

**MINUTES**  
**City of New Berlin**  
**Utility Committee Meeting**  
**Tuesday September 23, 2008**

Members Present: Alderman Harenda , Alderman Wysocki, Commissioner Bob Dude and Commissioner Jim Morrissey

Excused: Alderman Ament

Others Present: Rick Johnson (Utility Manager), Jim Hart (Utility Supervisor) Mayor Jack Chiovatero, City Attorney Mark Blum, Ralph Chipman (Accounting Manager), JP Walker (City Engineer), and Sue Hanley (Administrative Supervisor Utilities & Streets)

Alderman Harenda called the meeting to order at 5:03 p.m. with roll call and declared a quorum with all members present except for Alderman Ament who is excused.

**UT G-08 Approval of Minutes from the August 14th meeting**

Motion by Alderman Wysocki to approve the minutes from the August 14th meeting with the revisions Commissioner Dude had requested. Seconded by Commissioner Dude and upon voting the motion passed unanimously.

**UT 12-08 Wastewater Utility Budget**

Dude: On the preliminary budget analysis it shows what we have control of and what we don't. Footnote a) Operating revenues 2006-2008 (actual) and 2009 proposed are pretty flat, a difference of 1.8% from 2006 to 2009. We haven't had a rate increase for about 10 years and have controlled this fairly well. We have no control over:

- b) Disposal MMSD increases \$352,661 or 28.9% from 2006 to 2009 proposed.
- c) MMSD capital \$337,851 or 8.0% increase from 2006 to 2009 proposed.

We don't know yet what these numbers are going to be, so if we are going to try to hold to no rate increase in 2009, those numbers will have to stay within reason, but we don't have control of these. These 2 items together are 69% of the total expenses.

d) Collection system contracted (I & I). If you look at the 2 charts, you will notice we have averaged \$893,000 over the last 9 years. He said that the some of the amount of the item for tonight's item UT 08-08 could be used in 2008.

He said that only 18.2% of our budget is under our control, and our increase over those items is less than 1.2% a year. We have done a very good job on those items. We can't control the MMSD charges and the extent that I & I drives the budget. Right now if we went ahead with the \$1,200,000 for I & I, we would be showing a \$204,000 loss and I have some heartburn with that. If MMSD Capital and MMSD disposal gets bumped up a half million dollars, we don't have a lot of choice if you agree with the premise that we don't want a budget that is negative to start with. The \$1,235,000 for I & I, there is no reason why we have to spend that much next year. Should we be doing some yes, but there is nothing driving this and there is no master plan, how fast shall we go?

Johnson: The main plan for the wastewater utility is to catch up on all of the I & I issues that we've had over the past years. Originally it was set up for us to budget \$1.5 million per year for the next 10 years. As you see in the project graph, we have started to drop that down from \$1.2 million to \$710,000 in 2013. We are trying to create more capacity in the basins.

Dude: What is driving how much each year?

Johnson: We are doing areas in different parts of the city from residential to industrial. It costs more to do industrial for the larger pipes and for bypassing when the contractor does the work.

Dude: How much have you done over the years?

Johnson: I don't have the number in front of me, but we have tracked that.

Dude: I would like to see that and who is the big bad wolf here, and how do they enforce it?

Johnson: I would imagine MMSD because they have created the I & I program.

Harenda: There is nothing driving us. We have the ability to pull back some of the projects.

Johnson: Our charges are still going to be generated by the flow we are giving to Milwaukee so if we cut the flow down by the I & I our initial costs will go down.

Wysocki: Several years ago the DNR had a lawsuit initiated against MMSD and certain cities under the supposition that they were not aggressively pursuing the program eliminating the I & I. We took a proactive approach and we were not part of the lawsuit. There is another gorilla in the program and that's the DNR. I believe in the settlement to the lawsuit to MMSD in general, did they provide some sort of schedule, did they provide some sort of schedule? I know we were in the top 3 of the 28 contract cities that expended the most funds in eliminating I & I.

Johnson: I believe the first part of it was a 10 year project and we were required to spend \$1.5 million per year, and that is why we were not involved in the lawsuit, because we came close to that amount. We dropped our flow with the I & I program.

Wysocki: That is why we weren't included in the lawsuit because we had eliminated quite a bit. I think it would be worthwhile to make a presentation to the Utility Committee with all of that background.

