

MINUTES OF A MEETING OF THE WATER UTILITY COMMISSION OF THE CITY OF CUDAHY, WISCONSIN HELD AT CITY HALL CONFERENCE ROOM B, 5050 SOUTH LAKE DRIVE ON THURSDAY OCTOBER 21, 2010

The meeting was called to order at 4:06 P.M. by Chairman Kober with the following members in attendance: Mr. Kramer, Mr. Heidenreich and Mr. Miller. Superintendent Miller also present. Mr. Hanson was absent and excused.

APPROVE MINUTES OF THE SEPTEMBER 23, 2010 MEETING

Moved by Mr. Miller, second by Mr. Kramer to approve the minutes of the September 23, 2010 meeting.

All voting in favor.

REVIEW AND APPROVAL OF 2011 OPERATING BUDGET

Superintendent Miller reviewed the proposed 2011 Operating budget (attached) and highlighted several items:

- Account 602, there is a new Great Lakes Water Withdrawal fee the utility must pay the WI DNR \$7400
- Health Insurance costs increased 8%
- Account 676 Amortized meter expense is now \$0
- The Utility must begin funding Cross Connection programs \$15,000
- Retiree health insurance expense is \$11,382
- City charges for network support are \$5000
- There is an item to spend \$20,000 for an operations audit to review utility operations and infrastructure. This will assist with any type of master plan.
- One summer employee has been moved to the billing office and costs will be shared between all utility funds.
- Travel to the National AWWA Conference was not funded, some additional funds are budgeted for training.

There was discussion regarding some of the new charges. Mr. Heidenreich asked how long it had been since the last operation audit (1993), the commissioners discussed funding the operations audit, but waiting until late in 2011 to do the work so staff could review income and expenses before moving forward with the work. The Superintendent responded that this was very easy to do.

Moved by Mr. Miller, second by Mr. Kramer to approve the 2011 Operations Budget. All voting in favor.

REVIEW AND APPROVAL OF 2011 CAPITAL BUDGET

Superintendent Miller reviewed the 2011 Capital Budget (attached) and 5 year capital plan, he reminded the Commissioners that the 5 year plan is a guidance document that is adjusted each year, approval of the 2011 budget does not approve projects in the 5 year plan after 2011.

There was discussion on the need for filter plant valve actuators and the condition of the 1997 service truck. There was also discussion about the difficulty of funding watermain replacement through the depreciation expense. An error was found for the income from private fire lines. The Superintendent was directed to make the correction.

Moved by Mr. Heidenreich, second by Mr. Miller to approve the 2011 Capital Budget with the corrections to the income from private fire lines. All voting in favor.

SUPERINTENDENTS REQUEST TO SUBMIT RATE CASE APPLICATION TO THE WISCONSIN PUBLIC SERVICE COMMISSION

Superintendent Miller requested authority to submit a rate increase application to the PSC. Given the number of utility's seeking rate increases it is taking over 6 months for the PSC to process a rate application at this time.

The Superintendent explained that this would give him permission to begin the process but the Commission would have several months before they would have to make a decision on the size of the increase.

Moved by Mr. Miller, second by Mr. Kramer to give the Water Superintendent authority to submit a rate case to the WI Public Service Commission. All voting in favor.

ADJOURNMENT

There being no further business, it was moved by Mr. Miller, second by Mr. Heidenreich to adjourn.
All voting in favor (5:00 PM)

Ken Kramer, acting Secretary

Attest: Henry Kober

CUDAHY WATER UTILITY 2011 OPERATIONAL BUDGET

ACCT NO.	ACCOUNT	2009 ACTUAL	2010 BUDGET	2010 PROJECTED	2011 BUDGET
	SOURCE OF SUPPLY EXPENSE:				
602	purchased water	10,778	3,600	3,500	3,600
613	maintenance of intake	0	8,000	0	0
	TOTAL SOURCE OF SUPPLY EXPENSE	\$10,778	\$11,600	\$3,500	\$3,600
	PUMPING EXPENSE:				
620	supervision	26,928	15,232	15,200	15,930
623	fuel or power purchased	184,066	201,550	195,000	196,400
624	labor	23,368	21,592	21,600	22,278
626	miscellaneous maintenance	156	250	200	250
	MAINTENANCE				
631	structures	13,685	13,246	12,500	13,389
632	power production equipment	11,421	12,796	11,950	13,639
633	pumping equipment	42,966	37,091	37,000	39,667
	TOTAL PUMPING EXPENSE	\$302,590	\$301,757	\$293,450	\$301,553
	WATER TREATMENT EXPENSE:				
640	supervision	36,492	26,657	26,650	27,491
641	chemicals	129,212	119,300	110,000	113,300
642	labor & operating expense	179,154	189,062	180,000	182,411
643	miscellaneous	28,838	32,450	30,000	25,600
	MAINTENANCE				
651	structures	73,915	55,850	59,000	60,840
652	water treatment equipment	86,330	85,483	90,000	90,158
	TOTAL WATER TREATMENT EXPENSE	\$533,941	\$508,802	\$495,650	\$499,800
	DISTRIBUTION EXPENSE:				
660	supervision	10,426	8,241	8,241	8,608
662	distribution lines	18,750	17,118	18,000	17,520
663	meters	2,833	3,500	3,450	3,489
664	customer installation	9,458	8,809	8,800	9,060
665	miscellaneous	6,118	7,000	7,100	6,750
	MAINTENANCE				
671	structures	0	0	0	0
672	reservoirs & standpipes	735	2,350	900	2,000
673	distribution mains	125,785	132,142	145,000	135,808
675	services	30,734	32,989	33,000	49,882
676	meters	14,514	13,897	17,000	6,757
677	hydrants	37,899	45,069	46,000	50,309
	TOTAL DISTRIBUTION EXPENSE	\$257,252	\$271,114	\$287,491	\$290,183

2011 CAPITAL IMPROVEMENTS

Capital Improvement Plan

	Budget
Bond Payment - principle only	185,200
Packard Watermain Replacement	350,000
TOTAL:	535,200

Additional Capital Items

	Budget
Install VFD at Pump Station	20,000
Hydrant Replacement	25,000
Valve Replacement	25000
Replace service truck with utility box, 1997 Ford F 350	40,000
Filter valve controllers/actuators	12,000
Misc tools	4,000
TOTAL:	126,000

**CUDAHY WATER UTILITY
5 YEAR (2011-2015)
CAPITAL IMPROVEMENT PLAN**

INITIAL FUND BALANCE

228,872

YEAR	PROJECT	STATUS	COST	CUMULATIVE COST	FUNDING	CUMULATIVE FUNDING	CAPITAL BALANCE
2011	Packard Ave Watermain		350,000				
	Other Capital Items		126,000				
	Total		476,000	476,000	550,000	778,872	302,872
2012	Watermain Replacement		350,000				
	Water Tower Painting		450,000				
	Other Capital Items		150,000				
	Total		950,000	1,426,000	550,000	1,328,872	-97,128
2013	Watermain Replacement		350,000				
	Other Capital Items		150,000				
	Total		500,000	1,926,000	550,000	1,878,872	-47,128
2014	Floc #2 and # 3 Rehab		225,000				
	1 Raw Water Pump		30,000				
	Other Capital Items		150,000				
	Building Maintenance		50,000				
	Total		455,000	2,381,000	600,000	2,478,872	97,872
2015	Watermain Replacement		400,000				
	Other Capital Items		150,000				
	Total		550,000	2,931,000	600,000	3,078,872	147,872

(A) Actual costs, project complete

(W) Work started, not complete

[R] Revised

[P] Planning