

**Village of Egg Harbor  
Utility Committee Meeting Notice and Agenda  
September 21, 2021 11:00 AM**

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**Meeting ID: 927 1884 0733**

**Join Zoom Meeting on your Phone (audio only)**

**Phone Number: 312 626 6799 Meeting ID: 927 1884 0733**

John Heller, Chair  
Mack Bonk, Member  
Tom Prohl, Member

TC Johnson, Member  
Paul Zeller, Member  
Bert Sawyer, Operator

1. Call to order and approval of the agenda
  - a. John Heller called the meeting to order at 11:02 AM.
  - b. Committee members present: John Heller, Mack Bonk, Tom Prohl, TC Johnson, Paul Zeller.
  - c. Staff members present: Bert Sawyer, Megan Sawyer, Tom Strong,
  - d. Others present: Tom Kispert, McMahon
  - e. **John Heller moved to approve the agenda.**
  - f. **Seconded by Tom Prohl.**
  - g. **Motion unanimously carried.**
2. Approve August 17, 2021, Meeting Minutes
  - a. Corrections: No Corrections.
  - b. **John Heller moved to approve the August 17, 2021 minutes.**
  - c. **Seconded by Mack Bonk.**
  - d. **Motion unanimously carried.**
3. Open Session (Limited to Ten Minutes)
  - a. John Heller opened the floor for public comment.
  - b. No comments.
4. Wastewater Treatment Plant Improvement Project Update
  - a. *Tom Kispert: Provided an overview of the project progress as presented in the job site meeting minutes. We had a job site meeting this morning and we are getting close to when equipment will be showing up. We are no longer on schedule due to equipment that was ordered in December, and we still don't have it. We expect to have delivery in October, but we still can't get a hard date from the manufacturer. Miron has been made aware that costs the Village incurs will be passed on to Miron, who will back charge the list of suppliers and contractors responsible for the delay. They have asked that we refer to these costs as back charge costs. I don't have a preference as to what we call these, as long as the Village doesn't incur those costs due to the failure of the supplier to deliver the*

equipment. McMahon will be spending more time on the project. We will track our time on the project after the projected closing date under a different job code. Those costs will be broken out separately. When you pay us, those costs will be withheld from their payment. Miron is not disputing that they will have to cover these costs. They don't want us to refer to these charges as liquidated damages. That term would negatively impact their ratings, insurance rates or bonding capacity. We will be calling them Village incurred back charges.

- b. Tom Prohl: What other costs get included in that? What does the village will need to track?
- c. Tom Kispert: If you have additional costs due to the delay, make sure that we are aware of it in advance, so we have a heads up. The more we are communicating those costs, the more they will be willing to cover those costs.
- d. Tom Prohl: Does that fall on Bert?
- e. Bert Sawyer: I don't see all the bills so I'm not really sure. We will have to figure that out.
- f. John Heller: We are waiting on that one piece of equipment. Is that the only thing we are waiting for?
- g. Tom Kispert: That is the only thing that will hold up completion of the project.
- h. John Heller: Bert, are Should we be asking the contractors to pull off the job until it's ready to be completed? Are we incurring more costs from them by not having the job done my October 15?
- i. Bert Sawyer: This is a bid job. The only additional charges would be from McMahon additional hours.
- j. Tom Prohl: Are there any additional operational costs to make the system work while we are waiting for completion?
- k. Bert Sawyer: Not that I know of. Currently we are using the existing equipment as we were before. When the system comes online, we just open one valve and close the other. There will be some demo work in old building. That is a fixed bid too.
- l. Tom Prohl: So, this change over doesn't impact day to day operations?
- m. Bert Sawyer: No, not at this time.
- n. John Heller: Do you anticipate any additional costs from the sub-contractors?
- o. Tom Kispert: There is a contractual agreement between Miron and the sub-contractors. That is between them, so the Village is not involved.
- p. Paul Zeller: Is this the grit removal product that is delayed? Is that domestically manufactured piece of equipment?
- q. Tom Kispert: That piece of equipment that is delayed is coming in from Kansas City. The equipment that was sourced from Germany is on site. It needs to be installed it that specific order.
- r. Tom Kispert: Slowly but surely, we are bringing the other things online. The generator is installed and running. Miron's schedule has them completing everything else by October 15<sup>th</sup>. It will be very easy to track any costs that are additional due to that equipment not being here. That is how the completion is laying out. Any final questions regarding the Phase I project?
- s. No questions from the committee members.

