

**MINUTES  
City of New Berlin  
Utility Committee Meeting  
Tuesday May 22, 2007**

Members Present: Alderman Harenda, Alderman Ament, Commissioner Bob Dude and Alderman Seidl

Absent: Commissioner Jim Morrissey

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

Alderman Harenda called the meeting to order at 5:01 p.m. declaring a quorum with all members present except for Commissioner Morrissey who was expected.

**Election of Committee Chairperson**

Alderman Harenda said that the former Chairperson is no longer on the Committee and he asked for nominations for the Chairperson position. Motion by Commissioner Dude to nominate Alderman Harenda as Chairperson. Seconded by Alderman Ament. Alderman Harenda asked for other nominations and there were none. Motion by Commissioner Dude to close the nominations. Seconded by Alderman Ament. Motion to elect Alderman Harenda as the Utility Committee Chairperson was approved unanimously 4 to 0.

**ITEM UT C-07 Approval of minutes from May 11, 2007 meeting**

Commissioner Dude had a correction on page 3 of the minutes, the last line to read 9:25 a.m. instead of p.m.

Motion by Alderman Ament to approve minutes from the May 11, 2007 meeting, after the correction is made. Seconded by Alderman Seidl and upon voting the motion passed unanimously 4 to 0.

**UT 12-04 Milwaukee Water Negotiations – Mayor's Update**

Mayor Chiovatero: There are no updates from the State or anywhere else. He has talked to the alderman in Milwaukee to let him know what we are doing and to make sure that the information that they are receiving is correct. He said the alderman responded that he was supportive of the issue.

**UT 08-06 Radium Compliance Wells 3, 5, and 7 -Update**

Rick Johnson: Ruekert & Mielke put the construction out for bids, and received them, but recommended not awarding this work to the lowest bidder for 120 days until we see if there is any success in our negotiations for Milwaukee Water.

Alderman Harenda: We have until August 31<sup>st</sup> to make the decision?  
Mr. Johnson: Correct.

Alderman Ament: Wanted to clarify the letter from Ruekert & Mielke, the first page the last line and continues on the next page: "We recommend postponing award at this time while the City continues to pursue extending the lake water service area to the western portion of New Berlin." He suggested that it should read "the western portion of the Utility" (service area) so it is not too confusing.

**UT 16-06**

**Honey Lane and Elm Grove Road Update**

Mr. Johnson: This was the project that we were going to do last year on Honey Lane and Elm Grove Road due to backups in the area and the sizing of the mains. The project has been completed and the roadwork and pavement have been replaced. This week the shouldering work will be started. He noted that even with all of the rain and snow melt there have been no backups in the area since the work was completed.

Alderman Harenda: Was the project completed within budget?

Mr. Johnson: Yes.

**UT 19-06**

**Forest Knoll Shouldering Project – Update**

Mr. Johnson: The Forest View subdivision project was completed last year but we had the problem with the shouldering after the water main replacement. The pavement was milled down, replaced and extended 3 feet wider on Forest Knoll Drive per citizens' requests. Mailboxes have been moved and landscaping work is being done to accommodate the extra asphalt that was put down in the street.

**UT 01-07**

**Milwaukee Water Rate Increase**

Mr. Chipman: He contacted Dave Prochaska with the PSC in Wisconsin who is working on the Milwaukee Rate Case tomorrow May 23rd. The increase can go into effect 1 day after the order is mailed, which could take a week. He said that Mr. Prochaska said that they are fast tracking this so it should take effect June 1<sup>st</sup> or shortly after. The Public Fire Protection Charge, which is a large percentage of the increase, will be reflected on the rate schedule which shall be charged to the City of New Berlin according to Mr. Prochaska. He provided information from the PSC website that explains the Public Fire Protection Charge.

Commissioner Dude: The Public Fire Protection Charge of \$51,424 will be charged to the City and not the Utility correct?

Mr. Chipman: That will ultimately be decided by the rate guys at the PSC, but from what he said in the email that charge will go directly to the City.

Alderman Harenda: When does that go into effect and how does it affect the budget?

Mr. Chipman: Projected for July 1<sup>st</sup> or basically a half of the year.

Commissioner Dude: Once the City gets the increase from Milwaukee, the 3.3% increase will this be on our next agenda?

Mr. Chipman: After the Milwaukee rate increase passes, we will apply to the PSC saying that the Milwaukee water rates have increased and asking them for the automatic increase which will be on the next agenda. The intent is to cover the increase of cost for Milwaukee water and later, once we establish what the costs will be to do the radium compliance, we will have to apply for the entire rate case, which includes a public hearing and additional filing.

**NEW BUSINESS**

**UT 02-07**

**Well #9 Rehab Update**

Mr. Johnson: The rehab process has been completed and is \$6,000 under budget. There are still issues that a contractor will be looking at this week. The rehab has improved well quality and the water which normally is clogged with iron. This well is usually rehabbed every 3 years instead of the normal 7.

**Communication          Ralph Chipman: Audited Financial Statements**

Mr. Chipman: Discussed City Auditor's Virchow Krause & Company report which noted that this was an unqualified audit opinion, the financial statements are fairly presented in accordance with generally accepted accounting principles and with the highest level of assurance that can be obtained. Water and Sewer both had solid years and were under budget. There is additional information in the Management's Discussion and Analysis.

Commissioner Dude: He said being a "bean counter" who was given numbers, he had to make some comments. He complimented Rick Johnson and Jim Hart from Utilities, and Mike Holzinger and Ralph Chipman from Finance, as well as the Committee for doing a good job. He noted that the Wastewater Utility Operating revenues averaged less than a 1% increase over the past 10 years, with no rate increase, despite the fact that expenses rose 4.5%. He said they have a very strong balance sheet with no long term debt and a fairly new plant. He said the Water Utility is very similar although we had to spend more for Milwaukee water, but still over the 10 year period our increase was 5.66% each year while expenses were up 5.23%. He presented the Committee with detailed information and said the Utilities are in good financial shape. He gave the Utilities and Finance staffs as well as the Utility Committee recognition for doing a good job with the finances over the past 10 years and wanted to note this for the records.

Alderman Harenda: Asked if we still have enough equity within the Sewer Utility to borrow for our water improvements if needed.

Mr. Chipman: Yes, that is currently the plan. We are waiting to see what the numbers are. The Sewer Utility has enough cash on hand to lend some to the Water Utility, which reduces our borrowing costs.

Motion to adjourn by Alderman Seidl at 5:19 p.m. Seconded by Commissioner Dude and upon voting the motion passed unanimously 4 to 0.

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

*Respectfully submitted,  
Suzette Hanley - Office Coordinator, Utilities & Streets*