



CITY OF MERRILL

Water & Sewage Utility

2401 River Street • Merrill, Wisconsin • 54452
Phone: 715.536.6561 • Fax: 715.539.2668

Smart Move

NOTICE

RE: Water and Sewage Committee Meeting to be held Wednesday, April 27, 2016 at 5:00 p.m. in the Council Chambers at City Hall.

Voting members: Alderperson Rob Norton, Alderperson Kandy Peterson, and Alderperson John Burgener

The following items will be on the agenda:

1. Review & approval of vouchers
2. Review of 2015 Public Service Commission (PSC) Annual Report.
3. Discussion & recommendation on considering water simplified rate case application to Public Service Commission.
4. Operations Report.
5. Public Comment.
6. Next meeting.
7. Adjournment.

Reviewed by,

Rob Norton
Committee Chairperson

The Merrill City Hall is accessible to the physically disadvantaged. If special accommodations are needed, please contact the Merrill City Hall at 536-6561.

PACKET: 06458 water ap march 2016

VENDOR SET: 01

**** CHECK LISTING ****

BANK : 4 UTILITY A/P

VENDOR	NAME / I.D.	DESC	CHECK TYPE	CHECK DATE	DISCOUNT	AMOUNT	CHECK NO#	CHECK AMOUNT
003108	AIRGAS USA, LLC I-9934419762	AIRGAS USA, LLC	R	3/14/2016		20.38CR	149755	20.38
001521	BAY TOWEL, INC. I-022916	BAY TOWEL, INC.	R	3/14/2016		345.74CR	149756	345.74
000215	CHEMTRADE CHEMICALS US LLC I-91750763	CHEMTRADE CHEMICALS US LLC	R	3/14/2016		3,315.60CR	149757	3,315.60
000381	CITY OF MERRILL I-022916	CITY OF MERRILL	R	3/14/2016		15,000.00CR	149758	15,000.00
001747	DEPT OF NATURAL RESOURCES I-TESTING	DEPT OF NATURAL RESOURCES	R	3/14/2016		50.00CR	149759	50.00
000123	DIAMOND BUSINESS GRAPHICS I-178606	DIAMOND BUSINESS GRAPHICS	R	3/14/2016		917.65CR	149760	917.65
000212	FASTENAL COMPANY I-022916	FASTENAL COMPANY	R	3/14/2016		673.12CR	149761	673.12
002661	FRONTIER I-022916	FRONTIER	R	3/14/2016		140.34CR	149762	140.34
001556	HD SUPPLY WATERWORKS, LTD I-022916	HD SUPPLY WATERWORKS, LTD	R	3/14/2016		19,194.50CR	149763	19,194.50
002849	HYDROCORP I-0038326-IN	HYDROCORP	R	3/14/2016		1,340.00CR	149764	1,340.00
003914	JS PLUMBING & HEATING LLC I-012216	JS PLUMBING & HEATING LLC	R	3/14/2016		190.00CR	149765	190.00
000751	L W ALLEN LLC I-022916	L W ALLEN LLC	R	3/14/2016		418.88CR	149766	418.88
001107	LINCOLN COUNTY LANDFILL I-10349	LINCOLN COUNTY LANDFILL	R	3/14/2016		238.43CR	149767	238.43
000351	LOCAL GOVERNMENT INVESTMENT POOL I-022916	LOCAL GOVERNMENT INVESTMENT POOL	R	3/14/2016		8,750.00CR	149768	8,750.00

