

# **MINUTES OF A MEETING OF THE WATER UTILITY COMMISSION OF THE CITY OF CUDAHY, WISCONSIN HELD AT CITY HALL 5050 S. LAKE DRIVE ON THURSDAY DECEMBER 13, 2012**

The meeting was called to order at 4:00 P.M. by Chairman Miller with the following members in attendance: Mr. Kramer, Mr. Kober, Mr. O'Connell and Mr. Hanson. Superintendent Miller and Director of Public Works Lange also present.

## **APPROVE MINUTES OF THE OCTOBER 18, 2012 MEETING**

Moved by Mr. Kober, second by Mr. Kramer to approve the minutes of the October 18, 2012 meeting.  
All voting in favor.

## **PRESENTATION AND ACTION ON 2013 OPERATING AND MAINTENANCE BUDGET**

Superintendent Miller presented the 2013 Operating Budget. There was discussion on several maintenance issues that are due this year such as reservoir and intake inspections. Superintendent Miller noted that the budget included a 2% raise for all employees and also changes in the health insurance plan to include a deductible in 2013. The total budget increases 3.4% over 2012.

Moved by Mr. Hanson, second by Mr. Kramer to approve the 2013 O&M Budget as written.

All voting in favor.

## **2013 CAPITAL IMPROVEMENT BUDGET**

Superintendent Miller presented the 2013 Capital Budget. Capital items total \$177,500. The budget also recommends borrowing \$1.0 million to finance a water tower painting project and water main replacements. The budget also recommended a 3% rate increase which would be filed with the Public Service Commission in April.

There was considerable discussion on the issue of borrowing for water tower painting which is a maintenance item. There was also discussion of the long term effects of borrowing to pay for water main replacements, several commission members expressed concern that debt service would become the major expense. Commissioners asked the Superintendent to get more information on cash flow and rates required to fund annual water main replacement for the January 2013 meeting.

Moved by Mr. Kramer to pass the 2013 Budget for Other Capital items, totaling \$177,500 as written and to table all action on borrowing any funds or any other capital spending until more information can be reviewed. Second by Mr. Kober.

All voting in favor.

## **SUPERINTENDENT UPDATES**

Superintendent Miller reviewed recent utility operating issues including two very expensive water main repairs. Both repairs involved breaks on the main under off-sets installed to go under storm sewer structures and due to the depth and soil conditions a contractor was called in to do the work.

## **ADJOURNMENT**

There being no further business, it was moved by Mr. Kramer, second by Mr. O'Connell to adjourn.  
All voting in favor (5:25 PM)

Ken Kramer, Secretary

Attest: Bill Miller

## CUDAHY WATER UTILITY 2013 OPERATIONAL BUDGET

ACCT NO.	ACCOUNT	2011 ACTUAL	2012 BUDGET	2012 PROJECTED	2013 BUDGET
	SOURCE OF SUPPLY EXPENSE:				
602	purchased water	9,310	11,200	11,200	10,700
613	maintenance of intake		0		7,500
	<b>TOTAL SOURCE OF SUPPLY EXPENSE</b>	<b>\$9,310</b>	<b>\$11,200</b>	<b>\$11,200</b>	<b>\$18,200</b>
	PUMPING EXPENSE:				
620	supervision	12,856	15,966	16,000	16,171
623	fuel or power purchased	212,778	201,000	210,000	212,750
624	labor	18,592	22,067	21,500	22,840
626	miscellaneous maintenance		250		250
	MAINTENANCE				
631	structures	11,849	13,034	14,500	14,420
632	power production equipment	9,998	13,934	14,000	13,670
633	pumping equipment	30,482	39,351	38,750	40,516
	<b>TOTAL PUMPING EXPENSE</b>	<b>\$296,555</b>	<b>\$305,602</b>	<b>\$314,750</b>	<b>\$320,617</b>
	WATER TREATMENT EXPENSE:				
640	supervision	20,160	27,941	27,500	28,300
641	chemicals	99,711	106,000	101,000	101,500
642	labor & operating expense	172,875	179,884	178,500	177,021
643	miscellaneous	31,784	27,100	21,500	22,750
	MAINTENANCE				
651	structures	50,345	60,989	74,000	61,385
652	water treatment equipment	62,720	90,631	87,500	90,956
	<b>TOTAL WATER TREATMENT EXPENSE</b>	<b>\$437,595</b>	<b>\$492,545</b>	<b>\$490,000</b>	<b>\$481,912</b>
	DISTRIBUTION EXPENSE:				
660	supervision	6,917	8,583	8,250	8,686
662	distribution lines	22,174	17,950	16,900	18,537
663	meters	2,279	5,110	6,350	8,319
664	customer installation	9,414	9,275	8,850	9,269
665	miscellaneous	7,875	7,000	7,150	7,500
	MAINTENANCE				
671	structures	0	0	0	0
672	reservoirs & standpipes	1,413	3,000	3,170	7,750
673	distribution mains	135,018	141,055	155,500	145,807
675	services	38,707	34,070	36,500	45,009
676	meters	5,078	6,225	6,150	6,560
677	hydrants	37,537	51,533	51,000	55,426
	<b>TOTAL DISTRIBUTION EXPENSE</b>	<b>\$266,412</b>	<b>\$283,801</b>	<b>\$299,820</b>	<b>\$312,863</b>