Johnson: The largest part that we are working on now is the industrial park. There is not a lot of residential lining that has to be done, there is a lot of manhole rehab, but it is hard to estimate before we go in there and investigate it and get a design of what needs to be done. This amount may be able to be decreased.

Morrissey: A certain amount of I & I is maintenance work that we would do regardless right?

Johnson: It is basically the sewer relining, the manholes, the lids, the laterals is the majority of the project.

Morrissey: How many years are we into the 10 years?

Dude: In looking at the years you tracked on the I & I years past graph, I assumed we started in 1999, that is \$8,931,320 and if you look at your 5 year projection you have another \$4.4 million so you are already talking \$13.5 million dollars. I don't know where the \$15 million comes from, but we are 90% there. My point is before we drop another \$4.4 million dollars, where are we compared to the rest of the world, where are we compared to the standards and what's the best we can estimate based on what we have done in the past in the industrial and residential what is left and inflation. This is a third of our controllable budget and I would like to be tracking down some path as opposed to looking at a number. Today we will be asked to approve a \$600,000 contract some of which will go against this year's budget and some against next year's budget, but I would like to know where the end point is.

Harenda: Is there any way to do a cost-benefit analysis? Additional capacity is gained, we gain something financially is a benefit, we reduce our flows, we aren't charged enough what's the benefit? Is it worth throwing \$1.5 million at or if we throw \$5 million we will see a bigger benefit.

Johnson: It is hard to estimate the cost as it depends on the area you are going into and until you televise the whole system and take a look at the work that has to be done and it takes months to go into the area and do the legwork first before you decide to do that type of work.

Harenda: Aren't we televising a lot of these?

Johnson: Yes. We do it all then we have the design work done by a consulting engineer who does the bidding for us.

Harenda: You are selecting an area of the city that we are going to reline and replace. We are not televising all of the laterals and mains in the city on a timetable?

Johnson: We take it by how old the system is. A lot of the newer system we don't have to do right now because it is PVC piping, we are looking at the old concrete pipes that have been in the ground for 30 + years because they cause the most problems.

Wysocki: I appreciate the cost-benefit analysis, but keep in mind there are also the DNR requirements. Maybe you can reference that in your report.

Morrisey: We are in the 10<sup>th</sup> year since we started in 1999, so based our commitment we have done fairly well.

Johnson: MMSD is having a meeting I believe October 9<sup>th</sup> to let us know what they expect us to do next.

Harenda: That is the concern that came up in the lawsuit that Alderman Wysocki mentioned. If they do set a level, are we going to have to reduce I & I when we have already done significant reduction? Has that been ironed out with MMSD yet?

Johnson: Not that I've heard.

Morrisey: How much decrease in I & I have we already done?

Johnson: I don't have those figures off hand.

Morrisey: In your report you can give us those figures. What percentage of the older system is relined?

Johnson: Roughly  $\frac{3}{4}$  of the system is done. Most of the remaining is residential and a lot will probably be just manhole rehab and lateral work, not complete relining. The industrial park is the hardest one because it has been in the ground the longest and there is a lot of damage done to the pipes.

Harenda: The industrial park projects are tied to the road projects correct?

Johnson: What we have to do doesn't involve any digging; we just go manhole to manhole.

Morrisey: Would you be comfortable reducing our \$1.5 obligation?

Johnson: I think we are to that point where we can drop it down a substantial amount because we don't have any big projects left. Once we get the industrial park done it will be small residential projects. There is one more section besides the one for approval on the agenda tonight and the preliminary report from the televising it is probably only about \$400,000 in addition to this amount and is planned for next year.

Dude: It is \$600,000 tonight and \$400,000 for next year's project. There is \$1.2 proposed and about \$200,000 of this year's project will be charged to this year, so we have picked up \$400,000 theoretically.

Wysocki: There was a report by R.A. Smith during this litigation period that we did our own monitoring of the flows and in some of the basins there was 25% or higher reduction.

Johnson: We are still doing that.

Wysocki: If you could pull that together too Rick. That is substantial reduction.

Harenda: When we talked to R.A. Smith a few years ago, we asked how long we should continue the monitoring. We said forever. Have we been matching our numbers with MMSD's.