- t. *Tom Kispert: When we bid out the Reed Bed clean out for beds 1 and 3, we had a document called bidders proof of responsibility. I will leave a copy of it with John to review. You can think about if we want to include that requirement this time around. We are basically asking the bidders to fill out this form that lays out their financial status and find out what their history is for similar projects. We want to be sure we are hiring someone who is competent. This is a relatively simply project, it is dealing with Phragmites. That can be a touchy subject. The DNR regulates the disposal of these things. We can include it again, but we don't have to. We don't have to decide today but you will eventually need to decide about that.*
- u. *Tom Prohl: I would think we will want to have that included.*
- v. *Tom Kispert: That will provide insight into the financial health of the contractors. It might also scare away a guy with a truck and a shovel. Years ago, biosolids wasn't an issue. Now it is an issue, and they need to go into a landfill. This would be hauled to the Outagamie County land fill, similar to the previous project. We will work with the County to find out what their requirements are. They have a list of biosolids and heavy metals we need to test for. I don't believe we will need to test for PCB's. There will be tipping fees. We could build that into the contract, or we take it out of the contractors' hands, then we will pay the tipping fees directly. This is easier for the contractor to do it this way, so they don't have to guess at the weight or the tipping fees. I would recommend the Village should set up and account with Outagamie and pay the tipping fees directly.*
- w. *Committee members agreed the Village would pay the tipping fees directly.*
- x. *Tom Kispert: I sent over an email with the schedule for the CWF. The submission is due November 1<sup>st</sup> for the Main Lift Station Project (Phase II). We are going to shoot for the Friday before, October 29<sup>th</sup>, to get this submitted to the DNR ahead of the deadline. Dawn can start to put these documents together to get the appropriate signatures. As we go down that path, the target would be to shoot for construction a year from now. Do the design work this winter, bid it out in the spring of 2022, then start construction in the fall of next year. That will give additional time for the contractor to order equipment that might have a long lead time. We want to avoid a situation like we have now with not having equipment on time. That is the timeline that we are looking at.*
- y. *Mack Bonk: Regarding the delays with equipment with Miron, are you unhappy with Miron in any way?*
- z. *Tom Kispert: We are happy with their performance. This one piece of equipment is just holding up other pieces of equipment. This equipment not arriving just throws all the schedule out of whack. The electrician, the mechanical installers and other things can't be completed on schedule.*
- aa. *Mack Bonk: I run into this in my world as well. I'm wondering if there is a better way to add stronger wording into the contract. I don't know if that is what is going on in this case or not, but this event does make me wonder.*
- bb. *Tom Kispert: Smith and Loveless has been around for a long, long time. It sounds like they are so far behind on delivery, ours is just one more on the list. There are shortages of skilled welders and raw materials. The equipment is made*

*out of raw quarter inch plate that needs to be bent into shape and welded. We are having problems just getting rebar for some of our projects, so they aren't the only ones dealing with these issues.*

