

South Sangamon Water Commission
Minutes of Special Meeting of the Board of Commissioners
January 26, 2017; 3:30 p.m.
Water Plant, 9199 Buckhart Road, Rochester, Illinois

Commissioners:

Present: Lee Bloome, Craig Hall, Joel Sander

Absent: none

Quorum: yes

Others Present:

Andy Curry (Curry & Associates), Marc Thomas & Dan Held (Woodard & Curran), Randy Segatto (Berber, Segatto, et al), Laura VanProyen (SSWC), Patrick McCarthy & Terry Fountain (Village of Chatham)

Darlene Judd, Andrea Parker

Present via telephone:

Max Middendorf (MECO Engineering)

Proceedings:

- Meeting was called to order at 3:30 p.m. by Chairman Joel Sander and roll taken.

Public Comments:

- There were no public comments.

Water Rate Study:

- Andy Curry presented the working draft of the Water Rate Study which came from review of audits, budget appropriation ordinances, metered water sales, active capital improvement projects (over 5 years) and membrane maintenance/replacement (over 5 to 7 years).

- The annual projections through 2022 in this draft were intended mostly to show bond and interest activity; other expenses will need to be monitored and adjusted annually.

- Water usage will be the main driver of rates needed moving forward.

- Future capital improvement project possibilities which could be added to the rate individually as needed might include:

(estimated costs per 1,000 gallons based on last year's water usage amortized over 20 years at 4% interest)

- Elevated tower – estimated cost \$1,500,000 – 30 cents per 1,000 gallons

- Piggings stations – estimated cost \$500,000 – 10 cents per 1,000 gallons

- Fourth membrane filter train – estimated cost \$500,000 – 10 cents per 1,000 gallons

- Greensand filter – estimated cost \$1,200,000 – 24 cents per 1,000 gallons

- Commissioner Hall stated his belief that an elevated tower should be included at this time to limit wear and tear on pumps and other equipment as well as saving on utility costs. The amounts of these savings were not known.
- Other potential savings could include peace of mind due to additional backup, pressure regulation, overtime savings due to increased emergency response time required.
- Marc Thomas stated the current hydropneumatic tank project was to accommodate current growth, but has always been a temporary solution only.

- Commissioner Bloome thought the numbers in the draft report looked straight forward. He agreed that an elevated tower should be considered in this rate increase and that we need to watch growth to determine the right time for a fourth filter train.

- Commissioner Sander said he does not want to have an increase every year; rather to adjust high enough now to hopefully work for about three years.
- Segatto stated any excess funds could be used to reimburse the Depreciation, Repair and Replacement Account and build reserves which would help bond ratings and positively impact any future bonding needs.
- Bloome suggested the alternative might be to have one ordinance which included sequential increases over a period of years. He also felt a single increase approach was possible.

- Thomas stated the fourth membrane train goes along with the installation of an elevated tower. Pigging stations will proactively address maintenance issues which will be needed sooner rather than later. Greensand filters are an alternative possibility for water quality.

- Commissioners instructed Curry to finalize the Rate Study Report to include the elevated tower and fourth membrane train projects and to have it ready prior to the February 21 regular meeting.
- Curry will contact Max Middendorf for additional costs estimated for installation of the fourth train.

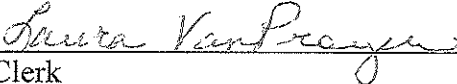
Adjournment:

MOTION by Hall, second by Bloome to adjourn.

Voice vote: Motion carried.

- The meeting adjourned at 4:08 p.m.

Respectfully submitted,


Clerk