Board of Water Commissioners of the City of Saint Paul

May 11, 2010 Meeting

> Agenda and Minutes

BOARD OF WATER COMMISSIONERS

May 11, 2010

Meeting Agenda

CONSENT AGENDA:

- 1. Approval of the Minutes of the regular meeting of April 2010.
- 2. Approval of the Financial Statements for the month of March 2010.

ACTION ITEMS:

- 3. Resolution No. 7077 pertaining to settlement of a claim with Roger and Margaret Anderson regarding a loss at 2171 Powers Avenue, Saint Paul, Minnesota.
- 4. Resolution No. 7078 pertaining to a 2010 budget amendment for the replacement of the Dale Street Reservoir, lead water services and water meters.

DISCUSSION ITEMS:

- 5. Water Quality Update
- 6. Meter Project Update
- 7. Presentation and Summary of Enterprise Performance Measures regarding the Distribution Division.

GENERAL MANAGER'S REPORT

INFORMATIONAL ITEMS:

- A. Employee Injury Report 1st Quarter 2010
- B. Vehicle Accident Report 1st Quarter 2010
- C. Investment Portfolio 4th Quarter 2009

BOARD OF WATER COMMISSIONERS

May 11, 2010

Meeting Minutes

President Harris called the meeting to order at 5:05 p.m. in the Committee Hearing Room 330, City Hall.

Roll call.

Present: President Harris, Vice President Zanmiller, Secretary Gagnelius, Commissioners Anfang, Bykowski, Helgen and Kleindl.

Excused: Commissioner Carter.

Steve Schneider, General Manager; Ian Colburn, Neptune Meters; Todd Phillips and Ron Vasko, Ferguson Water Works; Sandra Bodensteiner, Saint Paul Risk Management; John Blackstone, Steve Gleason, Jim Graupmann, Jerry Ludden, Ruth O'Brien, Dave Schuler, Bill Tschida and Dave Wagner, Saint Paul Regional Water Services.

CONSTENT AGENDA:

Consent Agenda Item Nos. 1 and 2 were moved for approval by Commissioner Kleindl as follows:

- 1. Approval of the Minutes of the regular meeting of April 2010.
- 2. Approval of the Financial Statements for the month of March 2010.

Approved

Yeas - 6

Nays - 0

ACTION ITEMS:

3. Resolution No. 7077 pertaining to settlement of a claim with Roger and Margaret Anderson regarding a loss at 2171 Powers Avenue, Saint Paul, Minnesota

Mr. Schneider explained that payment of a claim in the amount of \$15,998.43 is recommended as reimbursement of the following contractor costs and for damages shown resulting from a water main leak.

\$ 3,245.00 Grant Utilities, Inc. - excavation work

\$ 4,143,43 J. Benson Construction Corporation- repair of damages to basement

\$ 8,610.00 Mogren Turf LLP - landscape restoration

\$15,998.43 Total

By Statute, the Board is responsible for losses resulting from water main breaks only in cases of negligence. In this case, SPRWS staff informed the property owner that the source of the leak was the

service inside his property, when in fact it was the main in the street. As a result, the property owner experienced the expense of hiring a contractor to locate and repair a leak that was not found. In addition, the delay in locating the actual source of the leak resulted in damage to the property.

Mistakes of this kind do not happen often, but as a result of the incident, Distribution Division

Manager Dave Wagner has revised procedures for locating and controlling leaks on water mains and services.

Resolution No. 7077 was moved for approval by Commissioner Helgen as follows:

RESOLVED, that, upon execution and delivery of a release in full to the Board of Water Commissioners, the proper Board officers are hereby authorized and directed to pay from the Injuries and Damages fund, Activity 850-28171-0511 to Roger and Margaret Anderson the sum of \$15,998.43 as full settlement of a claim for damages sustained on January 12 and 13, 2010 at 2171 Powers Avenue, Saint Paul, Minnesota.

Adopted. Yeas - 6 Nays - 0

4. Resolution No. 7078 pertaining to a 2010 budget amendment for the replacement of the Dale Street Reservoir, lead water services and water meters.

Mr. Schneider explained that the budget amendment provides for an increase of \$10,000,000 in financing and spending to be applied towards replacement of the Dale Street Reservoir, lead water services and residential water meters. The funding will be provided by a low-interest drinking water revolving fund loan from the Minnesota Public Facility Authority, as has been discussed at recent Board meetings.

The 10-year Capital Program includes this amount for 2012. The financing has simply been moved up to take advantage of the present combination of low construction costs and low-interest loans.

Following Board approval, Saint Paul City Council will act on a similar resolution.