- cc. Tom Prohl: We are fortunate to have McMahon onboard to manage this project. At times people ask why we need to have an engineering firm on our project. This is exactly why. I thank McMahon for their work. We know they are doing everything they can to ensure the project is completed correctly. I believe Mack's question isn't concerning their ability. If the lumber company doesn't deliver the lumber, the cabinet guy can't build the cabinets. This is a snowball effect with the supply chain in our case.*
  - dd. Mack Bonk: I'm with you on that. I'm looking at the equipment from Germany on site, but we can't get this other piece from Kansas City.*
  - ee. Tom Kispert: We have been trying to track this for months. We haven't been getting a straight answer. A local representative called someone at Smith and Loveless to see if he could find it on the production floor. He couldn't find on the shop floor which means it doesn't exist yet. This is custom made. The unit is custom made to exactly fit your needs. We will keep you posted as things progress. Contractually they are on schedule as of today. They will no longer be on schedule on October 15<sup>th</sup>.*
  - ff. Tom Prohl: All we can do is say thank you for staying on top of this and keep us posted on the progress.*
  - gg. Tom Kispert: Contractually they are on schedule as of today. They will no longer be on schedule on October 15<sup>th</sup>. I prefer to have a plan in place to deal with it when this happens.*
5. WWTP Phase I Change Order #4
- a. John Heller: Provided an overview of Change order #4 as presented in the meeting packet.*
  - b. Tom Kispert: We were originally going to tie into the pavement that is there. That was put in by a Door County crew about 8 years ago. It has never drained well. Bert suggested that we add that area to improve the drainage.*
  - c. Tom Prohl: Even though this is costing us a little money, it is probably saving us money in the long run.*
  - d. John Heller: We still have a considerable amount of the contingency budget remaining.*
  - e. John Heller moved to approve Change Order #4 as presented for \$12,612.75.**
  - f. Seconded by Mack Bonk.**
  - g. Motion unanimously carried.**
6. WWTP Phase II Beach Property Tour Discussion
- a. John Heller opened the floor to comment and discussion regarding the Beach Property Tour.*
  - b. Tom Prohl: Based on our discussion, it looks like a slam dunk to get this done. The location of the new facility would make sense behind the existing parking while allowing for truck access.*

7. Wastewater Treatment Plant Manager Report
  - a. Bert Sawyer: Presented an overview of the report as presented in the meeting packet. After the month of August, we are over our yearly flow and revenue numbers for 2021. Everything is running very clean; we are at 95% or higher for removal. The August 29<sup>th</sup> overflow incident listed in the packet is handled. It was published in the paper per DNR requirements but since this was a lateral that ruptured, this isn't a mark against the Village Utility operations. Because this wasn't our force main that ruptured, the cost for this repair will be passed on to the homeowner. We probably have to discuss this in closed session.
  - b. Tom Strong: The first bill came in today. I'm not aware of any reason this needs to be discussed in closed session. Our ordinance specifies who is responsible for what costs. It is clear the homeowner is responsible for the lateral. Invoices that come into the Village will be paid by the Village then passed on to the homeowner.
  - c. Megan Sawyer: I agree. This is not rate related so it wouldn't have to be handled in a close session.
  - d. Tom Prohl: Are the homeowners aware they are responsible for these costs?
  - e. Bert Sawyer: Yes, I hand delivered a letter to the owner, so they are aware this cost
  - f. John Heller: Hauler passed on as well as over time and on call costs?
  - g. Bert Sawyer: That is a question for the committee. I assume the hauler bills will be simply passed on. Our sludge truck isn't capable of pumping from 25 feet down. I would like to address that in the next few years as a capital budget item. We used our truck with an additional portable pump to remove some of it from the lift station. We would not have been able to do this if there were freezing temperatures. If it was freezing temperatures, I believe all those hauler fees would have been passed on. I believe the Hauler fee and contractor repaired it should be passed on as is. I don't believe we have passed on wages to a homeowner in cases like this in the past.
  - h. TC Johnson: How much money are we talking about?
  - i. John Heller: Approximately 30 hours of overtime, \$1,000 for hauler in the first Bill. The invoice for the repair from DeGroot is coming yet.
  - j. Bert Sawyer: I was informed we can only bill for the hourly staff if we choose to pass that on, so my time is not included in there. I was told we can only assign hourly wages if we do that. Budget wise for the year, we should be fine since chuck quit earlier in the year.
  - k. John Heller: I think we need to establish a policy about what specific costs need to be passed on in a case like this. If we incur a labor cost, should we be passing that along?
  - l. Bert Sawyer: We go to so many places to check out reported issues, I don't want to start to charge each individual property owner every time we step on their property. In this case, Larry has 12 hours of overtime. Where do you draw the line with that?
  - m. John Heller: That is what we will have to determine.
  - n. Mack Bonk: What is the DeGroot bill is for? When they originally dug it up, you thought it would be us and not them?