Johnson: We have cut back quite a bit on our monitoring since our numbers have come so close it doesn't pay to have as many metering sites so we cut those down to almost half.

Morrisey: We should be the poster child for I & I work. We are the gold standard.

Wysocki: We won an award for that.

Harenda: DNR is the driving force behind that but MMSD is trying to take on more responsibility which will trickle down to more enforcement.

Dude: Hang on to this budget information. It shows what we can control and what we can't control. I would like to put out a budget that at least would show a break even, although if we get clobbered on the first 2 areas by MMSD, we may not have a choice in the matter. I would like to hold the line on rate increases.

Harenda: Can you comment on the charges?

Johnson: We are meeting with them on the 29<sup>th</sup> for what charges we owe. We can't figure out the final budget until we get the charges from them.

Morrisey: Will we have the numbers in October?

Dude: We have already done the proposed numbers and have done the squeezing in the other areas, so hopefully we will have it ready.

**UT 08-08      Award Construction Contract for Sanitary Sewer Rehabilitation Project on  
Glendale and Overland Drive**

Harenda: We discussed some of this already; we have \$561,700 for the contract and have \$149,300 for legal and administrative costs. What are we getting for the other \$149,300?

Johnson: That will be the legal, administrative costs, inspection services and contingencies.

Harenda: Are we bidding out the professional services contract?

Johnson: Basically we were picking and choosing because we are looking at different engineering firms to see who will be doing the best quality of work for the city.

Harenda: Is that on a T & M?

Johnson: When the construction estimates came in at \$711,000, the bid came in the project was \$561,700 so it came in under what we estimated the project would cost.

Harenda: What is the timetable on this?

Johnson: If it gets approved tonight we will call the engineering firm who will set up a meeting with the contractor and will set a date. It depends on their schedule and the weather. They may start a little later and only do a partial project \$200,000 this year and the rest will be for next year. It is driven by the contractor.

Harenda: This is I & I work?

Johnson: It is larger sewer mains.

Dude: Of that \$711,000, there is \$211,000 in the 2008 budget that it could be applied against to still stay within budget, so that says \$500,000 would be against the \$1,235,050 that would be next year's budget. This amount of money will overlap the 2 fiscal years, but with this proposal you still have money left to do work in the residential area next year and still pick up some dollars on what is proposed in the 2009 budget.

Wysocki: Is this the only project for 2008? The budgeted amount for 2008 was \$1.2 million.

Dude: We've spent \$984,000 to this point.

Wysocki: Does that include this project?

Dude: We have \$211,000 left in this year's budget so some of this project can be applied to 2008 and the rest will be charged to 2009.

Harenda: I thought we couldn't encumber funds because the budgets aren't set yet?

Chipman: The Utility enterprise funds are a different basis than the City. In this case we will be able to do it. We will only recognize the work down in 2008. If there was only \$200,000 worth of work done, that will be paid in 2008.

Motion by Commissioner Dude to recommend to Common Council to approve the award of Construction contract for Sanitary Sewer re-lining, replacement, manhole grouting, testing and sealing for the Glendale and Overland Drive Project to the lowest responsive and responsible bidder, Visu-Sewer Clean & Seal Inc., in the amount of \$561,700.00 for a total project cost not to exceed \$ 711,000.00. Source of Funds: Wastewater Account 81001131.52030. Seconded by Commissioner Morrissey and upon voting the motion passed unanimously.

**UT 12-04            Status on Milwaukee Water Expansion and**  
**UT 09-08            Milwaukee Water and Rate Case Requirements**

Harenda: In a memo from Ralph Chipman, he is looking for direction from the Utility Committee to accurately prepare the budget and rate case application: Projected infrastructure costs and funding source, Construction timeline, Actual hook up date, Expectation of the timing of the rate change, and Method of \$1.5 million IGA payment.

Chipman: The PSC has informed us that due to staff shortages the time to complete a rate case is currently 160 days instead of the normal 90 days. I don't know in the future if they hire more people that would change and the fact that this is not your normal rate case, it may take more time since it is more complicated.

Harenda: Commissioner Dude is working with staff on the Water Utility Budget, do you have any comments?