PACKET: 06458 water ap march 2016

VENDOR SET: 01

**** CHECK LISTING ****

BANK : 4 UTILITY A/P

VENDOR	NAME / I.D.	DESC	CHECK TYPE	CHECK DATE	DISCOUNT	AMOUNT	CHECK NO#	CHECK AMOUNT
000041	MERRILL ACE HARDWARE I-022916	MERRILL ACE HARDWARE	R	3/14/2016		1,097.66CR	149769	1,097.66
000331	MULCAHY/SHAW WATER INC I-319811	MULCAHY/SHAW WATER INC	R	3/14/2016		130,000.00CR	149770	130,000.00
001116	MUNICIPAL ENVIRONMENTAL GROUP - WATER DIVISION I-2016 DUES	MUNICIPAL ENVIRONMENTAL GROUP	R	3/14/2016		1,035.30CR	149771	1,035.30
000540	NAPA AUTO PARTS I-022916	NAPA AUTO PARTS	R	3/14/2016		264.53CR	149772	264.53
000336	NIENOW ELECTRIC, INC I-022916	NIENOW ELECTRIC, INC	R	3/14/2016		1,266.02CR	149773	1,266.02
000337	NORTH CENTRAL LABORATORIES I-022916	NORTH CENTRAL LABORATORIES	R	3/14/2016		219.26CR	149774	219.26
001891	NORTHERN LAKE SERVICE INC I-022916	NORTHERN LAKE SERVICE INC	R	3/14/2016		606.00CR	149775	606.00
001392	PACE ANALYTICAL SERVICES INC I-022916	PACE ANALYTICAL SERVICES INC	R	3/14/2016		718.00CR	149776	718.00
000806	PROCESS EQUIPMENT REPAIR SERVICE INC I-15-152	PROCESS EQUIPMENT REPAIR SERVI	R	3/14/2016		27,845.41CR	149777	27,845.41
000586	QUILL CORPORATION I-022916	QUILL CORPORATION	R	3/14/2016		527.70CR	149778	527.70
000537	ROTOGRAPHIC PRINTING I-0556	ROTOGRAPHIC PRINTING	R	3/14/2016		115.00CR	149779	115.00
001811	SGS ENVIRONMENTAL CONTRACTING LLC I-25091	SGS ENVIRONMENTAL CONTRACTING	R	3/14/2016		1,235.00CR	149780	1,235.00
000278	TRIDENT SUPPLY I-022916	TRIDENT SUPPLY	R	3/14/2016		178.55CR	149781	178.55
000578	USA BLUE BOOK I-875595	USA BLUE BOOK	R	3/14/2016		774.23CR	149782	774.23

PACKET: 06458 water ap march 2016

VENDOR SET: 01

**** CHECK LISTING ****

BANK : 4 UTILITY A/P

VENDOR	NAME / I.D.	DESC	CHECK TYPE	CHECK DATE	DISCOUNT	AMOUNT	CHECK NO#	CHECK AMOUNT
000299	WAL-MART COMMUNITY/GEMB I-022916	WAL-MART COMMUNITY/GEMB	R	3/14/2016		72.55CR	149783	72.55
000587	WI STATE LAB OF HYGIENE I-452551	WI STATE LAB OF HYGIENE	R	3/14/2016		25.00CR	149784	25.00
000656	WISCONSIN PUBLIC SERVICE I-022916	WISCONSIN PUBLIC SERVICE	R	3/14/2016		14,223.62CR	149785	14,223.62

* * T O T A L S * *	NO#	DISCOUNTS	CHECK AMT	TOTAL APPLIED
REGULAR CHECKS:	31	0.00	230,798.47	230,798.47
HANDWRITTEN CHECKS:	0	0.00	0.00	0.00
PRE-WRITE CHECKS:	0	0.00	0.00	0.00
DRAFTS:	0	0.00	0.00	0.00
VOID CHECKS:	0	0.00	0.00	0.00
NON CHECKS:	0	0.00	0.00	0.00
CORRECTIONS:	0	0.00	0.00	0.00
REGISTER TOTALS:	31	0.00	230,798.47	230,798.47

TOTAL ERRORS: 0

TOTAL WARNINGS: 0

PACKET: 06450 water ap march 2016

VENDOR SET: 01

BANK : 4 UTILITY A/P

**** CHECK LISTING ****

VENDOR	NAME / I.D.	DESC	CHECK TYPE	CHECK DATE	DISCOUNT	AMOUNT	CHECK NO#	CHECK AMOUNT
--------	-------------	------	------------	------------	----------	--------	-----------	--------------