Resolution No. 7078 was moved for approval by Vice President Zanmiller as follows:

WHEREAS, in its 2010 budget, the Board of Water Commissioners did authorize the issuance of debt in the amount of \$20,000,000 for meter replacements; and

WHEREAS, in its 2009 budget, the Board of Water Commissioners did authorize \$150,000 in spending for design and specifications related to the meter replacement project; and

WHEREAS, the additional amount needed to fund the replacement of the Dale Street Reservoir is \$6,000,000, the additional amount needed to fund lead water service replacement is \$3,500,000 and the additional \$500,000 to fund the residential water meter replacement project; and

WHEREAS, the resulting total amount of additional funding needed is \$10,000,000; now, therefore, be it

RESOLVED, that the Board of Water Commissioners does hereby amend its 2010 budget increasing the amount to be borrowed from Minnesota Public Facility Authority drinking water revolving fund loans from \$20,000,000 to \$30,000,000, including \$6,000,000 for replacement of the Dale Street Reservoir, \$3,500,000 for replacement of lead water services, and increasing funding for water meter replacements by \$5,000,000 to \$20,350,000, and does recommend approval by the Saint Paul City Council.

Adopted.

Yeas - 6

Nays - 0

DISCUSSION ITEMS:

5. Water Quality Update (attachment)

Production Division Manager Jim Graupmann provided a report on the attached update.

6. Meter Project Update (attachment)

Mr. Schneider presented reasons for recommending that the Board approve award of a contract to replace all meters with radio read at a cost of \$19.1 million.

Meters are categorized as 2-inch and smaller (small) and 3-inch and larger (large)

Project estimate and budget amount

\$20,500,000

Base bid - Replace small meters with TouchPad

\$13,800,000

Alternate No. 1 bid - Replace small meters and add Radio Read system

\$18,400,000

Replace radio system on all large meters

(large meters are already Radio Read)

Alternate No. 2 bid - Replace large meters

\$ 600,000

(does not include radio system)

Recommendation is to award Alternates No. 1 and No. 2 at a combined cost of \$19,000,000.

The difference between TouchPad vs. Radio Read for small meters is \$4,700,000. Annual savings from the ultimate reductions in meter shop and meter reading FTEs from 17.5 to 12.0 are greater than the annual cost of debt service on \$4,700,000. Reductions would be accomplished by attrition.

Board indicated its approval to proceed with award of a contract to replace all meters and meter systems with Radio Read.

7. Presentation and Summary of Enterprise Performance Measures regarding the Distribution Division.

Distribution Division Manager Dave Wagner provided a report on the attached update.

GENERAL MANAGER'S REPORT

1. Dale Street Reservoir

The special low-interest funding is in jeopardy because of an error by Minnesota Health Department. The department wrongly exempted the project from environmental assessment, which includes historical significance. Because the structure is older than 50 years, its historical significance must be evaluated before funding can be approved.

Demolition is now 25% complete and walking away from a gaping hole in the landscape and losing at least three months construction time waiting for the historical evaluation is not advisable. Instead, work will continue and funding will likely be provided by a regular revenue note. The Board's AAA rating should result in a favorable interest rate, though not as low as the Minnesota Public Facilities Authority drinking water loan.

2. Shut off for main repair- West Seventh Street from Kellogg to Grand

The water was off from 11pm to 3am for the many businesses, such as Cossetta's, Tom Reed's, Holiday Inn and parts of United Hospital and the road was passable by morning rush hour. We received an e-mail from Holiday Inn expressing appreciation for the fine work of all crew members.

3. Sandy Lake

Capping the large sludge field, aka Sandy Lake, is 95% complete. When finished, the 30-acre site will be planted with wild flowers. The neighborhood has been informed that an additional 9,000 cubic yards of material is required to complete the project and Maplewood City Council will be updated at a meeting in June.

4. Chemical Facility Anti-Terrorism Standards (CFATS)

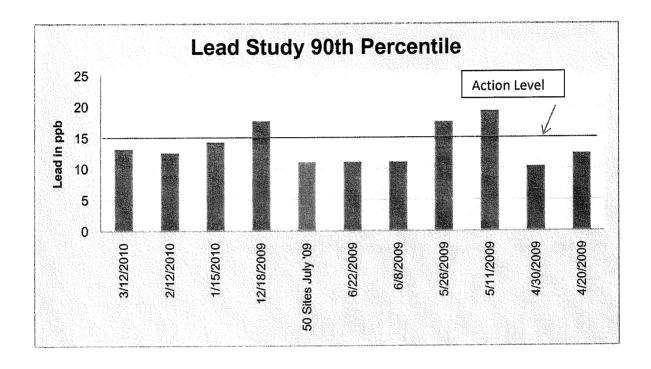
Congress is considering legislation that would give the Department of Homeland Security authority over the use of gaseous chloride disinfection. The House passed one version that exempts water and waste water treatment facilities, but requires vulnerability assessments.

