

Minutes

NEW BERLIN UTILITY COMMITTEE

September 8, 2000

Members Present: Alderman Wysocki, Alderman Patzer, Tim Murphy, and Mike Holzinger (Director of Finance & Utilities)

Members Excused: Alderman Bullermann

Others Present: Tom Krumpitsch (Utility Operations Manager)

Larry Wilms (Division Engineer) arrived at 8:30 a.m.

Alderman Wysocki called the meeting to order at 8:14 a.m.

ITEM 1A-00 Approval of Minutes, August 7, 2000

Motion by Tim Murphy to approve the minutes for the August 7, 2000 meeting. Second by Mike Holzinger. Motion carried unanimously.

- Communication Notice of Claim-12435 W. Needham Dr.
- Tom Krumpitsch stated that Larry Wilms showed him the research that had been done on that area. The claim has been denied.

ITEM 33-00 Budget Review

- The water budget was discussed first.
- Mike Holzinger stated that the first couple pages show the work that is being done in the major areas. Next it shows how the customer base has gone historically in the past. From this you can see that the majority of customers are residential users.
- Mike Holzinger stated that the operating revenues and expenses are shown on the graph. Per the PSC we are allowed a rate of return of 9 3/4%. Our rate of return has been dropping. Our current rate structure has been in effect since 1987. This next year it is projected that we will not have a return on our investment. Currently we are looking at different vendors, either engineering firms or the auditors to do a rate study on the water and sewer rates. We would have to go to the PSC but we would need the 2001 budget before we can go to them.
- He reminded the committee that Ruekert and Mielke is doing a study on the possibility of either new shallow wells or getting our water from Lake Michigan. There is a potential of five million dollars in capital expenditure cost for future water needs. We will be going to the PSC and asking for step rate increases. Once the PSC approved it, it would go into effect with the next billing cycle.
- Ted Wysocki questioned the decrease in our rate of return and what would cause this.
- Mike Holzinger stated that the operational costs have started to climb and our customer base increase will be slowing down. Part of our ability to increase our customer base depends on how much sewer capacity we have with the MMSD service area.
- Alderman Wysocki stated that there is a potential for a larger customer base because of the areas in the eastern half of the city that are currently on their own wells.
- Mike Holzinger stated that we might not have the capacity to provide water to those customers with wells even if they wanted to.

- Alderman Wysocki asked if Ruekert & Mielke were looking into well sites in addition to the Lake Michigan water supply.
- Mike Holzinger stated that they were looking at 5 potential areas for a shallow well.
- Mike Holzinger stated that we would go to the PSC as soon as the water supply study is done and we have the 2001 budget.
- Alderman Patzer questioned how much the deferrals of capital projects have on the water rates.
- Mike Holzinger stated that they had little impact because most of those projects were from Working Capital, Impact Fees, or RCA Funds. There were several pages of deferred projects, most of which were dropped.
- Tom Krumpitsch stated that 2 projects were carried over because they are tied to our water supply.
- Alderman Wysocki asked about the 2 new water positions.
- Tom Krumpitsch stated that the first position would work on the backflow prevention/cross connection program. This is a labor intensive project which the DNR is requiring. The other position will work on the meter change out program. The PSC rules require us to change our residential meters every ten years.
- Alderman Wysocki stated that both of these positions were due to enforcement of regulatory issues.
- There was a discussion on consultants and when we used them.
- Alderman Patzer questioned why the impact fees were down.
- Mike Holzinger talked about where the impact fees should go. The impact fees deal with new development such as Westridge. New development has dropped off.
- Alderman Wysocki questioned whether any of our pumping facilities were in danger of being flooded out. Tom Krumpitsch stated that they have never been flooded out. He further stated that the DNR requires the Utility to inspect the reservoirs on a five year cycle.
- There was a discussion of the underground reservoirs.
- Alderman Wysocki asked about the revenue generated from the antennas that are on the towers. Mike Holzinger stated that there is an increase of \$20,000 in the last three years.
- It was decided to put action on the budget on hold until the next meeting so that Alderman Bullermann would be able to give his input on the budget.
- The waste water budget will be discussed at the next meeting.
- Larry Wilms discussed the Deer Creek Interceptor with the revised cost estimates.

ITEM 34-00 Cost to Maintain Brookfield Plant Capacity

- Mike Holzinger stated that we retain 45,000 gallon capacity in the Brookfield Treatment Plant.
- Alderman Patzer would like the money that is received from the sale to be used for storm water sewers.
- Mike Holzinger stated that the cost for the 45,000 gallon capacity is \$165,000 since 1996.
- Alderman Wysocki stated that he thought the utility should get rid of 45,000 gallon capacity. He further stated that there may be further improvements to the treatment plant and we would be required to pay our share of the cost for the improvements.
- Alderman Patzer is concerned that the property at Barker and Greenfield will be less valuable to the city without sewer available to it.
- Mike Holzinger suggested meeting with the Brookfield officials to find out what plans are in the works for the treatment plant.
- Tom Krumpitsch asked if the cost could be part of the assessment to the developer.
- Alderman Wysocki suggested that we keep this item on the agenda for the next meeting.

ITEM 35-00 Rehab. Program-Engineering

- Mike Holzinger stated that the members should have gotten a packet at the last meeting. This item was previously 29-00.

- Larry Wilms stated that there are two programs that are outlined in the packet. One is an immediate program and the other is longer term for the committee and the council to consider. It addresses inflow/infiltration that is rainfall induced. He stated that much of the flooded area from the July 2nd storm has been televised. They found no physical defects. He then showed a map and said that the sewer system was able to handle a 25 to 50 year storm. He then showed the areas that would need to be relayed in order to handle a 100 year storm.
- Alderman Patzer questioned whether we were still going to try to get into customers' homes and check for illegal connections.
- Tim Murphy stated that modeling of a sewer gives an indication of how good a sewer is. He said that a 25 year storm protection is extremely good for a sanitary sewer. He further stated that what we need to do is to keep the I/I out of the system. We need to educate homeowners on what they can do to keep the rainwater out of the system. Manhole covers and manhole rehab. has to be done.
- Larry Wilms stated that the manhole rehab. for the priority basins are about 50 some percent complete.
- Alderman Wysocki asked that this item be kept on the agenda for the next meeting.
- Larry Wilms stated that there will be some pilot work done in the Buena Park area. This will include smoke testing, building inspections, and some dyed water plotting.
- Alderman Wysocki asked that Larry Wilms give a summary report on what has been done, including the televising and this study.

ITEM 36-00 July 2nd Storm Cleanup

ITEM 37-00 LSSSES Update-Engineering

- Both of these items are included in the packet that was previously given. These will be kept on the agenda for the next meeting.

The next meeting will be held on Friday, October 6th at 8:00 a.m.

Motion to adjourn the meeting at 9:30 a.m. by Alderman Patzer. Second by Tim Murphy. Motion carried unanimously.