** POSTING PERIOD RECAP **

FUND	PERIOD	AMOUNT
20	3/2016	606.00CR
62	3/2016	41,536.91CR
63	3/2016	188,655.56CR
ALL		230,798.47CR

PACKET: 06492 4/11/16 wu ap

VENDOR SET: 01

**** CHECK LISTING ****

BANK : 4 UTILITY A/P

VENDOR	NAME / I.D.	DESC	CHECK TYPE	CHECK DATE	DISCOUNT	AMOUNT	CHECK NO#	CHECK AMOUNT
001521	BAY TOWEL, INC. I-033116	BAY TOWEL, INC.	R	4/11/2016		400.08CR	149975	400.08
002809	CARQUEST OF MERRILL I-10846-167451	CARQUEST OF MERRILL	R	4/11/2016		23.77CR	149976	23.77
000215	CHEMTRADE CHEMICALS US LLC I-91778180	CHEMTRADE CHEMICALS US LLC	R	4/11/2016		3,418.20CR	149977	3,418.20
000381	CITY OF MERRILL I-SW RPL ACCOUNT	CITY OF MERRILL	R	4/11/2016		15,000.00CR	149978	15,000.00
003239	ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE INC I-QUOTE#25727086	ENVIRONMENTAL SYSTEMS RESEARCH	R	4/11/2016		6,869.22CR	149979	6,869.22
000632	FERGUSON ENTERPRISES #331 I-0191924	FERGUSON ENTERPRISES #331	R	4/11/2016		132.23CR	149980	132.23
002661	FRONTIER I-033116	FRONTIER	R	4/11/2016		140.16CR	149981	140.16
001556	HD SUPPLY WATERWORKS, LTD I-033116	HD SUPPLY WATERWORKS, LTD	R	4/11/2016		12,699.27CR	149982	12,699.27
000224	HYDRITE CHEMICAL CO I-01887696	HYDRITE CHEMICAL CO	R	4/11/2016		1,924.20CR	149983	1,924.20
002849	HYDROCORP I-0038596-IN	HYDROCORP	R	4/11/2016		1,340.00CR	149984	1,340.00
000751	L W ALLEN LLC I-100661	L W ALLEN LLC	R	4/11/2016		136.73CR	149985	136.73
000313	LINCOLN CO TREASURER'S OFFICE I-10399	LINCOLN CO TREASURER'S OFFICE	R	4/11/2016		228.95CR	149986	228.95
000351	LOCAL GOVERNMENT INVESTMENT POOL I-REV BOND REDEPMT	LOCAL GOVERNMENT INVESTMENT PO	R	4/11/2016		8,750.00CR	149987	8,750.00
000041	MERRILL ACE HARDWARE I-033116	MERRILL ACE HARDWARE	R	4/11/2016		211.77CR	149988	211.77

