

**MINUTES**  
**City of New Berlin**  
**Utility Committee Meeting**  
**Tuesday July 28, 2009**

Members Present: Alderman Harenda, Alderman Ament, Alderman Wysocki, and Commissioner Jim Morrisey

Excused: Commissioner Bob Dude

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

Alderman Harenda called the meeting to order at 5:02p.m. with roll call and declared a quorum with all members present except for Commissioner Dude who is excused.

**G-09 Approval of Minutes from the June 30, 2009 Meeting**

Motion by Alderman Wysocki to approve the minutes from the June 30, 2009 Utility Committee Meeting. Seconded by Commissioner Morrisey and upon voting the motion passed unanimously.

**UT 18-09 Request to Connect to Municipal Water at 1415 So. 168<sup>th</sup> Street**

Walker: The city received a request to connect to municipal water from Mr. John Kroening at 1415 So. 168<sup>th</sup> Street Jr. His well is contaminated and it was abandoned on July 10<sup>th</sup> and he has had no water to the property since that date. He is requesting to connect to a water main that was installed on 168<sup>th</sup> street as part of the Greenfield Avenue water main project. We had to install a water main on Greenfield Ave prior to the state reconstructing the road. Part of that reconstruction included putting cul-de-sacs in Buena park on the even numbered streets so we had to extend water mains south of where we anticipated the cul-de-sac to be located. This water main extends beyond the subject property line; therefore technically the water main is available to the property. The property was not listed as part of the special assessment district for the water main that was installed on Greenfield Avenue; therefore in discussions with the City Attorney, if the Utility Committee deems it warranted for this gentleman to connect, he should be paying the connection fee of \$809.00.

Harenda: Are there any other parcels that are not hooked up?

Walker: There are no parcels not hooked up within the subdivision except for those on Greenfield Ave.

Harenda: This wouldn't set a precedent for other residential customers to hook up then.

Walker: We have had requests in the past that were denied because the water main was not available. This is an example where the water main is available to the entire property.

Harenda: The other properties directly to the south are still on residential wells. The well was abandoned because of levels of bacteria in the well and it had been chlorinated a number of times and they could not get acceptable levels. Where the sewer mains were put in, could there be any leaching getting into the shallow groundwater in that area. Have we had any other problems with any other wells in the area?

Walker: I am not aware of any well problems in the area. That information would go to the DNR.

Wysocki: What is the total cost to the gentleman to have access to the water?

Walker: It is on the staff report \$12,435.60 which includes the assessment of \$43/lineal foot for the water main installed on 168<sup>th</sup> Street, \$625 for the valve, \$2,000 for the hydrant assembly and \$600 for the hydrant lead. That is the total water main infrastructure on 168<sup>th</sup> street. The paragraph under there looks at the cost per lineal foot if you look at the assessed cost and applying that factor the cost would be \$1,262.80. The comparison is should he be paying the \$1,262.80 or the \$809. If we go the route of the

special assessment cost, we have to modify the special assessment report which is a long process and this gentleman is out of water. The City Attorney and I have discussed it and our recommendation is that we go the short route and require the \$809 payment.

Wysocki: I just wanted to make sure he was aware of the cost of the initial installation. The main is available to him correct; it is not like the other properties where it is not the case further south. So if there was another application coming in, we would not be in a position as a precedent of granting that water because it is a whole new project.

Walker: If you look at the properties on 168<sup>th</sup> Street, there are other properties on the opposite side of the street that would be on equal footing as this property, but those would be the only ones.

Morrisey: Who is going to pay the cost of the lateral from the main to the property line?

Walker: The homeowner will pay for the lateral, hire a plumbing contractor, take out a plumbing permit, and a road cut permit. If his contractor decides to bore and not open cut the road, that permit gives him the right to work in our right-of-way.

Harenda: Is there a lateral connection on the main already?

Walker: It will be a wet tap that will be overseen by the Utility department and our plumbing inspector.

Harenda: That cost would be borne by the resident.

Morrisey: In addition to the impact fee.

Walker: Yes.

Ament: He does have MMSD sewer now?

Walker: Yes.

Motion by Alderman Wysocki to recommend to the Common Council the approval for 1415 S. 168<sup>th</sup> Street to connect to a municipal water main that is available to the property on S 168<sup>th</sup> Street, due to a failing private well and the inability to locate a new well on the subject property because of the location of sanitary sewer in the alley abutting the property. Resident required to pay \$809 for the connection fee. Seconded by Commissioner Morrisey and upon voting the motion passed unanimously.

