

**CITY OF LAWRENCE
UTILITY SERVICE BOARD
DECEMBER 14, 2021 – 5:30 PM
Regular Meeting
George Keller Public Assembly Room**

Members Present: Steven Hall, David Parnell, and Dale Tekippe

Members Present via Zoom: Tracy Boyd

Members Absent: Zachary Brown

Others Present: Recording Secretary Tina Whitcomb

Staff Present: Controller Tyler Douthit and Utilities Superintendent Scott Salsbery

Others Present via Zoom: None

Mr. Hall called the meeting to order at 5:30 p.m. and announced a quorum.

Mr. Hall requested a motion to approve the Minutes from the November 23, 2021 regular meeting. Mr. Parnell moved to approve the Minutes and Mr. Tekippe seconded the motion. After a roll call vote, the motion was approved by a vote of 3-0, with Mr. Hall abstaining, as he did not attend stated meeting.

Mr. Hall requested a motion to approve the payment of Claims for \$978,422.93, which included the Payroll Voucher for \$117,636.02. Mr. Parnell moved to approve the motion and Ms. Boyd seconded the motion. After a roll call vote, the motion was unanimously approved by a vote of 4-0.

Superintendent's Report: Mr. Hall asked Mr. Salsbery to give the Superintendent's Report. Mr. Salsbery briefed the Board on the agenda items and on-going projects.

Mr. Salsbery discussed the 2022 water and sewer utility budgets. The water utility budget is fairly healthy. There are expectations of higher costs related to parts, materials and other supplies, and also higher labor costs for contracted and other services. The sewer utility budget is struggling. Without a sewer rate increase in 2022, there will be no capital funding for 2023. While we fully expect to be able to pay the bills in 2022, our treatment costs continue to go up per the contract with CEG and we also are expecting to incur more costs for contracted repairs and other work items related to our new Administrative Order on Consent from the EPA. (A copy of the report is attached to the Minutes for record-keeping purposes.)

Unfinished Business: There was none.

New Business: Mr. Hall requested approval of Contract Amendment No. 1 from HWC Engineering to increase the Brookside Park and North Lawrence Park – West Water Utility Improvement Project by \$15,500.00. Mr. Tekippe moved to approve the motion and Mr. Parnell seconded the motion. After a roll call vote, the motion was unanimously approved by a vote of 4-0.

Mr. Hall requested approval of Certificate of Final Completion and Release Retainage for Elmhurst Lift Station Basin Sanitary Sewer Rehabilitation Project. Mr. Parnell moved to approve the motion and Ms. Boyd seconded the motion. After a roll call vote, the motion was unanimously approved by a vote of 4-0.

Mr. Hall requested approval of the 2022 Water and Sewer Utility Budgets. Mr. Parnell moved to approve the motion and Mr. Tekippe seconded the motion. Following discussion, video presentation by Mr. Salsbery and Mr. Douthit, and a roll call vote, the motion was unanimously approved by a vote of 4-0.

Mr. Hall requested approval of Resolution No. 5 for salaries and wages for 2022. Mr. Tekippe moved to approve the motion and Mr. Parnell seconded the motion. After a roll call vote, the motion was unanimously approved by a vote of 4-0.

Account Adjustments: There was none.

Remonstrations of Ratepayer Dispute Regarding Disconnect Notice: There was none.

Citizens Comments: There was none.

There being no further business to come before the Board, a motion was made to adjourn the meeting at 6:10 p.m. by Mr. Parnell and was seconded by Mr. Tekippe. After a roll call vote, the motion was unanimously approved by a vote of 4-0.



Steven Hall, Chairman



Tina Whitcomb, Recording Secretary

These Minutes are not intended to be verbatim. They are a summary of discussions held, except for motions.



December 14, 2021 – Superintendent's Report

ADMIN UPDATE:

Utility CFO Tyler Douthit and I are pleased to be presenting the 2022 water and sewer utility budgets along with our 2022 proposed salary resolution. As you will see on the salary resolution, we are continuing to increase the minimum and maximum ranges for all our positions. We have also provided salary adjustments for our utility staff this year in order to get our pay levels comparable to other departments in the city and with other utility operations throughout the region. We hope to continue making improvements in this area in order to end the revolving-door syndrome we have been experiencing due to historically low wages. As I have mentioned often before, to attract and retain high-quality employees, we need to offer wages that will do that.

