

# **MINUTES OF A MEETING OF THE WATER UTILITY COMMISSION OF THE CITY OF CUDAHY, WISCONSIN HELD AT CITY HALL CONFERENCE ROOM A, 5050 SOUTH LAKE DRIVE ON THURSDAY DECEMBER 17, 2009**

The meeting was called to order at 4:02 P.M. by Chairman Kober with the following members in attendance: Mr. Heidenreich and Mr. Miller. Superintendent Miller and Director of Public Works Lange also present. Mr. Marsh and Mr. Kramer absent and excused.

## **APPROVE MINUTES OF THE JULY 16, 2009 MEETING**

Moved by Mr. Heidenreich, second by Mr. Miller to approve the minutes of the July 16, 2009 meeting.

All voting in favor.

## **DISCUSSION AND ACTION ON 2010 OPERATING AND MAINTENANCE BUDGET**

Superintendent Miller presented the 2009 O&M Budget to the Commission.

- Overall spending is budgeted to increase 2.1%.
- The utility is seeing some savings through the office consolidation and reallocation of Ms. Lange's salary.
- Energy costs continue to increase.
- Chemical costs have stabilized in the last 12 months.
- Union wages will increase 2.5% and health insurance will increase 9%.

After some discussion it was moved by Mr. Heidenreich, second by Mr. Miller to accept the 2010 Operating and Maintenance Budget.

All voting in favor.

## **2010 CAPITAL IMPROVEMENT BUDGET**

- The capital budget includes building brick replacement, valve and hydrant replacement and a leak correlator.
- No water main relays or major construction is planned.

The Superintendent and Public Works Director discussed the current financial state of the utility. Water pumpage is down due to the economy and revenue is flat even after the 2009 rate increase. They recommended delaying any major capital borrowing in 2010 while the utility reviews current finances and capital needs and develops a long range rate structure plan.

After some discussion it was moved by Mr. Heidenreich, second by Mr. Miller to accept the 2010 Capital Improvement Budget.

All voting in favor.

## **2010 BRASS GOODS PRICES**

Superintendent Miller presented the 2010 Brass Goods Prices to the Commission.

Moved by Mr. Heidenreich, second by Mr. Miller to approve the 2010 Brass Goods Prices as written.

All voting in favor.

## **2010 SPECIAL WORK RATES**

Superintendent Miller presented the 2010 Special Work Rates to the Commission.

Moved by Mr. Heidenreich, second by Mr. Miller to approve the 2010 Special Work Rates as written.

## **ADJOURNMENT**

There being no further business, it was moved by Mr. Miller, second by Mr. Heidenreich to adjourn.

All Voting in favor (4:42 PM)

John Heidenreich, Secretary

Attest: Henry Kober

## CUDAHY WATER UTILITY 2010 OPERATIONAL BUDGET

ACCT NO.	ACCOUNT	2008 ACTUAL	2009 BUDGET	2009 PROJECTED	2010 BUDGET
	SOURCE OF SUPPLY EXPENSE:				
602	purchased water	3,500	3,450	10,780	3,600
613	maintenance of intake	7,882	0	0	8,000
	<b>TOTAL SOURCE OF SUPPLY EXPENSE</b>	<b>\$11,382</b>	<b>\$3,450</b>	<b>\$10,780</b>	<b>\$11,600</b>
	PUMPING EXPENSE:				
620	supervision	25,128	18,670	15,000	15,232
623	fuel or power purchased	190,670	192,650	191,000	201,550
624	labor	20,473	20,438	20,500	21,592
626	miscellaneous maintenance	0	500	0	250
	MAINTENANCE				
631	structures	16,848	12,819	11,500	13,246
632	power production equipment	10,661	11,719	10,500	12,796
633	pumping equipment	37,217	35,860	37,500	37,091
	<b>TOTAL PUMPING EXPENSE</b>	<b>\$300,997</b>	<b>\$292,656</b>	<b>\$286,000</b>	<b>\$301,757</b>
	WATER TREATMENT EXPENSE:				
640	supervision	38,015	32,673	26,650	26,657
641	chemicals	102,071	115,200	112,000	119,300
642	labor & operating expense	182,977	180,015	178,000	189,062
643	miscellaneous	30,166	33,550	29,500	32,450
	MAINTENANCE				
651	structures	92,427	53,608	65,000	55,850
652	water treatment equipment	80,651	80,498	86,000	85,483
	<b>TOTAL WATER TREATMENT EXPENSE</b>	<b>\$526,307</b>	<b>\$495,544</b>	<b>\$497,150</b>	<b>\$508,802</b>
	DISTRIBUTION EXPENSE:				
660	supervision	10,861	9,960	9,000	8,241
662	distribution lines	12,180	16,096	16,250	17,118
663	meters	1,572	3,343	2,850	3,500
664	customer installation	6,217	8,548	8,550	8,809
665	miscellaneous	6,905	7,000	6,250	7,000
	MAINTENANCE				
671	structures	695	700	0	0
672	reservoirs & standpipes	0	1,900	1,850	2,350
673	distribution mains	139,579	127,678	126,500	132,142
675	services	27,895	33,754	32,500	32,989
676	meters	23,419	13,721	13,500	13,897
677	hydrants	30,382	42,326	43,500	45,069
	<b>TOTAL DISTRIBUTION EXPENSE</b>	<b>\$259,705</b>	<b>\$265,026</b>	<b>\$260,750</b>	<b>\$271,114</b>