#### **UT 12-04 Milwaukee Water Expansion**

Alderman Harenda read a statement that on July 14<sup>th</sup> at 9:05 a.m. Lake Michigan water began flowing across the continental divide to New Berlin water utility customers west of the divide and the entire water utility has safe radium free drinking water and a sustainable supply in the future. He thanked everyone involved in the monumental effort that took many years and man hours. He recognized Mayor Chiovatero, former Mayor now Alderman Wysocki, Utility Committee members Alderman Ament, Commissioner Dude, Commissioner Morrisey and former Utility Committee members Alderman Seidel and Paul Gallagher, Utility Manager Rick Johnson, Utility Supervisor Jim Hart, City Engineer JP Walker, former Utility Director Ray Grzys, as well as many other employees of other city departments, consultants from Ruckert & Mielke, and federal, state, and local governmental agencies. Everything seems to be functioning and working.

#### **UT 05-07 Water Conservation Measures**

Harenda: Greg Kessler and I will meet this next week to talk about the water conservation plan for the Comp Plan. Our subcommittee will be meeting to discuss rebates and other items.

#### **UT 05-08 Westward Manor Lift Station Reconstruction**

No new information.

**UT 01-09 Discussion and Possible action for sewer service New Berlin West**

On Council agenda this evening

**UT 02-09 Request to Amend Inter-Municipal Agreement between New Berlin & Muskego to Increase Number of Sewer Connections in Linnie Lac Sanitary Sewer District**

On Council agenda this evening

**UT 07-09 Discussion regarding the procedures used to authorize the payments of costs and fees for utility consultants and contractors**

Harenda: You are now receiving copies of the Utility payments and budget updates each month. If you have any questions, please feel free to talk to staff.

**Closed Session:**

Committee did not go into closed session.

**UT 13-09 Request to Install Sanitary Sewer and Water Main to 4986 Small Road**

Harenda: This item will be on the next Plan Commission agenda

**UT 17-09 Discussion and Possible Action on the 2009 & 2010 Utility budgets**

No discussion

**New Business**

Information Utility Payables, Monthly Financials, CIP Quarterly Reports

No discussion

**UT 19-09 Milwaukee Water Rate Increase & possible Purchased Water Adjustment Clause Application**

Harenda: We have been following this item in the newspaper about the action that the Milwaukee Common Council has taken regarding proposed rate increases in the near future. Ralph is on vacation, but the City Attorney is here to answer questions on the legalities of what the City of Milwaukee can request from the Public Service Commission.

Wysocki: I emailed the City Attorney to look at what the City of Milwaukee could add in their rate request. They referred to offsetting some of their other operating costs relative to their general fund, not related to the water utility. If they do that, can we appeal to the public service commission that it is not an appropriate mechanism for that kind of additional cost?

Blum: Under state statute 196.03 there must be a published rate schedule and charges submitted to Public Service Commission for adjustments of rates and the general standard is that rates must be reasonable and just within the structure that is established through the PSC. No change in the rates can take place until there is an order of the commission permitting that after they have an investigation and a hearing. The exception is if there is an adjustment in the preset levels of return that are identified. I don't think this would fit in that category. A consumer and municipal entity such as the city could file a complaint with the PSC stating that in our opinion the charges being requested are unreasonable, inadequate, unjust or discriminatory and if a formal complaint is filed that would trigger an investigation of the allegation by the PSC and a formal hearing and issue an order based upon what it finds. If it determines the rates are unreasonable or unjust, it has the authority to set reasonable rates under 196.37 of the statutes. The structure of the complaint is set forth in the administrative code. There is a secondary process where an informal complaint can be submitted asking that the Commission review the

request and can result in the PSC undertaking a review as well, but it is not a formal complaint triggering the statutory procedures. If the city wanted to go that route, they could identify it through a resolution and submit it to PSC asking that it is reviewed or we could go the formal route of filing an actual complaint and going through the analysis process. There is a standard that has to be met before it is approved. It certainly seems to go beyond the preset return provisions of return provisions in the statute and we could assert that. We are similarly situated with other customers of Milwaukee, so it may be prudent to have some conversations with other municipalities that are impacted by these proposed rates and some concerted action may have a more significant impact.

Wysocki: The wholesale suburban group with the 36% increase should be looked at. I don't want to have another sewer war situation. If we did the informal request, does that abdicate our opportunity to go to a formal request if that does not come back favorable for us?

Blum: Yes, because there is a limited timeline that is given before they issue their order for approval. As a practical matter, they will probably be doing an investigation anyway, but even if they don't there is a limited amount of time after the application is made for them to review it, make a decision and issue an order. If you haven't made the request within the timeline permitted that would be a concern. I don't have a date of their application. If you want to go the formal route, you have a limited amount of time.

Wysocki: Mayor, have you heard from any other wholesale suburban committees about their concern about this impact component that Milwaukee Water Utility says a sustainable dividend will go to the city general fund?

Chiovatero: Not yet. I received a call from a reporter, but I was waiting to see what this Committee did.

Morrisey: If we file a formal complaint does that extend the timeline for their rate increase/

Blum: The PSC would determine the extent of the investigation and analysis before they reached a decision. I think it would extend the period of time to deal with the request. I have no idea what Milwaukee has submitted and the rationale, other than what was reported in the newspaper as to what they are requesting and whether they had conversations with the PSC.