PACKET: 06492 4/11/16 wu ap

VENDOR SET: 01

**** CHECK LISTING ****

BANK : 4 UTILITY A/P

VENDOR	NAME / I.D.	DESC	CHECK TYPE	CHECK DATE	DISCOUNT	AMOUNT	CHECK NO#	CHECK AMOUNT
000328	MERRILL WATER UTILITY I-033116	MERRILL WATER UTILITY	R	4/11/2016		674.86CR	149989	674.86
000540	NAPA AUTO PARTS I-033116	NAPA AUTO PARTS	R	4/11/2016		36.70CR	149990	36.70
000336	NIENOW ELECTRIC, INC I-033116	NIENOW ELECTRIC, INC	R	4/11/2016		9,696.13CR	149991	9,696.13
000337	NORTH CENTRAL LABORATORIES I-033116	NORTH CENTRAL LABORATORIES	R	4/11/2016		1,107.38CR	149992	1,107.38
001891	NORTHERN LAKE SERVICE INC I-292713	NORTHERN LAKE SERVICE INC	R	4/11/2016		303.00CR	149993	303.00
000566	PITNEY BOWES I-2344283-MR16	PITNEY BOWES	R	4/11/2016		232.53CR	149994	232.53
000586	QUILL CORPORATION I-033116	QUILL CORPORATION	R	4/11/2016		47.87CR	149995	47.87
001201	SENSUS USA I-ZA16015688	SENSUS USA	R	4/11/2016		1,838.00CR	149996	1,838.00
000578	USA BLUE BOOK I-913174	USA BLUE BOOK	R	4/11/2016		454.60CR	149997	454.60
000284	VIP ALL-VALUE I-033116	VIP ALL-VALUE	R	4/11/2016		255.63CR	149998	255.63
000299	WAL-MART COMMUNITY/GEMB I-033116	WAL-MART COMMUNITY/GEMB	R	4/11/2016		98.80CR	149999	98.80
000587	WI STATE LAB OF HYGIENE I-455674	WI STATE LAB OF HYGIENE	R	4/11/2016		25.00CR	150000	25.00
000656	WISCONSIN PUBLIC SERVICE I-033116	WISCONSIN PUBLIC SERVICE	R	4/11/2016		12,178.30CR	150001	12,178.30

* * T O T A L S * *	NO#	DISCOUNTS	CHECK AMT	TOTAL APPLIED
REGULAR CHECKS:	27	0.00	78,223.38	78,223.38
HANDWRITTEN CHECKS:	0	0.00	0.00	0.00
PRE-WRITE CHECKS:	0	0.00	0.00	0.00
DRAFTS:	0	0.00	0.00	0.00
VOID CHECKS:	0	0.00	0.00	0.00
NON CHECKS:	0	0.00	0.00	0.00
CORRECTIONS:	0	0.00	0.00	0.00
REGISTER TOTALS:	27	0.00	78,223.38	78,223.38

TOTAL ERRORS: 0

TOTAL WARNINGS: 0

PACKET: 06492 4/11/16 wu ap

VENDOR SET: 01

**** CHECK LISTING ****

BANK : 4 UTILITY A/P

VENDOR	NAME / I.D.	DESC	CHECK TYPE	CHECK DATE	DISCOUNT	AMOUNT	CHECK NO#	CHECK AMOUNT
--------	-------------	------	------------	------------	----------	--------	-----------	--------------

** POSTING PERIOD RECAP **

FUND	PERIOD	AMOUNT
10	4/2016	4,161.53CR
20	4/2016	303.00CR
62	4/2016	33,324.51CR
63	4/2016	40,434.34CR
ALL		78,223.38CR

REQUEST TO INCLUDE ITEM ON AGENDA

Board or Committee: Water & Sewage Committee

Date of Meeting: Wednesday, April 27th, 2016

Request by: Kathy Unertl, Finance Director

Describe below the item(s) you wish to have put on the agenda:
(please attach any pertinent information)

Review of 2015 Water Annual Report to Public Service Commission (PSC)

Note: Report was distributed to Committee members on April 19th, 2016

Signed: 

4/19/2016

REQUEST TO INCLUDE ITEM ON AGENDA

Board or Committee: Water & Sewage Committee

Date of Meeting: Wednesday, April 27th, 2016

Request by: Kathy Unertl, Finance Director

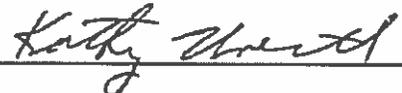
Describe below the item(s) you wish to have put on the agenda:
(please attach any pertinent information)

Consider Water Simplified Rate Case Application to Public Service Commission (PSC)

Although a positive % for 2015, the City's rate of return is far below actual cash flow needs.