Dude: When we looked at the budget I asked myself what are the basic assumptions? When are we going to turn it on and what are the hoops you have to do that? The first hoop is when the DNR/EPA will do the contract approval. Infrastructure (pipes, pumps) must be completed and where does that leave us in terms of rates. I have heartburn about pumping water until we have rates approved and feedback from the PSC. The IGA will go from the City of New Berlin to the City of Milwaukee and of course the Water Utility will have to reimburse the City and we have talked about the Water Utility borrowing from the Sewer Utility since it shares the interest and eliminates some outside rating costs. Until we get these questions answered, it is difficult to prepare a budget. I can't see this all happening before July 1<sup>st</sup>, but I think we have to lay the timeline out before we can make budget assumptions.

Harenda: We can't do anything until the DNR and PSC approves the contract and the IGA. My comment has been that we should borrow the \$1.5 million from the Sewer Utility. Rick had put together a spreadsheet a few meetings ago of what needs to be done regarding upgrades pumphouses, installation of SCADA systems, estimations and timetables of what still needs to be bid. We should be bidding all of this out instead of always dealing with the same individual. If they come in as the low bidder great, but what is the cost going to be which will have an impact on our budget and the timeline will dictate the cost. Another question that Ralph had was what is the status regarding water conservation rates. My personal opinion is that the rate case we are working on right now should concentrate on getting water to the western half of the utility. The conservation rate is something new that the City of Waukesha has

proposed, we are working on this with Greg Kessler and our DCD department in conjunction with our comp plan review to incorporate what we are already doing and what we want to do to conserve water. Conservation rates and a new sprinkler ordinance are probably the next step and putting together some type of funding source and incentive program to getting people to go to low volume toilets and faucets. That is a separate issue all together, but I don't want to cloud that issue with that. I think our staff, Ralph has been doing the rate case in the past versus outside consultants but I will leave that up for discussion.

Wysocki: In fairness to you Ralph, I don't want you working here on Saturdays; did you work out with Mike to fit this into your normal work schedule?

Chipman: We've done in house the last 2, there are plenty of firms that can do it Virchow Krause our auditors are experts on it also. Right now the hold up is if we don't have some of the information, nobody can work on it. The fundamental things need to be addressed before we can start.

Wysocki: So you can handle it?

Chipman: We can get it done.

Wysocki: So I will see you here on Saturdays.

Chipman: I guess it depends on the timing. We will have the auditors here and if we need to go out we can.

Wysocki: Keep us alert of that. There are 2 points that are crucial. To start this we need to have our finances straight and central to that is the rates, but the 2<sup>nd</sup> thing is the physical part. There is work that has to be done before water can be turned on. We won't start that until the contracts have been approved. How long will it take to have the conveyance system in place?

Johnson: We have to look at what engineering firm will be doing this, then we will have to bid it out, awarded and then the work will take about 3 months because you have to order the parts, motors, etc. As far as doing the turnovers for filling the extra waters and reservoirs and getting the SCADA system to work, it will all be done close together.

Wysocki: Is there a project timeline when we have this in place?

Johnson: It is difficult to give a timeline when we don't have approvals.

Wysocki: Make the assumption the approvals are given, could you give us a project timeline look to how this gets set up.

Johnson: By the time you do the bidding and design work, it will take 5-6 months.

Harenda: Can you take the spreadsheet and put together a timetable, the milestones we have to hit, something similar to what we did when we put the first infrastructure in for the eastern half of the Utility. The steps of what we do for bidding, who is going to design what, what we bid out for professional services and construction services. You should have an estimate that we could take to prepare the budget and would dictate what the rate increase would be to cover that next year and in the future.

Johnson: If we decide to change engineering firms we will have to add on 2-3 months to get the firm up to speed to how our system really works because R & M has designed most of the City's system to begin with.

Harenda: They aren't redesigning it, it isn't rocket science, it is a conveyance system, we are just modifying the existing system.

Johnson: You have to take into consideration the pressure zones, the capacities, how our SCADA system works to integrate the upgrades we need to get the water into our facility.

Harenda: Then you incorporate that in what are the benefits and costs in going with another consultant or not. If it takes a few extra months and there are potential savings great, I can probably live with that. The concern we had a couple years back is that we can't change anything.

Johnson: If you choose to take on outside, you get a different engineering firm and go from there.

