

JOINT POWERS WATER BOARD MINUTES
Regular Meeting of
February 26, 2007
6:00 PM JPWT Plant Board Room

6:00 PM **Call to Order** by Chairperson Ron Klecker

Board Members Present: Joyce Paullin, Jerry Zachman, Joe Hagerty, Gerhardt Kottke, and John Vetsch (6:04)

Board Members Absent: None

Staff Present: Chris Larson and Chris Catlin, H.R. Green, Kelly Browning & Shelly Keyes, Veolia Water NA

Staff Absent: None

MOTION BY PAULLIN, SECOND BY HAGERTY, TO ADOPT THE AGENDA AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

Paullin requested modification of the January minutes to indicate the reason Vetsch abstained from voting on the December minutes was because he was absent from the December meeting. MOTION BY ZACHMAN, SECOND BY PAULLIN, TO APPROVE THE MODIFIED MINUTES OF THE JANUARY 22, 2007 REGULAR MEETING. MOTION CARRIED UNANIMOUSLY.

MOTION BY PAULLIN, SECOND BY KOTTKE, TO APPROVE THE CONSENT AGENDA AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

In **Unfinished Business**, Keyes explained she is preparing a comparison of banking rates for Board review and anticipates presenting the information at the March meeting. No action required by the Board.

In other **Unfinished Business**, Browning introduced Board Members to Chris Larson, an HR Green engineer currently handling JPWB projects. Browning explained Chris Catlin continues to work for HR Green on a casual basis and is providing assistance/support to Larson as he becomes familiar with JPWB projects. Browning added the JPWB should discuss whether to remain with HR Green or request proposals for engineering services.

Klecker asked if Board Members preferred to continue working with HR Green and look for bids at a later date. Paullin stated she agrees with staff recommendation to remain with HR Green and give Larson an opportunity to handle existing projects. Kottke pointed out the difficulty of switching engineering firms mid-project and felt utilizing Catlin's experience to train Larson makes the most sense. Zachman and Vetsch agreed and asked Larson for background. Larson stated he graduated from Michigan Tech in 1995, pursued other areas of engineering for a few years, began designing water treatment plants for Bonestroo & Associates in 2000 and switched to HR Green in 2006 to handle Met Council interceptor work. Larson added he appreciated the opportunity to work with the JPWB. Board Members agreed by general consensus to maintain the current relationship with HR Green, Chris Larson and Chris Catlin and re-evaluate the situation prior to year-end and/or prior to starting any other big projects.

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In **New Business**, Browning presented the Veolia Water 2006 budget reconciliation. Browning explained Repair & Maintenance, Chemical and Utility accounts are reimbursable and overages associated with these accounts are actual costs with no profit or overhead included. Each year, the approved Joint Powers budget includes a contingency for those line items which increase in direct proportion to water usage. Browning add electric costs were higher this year due to an increase in costs per kilowatt hour and a 25% increase in water usage, along with significant peaks in demand during the summer months.

Hagerty questioned if the dry summer affected the electric rates and Browning confirmed there were many more high demand days much earlier in the season during 2006. Vetsch asked if the electric costs could be broken down per gallon of water. Browning stated that peak demand affects the electric bill the most, so if two wells off the same electric meter kick in within a twenty minute time span due to high consumer water demand, the electric costs soar during that time. If consumer demand remains consistently high without demand spikes, costs are more stable, but the variables make it difficult to assign electric rates to specific gallons of water pumped. Browning also noted that well usage is managed to avoid peak demand charges when possible.

Vetsch replied he's concerned that as the customer base grows, the overbudget amount will increase also. Catlin explained the zero-based budget means only actual costs incurred are paid by JPWB on overbudget amounts and added that the overage is actually created by the increased water sales during the summer season. MOTION BY PAULLIN, SECOND BY ZACHMAN TO APPROVE THE 2006 VEOLIA RECONCILIATION AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

Under **Engineering**, Larson discussed the County Road 19 Watermain Project Memo of Understanding received from Wright County. The Memo is a routine document required for watermain work on a county road and establishes the terms and conditions for payment of the water system improvements. Larson recommended Browning be authorized to sign the Memo of Understanding on the Board's behalf. MOTION BY PAULLIN, SECOND BY ZACHMAN TO AUTHORIZE KELLY BROWNING TO SIGN THE CSAH 19 WATERMAIN PROJECT MEMO OF UNDERSTANDING ON BEHALF OF JPWB. MOTION CARRIED UNANIMOUSLY.

Larson also presented an Opinion of Probable Cost worksheet for the CSAH 19 Watermain Project. Costs were separated between the water system expansion and the additional costs required due to the county roadwork, with a total estimated cost of \$380,000. The project consists of installation of 20" watermain from the JPWB treatment plant to the Albertville/St. Michael border with several future connections, valves and hydrants. The Project is expected to be bid in late March or early April.

Vetsch asked if the current 16" watermain was being replaced and Catlin responded the 20" will simply parallel the current line and both watermains will be utilized. Catlin added that some segments of watermain may need to be lowered and/or insulated. Vetsch asked if

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capital outlay funds would be used to pay for the project and Catlin replied that water connection fees collected will be used. No action required by the Board at this time.

Larson also updated the Board on the Well/Wellhouse #9 project. Traut Wells has moved the well hole 10 feet to the east and abandoned the previous site, according to well code, due to drilling problems. Larson added he confirmed with St. Michael City Engineer Steve Bot that there were no additional zoning requirements. Drilling is expected to take 60 days.

Encomm Midwest currently has their subcontractor building the wellhouse block walls and it is unclear if the subcontractor will be able to complete the masonry work with the drill rig onsite. No action required by the Board at this time.

Under **Operations/Office**, there was nothing to report.

MOTION BY PAULLIN, SECOND BY KOTTKE TO APPROVE THE LIST OF CLAIMS AS PRESENTED. MOTION CARRIED UNANIMOUSLY. Browning added the auditors had requested the 2006 Veolia reconciliation check be signed and processed after Board approval in order to complete the 2006 financials. Keyes explained the check was cut after the current List of Claims had already been completed and will be listed on the March List of Claims.

There was nothing to report for **Other Business/Announcements/Correspondence**.

MOTION BY VETSCH, SECOND BY PAULLIN, TO ADJOURN AT 6:38 P.M.
MOTION CARRIED UNANIMOUSLY.

Recording Secretary