caps	2,128				1,500	593								2,093
Hydrant Greasing - Packing	200						136	104						-
Hydrant Painting	500													240
Winterize Hydrants	58													-
Clean Sewers	185,000	17,096.0	29,638.0	20,161.0	16,434.0	28,838.0	39,454.0	15,477.0	27,039.0	6,824.0	2,949.0			203,910.0
Camera Sewers	90,000	-	953.0	12,662.0	17,361.0	19,828.0	23,156.0	13,139.0	10,537.0	4,437.0	2,646.0			104,719.0
Check Problem Sewers	4x39	39			39			44			39			161
Check Remote Sewer Mains	40													-
Check Remote Water Mains	25													-
Operate Valves	1,000	11	2	6	11	327	1,095	901	447					2,800
Valve Boxes Repaired or Adjusted		10	1	9	-	2	-	7	1	3	1			34
Stop Boxes Repaired or Adjusted		3	1	2	7	5	8	3	2	3	6			40
Concrete/Asphalt/Landscaping						13	4	7	1	19	7			51
Grout Manholes	25									1				-
Repair Manhole Chimneys											11			11
Catholic Protection Tests	11													0
Winterize Equipment						Done								0
Summerize Equipment						Done								0
Run All Equipment						Done					Done			0
MMSD Annual CIMOM Report						Done	Done							0
DNR eCMAR						Done	Done							0

PLANT OPERATIONS

October, 2016

PUMPAGE REPORT	2016 (pumpage in gallons)	2015 (pumpage in gallons)	Percentage of Change
Monthly pumpage	246,123,000	228,740,000	+7.6
Monthly average day	7,939,000	7,379,000	+7.6
Monthly peak day	(10/30/16) 9,940,000	(10/4/15) 8,460,000	+17.5
Yearly pumpage	2,423,295,000	2,338,138,000	+3.6
Yearly average day	7,945,000	7,691,000	+3.3
Yearly peak day	(8/11/16) 11,950,000	(7/31/15) 13,150,000	-9.1
West zone pumpage	100,810,000	97,930,000	+2.9

WATER QUALITY REPORT	Raw Water	Finished Water
Average free chlorine		1.55 mg/l
Total chlorine		1.76 mg/l
Average alkalinity	109.9 mg/l	109 mg/l
Average pH	8.3	8.1
Average fluoride	0.10 mg/l	0.71 mg/l
Average turbidity	2.3 N.T.U.	0.04 N.T.U.
Average temperature	57.0 °F	
Hardness	137 mg/l	137 mg/l

Preventative Maintenance Tasks: Staff completed 146 preventative maintenance tasks, 2 miscellaneous work orders, and 2 safety sessions during the month.

West Shore Water Producers Association: Operators Robe, Messerschmidt, Muschinski, Anaya and Plant Manager Francis attended the fall meeting of the West Shore Water Producers Association held October 6th at the Blue Harbor Resort and Conference Center in Sheboygan. Topics of discussion included UV construction at the Sheboygan Water Treatment Plant, Lake Michigan Sanctuary, and Underground clear wells and reservoirs. A tour of the Sheboygan Water Treatment Plant was also provided.

Basin Cleaning: Staff completed the annual cleaning and inspection of all flocculation and sedimentation basins. Sedimentation basin #3 cross collector showed signs of deterioration of the wear shoes. New shoes have been ordered.

WDNR Inspection: The Wisconsin Department of Natural Resources was on site to complete the treatment plant portion of the Sanitary Inspection. Staff is awaiting the written report detailing the results.

Raw Water Pump #7: A contactor assembly in the Allen-Bradley VFD cabinet failed on 10-19. Pieper Power was brought on site to troubleshoot and repair. Parts have been ordered.

Highlift Pump #2: A coil in the high voltage side of the MCC for pump 2 failed on 10-6. Pieper Power did the trouble shooting and has ordered the part.

