

MINUTES
City of New Berlin
Utility Committee Meeting
Tuesday March 23, 2004

Members Present: Aldermen Gallagher and Harenda, Bob Dude (Citizen Member) and Ray Grzys (Director of Utilities and Streets)

Absent: Alderman Ament

Others Present: Larry Wilms (Division Engineer), Steve Schultz (Ruekert & Mielke), Attorney Mark Blum, J.P. Walker (City Engineer), Mike Holzinger (Director of Finance and Administration)

Alderman Gallagher called the meeting to order at 5:03 pm and declared a quorum.

ITEM D-04 Approval of minutes from February 24, 2004 meeting

Motion by Alderman Harenda to approve the minutes from the February 24, 2004 Utility Committee meeting. Second by Commissioner Dude and upon voting, the motion passed unanimously.

ITEM 30-02 Milwaukee Water Design (9th Update)

Steve Schultz from Ruekert & Mielke presented the 9th Milwaukee Water Design project update and schedule. He stated that the final design documents were turned in on March 19th. These include Grange Avenue and Greenridge pumping stations final design, water main design, pressure zone adjustments and recommended PRV locations. Mr. Schultz said the only unknowns were the time it would take to obtain the various approvals in Item 19; however, he received an encouraging email that the DNR review time now was approximately 34 days, although they are allowed up to 90 days for design review. After a brief discussion regarding the budget update and items billed to date, Mr. Schultz also stated that he was confident that they can still come in under budget.

Alderman Harenda asked about the location of mains on Grange Avenue, and said that according to the maps, most of the mains will be in the north and south part of the road in the ditchline. Mr. Schultz responded that was correct, and that they are trying to stay out of the pavement as much as possible. Steve stated that they are working with staff as well as the City of Greenfield and the Village of Hales Corners regarding timing on road work to minimize disturbance. Alderman Harenda asked if the area would be relandscaped? Mr. Schultz answered that the ditches would be restored and relandscaped.

Steve Schultz stated that the next steps included:

- Final planning approval for Grange Avenue- including request to Bureau of Endangered Resources regarding Butler Garter Snake (PSC Requirement). A Chapter 30 permit not needed after adjustments
- Final Design
- Receive final City and DNR, PSC, DCOMM and other approvals
- Go to bid in May? Looking good to go to construction this year.

Alderman Gallagher asked how the City could lobby to influence the decision regarding Lake Michigan water crossing the continental divide? Mr. Schultz stated that the decision is scheduled to be made June 18th by the IJC (International Joint Commission). Alderman Gallagher responded that perhaps an official resolution from the City of New Berlin would help and writing letters to the IJC and Great Lakes Governors would let our voice be heard.

ITEM 13-03 Recommend Adoption of Resolution 04-11, “Final Resolution...Levying Special Assessment Against Benefited Properties in Janesville Road Water and Sanitary Sewer Special Assessment District

Alderman Harenda asked if there was any discussion with the residents after the Public Hearing on March 9th. JP Walker stated that several owners were concerned about the cost, Ace Hardware will probably upgrade its water service to a larger size, and Robert Stack decided not to do his own sewer work anymore.

Motion by Director Grzys to recommend to Council adoption of Final Resolution #04-11 Authorizing Levying Special Assessments against benefited properties in the Janesville Road Water & Sanitary Sewer Special Assessment District in accordance with City Code. Second by Commissioner Dude and upon voting the motion passed unanimously.

ITEM 13-03A Recommend award of Construction contract for Janesville Road Water and Sanitary Sewer Construction Projects W-147 & K-364

Commissioner Dude questioned Larry Wilms about the percentage of the contingency on the estimated costs. Mr. Wilms stated that the contingency is based on some unknowns in the water main system and the fact that the original work was estimated under the pavement with concrete overpaved with asphalt. He added that when this project went out for bid, the contractor stated that the concrete pavement doesn't go out that far, and that Hales Corners church water main goes across the street, thus presenting some unknown street restoration costs.

Motion by Alderman Gallagher to recommend to Council to approve the award of Construction Contract for Janesville Road utility service to the lowest responsive, responsible bidder, Globe Contractors, Inc., Pewaukee, WI, for Alternate #1 at \$144,246.00 for Water Project # W-147 and for Alternate #3 at \$26,460.00 for Project # K-364 and to waive any irregularities, for a total project cost not to exceed \$244,810 funded from Utility A/C # _ 107_ and City A/C # _252_ and Special Assessments, conditioned upon Council adoption of Final Special Assessment Levy Resolution # 04-11 for this project assessment district. Second by Alderman Harenda, and upon voting the motion passed unanimously.

ITEM 01-04 Utility Committee Meeting Date and Time

Alderman Gallagher said that we will not discuss this item at this time since Alderman Ament was not present. He suggested that this item could be discussed via email.

