



City of Racine

City Hall
730 Washington Ave.
Racine, WI 53403
www.cityofracine.org

Meeting Minutes - Final Waterworks Commission

*President Thomas Friedel, Vice President Kathy DeMatthew, Secretary Jeff Pellegrom
Mayor Gary Becker, Alderman Ronald D. Hart, Brian Anderson, Michael Staeck*

Tuesday, September 30, 2008

4:00 PM

City Hall Annex - Room 227

1. Roll Call

*OTHERS PRESENT: K. Haas, M. Gitter, K. Scolaro, N. Sanders, R. Pace, S. Cryer,
R. Gilbreath, J. Jordan, A. Wheeler, R. King, A. Lesnjak, T. Ramos, D. Lynaugh, R.
Lui, R. Keland, J. Hewitt, J. Fiacco, E. Granum*

PRESENT: 4 - Kathy DeMatthew, Brian Anderson, Ronald D. Hart and Thomas Friedel

EXCUSED: 3 - Jeff Pellegrom, Gary Becker and Michael Staeck

2. Approval of Minutes for the August 2008 Meeting

*Commissioner Anderson made a motion, seconded by Commissioner Hart, to
approve the minutes of the regular meeting of the Board of Waterworks
Commissioners held on Tuesday, August 26, 2008. The motion passed
unanimously.*

to Approve the Minutes

3. [08-2672](#)

Subject: Approval of the minutes of the special meeting of the Board
of Waterworks Finance Committee held on September 10, 2008

Recommendation: Approve

*Commissioner DeMatthew made a motion, seconded by Commissioner Anderson, to
approve the minutes of the special meeting of the Board of Waterworks Finance
Committee held on September 10, 2008. The motion passed unanimously.*

Approved

4. [08-2670](#)

Subject: Budget Expenditures for August 2008 totaling \$1,459,261.08

Recommendation: Approve

*Commissioner Hart made a motion, seconded by Commissioner DeMatthew, to
approve the budget expenditures for August 2008 totaling \$1,459,261.08. The
motion passed unanimously.*

Approved

5. [08-2674](#)

Subject: Bid Results on Contract W-08-7, 2008 Michigan Avenue
Elevated Tank Removal

Recommendation: Approve

*The General Manager submitted the bid results on Contract W-08-7 and
recommended approval.*

Commissioner Hart made a motion, seconded by Commissioner Anderson, to approve the low bid of Iseler Demolition, Inc. on Contract W-08-7, 2008 Michigan Avenue Elevated Tank Removal, in the amount of \$30,900.00. The motion passed unanimously.

Approved

6. [08-2675](#)

Subject: Bid Results on Contract W-08-8, 2008 Lead Service Replacement

Recommendation: Approve

The General Manager submitted the bid results on Contract W-08-8 and recommended approval.

Commissioner Hart made a motion, seconded by Commissioner Anderson, to approve the low bid of A. W. Oakes & Son, Inc. on Contract W-08-8, 2008 Lead Service Replacement, in the amount of \$221,935.00. The motion passed unanimously.

Approved

7. [08-2698](#)

Subject: Change Order No. 1 on Contract W-08-4, Sturtevant Utility/Road Improvements, A. W. Oakes & Son (contractor)

Recommendation: Approve

The General Manager submitted Change Order No. 1 on Contract W-08-4 in the credit amount of \$21,000.00 and recommended approval.

Commissioner Hart made a motion, seconded by Commissioner DeMatthew, to approve Change Order No. 1 on Contract W-08-4, Sturtevant Utility & Road Improvements, A. W. Oakes & Son, Inc. (contractor), bringing the total contract amount to \$925,179.90. The motion passed unanimously.

Approved

8. [08-2684](#)

Subject: Request from Caledonia East Sewer Utility District to Store Pipe Material on Water Utility Property

Recommendation: Approve

The General Manager noted that the Village of Caledonia is doing some rehabilitation work on a forcemain near Kewaunee Street. He mentioned that he received a call from Bob Lui from the Caledonia East Sewer Utility District requesting to store pipe material on Water Utility Property.

Commissioner Hart made a motion, seconded by Commissioner DeMatthew, to approve the request from the Caledonia East Sewer Utility District to store pipe material on Water Utility property. The motion passed unanimously.

Approved

9. [07-0327](#)

Subject: Communication from the Aldermen of the 5th District and 11th District wishing to discuss the possibility of installing and leasing

of conduit to carry fiber optic cable for other companies.

Recommendation of the Public Works and Services Committee

(4-10-07): The item be referred to the Water and Wastewater Utility for their consideration to install duct work along with their projects both within and outside the City of Racine.

Further recommend that the item be referred to the City Attorney's office for review of the City of Milwaukee's ordinance pertaining to the installation of ducts and its adaptability to the City of Racine. The City Attorney's office is to report their findings back to the Public Works and Services Committee.

Fiscal Note: Not applicable at this time.

