

UTILITY COMMISSION COMMITTEE MEETING

June 19, 2023

Brillion City Center

5:30 PM

CALL TO ORDER by Dave Schwahn at 5:30pm

ROLL CALL

Present: Vice Chair Dave Schwahn, Russ Boldt, Dan Farrell, Leonard Kopidlansky, Mary Jo Krueger (via zoom), Joe Levash

Absent: Chairperson Jeff Wittman

Staff: Patty Schreiber, Heather Gilbertson

Guests: Pete Litersky-MCO, Paul Much-MCO, Tony Kappell-McMahon

APPROVAL OF AGENDA

Motion: Levash moved to approve the agenda. Second by Farrell. All in favor. Motion carried.

APPROVAL OF MINUTES

Motion: Boldt moved to approve the minutes of the May 15, 2023, Water and Sewer Utility Meeting. Second by Kopidlansky. All in favor. Motion carried.

APPROVAL OF VOUCHERS

Farrell asked if the Triple P invoice payment was the final payment on the Reed Bed project. After review of the invoice, it was confirmed to be the final payment.

Motion: Levash moved to approve the Utility Vouchers as listed. Second by Farrell. All in favor. Motion carried.

CITIZEN INPUT - None

PROJECTS (I&I, LSL, General Utility)

Pine & Oak Project

Schreiber stated that Carol Wirth will be calling in to Monday's Committee of the Whole Meeting to discuss financing options for this project.

Lead Service Line Replacement Nothing discussed.

PUBLIC WORKS DIRECTOR

Replace Van/truck

Litersky stated that 2024 bidding for a new vehicle will begin soon. There are a couple of options they could go with including a truck with service boxes. There is a meeting tomorrow morning at 9:00am to discuss what options are available and prices. This will be discussed further at next month's meeting.

Easement – Braun Property

Discussion was had about the easement being for the City of Brillion. The easement is to allow the city onto Glen Braun's property for installation and repair of the lateral. Schreiber stated that there are no feet listed in the description. The feet will need to be wide enough to fit vehicles on should there need to be repairs. Schreiber will have the attorney review before recording.

Motion: Farrell moved to approve the sewer utility easement pending review and approval of the city's attorney. Second by Levash. All in favor. Motion carried.

906 Fairway – Utility hookup

Farrell stated this is a non-typical hookup therefore approval should be needed. They are going to use a pressurized sewer main from one property across another property and into a manhole cover. Litersky

said he is assuming that a curb box, water shut off and all the other stuff the city is responsible for will be installed on the resident's home.

Motion: Levash moved to approve the 906 Fairway Utility hookup. Second by Boldt. All in favor. Motion carried.

MCO REPORT

Monthly Report

Litersky gave his monthly report. DNR rep Trevor, all recommendations are going to be followed and all the required follow up actions have been taken care of. Going forward the reed bed sludge samples are going to be taken automatically. Facility bypass for tertiary filters, there is no blanket approval and staying at status quo. Flotation device is hung up and all other boxes have been checked. There were a couple of suggestions made, one being the Flood Control Grant program. This has been looked into in the past and spent a lot of money however no one else wanted to join in. Reed Beds report is the last 4 beds are cleaned out, which is a good. The product was going on to seal the cracks, some of the shoots for the reeds are already starting to pop up. Everything was up to McMahon and utility standard when they left. 2 ½ days to complete. All Reed Beds will start fulling equally.

Catastrophic failure must have happened Sunday afternoon into evening. The shaft broke on both clarifiers. Took one down and the whole thing just shakes. Lee's welding is the making the parts and will be here tomorrow to fix it. One clarifier is down right now. The other one is in line. Lee's will get one done tomorrow for sure. Much stated Trevor, the DNR rep, has been notified. Currently we are not in violation however we won't know for sure until the analysis comes back.

Well #2 has been pulled. Nothing has been heard back yet.

Replacement of 4 hydrants and a 10" valve on Hwy 10 is a go. Everyone has been notified. Water will be shut off at 9:00am. Things will be staged on Wes Kempen's lot on Hwy 10. The DPW will have the loader available and there. The Chief will have an officer on site. For sure 2 crews, possibly 3 to get the work done. The hydrant in front of the hotel will be the most difficult. Everyone was told 3:00pm for water turn on but the hope is by 1:00pm. The contractor is Hieptas. Ferguson will be on call if parts are missing.

Meter changes are happening. 10-12 meter changes so far. The goal is 130-140.

CMAR – RE23-11 2023 Compliance Maintenance Annual Report

Litersky states all letter grades are As. Reviewed grading summary.

Motion: Levash moved to recommend to council RE23-11. Second by Farrell. All in favor. Motion carried.

Spent Backwash Tank Base Replacement Quote

Litersky explained that where the pumps hook up to the pump bases is spraying and we are not getting to full capacity. Two quotes were received: Crane and Sabel. Both quotes include replacement of current pump base and adding a new one. The pump has been in there since 2003. Litersky stated these funds would come from the equipment replacement fund. Farrell suggested that we repair the one for now and if we have extra funds at the end of the year then purchase a new pump.

Motion: Farrell moved to approve the award Sabel the bid to repair the spent backwash piping at the cost of \$3856.48 without the new pump option. Second by Krueger. All in favor. Motion carried.

