

**Report on the South Sangamon Water Commission Meeting**  
**February 21, 2016, 3:00 PM at the SSWC Water Plant**  
**Written by Lee Bloome, Water Commissioner**

The meeting opened with Chairman Joel Sanders stating that the meeting date in the meeting announcement was wrong and wasn't corrected in time to meet the open meetings act guidelines. As such no action was to be taken at the February 21, 2016 meeting.

**Attachments:**

- Woodard and Curren Monthly Operating Report for August 2016

**Start of Meeting and Roll Call**

**Management Report:**

The management report was presented to the commission. The report is available as an attachment. Key points to the report are as follows:

- Finished water quality was within regulatory limits and all reporting and sampling requirements were met for January.
- The plant received notification from the IEPA that the annual nitrate test was not turned in on time and as a result the plant was out of compliance. The plant had taken the sample, turned it in to PDC labs as required. PDC labs failed to send the results to the IEPA resulting in the compliance statement. They have since corrected the issue by submitting the results but the compliance statement still stands and will need to be in the annual CCR.
- IEPA asked for an update on the MCPE implementation plan. Of the original 13 recommendations, items 5, 6, 7, 9, 10 and 13 remain uncompleted. The letter update to IEPA is included in the report.
- The plant had an issue with their alarm dial out system and had to replace the old modem with a new one.
- The plant filtered 33.777 million gallons of finished water in January.
- The installation of the hydropneumatic tank was completed. There are still a few punch list items but the tank is online and the temporary tank will be removed.

**Engineering Report:**

Max Middendorf with MECO Engineering was not present at the meeting. He had submitted a partial pay request for the hydropneumatic tank project but it could not be acted on.

**Public Comments:**

Comments from the public included the following:

- A question was asked about Joe Greene and his use of the well property.

- Attorney Segatto stated that he had sent a letter to Joe stating that the property use agreement was not legal and to cease any use of the property. He had not heard back from Mr. Greene.
- A question was asked from Bill Brown with CM&T as to whether a change in chemical feed at the plant requires board approval.
  - Response from the board was no, but major changes that impact budget generally will be brought up to the board before implementation.

### **Review Curry's Water Rate Study Report**

The board had not had a chance to review the report so no discussion was made during the meeting. A special meeting will be set to discuss rate adjustments. The tentative date is March 8<sup>th</sup> at 3:30 pm. A final announcement on the actual date will be made later.

### **Old Business:**

Phosphate feed rate: This was discussed briefly. The plant will adjust the feed rate from 1.0 mg/l to 1.5 mg/l.

Chloramines: This was discussed briefly. New Berlin's backup water supply does not use chloraminated water. If CWLP agrees to be New Berlin's backup water supply then there may be further discussion.

Authorize JULIE boundary changes. The commission is moving to reduce the boundary for JULIE locates from 300 ft either side of the utility to 150 ft.

### **New Business:**

Insurance Renewal: The insurance policy is up in May. The commission will seek bids from three providers.

Meter Readers: The Village of Chatham has indicated that they don't want to continue reading meters on the transmission main. The commission will research the readers being used and the cost of the readers.

This concludes my report on the SSWC Meeting.

Lee Bloome

## Water Rate Analysis Report Supplemental Commentary

In a nutshell, revenue was short by \$464,595 in FY 2016 in order to meet the coverage requirements of the bond ordinance.

Curry used last year's water usage as a basis for calculating adequate water rates to cover operations without added capital improvements. That resulted in an \$8.22 per 1000 rate. \$350,000 has been spent on IEPA mandated capital improvements with the projects being paid for out of the replacement fund. The goal is to rebuild the replacement fund over 5 years or an added \$70,000 per year in added revenue. The membrane cartridges will need to be replaced in the next 6-18 months. That cost will be \$250,000. The rate study lumped the \$350,000 and the \$250,000 together with an anticipated 5 year payback or a total of \$120,000 per year to rebuild the replacement fund.

For future capital projects, debt service is calculated at 4% for 20 years. The two projects pushed at the last meeting were the addition of the 4th membrane train and a 500,000 gallon elevated tank. The added debt service for these two projects are \$121,410 for the tank and \$97,128 for the membrane train.

To complete all of these tasks and meet revenue requirements at the 2020 projections and using the 2016 water usage, the calculated rate is \$9.63 per 1000.

Those numbers are all based on the 2016 water sales remaining the same for the next 5-6 years.

Regarding the future projects:

Water sales and therefore revenue have been flat. Last year it tended to be due to a cooler and wetter summer. The fourth membrane train and the new elevated tank timing needs to be looked at more closely along with evaluating the capacities of each component at the plant to make sure the timing is correct and prudent. From testing on the membranes, the plant thinks there is approximately 2 years of life left in the existing cartridges while still meeting the required log removal of contaminants. We will work closely with the primary customers to evaluate future potential growth and the speed at which current and future developments are filling in.

The rates listed in the report are a snapshot taking into account the criteria we asked for from Curry and Associates. They are conservative, especially with respect to annual water use, but are a starting point in our discussions.

I am available to discuss this if you have questions.

Lee Bloome