

Town of Washington
Utility District
2013 Annual Report

For the period ending December 31st, 2013

Overview

Dec 2012 – Town approved retaining Baudhuin, Inc. to prepare a Preliminary Wastewater Engineering Plan for the Town of Washington.

Town approved proceeding with USDA application for funding.

2013

Jan – July

Applications for USDA loan and accompanying paperwork were completed along with site surveys, archeological and site selections, updating of DUNS number, and attorney consultations.

July – Bids opened

8/31/2014 – Postponement of FAST project /mtg w/ engineers. Bids came in higher than projected. Engineers will reevaluate

September 3, 2013 – Received letter from Gerry Novotny, DNR informing the Town that the Preliminary Engineering Report prepared by Baudhuin was insufficient to meet the requirements of NR 204.

September 12th, 2013 – Meeting with DNR in Green Bay. In addition to Joel G. & Lu B. from the Island, attendees included: Gerry Novotny, DNR, Gary Kincaid, DNR, Fred Hegeman, DNR, Tom Mugan, DNR, Robin Nyffeler, DNR, Steve Parent and Peter Hurth, Baudhuin, Inc., Mark Finger, DSPS, Michael Lemcke, DNR.

Bidding

On July 31st, the bids for the project were opened and while Lou Small Jr. Excavating was determined to be the lowest bidder; that bid still exceeded the budgeted construction costs anticipated by the Engineer. After Lou attempted to pare some costs and projects, he was not able to get below the anticipated construction costs.

At a meeting of the Town Board on August 31st, the board voted to not to award the bid and to postpone the project to be rebid at a later date after further restructuring.

Letter from DNR

September 3rd, a letter (see attached) was received from the DNR-Madison stating that the project as it stood would not be permitted by the DNR. Their concerns were that the scope of the planned system would not fall under the directives of NR 113, rather NR 204 which has stricter compliance measures.

Meeting in Green Bay with DNR.

A meeting was held in Green Bay on September 12th, 2013. It was found that while the State Sanitarian would have approved the project, the DNR will not.

It was determined Baudhuin, Inc. would need to reevaluate the Engineering design to address the standards of NR 140 and NR 204 along with the requirements of the DNR.

It was argued and concluded the proposed system far exceeded the definition and purposes of NR 113 (Servicing Septic or Holding Tanks, pumping chambers, etc...) more appropriately fitting into the purpose and definition of NR 204 (Domestic Sewage Sludge Management) and NR 206 (Land Disposal of Municipal and Domestic Wastewaters).

As a result the compliance standards of NR 204 in reference to effluent limitations and monitoring requirements are greater. The BOD and total nitrogen limitations are more restrictive for a centralized septage treatment facility which the DNR has determined this to be.

The DNR also required more information on alternate methods of waste disposal other than what was described in their projected costs. See the attached e-mail from Gerry Novotny, DNR with the list of items to be addressed by Baudhuin, Inc.

Thus, Baudhuin needs to redesign the plan to comply with these standards and meet the requirements of the DNR for discharge to the Waters of the State. (It might be added that the term '*Waters of the State*' by definition include groundwater).

USDA

The Town remains entered into an agreement with the USDA for a \$519,000 loan over 40 years at 2.5% interest. The Utility District, or sponsor share, is \$20,000, bringing the actual loan principal requested to \$499,000.00. Of the \$20,000.00 this can be used for costs to date such as engineering, surveys, legal work and development.

This amount is currently apportioned for this project. After speaking with Jennifer Schenk, USDA, these funds continue to be reserved for our project with the locked in interest rate of 2.5%. As long as we show forward progression with the project, the funds will remain reserved. If at such time, the Town determines advancement has ceased, the USDA would like to know so as to allocate the monies elsewhere, but for now, that portion of the funding is secured.

The USDA understands projects and cost overruns. They understand that projects are put on hold for many reasons, so they have safeguards to assure funding. They were given adequate notice November 2013 of stop loss by the Town so as to secure the funding, yet prevent any unnecessary costs until such time as the Town could revisit the scope of the project and additional requirements.

Any additional funding needed (based upon any new designs or associated costs) would be addressed as an additional loan which *could* incorporate a different interest rate. The Town is still considered to have an intermediate loan rating (as opposed to a market rating determined by 2010 Census data), which puts us in the same interest category as the present loan. Currently the interest rate for an intermediate loan rating is at 3.5% however, Jennifer stated that the rates change quarterly and are projected to decrease (although not guaranteed).

Since we do not have as of yet a preliminary engineering plan to include the changes the DNR is requiring, it is difficult to forecast project costs or facility management plans.

Legal

Both Bill Wolske and Quarles and Brady were notified of the project postponement. The paperwork and agreements are on file with their offices and any further legal work will be determined when the project is back on track.

Mr. Wolske stated he would not charge the Utility District until the project either continues or he is notified of termination.

As with the USDA, the Legal representation will most likely need updated signature pages when the project moves forward.

Meanwhile

The postponement of the proposed system gave the Town an opportunity to explore other considerations.

In January I received a phone call from Paul Matthiae, WISCAP, informing me of another alternative system that he had heard about from Minnesota DNR.

This system is manufactured by Apex Systems, Inc., Greg Ackerson. It has been in place in Europe and was recently brought to the United States, namely Minnesota. It has had favorable reviews from the DNR in Minnesota and Paul thought we would like to consider reviewing this system.

I contacted Greg and requested he correspond with Peter Hurth, Baudhuin, Inc. Through E-mails and phone conversations, Greg was appraised of the challenges and requirements the Town was facing in consideration of feasible alternatives. This included discharge types, BOD and TSS limits, Effluent qualities and Nitrogen, BOD and Chloride discharge requirements.

