In Attendance:
Mayor S. Bierce, Alderman J. Wamser, Committee Members: M. Kreiter, D. Swan, J. Tormey

Also in Attendance:
Director of Public Works M. Wagner, Chief Engineer-Utilities R. Wirtz, Chief Engineer-Streets and Development M. Gabbey, Utility Manager, J. Mueller, Utility Billing Specialist R. Reed.

1. Call to Order and Pledge of Allegiance

   Mayor Bierce called the meeting to order at 4:00 p.m. and requested everyone stand for the Pledge of Allegiance.

2. Public Comment - None

3. Discussion and Action Regarding the Minutes of January 26, 2023

   3.1. Discussion and action regarding the minutes of the January 26, 2023 meeting.

   A motion was made and seconded (D. Swan, J. Tormey) to approve the January 26, 2023 minutes. Motion Passed: 5-for, 0-Against.

4. Storm Water Management Division

   4.1. Discussion and possible action regarding the Takoma Hills - Lexington Drive Drainage Study.

   Mr. Wirtz explained that in preparation of the road work project in Takoma Hills, we asked AECOM to take a look at the drainage through that area one more time to see if there was anything new they could come up with to try and resolve some of the flooding issues that occur within the roadway. Mr. Wirtz stated that he had originally looked at this area in 2012-2013 and did come up with some alternatives, but none of them were found to be very favorable because they did not resolve the issues, mainly the flooding across the roadway.

   Mr. Wirtz stated that in 2012-2013 they looked into adding a bypass sewer, two bypass sewers, or trying to convert the roadway into an urban section. During the 100-year storm event, the Committee did not feel that any of those options would solve the problem, so it was tabled for a long time.

   Now that the subdivision roads need to be redone, staff thought that maybe the consulting engineer could come up with something new. We get a large amount of flow from Waukesha that overwhelms our ditches and culverts.

   Ald. Wamser asked if the movies that we saw in the past would be shown to those that did not know about this situation? Mr. Wirtz stated that he did not bring them.

   Mr. Wirtz reported that AECOM did provide a few alternatives:

   Alternative 1: Install a low flow pipe. This would supplement the existing drainage swales with a

24 to 48-inch storm sewer under the edge of the pavement.

Alternative 2: Install storm sewer/ditch enclosure. This would include the pipe from Alternative 1 and install a 42 to 48-inch pipe in the north ditch line.

Alternative 3: Regrade the ditch/replace culverts. This would essentially leave the current conditions in place with minor improvements to drainage.

Alternatives 1 and 2 do not provide significant improvement to the flooding conditions, and these projects would cost from $799,000 to $1.29 million. The costs in these alternatives do not include costs to relocate laterals, which would likely be in conflict with the new storm sewers. Staff recommends Alternative 3, based on the issues involved with Alternatives 1 and 2.

Mayor Bierce stated that Alternative 3 is basically shoring up the problems, which are terrible at this point, until a better, more feasible plan can be found. He is in favor of Alternative 3.

A discussion took place regarding the area where the overflow occurs and whether or not there was structure flooding. Ms. Wagner stated that unfortunately there is no real solution.

A motion was made and seconded (J. Tormey, M. Kreiter) to recommend to the Common Council to choose Alternative 3 for the upcoming road project. Ald. Wamser opposed.
Motion Passed: 4-For, 1 Against.

5. Water and Sewer Division

5.1. Gun Club Lift Station Design

Ms. Mueller provided some background on the Gun Club lift station located on Watertown Road. It was constructed in 1987 and was considered a can station, as it is a buried steel structure. The pumps were upgraded in 1997 from the original ones, and then the lift station went through another upgrade in 2007.

The lift station has held up well but is now starting to show its age. The motor control center and controls are almost obsolete. The pumps and motors are wearing out, and the wet well lacks decent accessibility for cleaning and maintenance.

The Sewer Utility has budgeted $3.5 million over the next two years to design and build a new structure that will fit the needs of the sewer service area for years to come. Strand Associate is preparing the designs for a replacement lift station on the existing site. This allows the lift station to remain in operation while the new one is constructed.

Ms. Mueller will keep the Committee updated as the design moves forward.

5.2. Well #1 Motor Failure Feb. 2023

Ms. Mueller reported that Well #1 has had another motor failure. This is the fourth failure of this motor. The Utility has been unable to determine the cause of the motor failures. The motor control components, which would normally be damaged in the event of a surge on the power supply side, have not been damaged in any of these events.