- o. Bert Sawyer: The DeGroot bill is for the excavation and repair.*
  - p. Mack Bonk: So, this property owner would owe for excavation, the hauler, just my two cents, I think we should suck up the operators over time in this situation.*
  - q. Tom Prohl: I agree, and I don't think that necessarily sets a precedent either. Each time you go out this situation might be different. Also in general terms, each time you go out to inspect something, if you bill each owner for every visit, that will create a bookkeeping nightmare. This is a service we provide to the community.*
  - r. John Heller: I agree with you in general terms. This was an emergency situation that we had to pay overtime to cover. I agree with you that we don't charge her for the over time. I do I think we should make that known to her that we incurred over time labor but decided we aren't going to pass that on to the property owner.*
  - s. Tom Prohl: So they will be responsible for the hauler bill and the DeGroot Bill as specified in our ordinance.*
  - t. TC Johnson: Was there any negligence by the owner in this case?*
  - u. Tom Prohl: No. That would only be the case if they broke the sewer line*
  - v. John Heller moves to charge the home owner for the White Cliff Road lateral break for services provided by DeGroot and Royal Flush, and not pass along overtime costs for Village employees.**
  - w. Tom Prohl second.**
  - x. Motion unanimously carried.**
8. Great Lakes Rate Study Update
- a. Tom Strong: Provided an overview of the rate study work with Great Lakes as presented in the packet starting on Page 64. This discussion started a long time ago but was paused when covid hit. This is to take a closer look at our rate structure, including how we charge our commercial businesses as well as our residential rate structure. I returned a list of questions to them last week. There is no way they would have this done for this year's budget. Rather than try to rush to meet that deadline, let's take our time to do the job well. They agreed with the recommendation to increase an REU to \$165.00 per quarter, then increasing the other rates by the same percentage. In 6 months or so we will have more insight into the costs for the Phase II project to include with the rate study final recommendations.*
  - b. Bert Sawyer: We have been looking at this for a long time. They have been very helpful so far. We will see what they come back with. I think it would be a good idea to look at the property and sit down with the other committees that will possibly use this property. I don't want to start planning and then need to make changes because something else needs to be done.*
  - c. Mack Bonk: I believe it was Lisa Totten who sent us information about how other communities charge for sewer services. We did meet Cody once before covid. It will be interesting to see what formula recommendations they come back with.*
9. 2022 WWTP Budget