With regard to the budgets, you will see that the water utility budget is pretty healthy and we have no concerns there. We do expect some higher costs related to parts, materials and other supplies, and also higher labor costs for contracted and other services. Our water testing costs are also expected to go up as well as underground line locating/marketing services. Electrical power and gas prices are also trending up. Our water capital improvements projects are still pretty robust and for 2022 we are going to focus on:

1. Maple/Zoeller/Wallingwood water main replacement.
2. 52nd Street elevated storage tank completion.
3. Completion of the Phase II Contract A water treatment plant projects.
4. Completion of the Phase II Contract B water main replacement project.
5. Completion of design work and preparation to bid the Brookside and North Lawrence Park-West water main replacement project in later 2022 for a 2023 construction timeline.
6. Securing authorization to install a new well or wells in the Fort Harrison well field. (IDNR has been approached and the requested easement documents provided; just need to conclude the discussion and receive permission to start)
7. Continue our system-wide water meter replacement project.
8. Complete development of the water utility asset management plan.

For the sewer utility budget, I cannot say the same. Without a sewer rate increase in 2022, we will be completely out of capital funding for 2023. While we fully expect to be able to pay the bills in 2022, our treatment costs continue to go up per the contract with CEG and we also are expecting to incur more costs for contracted repairs and other work items related to our new Administrative Order on Consent from the EPA. This document has been provided to you already and as you can see, there is quite a bit of work to be done. We have increased our line items in anticipation of increased costs for contracted repairs and other professional services that may be needed in order to address not only increased activity in regard to the new EPA order, but also to be prepared for increased routine operating costs as mentioned above.

Although we will be performing some sewer rehab work with our SWIF Grant/ARPA funded sanitary sewer main rehab project, I do want to take this opportunity to reiterate that this project will get some much needed work done, but it is just a small portion of the amount of work that needs to be done. To put it in perspective, the areas we selected for the SWIF/ARP project consists of work that was uncompleted from the recommendations contained in the first EPA order. After

factoring out the projects that we did complete from that original list, we had ASI update the construction estimates for the work remaining. The total amount of that estimated cost is \$32-million. We are set to perform just over \$4-million.

Moving forward in 2022, this is what we plan to accomplish:

1. Complete the sanitary sewer rate study and receive approval from USB and City Council in order to adequately fund our routine operating costs, increase staffing and provide for capital improvements projects for complying with the EPA Order as well as providing for an internal annual sewer system rehabilitation project fund.
2. Complete the sewer modeling/flow metering work that is already underway in order to create the Sanitary Sewer Corrective Action Plan that is required under the new order. That is primarily focused on the 3 chronic SSO areas mentioned in previous reports.
3. Comply with all other aspects of the order on the timeline provided in the order.
4. Continue developing an ongoing annual sewer main rehab project master plan that will include coordination with water and stormwater projects whenever and wherever practical.
5. Complete development of a sewer utility asset management plan.

As you can see, we have a lot of work to do and the most important part of this right off the bat will be completing the sewer rate adjustment. We are not going to be able to meet our original time frame, which was to have this before the USB and Council in December 2021, but we hope to have it ready by the end of January. I do recommend approval of the budgets and salary resolution and will be happy to answer any questions that I can or else get the answers to you ASAP.

The Utility is happy to present the final close-out documents for the Elmhurst Basin Sanitary Sewer Rehab Project. The final pay app is \$113,821.67. The attached close-out documents will be filed with the Utility CFO's office and a copy attached to the project files. We recommend the authorization for the final payment application and signing of the Certificate of Final Completion and Authorization to Release Retainage.

The Utility is seeking approval of Change Order #1 for the Phase II Contract B Water Main Replacement project. This CO, made at our request, is to allow for the contractor to extend a service line and meter pit to presently unserved properties in the Hermosa/Fall Creek Drive area. This will eliminate the dig up the street to make taps when these homes do elect to connect to city water in the future. The CO adds \$45,000 to the project and we do recommend approval of this CO.

Operational Data:

November Totals

SANITARY SEWER SYSTEM

- 12 Sanitary sewer lift station work orders completed.
- 1 Sanitary sewer grinder pump station work orders completed.
- 26 Sanitary sewer manhole inspections performed.
- 5687 LF of sanitary sewer main cleaned.
- 2816 LF of sanitary sewer main CCTV'd.
- Cutting grass and trimming trees as needed at lift stations.

Water Distribution Underground Maintenance

- 3 Water main breaks repaired.
- 2 Water service line meter pits installed.
- 6 Water service line leaks repaired.
- 1 Water curb stop box replaced.
- 3 Yard restorations completed from Utility work.
- 30 Fire hydrants inspected.

- 3 Water main shut outs performed.
- 48 Water main valves turned.
- 3 Water line leak investigation performed.
- 26 Inspections projects performed
- Cutting grass as needed.

WATER PLANT/WELL ACTIVITY

- Performing routine maintenance and daily routines to make sure water treatment plants are operating properly.

BUSINESS OFFICE/SERVICE DEPARTMENT

Totals to be provided on December 28, 2021, report

- Active accounts.
- Work orders completed.

BILLING ADJUSTMENTS: NONE