Ms. Mueller stated that last fall the Utility hired an electrical consultant to review the electrical and control systems in the well house to help identify the problem and determine how to protect the motors and components moving forward. We are experiencing delays in completing the final report. However they have some ideas about potential impact of the grounding of the towers around this site. Ms. Mueller is considering a second opinion.

Currently, the well contractor is onsite working to pull the pump and motor. More information will be provided once an inspection of the motor occurs.

Discussion took place regarding the impact of this well being out of service and the possible costs.

Ms. Mueller stated that we will not have a definitive cost until the motor has been pulled from the well. She will keep the Committee updated as she gets answers.

5.3. Discussion and possible action regarding the Water Utility debt repayment to the Sewer Utility.

Ms. Wagner reported that during a water rate case in 2014, the Public Service Commission (PSC) required all water funds be separated from the shared water/sewer account. In order to satisfy this requirement, a full audit of the shared account since the Utility's inception was completed to split all revenues, debt, and savings between the Water and Sewer Utilities. During the audit, it was determined that the Water Utility owes the Sewer Utility $5,312,576.93. At the end of 2022, the Water Utility debt to the Sewer Utility has grown to $7,404,608.61.

Ms. Wagner further reported that it was determined that a Comprehensive Financial Plan was necessary. A report was compiled by Baker Tilly and presented at the last Public Works Committee meeting. This financial plan for the Water Utility created a debt repayment schedule for the full debt over a 10-year period of approximately $370,230 annually. This is in addition to the Water Utility's previous debts, including the latest 2022 borrowing. With this debt repayment, current and planned future borrowing, the Water Utility is looking to require a water rate increase of 147%, which would likely be implemented over three phases.

There was a discussion regarding how the PSC determines the rate increase.

Ms. Wagner reported that the financial plan did show that the Sewer Utility is in very good financial condition and would remain so into the future. No future increases were recommended at this time.

The Water Utility has some very large projects coming up in the next few years related to a well abandonment, water extension for DNR compliance, well relief, and water extension to contaminated groundwater areas. These projects cannot be delayed and will add to the current debt.

Staff has four alternatives for the Committee to consider.

<u>Alternative 1</u>: Pay 100% of the debt back over 20 years, with a proposed annual payment of $370,230.00.

<u>Alternative 2</u>: Pay 100% of the debt back over a much longer period of time to lessen the impact. Annual payment of $185,115.22 or $148,092.17.

Alternative 3: Forgive 100% of the debt owed to the Sewer Utility.

Alternative 4: Forgive all debt prior to 2014, when we were unaware of the issue. This would forgive $5,312,576.93, leaving $2,092.68 to be repaid to the Sewer Utility.

Mr. Swan stated that he had hoped to see a recommendation from the staff.

Ms. Wagner stated that she and Ms. Mueller discussed the options. The Sewer Utility is in good shape, even with the upcoming projects, and they feel comfortable recommending Alternative 4, allowing the Sewer Utility to forgive all debt prior to 2014. It would be fair because the Sewer Utility could handle the impact, and prior to 2014 they were unaware of the issue.

Mr. Tormey stated that as a ratepayer, he would question that if he saw a water rate increase of 147%, would he see a decrease of the same amount on his sewer bill? Ms. Wagner stated no. The study showed the Sewer Utility was in good shape with the current rate remaining as is.

Mr. Tormey questioned what position the PSC would take if Alternative 3, forgiving all the debt, were to occur. Ms. Wagner stated that they would have no issue. The PSC knows where the debt came from; they will be more concerned with how we are going to pay for that debt. Mr. Tormey feels that Alternative 4 would be the way to go.

A discussion took place regarding the possible impact to the Sewer Utility, along with the status of reserve capacity assessments and how future debt will be handled.

Mayor Bierce asked if staff had a recommendation for the repayment period on Alternative 4? Ms. Wagner stated that she would like to see what the numbers look like and what the rate increases would be.

Mr. Swan is in favor of Alternative 3.

A motion was made and seconded (M. Tormey, J. Wamser) to recommend Alternative 4 to the Common Council, to forgive all debt prior to 2014, and to repay the debt incurred since then. Mr. Swan opposed. Motion Passed: 4-For, 1-Against.

6. Public Comments - None

7. Adjournment

A motion was made and seconded (D. Swan, J. Tormey) to adjourn the meeting at 4:46 p.m. Motion Passed. 5-For, 0-Against.

Respectfully Submitted,

Magdelene Wagner
Director of Public Works