- a. *Megan Sawyer provided an overview of the 2022 budget summary as presented on Page 65 of the meeting packet. This is taking place of the account detail sheets you would have seen in the past. The summary sheet includes just the line items that generally requires input from the Utility Committee.*
- b. *Tom Prohl: These are all costs that we incur on an annual basis? Is there anything that stands out as a significant change, the budget looks good.*
- c. *Bert Sawyer: The only significant change this year is for the reed bed clean out. For 2021 we included \$25,000 for McMahon's services. Tom Kispert felt that \$75,000 was a good number to cover design and project work.*
- d. *Tom Kispert: If we project \$75,000 including design, bidding, and construction phases, as well as the contractors bid price. With \$25,000 included in the 2021 for McMahon services, I think you would be safe at the \$75,000 that would include our services, plus the contractors bid price.*
- e. *Megan: We are utilizing \$25,000 from this year for the McMahon Contract, I will to reduce that amount to \$50,000 in the 2022 budget.*
- f. *John Heller: Regarding a \$603,000 fund balance transfer in 2021, have we replenished that through CWF revenue?*
- g. *Tom Strong: Yes, the bills we paid before the CWF was closed were included in the first submission. When we close out those payments, when we get the funds from CWF, we are required to transfer those funds to our main accounts within three days of receiving those funds.*
- h. *John Heller: Did we reimburse ourselves for any of the \$200,000 from the Equipment Replacement fund? I don't think we were going to.*
- i. *Tom Strong: Correct. We designated \$200,000 from the Equipment Replacement Fund to pay for some of the new equipment in the project.*
- j. *John Heller: Under revenues, the connection fees is based on the new rate of \$2,400 per REU for a new connection?*
- k. *Megan Sawyer: That is correct. I will point out there was one line item we had to add – account 601-53611-70-221 for propane as that will heat the plant this year instead of electric. We did not reduce the electric costs for this year. We aren't sure if the new equipment will result in a higher electric cost. We can look at that variance at the end of 2022.\*
- l. *John Heller: We have capital budgeted at \$2,500,000 for the Phase II cost?*
- m. *Megan Sawyer: That is \$2,500,000 for the Phase II project. Parks and Public Works is looking to purchase new snow removal equipment. The Utility Fund would be buying out half of the existing equipment at a cost of \$10,000.*
- n. *Tom Prohl: Bert, when we were talking about the repair on White Cliff, how do we account for the piece of equipment in the budget?*
- o. *Bert Sawyer: I was thinking that if we clean out two reed beds this year and two reed beds next year, we could use some of those funds to upgrade the equipment on the truck and a new air assist pump. I will get some quotes next year for planning. We could see what else might be needed.*
- p. **John Heller moves to present the budget to the trustees with the reed bed change to \$50,000 for their approval.**
- q. **Mack Bonk Second**
- r. **Motion unanimously carries.**

10. 2022 Rate Recommendation
  - a. **John Heller moves to recommend to the Trustees a 2.42% increase the quarterly rates as follows \$165.00 per REU, \$101.00 seasonal, \$76.00 unoccupied, and Hauler rates as follows \$16.25 Holding Tank, \$100.60 Septic, \$9.95 In Village, effective January 1, 2022**
  - b. **Mack Bonk Second**
  - c. **Motion unanimously carries.**
  
11. Closed Session per State Statute 19.85(1) (e) Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, and pursuant to Wis. Stat. § 196.374(2), prohibiting a municipal utility from releasing customer information to any person, subject to specific exceptions not applicable to this subject matter; and then to return to open session to take further action or to adjourn the meeting
  - a. **John Heller moved to go into Closed Session per State Statute 19.85(1) (e).**
  - b. **Seconded by Tom Prohl.**
  - c. **John Heller – aye. Tom Prohl – aye. TC Johnson – aye. Paul Zeller – aye. Mack Bonk – aye.**
  - d. **Motion unanimously carried.**
  - e. **John Heller moved to go back into Open Session.**
  - f. **Seconded by Tom Prohl.**
  - g. **John Heller – aye. Tom Prohl – aye. TC Johnson – aye. Paul Zeller – aye. Mack Bonk – aye.**
  - h. **Motion unanimously carried.**
  - i. **John Heller moved to approve the motion made in Closed Session.**
  - j. **Seconded by Mack Bonk.**
  - k. **Motion unanimously carried.**
  
12. Open Session (Limited to Ten Minutes)
  - a. John Heller opened the floor for public comment.
  - b. No Comments
  
13. Next Meeting Time and Date
  - a. Tuesday, October 19, 2021, 11:00 AM
  
14. Adjourn
  - a. **John Heller moved to adjourn.**
  - b. **Seconded by Tom Prohl.**
  - c. **Motion unanimously carried.**

Minutes completed by Tom Strong on September 27, 2021. Submitted for approval on October 19, 2021.

*Italics – summarized comments*

**Bold – Committee Action**