

Dimondale/Windsor Wastewater Treatment Plant
SEWER BOARD MINUTES
September 20, 2012

7:20 p.m. Meeting called to order by Chairperson Blair

Roll Call

Present: Blair, Chappell, Reznick

Absent: Ammarman (excused), Slucter (unexcused)

Also Present: Denise Parisian, Village Manager; Mark Hughes, WWTP Operator; Betsy Kelly, Recording Secretary.

Treasurer's Reports/Bills

Motion by Chappell, second Reznick, to accept the treasurer's report for August 16, 2012 as presented. Motion carried. Motion by Reznick, second Chappell, to accept the treasurer's report for September 20, 2012 as presented. Motion carried. Motion by Reznick, second Chappell, to approve payment of \$15,409.67 for August 16, 2012 bills. Motion carried. Motion by Reznick, second Chappell, to approve payment of \$24,714.63 for September 20, 2012 bills. Motion carried.

Minutes

Motion by Reznick, second Chappell, to approve the minutes of the July 19, 2012 regular meeting as presented. Motion carried. Motion by Reznick, second Chappell, to approve the minutes of the August 6, 2012 special meeting as presented. Motion carried.

Open to the Public

No comments were received.

Operator's Report

Mark Hughes reported on the lift station repair in River Run Estates and the current phase of the televising project.

Old Business

1. Hughes reported on the cost of a (second) portable generator for back up purposes versus a permanently installed piece of equipment at the Bridge Street lift station. He compared various energy costs associated with the options. Hughes stated that a conversation with Bridgeway Cummins revealed that new emission laws for portable generators going into effect in 2015 have caused a significant cost increase in the units and that none of the large suppliers will sell equipment that does not meet the new standards, making the permanent onsite generator the preferred choice for this project. Discussion followed regarding the ability to manage a system-wide power outage. Chappell spoke in favor of permanent backup power installed at the most critical lift station in the system.

New Business

1. Blair introduced the contract award for the sewer main replacement for consideration noting that of the three bids received, MacKenzie Company was lowest at \$427,615.00. Motion by Reznick, second Chappell, to award the bid for the bridge street force main river crossing project to MacKenzie Company in the amount of \$427,615.00. Motion carried, Ammarman and Slucter absent.
2. Parisian presented the updated rate study with the new proposed debt retirement included. She provided an in-depth overview of each component noting that one area lacking in the study is a factor that provides a capital reserve to actively grow a fund

balance to support unplanned expenses or failures. Parisian explained that the loan to pay for the river crossing project will cost users roughly \$65,000 in interest and fees over the course of the loan and suggested that the system would be better served by building reserves to help cover unexpected situations such as the one currently at hand. Discussion followed regarding observing the recommendation of the rate study to establish a rate; funding capital improvements at only 60%; and building the fund balance. Jim Hein, Village Trustee, questioned the return on investment for the auto rake replacement as part of the capital improvement plan. Hughes explained that the auto rake replacement is critical to the plant's continued ability to land apply sludge. Hein then questioned the manner in which the rate study tracks the accumulation of funds for each individual capital improvement project as the items seem to appear on different studies at different levels of funding from year to year. Significant discussion followed relevant to how the rate study calculates formulas. Staff will attempt to develop materials that will further clarify the existing documents. Hein and Blair both volunteered their services in the development of spreadsheets.

Motion by Reznick, second Chappell, to adjourn. Motion carried at 9:27 p.m.