ACCT NO.	ACCOUNT	2011 ACTUAL	2012 BUDGET	2012 PROJECTED	2013 BUDGET
	<b>CUSTOMER ACCOUNTS EXPENSE:</b>				
901	supervision	3,629	4,040	4,000	4,284
902	meter reading	3,849	2,821	2,970	8,596
903	customer records and collection	36,768	21,911	21,500	19,779
	<b>TOTAL CUSTOMER ACCOUNTS EXPENSE</b>	<b>\$44,246</b>	<b>\$28,772</b>	<b>\$28,470</b>	<b>\$32,659</b>
	<b>ADMINISTRATIVE &amp; GENERAL EXPENSE:</b>				
921	office supplies	2,152	4,000	2,450	4,000
923	outside services employed	116,399	67,260	57,500	75,560
924	property insurance	10,800	12,000	11,000	12,000
925	injuries and damages	34,800	35,000	33,750	37,000
926	employees pension and benefits	223,144	205,494	197,000	206,689
928	regulatory commission and expense	12,483	3,000	3,000	0
930	miscellaneous	17,808	17,000	17,000	16,600
932	maintenance of general plant	0	750	700	500
	<b>TOTAL ADMIN &amp; GENERAL EXPENSE</b>	<b>\$417,586</b>	<b>\$344,504</b>	<b>\$322,400</b>	<b>\$352,349</b>
	<b>TOTAL OPERATING EXPENSE</b>	<b>\$1,471,704</b>	<b>\$1,466,423</b>	<b>\$1,466,640</b>	<b>\$1,518,600</b>
	<b>PERCENT CHANGE</b>				
	1. Percent change in 2012 projected = the change in 2012 projected vs. 2011 actual spending.				<b>-0.34%</b>
	2. Percent change in 2012 budget = the change in 2012 budget vs. 2012 projected spending.				<b>0.01%</b>
	3. Percent Change 2012 Budget vs. 2013 Budget.				<b>3.44%</b>

# 2013 CAPITAL IMPROVEMENTS

## Capital Improvement Plan

	<b>Budget</b>
Bond Payment - principle only	192,300
New debt service	75,720
<b>TOTAL:</b>	<b>268,020</b>

## Additional Capital Items

	<b>Budget</b>
SCADA SYSTEM UPGRADE	30,000
STAIRS - RAPID MIX AREA	16,000
HMI SCEENS - UV SYSTEM	9,000
HYDRANT REPLACEMENTS	22,000
VALVE REPLACEMENTS	25,000
WATER METERS	30,000
COPIER/PC REPLACEMENTS	3,500
MISC POWER EQUIPMENT	4,000
FILTER CONTROL VALVES	8,000
REPLACE 1 RAW WATER PUMP	30,000
<b>TOTAL:</b>	<b>177,500</b>