Harenda: I am not bashing R & M, if they are the low bidder great; I want to get the biggest bang for our dollar.

Wysocki: The SCADA system is proprietary software designed by Ruckert and Mielke and we pay a rental fee on that.

Johnson: Yes, they designed it for us.

Wysocki: In the agreement, if there was another firm that was successful in the bidding process, can they have access to it?

Johnson: They would have to work with R & M to make all of the improvements needed to make it work.

Wysocki: So R & M would charge.

Johnson: I believe in our contract, they were looking forward to what we had to do with Milwaukee water and it would be included with that.

Harenda: That is a concern. It is a proprietary system and we are in a similar system with our Police dispatch center where the vendor may or may not be going out of business. If they go under we have nobody to fall back on. I talked with Rick before; by getting something standardized we can have anybody come in if we need someone to pick up the ball.

Dude: Johnny Carson and the Great Carnac say July 1<sup>st</sup>. The PSC said that due to staff shortages it may take 160 day to complete the rate case. How long will it take you Ralph to do a rate case--2 months?

Chipman: Yes.

Dude: What does it take to do a Request for Proposal and how much time do you give them to respond?

Johnson: 6 weeks to prepare and 4-6 weeks to respond.

Dude: Then it has to go through this Committee and Council which takes 1 month. How long will it take for them design the system if you aren't using Ruckert and Mielke? How long does it take to do construction?

Johnson: If you went on the outside without using the 2 months to design and to do construction, it takes 6-8 weeks for the pumps and the motors and integration of the SCADA system will take 2 months.

Dude: Give me a total, +/- 10 hours.

Johnson: 3 months for construction and integration of the SCADA system.

Dude: You just gave me 9 months on one side, and 160 for approval from the DNR and 60 days for the rate case so it is 7.3 months one way with R & M and 9 months the other way and you can't start any of these critical paths until the DNR/PSC says go. So realistically it is July 1<sup>st</sup>. I don't see how you could do it much faster than that.

Harenda: How does that impact the discussion with the 2009 Water Utility budget?

Chipman: Some of the projections for the infrastructure costs could be done without approval from the DNR and based on your projection of a rate change of July 1<sup>st</sup> will work the best because it is the quarter.

Technically under the PSC rules, if you change it during a quarter billing you have to charge it 1 month at the old rate and 2 months at the new rate. Our goal would be put it on the quarter. If we get the information together to get the rates changed July 1<sup>st</sup>, we can get the budget together based on that scenario.

Wysocki: I think it is realistic.

Morrisey: That may be even aggressive depending on our friends at the state level.

Dude: I don't know what hoops we have to jump and what order we are in.

Morrisey: On July 1<sup>st</sup> is probably the earliest we could get it.

Harenda: Did you contact the DNR regarding the contracts Mayor? I know there was an article in the paper today regarding a Michigan representative or senator fighting the Great Lakes Compact on a national level but that doesn't have an impact on us.

Chiovero: I say these comments with some reserve because Todd Ames and I have been playing phone tag. Todd did say they have not reviewed the agreement but he sees no problem with it, but there is a timing issue. The 2 issues are: The president has to sign the compact; it has gone through the Congress and the House. The DNR is trying to make sure they have their rules written before they sign ours to make sure they coincide. I'm thinking the conservation issues and things like that. He knows we are ready to start moving and wants us to try to come up with a date that we would like to turn the water on and he was mentioning February to March at the latest. I don't know what we can do to move this forward. We have had the agreement about a month and are waiting for the DNR.

Harenda: The comment Todd made was that they won't approve our agreements until all of the other administrative rules are in place? That won't happen overnight.

Chiovero: That's why I am saying these comments with reserve. In the conversation I have had with Todd is that it would sure be nice if we could be done on a federal level quicker but it is going to take 6 or 7 years to do that. Low and behold it has gone through already and we are just waiting the president's signature. I think that will make them very comfortable since it was done on a national level. The other side of the coin is that the DNR might be making sure they have all of their conservation methods and everything they want to comply with.

Harenda: That is an administrative rule and it is not going to happen overnight. That could take a year.