Recommendation of the Waterworks & Wastewater Commissions

(4-24-07): Defer until City Attorney reviews City of Milwaukee's ordinance pertaining to the installation of ducts and its adaptability to the City of Racine.

Fiscal Note: Not applicable at this time.

Recommendation of the Waterworks & Wastewater Commissions

(9-30-08): Receive and File

The General Manager recommended to receive and file this item.

Commissioner Anderson made a motion, seconded by Commissioner Hart, to receive and file this item. The motion passed unanimously.

Received and Filed

10. [07-1185](#)

Subject: Request from Nick Maragos for purchase of land at Spring St. and Newman Rd.

Recommendation: Receive and File

The General Manager recommended that this item be received and filed.

Commissioner Hart made a motion, seconded by Commissioner Anderson, to receive and file this item. The motion passed unanimously.

Received and Filed

11. [08-1787](#)

Subject: Letter from Ray Leffler Expressing an Interest in Purchasing a portion of the Newman Road Property

Recommendation: Receive and File

The General Manager recommended that this item be received and filed.

Commissioner Hart made a motion, seconded by Commissioner Anderson, to receive

and file this item. The motion passed unanimously.

Received and Filed

12. [08-1891](#) **Subject:** Authorization of the General Manager to Hire Ruekert-Mielke regarding the Elizabeth Towers Project in Racine, if necessary

Recommendation: Receive and File

The General Manager recommended that this item be received and filed.

Commissioner Anderson made a motion, seconded by Commissioner Hart, to receive and file this item. The motion passed unanimously.

Received and Filed

13. [08-2706](#) **Subject:** Discussion of Preliminary Findings Related to Upcoming Water Rate Case - Jim Fiacco of Ruckert-Mielke invited to the meeting

Recommendation: Receive and File

The General Manager introduced James Fiacco of Ruckert-Mielke who discussed the 2009 rate case for the Water Utility. He noted that the reasons for the rate increase request were because the operation and maintenance expenses for the Utility have increased \$1.2 million since the 2007 rate case, the Water Plant assets have increased \$11.1 million since the 2007 rate case, and there has been a 6.9% decrease in water usage. He suggested doing a rate case every year in order to recover the debt on Utility projects.

Received and Filed

14. [08-2673](#) **Subject:** Submittal of the Report of the Finance Committee of the Racine Waterworks Commission regarding year 2009 Water Utility Operation & Maintenance Budget and the 2009-2013 Capital Improvements Budget Recommending Adoption

Recommendation of the Racine Waterworks Commission of 9-30-08: To adopt. Refer to the Finance and Personnel Committee.

The General Manager noted that it was possible to reduce the Operation & Maintenance budget in order to make an impact on the upcoming Public Service Commission rate case and that the contractual services on the proposed Operation and Maintenance budget could be reduced by \$100,000.00 and the health insurance could also be decreased by \$260,000.00. By making these suggested reductions, it would have approximately a 2% impact on the pending rate case. These changes would also result in a change in the Operation & Maintenance budget from 2008 to 2009 of about a negative 0.9%

Commissioner DeMatthew made a motion, seconded by Commissioner Anderson, to adopt the 2009 Water Utility Operation and Maintenance budget. Furthermore, Commissioner Anderson made a motion, seconded by Commissioner Hart, to amend the proposed Operation and Maintenance budget to reduce health insurance to \$1.1 million and also reduce contractual services, specifically Wastewater Services, to \$900,000.00. Furthermore, to refer this item to the Finance and Personnel Committee for approval. The motion passed unanimously.

Commissioner DeMatthew made a motion, seconded by Commissioner Hart, to adopt the 2009-2013 Water Utility Capital Improvements budget. Furthermore, to refer this item to the Finance and Personnel Committee for approval. The motion passed unanimously.

Recommended For Adoption

15. [08-2581](#)

Subject: Discussion of Election of Officers for 2008-2009

Recommendation: Approve all officers as noted

Commissioner Anderson made a motion, seconded by Commissioner Hart, to elect the following slate of officers for the Board of Racine Waterworks Commissioners as proposed.

President: Kathleen DeMatthew
Vice-President: Jeff Pellegrum
Secretary: Alderman Ronald Hart

The motion passed unanimously.

Commissioner Anderson made a motion, seconded by Commissioner Hart, to elect the following slate of officers for the Finance Committee as proposed:

Chairman: Kathleen DeMatthew
Alderman Thomas Friedel
Jeff Pellegrum
Brian Anderson

The motion passed unanimously.

Commissioner Anderson made a motion, seconded by Commissioner Hart, to elect the following slate of officers for the Building Committee as proposed:

Michael Staeck
Alderman Ronald Hart

The motion passed unanimously.

Approved

16. **Other Business**

No other business to report.

17. **Adjournment**

There being no further business, Commissioner Hart made a motion, seconded by Commissioner Anderson, to adjourn the meeting at 4:50 p.m. The motion passed unanimously.

If you are disabled and have accessibility needs or need information interpreted for you, please contact the office of the General Manager at 636-9181 at least 48 hours prior to this meeting.