The meeting was adjourned at 6:15 p.m.

Attact.

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Secretary	0	President	

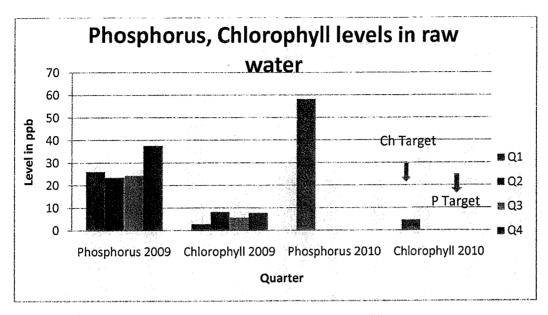
Lead/ Tin Chloride Study

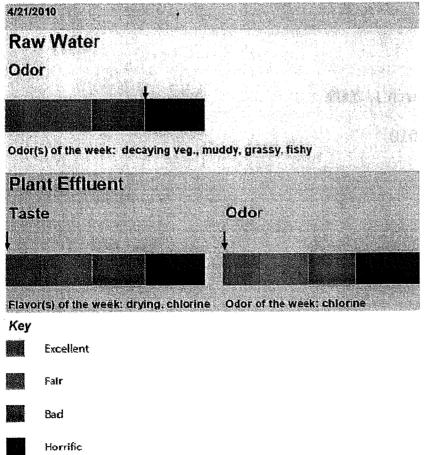


Tin Chloride discontinued: March 1, 2009

Next official sampling: June 2010

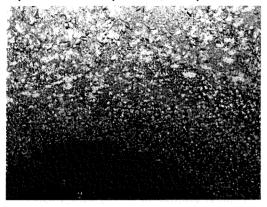
Raw Water odor levels, phosphorus, treatment





Zebra Mussels – Vadnais Conduits

In the fall of 2009, we decided to clean zebra mussels from the west 90" conduit for the first time. In the fall of 2008, we had cleaned the screens and walls of the intake chamber, finding zebra mussels in the approximate density of 1 or 2 per square inch. By 2009, they had multiplied exponentially.





Zebra mussels lining conduit

Zebra mussels after scraping off conduit

We cleaned about 1000 yards of the conduit. We allowed the conduit to dry, hoping to kill the mussels and make cleaning easier. We found that leaving it dry for too long allowed them to rot, causing powerful odors, and also allowed mold to start growing, making cleanup more difficult as workers were forced to wear masks for breathing.

We ended up spending about \$73,600 in crew and equipment time on the west conduit. We hope to reduce the time and therefore the dollar amount next year.

We also checked the east conduit. For reasons not entirely clear, there were far fewer mussels there. Our costs there were about \$11,400.

In the study CDM did for us in 2008, they estimated a cost of \$1.8 million for construction and \$250,000 annually for chemicals for a polymer system that would allow us to avoid this cleanup.



Protecting, maintaining and improving the health of all Minnesotans

April 23, 2010

St. Paul Regional Water Services c/o Mr. Jim Bode 1900 Rice Street St. Paul, Minnesota 55113

Gentlemen/Ladies:

Subject: **Bin Classification**, Long Term 2 Enhanced Surface Water Treatment Rule (LT2 ESWTR), CFR 141.710, St. Paul Regional Water Services, Ramsey County, PWSID 1620026

The first round of the LT2 ESWTR source monitoring officially ended on March 31, 2010.

The Minnesota Department of Health (MDH), Section of Drinking Water Protection, is proud to report that none of Minnesota's surface water systems were triggered to provide additional treatment for *Cryptosporidium* removal/inactivation. In addition, there were not any systems required to conduct *Cryptosporidium* monitoring due to high *E. Coli* concentrations in their source water.

Attached is a summary of the LT2 ESWTR source monitoring results for your water system. The mean *Cryptosporidium* concentration for the source water samples from your water system is 0.0 oocysts per Liter.

According to the Bin Classification Table below, your system is hereby classified as Bin 1. This means additional treatment is not required of your system in respect to Cryptosporidium.

Cryptosporidium Concentration	Bin Classification
Cryptosporidium < 0.075 oocysts per Liter	1
0.075 oocysts per Liter ≤ Cryptosporidium < 1.0 oocysts per Liter	2
1.0 oocysts per Liter \leq Cryptosporidium $<$ 3.0 oocysts per Liter \leq Cryptosporidium $<$ 3.0 oocysts per Liter	3
Cryptosporidium ≥ 3.0 oocysts per Liter	4

The MDH will be contacting regarding the next round of required source water monitoring.