# 2010 CAPITAL IMPROVEMENTS

## Capital Improvement Plan

	<b>Budget</b>
Bond Payment - principle only	185,200
<b>TOTAL:</b>	<b>185,200</b>

## Additional Capital Items

	<b>Budget</b>
Replace plant control valve	35,000
Brick replacement/repair north side of plant	30,000
Hydrant replacement ( \$3000 x 12)	36,000
Valve replacement ( \$1600 x 15)	24,000
Valve replacement on Packard 10" line	15,000
Fiber optic line from plant to city hall - will require line stopping	15,000
Leak Correlator	21,000
VFD for High Service Pump #2, would help when tower is painted	15,000
Misc filter bed valve replacement	10,000
<b>TOTAL:</b>	<b>201,000</b>

**CUDAHY WATER UTILITY  
10 YEAR (2005-2014)  
CAPITAL IMPROVEMENT PLAN**

**INITIAL FUND BALANCE 418,109**

YEAR	PROJECT	STATUS	COST	CUMULATIVE COST	FUNDING	CUMULATIVE FUNDING	CAPITAL BALANCE
2005	Bond Payment	A	140,780				
	Whitnall Main Replace	A	169,061				
	1 High Service Pump(Changed to RWP)	A	20,748				
	Unmanned operations	W	10,000				
	<b>Total</b>		<b>340,589</b>	<b>340,589</b>	<b>350,000</b>	<b>350,000</b>	<b>427,520</b>
2006	Bond Payment	A	137,910				
	1 High service pumps	A	30,031				
	1 Backwash Pump	R	0				
	Floc Replacement	A	145,983				
	Pave Pump Station Road	A	9,540				
	<b>Total</b>		<b>323,464</b>	<b>664,053</b>	<b>350,000</b>	<b>700,000</b>	<b>454,056</b>
2007	Bond Payment	A	138,510				
	SCADA PLC Upgrade	A	214,039				
	KK Main Replace	R	204,278				
	Backhoe	A	71,620				
	<b>Total</b>		<b>628,447</b>	<b>1,292,500</b>	<b>350,000</b>	<b>1,050,000</b>	<b>175,609</b>
2008	Bond Payment -Principle and Interest	R	224,579				
	Raw Water Pump with Drive		0				
	Building Maintenance/ driveway paving	A	34,150				
	<b>Total</b>		<b>258,729</b>	<b>1,551,229</b>	<b>425,000</b>	<b>1,475,000</b>	<b>341,880</b>
2009	Bond Payment -Principle and Interest	R	335,000				
	Squire Ave Watermain	E	235,000				
	<b>Total</b>		<b>570,000</b>	<b>2,121,229</b>	<b>425,000</b>	<b>1,900,000</b>	<b>196,880</b>
2010	Bond Payment -Principle and Interest	R	334,740				
	<b>Total</b>		<b>334,740</b>	<b>2,455,969</b>	<b>425,000</b>	<b>2,325,000</b>	<b>287,140</b>
2011	Bond Payment -Principle and Interest	R	340,000				
	1 Backwash Pump		25,000				
	1 Raw Water Pumps		30,000				
	<b>Total</b>		<b>395,000</b>	<b>2,850,969</b>	<b>475,000</b>	<b>2,850,000</b>	<b>417,140</b>
2012	Bond Payment -Principle and Interest	R	335,274				
	Watermain Replacement		300,000				
	<b>Total</b>		<b>635,274</b>	<b>3,486,243</b>	<b>475,000</b>	<b>3,275,000</b>	<b>206,866</b>
2013	Bond Payment -Principle and Interest	R	340,692				
	1 Raw Water Pump		30,000				
	Building Maintenance		50,000				
	<b>Total</b>		<b>420,692</b>	<b>3,906,935</b>	<b>475,000</b>	<b>3,750,000</b>	<b>261,174</b>
2014	Bond Payment -Principle and Interest	R	350,000				
	Watermain Replacement		300,000				
	<b>Total</b>		<b>650,000</b>	<b>4,556,935</b>	<b>475,000</b>	<b>4,225,000</b>	<b>86,174</b>

(A) Actual costs, project complete

(W) Work started, not complete

[R] Revised

Bond payments are an estimate based on a possible \$1,000,000 bond in 2008 combined with existing debt.

Payments for the new bond are estimated to be \$144,000 per year.

NOTE - 2008 Raw water pump