Chiovero: It might and if that is the case, that would buy us the time we were looking for and we could probably argue that, but I know the PSC has contacted Ralph and asked what is going on here, but I don't know if they have had a chance to review or approve our agreements. We have a meeting with the DNR tomorrow. Bill Mielke may have some answers. We were talking about how we were going to pay for the \$1.5 million and for the longest time we couldn't put it in the rates, Ralph said that when talking with the PSC there may be a way of recovering some of that through the rates because it is considered construction costs. Talking to Bill Mielke 2 weeks ago, that was not the indication I was getting from him, but in talking with Ralph I got that indication. Bill Mielke may have had some conversations with the DNR.

Dude: There are certain things we can do – ready, set go. Rick can start writing the specs and determine what the costs will be for the capital. Secondly Ralph can start building the rate case and a lot of it is history and filling out forms. If you need an assumption, why not July 1? Thirdly we can start preparing the bids that go out to the various contractors. I don't know who does that. If we have to bid on the engineers we would have to get R & M to start with, but we can do these things on the front end and not let them go until we get DNR approval. I don't know what that means in terms of Rick's time and Ralph's time.

Harenda: Rick has to come up with the numbers and the timeline and that information is given to Ralph to put the rate case together. The DNR has done an about face with us before. I don't think they will yank the carpet out from under us this time or we will put Mark Blum to work. I agree. Ralph and Rick do you need any other direction? Tomorrow we are holding a meeting and maybe will get more information.



Dude: We may want to do a critical path chart which lays out all of the things that has to be done and one follows the other. You can also do a critical path chart with dollars and you say where can I spend some dollars to make the path shorter. I did that on an MBA project.

Harenda: We did that in the last project. Is that something you can get together by our next meeting Rick?

Johnson: I can give you a rough estimate and prices.

Wysocki: If you believe we can jump start this but we need expenditures, I appreciate the dollar amounts you would need authorization for relative to certain costs. I am very confident that what is been done is the right thing and will work. It is just a matter of bureaucracies responding to the effort we put in.

Johnson: As far as design work?

Wysocki: Yes, let us know.

Chiovatero: We are not off that hook yet, it is better if we move forward and show we are working on it instead of just sitting on our hands. What Alderman Wysocki said is very crucial to that. If there is anything we can do now with no expenditure or very small expenditures since we know we are going this direction, it would not be funds spent for nothing. We need to move forward.

Harenda: I agree. In the overall Water budget, what are we going to do with the existing infrastructure, including our well systems, how long we will keep them online? That will have an impact going forth, maybe not in 2009, but I have talked to Rick and Bob Dude about these things so I will look for your expertise on that. When Lake Michigan water flows to rest of the Utility, the old system is still looked as a backup source or reserve, but we should be able to wean ourselves off that and eliminate it all together.

Chiovatero: As far as our backup system and old wells, talking with the engineering firm that is working on this, their suggestion is before we abandon them, we get through a full peak season to make sure our SCADA is under control and we will be out of any possibility of paying overage charges.

Harenda: I agree. That goes back to talking about the contract and we were told that we have significant capacity with Milwaukee water works now and we should be OK, but I agree we should have some history before we go in that direction. Ralph put together some cost savings if we transition over in mid year 2009 and you will see more in 2010 and 2011. Does that answer the questions you are looking for?

Chipman: Yes sir.

Harenda: If something does break, Rick, Ralph or the Mayor will inform us.

#### **UT 05-07 Water Conservation Measures –Potential Rate Adjustments**

Morrisey: I would like to echo some of Alderman Harenda's comments earlier that we need to go slow and study this issue carefully and make sure we have public input and this should be on the back burner until we get the rest of the service area City water.

Harenda: With our comprehensive update, Staff is looking at Stormwater and what we are doing internally. The DNR may rewrite some rules.

Dude: We may have to move faster than we would like to if the PSC in conjunction with the rate approval would turn the screws on us in terms of conservation measures. Right now we have an odd/even sprinkling schedule and tell people about it once a quarter but they may conveniently forget. That could in fact come up when the rates go to the PSC. I don't disagree that we should have a public hearing but we should think about a back up plan.

Harenda: The Public Service Commission can't force conservation rates on the Utility to start changing water and the DNR doesn't have the right to force us to go with the conservation rates. They can put in

percentages to save water and cut back on usage by sprinkling bans and playing with the rate structure to try to get people to use less water, I may be wrong.