City is eligible for 3.0% water simplified rate increase –see draft simplified rate case application. Process timeframes:

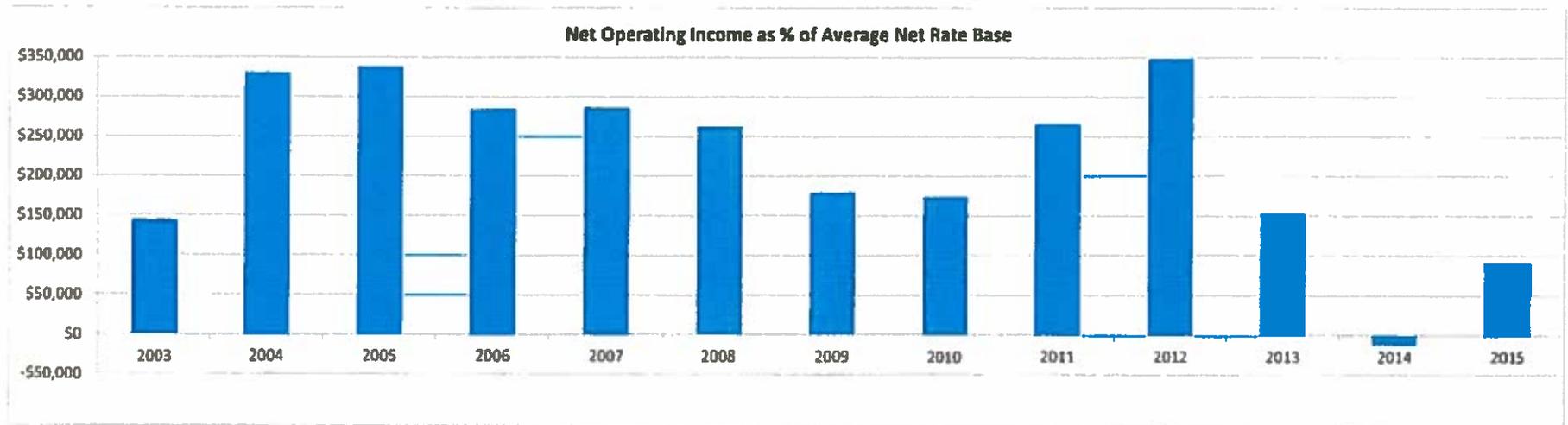
- Water & Sewage Disposal Committee – 4/27/2016
- Merrill Common Council – 5/10/2016
- Publish notice in Merrill Courier – 5/13/2016
- Submit to Wisconsin PSC - 5/16/2016
- Proposed water rate adjustment as of July 1st, 2016

Signed:  4/19/2016

City of Merrill Water Utility

PSC Return on Rate Base Computation Summary

	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual
Net Operating Income	\$143,937	\$330,830	\$338,442	\$285,017	\$286,121	\$262,593	\$179,339	\$173,809	\$267,118	\$348,541	\$153,994	(\$12,343)	\$91,114
Net Operating Income as % of Ave. Net Rate Base	2.78%	6.31%	6.39%	5.37%	5.24%	4.70%	3.27%	3.19%	4.90%	2.28%	2.43%	-0.17%	1.27%
% Change From Previous Year	1.98%	3.53%	0.08%	-1.02%	-0.13%	-0.54%	-1.43%	-0.08%	1.71%	-2.62%	0.15%	-2.60%	1.44%



There was a major Water Rate Increase implemented during 2003. A 14% Water Rate increase was implemented effective January 1st, 2011.

There was a 3.25% Simplified Water Rate adjustment effective August 1st, 2012 as first step for paying for major water treatment improvements.

The Wisconsin Public Service Commission (PSC) approved about 10% Water Rate increase effective December 1st, 2013 related to water treatment improvements. For 2014, Wisconsin Public Service had projected 2.5% rate of return after the 12/31/2013 rate increase.

The severe 2013-14 winter conditions included community-wide running water, significant overtime to thaw services/mains, and numerous water main repairs.

There was a 3.00% Simplified Water Rate adjustment effective July 1st, 2015.