ITEM 04-04 Recommend approval of Wastewater Utility Expenditure on Cost Differential For Extending Sanitary Sewer from Spruce to Howard Ave.

JP Walker stated that when Dennis Kassian the developer of the Preserve at Deer Creek Phase II has received two bids for the construction of sanitary sewer from the sanitary lift station on Spruce Road to Howard Avenue, and staff selected alternative #2 because it met City Standards. This issue required the Utility to purchase the Tesch property on Howard Avenue. The developer's questions are who will pay the cost differential between the alternative routes? What is the City's share in oversizing the sewer pipe to handle flow coming from off-site and whether the City will pay for half of the design costs associated with the preferred routing.

Mr. Walker explained that the Developer has indicated he has not selected a Contractor yet because the decision will be based on availability once he has gained approval from the City to start installing infrastructure for his development. Mr. Walker said when calculating oversizing payments, the procedures they follow are the City's Special Assessment Policy, which states the Utility pays the differential cost between the size of sewer mains installed and one diameter size larger (10") than the pipe size needed to service the development (8 inch). He explained that because of the need to handle off-site flow, a 15" diameter main is required and the oversizing costs are calculated with the incremental cost difference between a 15" diameter PVC pipe and a 10" diameter PVC pipe. Mr. Walker stated that National Waterworks said that cost differential is \$3.50/LF and the Utility plans indicate that 1,968 LF of

15' diameter PVC will be installed so the oversizing cost is \$6,888.00. The City required the Developer to route sanitary differently than he originally proposed, resulting in an additional design fee of \$2,500. The Developer is requesting that the Utility split the cost with him. Mr. Walker stated that once the sanitary sewer is installed the sanitary lift station on Spruce Road shall be abandoned as part of the Developer's Project. Mr. Walker stated that when the developer submitted his design documents to the City of New Berlin, he had the sanitary sewer coming from Spruce Road through the property acquired by Utility to Howard Avenue. He stated that the City did purchase the Tesch property to do this. He stated that Mr. Kassian is requested to split the difference between the cost differential between the two contractor's bids since he does not know which one he would hire, based on availability and schedule. Mr. Walker stated that there is also a pipe oversizing cost difference. The developer's original estimate had 8" pipe, but it must be considered one size over that cost (10").

Alderman Gallagher asked how staff felt about this request? JP Walker stated that staff was not comfortable with averaging the two bids. After a brief discussion about the issue, it was decided that the low bid from Reesman's should be taken and that the City would pay half of the design cost and the oversizing cost.

Motion by Alderman Gallagher to recommend to Council approval of a \$35,285.00 Wastewater Utility expenditure to cover a cost differential for extending sanitary sewer from Spruce Road through property acquired by the Utility to Howard Avenue. This reflects a change in the original request of averaging the two bids and instead accepting the lowest, responsive, responsible bidder Reesman's for \$27,147.00, half of the design cost at \$1,250.00 and oversizing cost of \$6,888.00, funded with Wastewater A/C #343. Second by Commissioner Dude, and upon voting the motion passed unanimously.

ITEM 05-04 Discussion of year-end Utility Financial Report

Director Grzys stated that the 2003 Year-end Utility Financial Reports (unaudited) show that the Utility did a good job keeping the budget in line. He stated that the Utility may want to redeem the remainder of the indebtedness in 2004 for a savings of \$1,132,063, and this may allow the reduction of wastewater rates, or allow some of the money to be used for private I & I further down the road.

Mike Holzinger, Director of Finance and Administration provided a brief explanation of the non-current assets and stated there are several accounts where money could be available such as Infiltration and Inflow, Investment in Brookfield WWTP, and Equipment repair and replacement. The Committee discussed what our experience was with equipment repair and replacement, projections on future projects, and the lifespan of this equipment. Mr. Holzinger responded that the earliest pipes were put into the ground in the early 1960's, and the lifespan of the pipes was from 50-100 years. Commissioner Dude suggested that we check the standards of what other Utilities have in reserve for equipment repair and replacement accounts.

Commissioner Dude also asked if we could pay borrow money from Wastewater to pay off a Water Utility debt, thus paying ourselves interest. Mr. Holzinger replied that the Stormwater Utility had borrowed money from the Wastewater Utility in the past. The Committee members asked Mr. Holzinger if paying off the debt earlier will result in a rate decrease? Mr. Holzinger replied that if the MMSD rates stay the same, the reduction could be \$30/quarter; however, if MMSD capital charges increased, we would have to determine the impact.

The Utility Committee asked Mr. Holzinger to put together a proposal for paying off this debt, and to look into the possibility of allowing one Utility to borrow from the other, and paying ourselves interest.

Motion to adjourn by Commissioner Dude at 6:25 pm. Second by Alderman Harenda and upon voting the motion passed unanimously.