Chipman: I e-mailed Dave Prochaska and Jeff Ripp at the PSC so that we knew what to do when preparing our rate structure. I asked them if conservation measures would be part of the rate case and the response from Jeff Ripp was that. "In general the PSC does not require Water utilities to implement water conservation programs. Rather the PSC has approved utilities that are using voluntary programs; however given the pending situation of New Berlin purchasing additional water from Milwaukee, DNR may wish to include some water conservation requirements under the Great Lakes Compact. One difficulty is that these rules are not yet in place, but if these rules would result in additional cost to the Utility, it might be worthwhile to make sure that these are in the rate case." I received that on August 25<sup>th</sup>.

Harenda: That is if the DNR has their administrative rules in place, but that may not happen soon. I talked to Ralph last year about separating the 2 issues into separate rate cases. I think it clarifies it to the Utility customer that we are charging this amount to provide a product. Now we charge you this amount to reduce the consumption or amount of product being utilized.

Morrisey: I think the issue is how much of an increase it is. I think Bob makes a good point, we may be forced.

Wysocki: I think the City of Waukesha already passed an ordinance. Are we going to copy that?

Harenda: Yes. We are working forward. The Mayor brought forth some information from a conference and I will be meeting with Greg Kessler on the issue.

#### **UT 07-08      New Berlin Urban Service Area Boundary (*discussion*)**

Harenda: A map was put together and presented to the Plan Commission at the last meeting. The Common Council will be setting a public hearing to solidify the boundaries. I will make sure that Commissioner Morrisey and Commissioner Dude will get a copy of the map. Bob had a great idea. There will be public comment on that.

#### **UT 10-08      Wireless Lease Consultants ("WLC") offer to purchase wireless communications easement**

Commissioner Dude showed the committee a spreadsheet that showed the total gross amount to be received under the current contract was \$1,363,596. The net present value of payments @ 2.2% (current LGPI rate) is \$916,138 versus the various generous offer of \$85,512. I will even give them 3% using the rule of 72 which means take 72 divided by 3%, 24 years you double your money, the last 6 I will take ¼ so that is a grand total of \$213,780, so they are only offering to underpay us by \$700,000. I would tell these people to go away and I don't want to see any more of these.

Harenda: What are you looking for an action on this?

Johnson: It was just information they emailed us about trying to get a better deal on the lease.

Chipman: These guys have been calling us fairly regularly and I told them I had a fairly good idea where this was going to go, but they wanted it on the agenda and felt we had to put it before you.

Johnson: It is just a company that tries to broker.

Chipman: If you tell us to call them back and say you have no interest in this, that would be appropriate.

Morrisey: I think no is the appropriate word. Maybe we should say later on if they want us to put something on the agenda, they have to attend the meeting.

#### **UT 11-08      Water Utility Budget**

No further discussion

## **CLOSED SESSION**

The basis for the items to be discussed in Closed Session is as enumerated in Wisconsin Statute Section 19.85(1) (e) Discussion and possible action to enter into closed session pursuant to Wis. Stat Sec. 19.85(1) (e) Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. More specifically

- ◆ UT 06-08 Discussion regarding negotiations relative to ownership and costs for the Poplar Creek Interceptor

Motion by Alderman Wysocki to go into closed session at 6:15 p.m. Seconded by Commissioner Morrisey. Roll call vote. Commissioner Dude yes, Commissioner Morrisey yes, Alderman Wysocki yes, Alderman Harenda yes.

Motion by Commissioner Morrisey to go into open session at 6:36 p.m. Seconded by Commissioner Dude and upon voting the motion passed unanimously.

### **Reconvene to Open Session**

- ◆ Discussion and possible action concerning ownership and costs of maintenance and operation for the Poplar Creek Interceptor

Motion by Alderman Wysocki regarding the issues relative to ownership and costs for the Poplar Creek interceptor be sent to the Committee of the Whole. Seconded by Commissioner Dude and upon voting the motion passed unanimously.

Motion by Commissioner Morrisey to adjourn at 6:38 p.m. Seconded by Alderman Wysocki and upon voting the motion passed unanimously.

Privilege of the Floor – no one was present to talk

Please Note: Minutes are not official until approved by the Committee

Respectfully submitted,  
Suzette Hanley – Administrative Supervisor, Utilities & Streets