Grit Pip Report Quote

Litersky explained quotes received from Crane, \$4,826 and Sabel, \$2800. Sabel's quote from the base elbow replacement includes a deduction of \$575 if repaired same day.

Motion: Kopidlansky moved to accept the quote from Sabel for \$2,806.22. Second by Levash. All in favor. Motion carried.

ENGINEERS REPORT

Wastewater Treatment Facility Improvements Design Phase Services

Kappell prepared proposal for the design of the Wastewater Treatment Facility which will include:

- Upgrading the existing influent lift station with new pumps, electrical gear, and controls as well as increasing the wet well capacity and installing a new force main to the WWTF.
- Upgrading the Headworks facilities with new fine screening and new grit removal facilities.
- Retrofitting the two (2) existing 30-foot diameter primary clarifiers to pre-anoxic basins.
- Rehabilitating the two (2) existing aeration basins and construction of two (2) new aeration basins.
- Rehabilitating the two (2) existing final clarifiers and constructing two (2) new 30-foot diameter final clarifiers.
- Replacing existing aeration equipment, blowers, clarifier and sludge pumping equipment.
- Retrofitting four (4) existing tertiary gravity filters with new chemical conditioning and disk filter equipment.
- Rehabilitating the existing aerobic digesters and constructing additional aerobic digester tanks.
- Upgrading the WWTF electrical gear, backup power, controls and SCADA.

The Recommended Plan also includes continued utilization of the existing reed bed dewatering and solids storage system, assuming that the existing reed beds, which were originally constructed in 2000, are in satisfactory condition and have sufficient capacity for an extended service life.

The fee for this service is \$875,000.00 which is based on a percentage of probable construction cost.

Farrell asked when the lump sum payment is due. Invoice would be on a monthly basis, based on percentage of design including benchmarks as we go along. Kappell shared McMahan has agreed with other municipalities to hold back invoicing to a certain point to get the financing in line. Something they would be willing to entertain with us as well.

Funding

Carol Wirth from Wisconsin Public Finance Professionals, LLC presented via Zoom an outline and options for financing.

1. Discussions with Tony Kappell, McMahan Engineer
2. Design Services Phase Contract - \$900,000.00
3. Potential Funding Options – Revenue Bonds
 - a. Clean Water Fund Loan – 20 Year Loan – Subsidized Interest Rate 55% of Market
 - b. USDA Rural Development Loan – 40 Year Loan – Low Interest Rate
 - c. Municipal Bond Market
4. Funding Considerations
 - a. Timing – Needs for Funds
 - b. Borrowing Instrument (Short and Long Term Debt)
 - c. Financing Term Versus Useful Life of Project
 - d. Ability of Sewer Utility Revenues to Pay Debt Service
 - e. Borrowing Requirements and Timeline of Federal Loan Programs/Potential for Principal Forgiveness (Grants)
5. Wastewater Treatment Facility Upgrades Anticipated Timeline
 - a. Design Services Phase – 2023
 - b. Plans and Specifications – June 2024
 - c. Bidding – Late Fall 2024
 - d. Construction Commences – Late Spring 2025 – 2 year Construction Timelines
6. Design Services Phase:
 - a. Contract Requires \$900,000 Funding in 2023 – Council action on How to Provide for Contract Prior to Entering into Contract – where the money will come from will need to be In the motion
 - b. WPPFP Prepares and Presents Financial Plan to Fund Design Phase
 - i. Short-Term Construction Financing (Revenue Bond Anticipation Notes*)
 - ii. Does Not Count Against City’s Legal Debt Limit
 - iii. Does Not Require Funding of a Reserve Account
 - iv. Interest May be Borrowed For (Capitalized Interest)

- v. Revenue BAN is Refinanced with Long-Term Revenue Bonds
- c. WPPF Reviews City's 2015 Outstanding Revenue Bond Resolution for Additional Debt Provisions
- d. WPPF, Together with the City's Auditor, Reviews Sewer Utility's Financial Status and ability to Support Debt
- e. WPRP Prepares and Presents Financial Plan for Funding Design Services Phase

*Note: According to the provisions of the Wisconsin Statutes, Revenue Bond Anticipation Notes may be structured to have interest only payments for up to five years, with all principal due in the fifth year. Prepayment dates are included in the structure to provide the City with flexibility for refinancing with long-term permanent financing, typically between 3-5 years.

SUMMARY – The various stages of the wastewater treatment facility will require funding with the appropriate short or long-term funding instrument. Long-term funding through State or Federal loan programs have long timelines beginning with the application process through the closing of the loan. Short-term financing is secured in the municipal bond market and has a shorter timeline for completion. Both short and long-term financing options are secured by the revenues of the sewer system and/or a future refinancing, and do not count against the City's legal debt limit.

Wirth's plan is to review the bond resolution from 2015 to see if any of the terms are restrictive, then she will reach out to the auditor to work together to create a financing plan. Schreiber states that a follow up joint meeting of Utility Commission, Finance & Purchasing and Council will be best for Wirth to present her plan.

CHAIRMAN – None

CITY ADMINISTRATOR – None

CLERK TREASURER - None
PSC Rate Increase - No change

OLD BUSINESS – None

NEW BUSINESS – None

ADJOURNMENT

The meeting was adjourned at 6:44p.m.

Heather Gilbertson
Deputy Clerk/Treasurer