Also the postponement allowed exploration of ongoing suggestions. One suggestion passed on to Baudhuin, was more consideration given to the decline in holding tanks whereby the requirements for Mound systems have been reduced allowing holding tanks to be replaced by Mounds.

While holding tank systems will always be part of the Island, it should be taken into consideration the system size needed to accommodate the decrease in holding tank material. While the Town desires to have a system to handle both holding tank *and* septage material, we need to balance the immediate requirements with future needs.

2013 Statistics

According to **Chart I** (attached) the total gallons disposed (Column E) was 1,147,220 which was a 1.4% decrease from 2012 (1,163,400).

Of that 1,147,220 total gallons, 941,465 (82%) was Holding Tank waste and 207,910 (18%) was Septage waste.

Of the 941,465 gallons Holding Tank Waste, 433,470 gallons (46%) was spread on the fields. That amount was down (1%) from 2012.

Since the current FAST system at the Ballpark has a 2000 gallon per day forward flow system or 60,000 per month (on average), when the main tank is filled for the day, the residual is spread on the field until the FAST recovers overnight. Since the Town does not have the luxury of spreading out all Holding Tank gallons evenly over 12 months, during peak months where the gallons pumped exceed what the FAST can hold on a daily basis, the residual is spread on the fields. During the winter months the Ballpark system is capable of handling all holding tank waste.

For example in July (a peak month), there were 121 holding tanks serviced for a total of 229,400 gallons, an average of 5 loads per day (Dumping in the FAST system is not recommended on Sundays or holidays). Approximately two of those loads could go in the FAST system, the rest must go on the fields. Since the pumpers alternate weeks for the use of the FAST system, one pumper puts his two loads per day in, the other pumper during his off week bring their holding tank loads to the field.

Septic Permits

The new Septic Permit Fee procedure for collecting payment is working well. Of the 22 permits issued in 2013, all fees were collected except two, with those systems not yet installed.

When the County notifies the Town of a new permit issued, a letter is sent to the homeowner informing them of the fee, whereby the payment will be issued prior to installation. Upon

payment, an invoice marked 'Paid' is sent back to the homeowner with their septic permit number indicating the permit is paid and issued. The installers have cooperated by asking the homeowners if they had their Town permit in place prior to installation. If not, they send the homeowner to the Utility District to pay.

This relieves the installer of the responsibility of remembering to collect those funds, and ensures the proper permits are issued prior to installation.

Spreading Charges

In 2013 there were \$1,898.00 in overdue charges. These charges were from 2011 and 2012. A "nice" letter was sent to the owners for overdue charges from 2012 reminding them of this bill. A letter was also sent to the owners for overdue charges from 2011 stating if this was not met by September 30th, 2013 the amount would be posted to this years' property tax bill. \$258.00 of uncollected 2011 fees were posted to 2013 property tax bill for collection. If 2012 fees remain overdue, this amount will be added to their 2014 tax bill in October. Letters will be going out in March/April to give the homeowners adequate time to respond.

The same procedure was used in 2012 for overdue charges in 2011 and 2010. \$737.40 was collected for overdue charges from 2010. Letters will be going out this spring for those bills overdue from 2013 and 2012 with 2013 owners receiving a reminder and 2012 collection through the tax bill if payment is not met by September 30th.

FAST system maintenance

On January 12th, 2014, the FAST system motor was humming; not pumping. Lou and Dave Small checked and found a small wad of material stuck in it preventing it from pumping. Problem solved.

On February 5th, the FAST system motor was not running. Dave Small again checked it and felt the motor had failed. He installed the spare motor, but that didn't run either. He had Mac come down and troubleshoot prior to sending the motors off-Island for overhaul, and it was a switch that was faulty. That was good thinking on Dave's part to continue troubleshooting. He reinstalled the current motor and put the spare motor back in storage.

The inspection report for the system is attached. Brushing has been done at the Ballfield FAST system to prevent unwanted tree growth. In the coming year the system will need to be inspected and maintenance done to the inside components of the tanks. Corrosion has occurred on the parts so inspection is needed to determine necessary repairs and replacement.

Cost Review

2013 Cost Breakdown

Total Gallons Disposed in 2013: 1,147,220

Operation/Maintenance costs to FAST system:

Gallons disposed in FAST system: 497,090

Maintenance/Testing: 418.00

Inspections: 928.90

Insurance: 298.96

Electricity: 2,854.00

Total Expenditures: 4,499.86

\$0.01 per gallon

Costs to Fields:

Gallon disposed on Fields: 650,130

Ted Hansen Lease Pymt: 5,178.11

Tom Jordan Lease Pymt 6,561.32

Total Expenditures: 11,739.43

\$0.02 per gallon

Total overall expenses to District (including administrative)

Total Gallons disposed: 1,147,220

Total expenditures: 25,910.97

\$0.02 per gallon

The field expenditures decreased over last year because lime was not purchased. An order will be place in 2014.

Total Expenditures to the FAST system decreased as there was a decrease in electricity possibly due to the Sludgehammer motor not running.

Odds and Ends

Lime will need to be ordered this year. We try to have at least 10 pallets brought over every two years as this constitutes a truck load and reduces delivery costs as opposed to ordering 4 or 5 pallets every year.

At the spring inspection of the FAST system, we can determine the extent of the overhaul of the FAST system components/structure. Then a timeline and cost plan can be evaluated.

Respectfully submitted,



Lu Beekman
Utility District Manager