Simplified Rate Case Application - Water Class: C

3610 - Merrill Water Utility

Public Service Commission of Wisconsin
P.O. Box 7854
Madison, WI 53707-7854

(filing this form out is in accordance with Wis.Stat196.193)
3011(11/22/2004)

Preparer Name: **John A. Mayer**

Preparer Phone Number: **414 352-9026**

Preparer Email Address: **mayerklimt47@gmail.com**

Date Application will be filed with the PSC: **5/16/2016**

Notice

Date to be Mailed/Published: **5/13/2016**

Newspaper Name: **MERRILL COURIER**

Rate Effective Date: **7/1/2016**

	Annual Report Information	Page	
1	Total sales of water	W-1	\$1,379,380
2	Rate increase factor		3.0%
3	Line 1 times Line 2		\$41,381
4	Net operating income (Oper.Revenues - Oper.Expenses)	W-1	\$91,114
5	Adjusted Total Operating income (Line 3 plus Line 4)		\$132,495
6	Average net rate base Water Utility	F-23	\$7,187,449
7	Line 5 divided by Line 6		1.8%
8	Test 1 - Financial Eligibility Qualifies *		YES
9	Adjusted operating income from Line 5	Above	
10	Total Operation & Maintenance (O&M) expense (600 and 900 accounts only)	W-1	
11	Line 9 divided by Line 10		
12	Test 2 - Financial Eligibility Qualifies **		

* Eligible, if line 7 is equal to or less than 5.6%

** Eligible, if line 11 is equal to or less than 6.0%

Historical Check

Effective Date of Last Full Rate Case: **12/1/2013**

Rates from last full rate case in effect for one full calendar year. **TRUE**

If Class AB, not more than 5 year since last full rate case. **NA**

Effective Date of Last SRC: **7/1/2015**

Rate from last SRC in effect for one year (12 months). **TRUE**

Water Meter Rates

5/8" meter rate at last full rate case: **20.50**

Current 5/8" meter rate: **21.12**

If Class C or D, new cumulative rate less than 40% higher than last full rate case. **TRUE**

**Notice of Rate Increase
Water Customer of the Merrill Water Utility**

This is to give you notice that the Merrill Water Utility will file an application on May 16, 2016, with the Public Service Commission of Wisconsin (PSC), for authority to increase water rates. Rates for general service will increase 3 percent. The increase is necessary to reduce the existing deficiency in present rates. The request is being made under Wis. Stat. 196.193. Rate increases granted under this statute do not require a public hearing. The effect of the increase for some selected customers is shown below. Public Fire Protection and Wholesale rates (if applicable) will also increase 3 percent.

Customer Classification	Meter Size	Cubic Feet	Existing Quarterly Rate	Revised Quarterly Rate
Average Residential	5/8"	1,500	\$58.62	\$60.45
Large Residential	3/4"	2,400	\$81.12	\$83.67
Commercial	1"	19,500	\$451.23	\$464.69
Public Authority	1 1/2"	30,000	\$688.13	\$708.51
Industrial	2"	60,000	\$1337.03	\$1376.33

This rate increase will go into effect on July 1, 2016

If you have any questions about the rate increase request, call the Merrill Water Utility at (715) 536-5594.

April 21, 2016

TO: Water & Sewage Committee

FROM: Kim Kriewald, Utility Superintendent

RE: Operations Report

Water & Sewer Operations & Water Recycling Operations aka Wastewater Operations

- Water lines have been installed/repared at the Festival Grounds
- Filter cleaning/maintenance – John from Layne Northwest was here doing preliminary discussion and planning.
- Annual DNR inspection at the Wastewater Treatment Plant; Lab audit is scheduled for May 17, 2016.
- Working on CMAR/CMOM
- Routine maintenance at the Wastewater Treatment Plant
- System cleaning collection system
- Started installation of radio read boxes.
- Doing research on the possibility of hiring an engineer to do an evaluation at the old landfill.

Respectfully submitted,



Kim Kriewald
Utilities Superintendent

ah