Harenda: What would be our options?

Blum: The options would be to submit an informal objection via resolution from the Common Council and the other option would be to file a formal complaint under the statute. You may want to talk to other rate payers in the same boat. It may be some information that needs to be required regarding their rationale and maybe a group of communities could talk to Milwaukee.

Wysocki: According to this letter sent out by Milwaukee, when are they going to make their application for the rate increase?

Blum: I don't know. We could follow up with the PSC and find out when the application was made or maybe Carrie Lewis from Milwaukee Water Works would be willing to share that information.

Chiovatero: I think they are supposed to have Common Council action in Milwaukee to initiate that. I don't think they have applied yet.

Harenda: We can make a formal or informal complaint once they petition the PSC. Can you or Ralph check with the PSC and find out what has been submitted. I assume Milwaukee Water Works has talked to them about some of this. Please report back to us in an email of when we have to take action.

Wysocki: Mayor, can you contact the other wholesale customers to see if they share some of the same concerns. It is not just the Waukesha area; it is also West Allis, Shorewood and others. The City Attorney said that perhaps a joint effort may be a better route to go.

Harenda: I agree. From what I read in the paper the Milwaukee Utility will be running at a deficit this year so they are looking to increase their revenue streams to offset their operational costs, but this is going above and beyond to offset costs of the city.

Wysocki: What component of this percent is sustainable dividend to the City of Milwaukee general fund?

Morrisey: Do we have to have another meeting to get this going?

Harenda: What is the timetable of submitting an application, isn't it 60 or 90 days?

Blum: I don't have an answer on the time they will take to review this. Until they actual submit it, we don't know when it starts to run either.

Harenda: Staff please do the research. Mayor please make your calls.

Chiovero: When we submitted the last application for ourselves, it was supposed to be 90 days, but it was running about 140 days.

**\*UT 20-09 Preliminary cost estimate for water main replacement Parkland Green**

Wysocki: The water utility infrastructure in the area has been deteriorating over the past number of years and the roads have a low passer rating. We don't want to repave the road then rip it up in a couple of years to repair a water system. We had over 20 breaks in the last 7-8 years and when they repair the breaks it is so bad that they don't put the normal sleeve over it, they have to replace the piping. The issue is whether we should do it now with favorable construction costs. If we wait, the Street department will be plowing up street instead of snow in the next couple of years because the roads are bad.

Johnson: The system is deteriorating and wasn't properly installed 30+ years ago. The pipes are splitting and breaking and instead of putting a clamp on it, we have to cut out a section of pipe and replace it. There have been 28 water main breaks in that subdivision. Replacement cost is approximately \$2.5 million.

Wysocki: It is a large amount, but it is a failing infrastructure. Other areas will need some major reconstruction in the future.

Johnson: We will be looking at the Greenridge area in the next few years, but Parkland Green is probably the worse one since we need to do road repairs and curb and gutter.

Wysocki: I would not want the road redone and in 2-3 years we would rip it out again. It will impact rates.

Johnson: If we borrowed the \$2.5 million over 20 years, we would have to increase the rate every year 3% to cover the cost of close to \$200,000 a year. You could special assess those residents or ask the for 3% increase over the entire utility.

Harenda: What have we done in the past?

Johnson: Put it in as an increase for the whole utility because it is part of the utility infracture.

Harenda: Is this at the top of the list of projects that need to be done?

Johnson: It is pretty close because of the failing system, the man-hours and overtime for main breaks.

Harenda: You are looking at \$2.5 million for the utility and \$1.2 for asphalt and curb and gutter.

Walker: The Glasgrid installation, milling and overlaying and replacement of curb which is in bad repair. These streets have been on the top of our list for 3 years, but we delayed it because of the need for the utility upgrade. This is part of the coordinating between the two departments.

Wysocki: I don't want to move forward with action without the whole committee here. It has to be done and construction costs are favorable. The work that we are called to do is often overtime and the roads need to be done. We want to continue with our policy of getting the utility done first before you rip up the road. I would not support special assessments. It is part of the utility and there will be other work to be

completed in the future in other areas as our system gets order. I would like to keep this on the agenda until Commissioner Dude is here and I would like to wait until we find out what happens with regard to what our rates are going to look like.

Harenda: Do you have a 5 year projection of projects that need to be completed including this?

Johnson: We did Forest View a few years ago. Parkland Green and part of Greenridge are part of the 10 year plan, but because of the Milwaukee water project we held off on these projects.

Harenda: If you can submit the plan that would help. I saw the 5 year plan for roads.

Walker: In the 2010 budget you will be reviewing, it is in the roadway rehab as Plan A. If for some reason this is not able to go, we have a fall back Plan B

Motion by Commissioner Morrisey to adjourn at 5:38 p.m. Seconded by Alderman Wysocki and upon voting the motion passed unanimously.

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

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