In Attendance:
Mayor S. Bierce, Aldermen C. Brown, I. Clark, B. Dziwulski, R. Reinbold, P. Vetterkind and J. Wamser.

Also in Attendance:
Attorney S. Riffle, Administrator S. Klein and DPW Director M. Wagner. Clerk/Treasurer K. Tarczewski was absent and excused.

1. Call to Order and Pledge of Allegiance – Mayor Bierce called the meeting to order at 6:31 p.m. and asked everyone to stand for the Pledge of Allegiance.

2. Public Comment – None.

3. Consent Agenda
   - 3.1. Approval of Common Council Meeting Minutes Dated December 19, 2022
   - 3.2. Approval of Common Council Meeting Minutes Dated January 9, 2023
   - 3.3. Approve Accounts Payable Listing Dated February 20, 2023

   Mr. Clark stated he would be abstaining from #3.2 since he did not attend the meeting that day.

   A motion was made and seconded (J. Wamser, P. Vetterkind) to approve the consent agenda. Motion Passed: 6-For, 0-Against *(Items 3.1 and 3.3).* Motion Passed: 5-For, 0-Against, Abstained-1 (I. Clark) *(Item 3.2).*

4. Presentation, Discussion and Possible Action Regarding the Water and Sewer Utilities Financial Plan

   Ms. Wagner stated Baker Tilly was awarded the contract last year to do the Water and Sewer Utilities Financial Plan. She introduced Brad Elmer who was present at the meeting and Adam Wilcox who was attending virtually.

   Mr. Elmer said they were hired to do a comprehensive financial plan, which included making recommendations for the future. He stated the Sewer Utility is in a great financial position and has very health reserves and they are projecting positive net receipts over the next five years. He said the Water Utility is struggling a little more financially and has reserves of $240,000 and recommends at least $1 million. He said the Sewer Utility has been subsidizing the Water Utility for several years and owes them approximately $7.4 million.

   Mr. Elmer stated they are recommending to phase in a 147 percent rate increase over a three-year period. This is due to the $7.4 million loan as well as increases of operating and maintenance costs and a capital plan that involves borrowing.

   Mayor Bierce asked if they looked at a scenario where the Sewer Utility would forgive the Water Utility all of its debt. Mr. Wilcox stated they did not and would look at it.

   Mr. Elmer stated the total capital plan through 2026 is $23 million, which would be $15 million of water projects and $8 million of sewer projects. Of those, $5 million would be funded by prior debt, $4 million for water projects and $1 million for sewer. Mr. Elmer stated the other $14 million would be funded by proposed borrowing between now and 2026. He said $8 million of which would be for water and the remaining $6 million would be for sewer. He said the rest would be paid by cash flow.

Mr. Wilcox went back to the rate increase question. He said it would roughly be 32-33% per phase.

Mayor Bierce asked if the Sewer Utility forgave the Water Utility's debt, would the increase still be 32-33% annually, phased over a three year period.

Mr. Vetterkind asked if the residents were overpaying for sewer and underpaying for water utilities.

Ms. Mueller stated from the beginning of the Utility, all of the reserve capacity assessments were co-mingled. In 2014 the Public Service Commission (PSC) was reviewing this when they requested a rate increase. They told the City they need to split this apart. That's when it was discovered that the Sewer Utility was subsidizing the Water Utility. She said at that time it was only $5 million.

Ms. Wagner stated what compounded the issue was the fact that connection was always required for the sewer projects but never for the water projects. She said the special assessment payments came in regularly for the sewer projects. She said that's why the policy change to pay for the water special assessments was so crucial, even though the property owner may have chosen not to connect to water. She said at some point the Council may have to hold additional public hearings and take additional action to require water special assessment paybacks that were originally put on hold.

Mayor Bierce asked if there were any other deficiencies that needed to be addressed.

Mr. Elmer stated no. He said they could put something in writing to show what would happen to the finances if the Sewer Utility forgave the Water Utility's debt.

Ms. Wagner stated she realized she never answered Mr. Vetterkind's question. She said the Utility is not overcharging for the sewer. She said there are upcoming replacement projects that these funds will be put towards.

Mr. Klein stated money has been put aside for treatment plant upgrades which are usually quite costly.

Mr. Clark reminded the Council that water rates are regulated by the PSC.

Ms. Wagner stated they will come up with some strategies and will follow up with the Council.

Ms. Mueller stated they are currently working through another rate change application using a different consultant.

Mayor Bierce asked them to prepare some statistics such as the percentage of properties that are on sewer and water and who may have separate services of one or the other.

Mr. Wilcox stated they would propose principal only and not assess any interest charges.

5. Discussion and Possible Action Regarding Awarding the Apple Tree/Pear Tree Well Rehabilitation and Pump Maintenance Project to the Lowest Qualified Bidder, Mid City Corporation, in the amount of $79,210.00.

Ms. Wagner stated they proactively want to replace two Apple Tree pumps. She said they are aging. She said they would be acidizing the well and casing to clean it up. She said three bids were received ranging from $79,210 to $162,856. Ms. Wagner stated the lowest qualified bidder was Mid City Corporation. She recommended approval.

Mr. Vetterkind asked if we ever used Mid City Corporation before. Ms. Mueller stated we would be new to Mid City Corporation but she is familiar with one of their water engineers.

Mr. Reinbold asked if we knew anyone who used them in the past. Ms. Mueller stated the consultant reached out to East Troy and Lannon.

A motion was made and seconded (B. Dziwulski, I. Clark) to award the contract to the lowest qualified bidder, Mid City Corporation, in the amount of $79,210.00. Motion Passed: 6-For, 0-Against.

6. Discussion Regarding the Community Development and Building Services Annual Report for 2022

   Mr. Fuchs stated this is a summary of what the departments did last year. It includes various projects and applications. It also provides goals for the current year.

   Mr. Fuchs stated what is most interesting is the five-year comparison on the last page of the various permits issued. He said 2022 was a record year.

   He added on Page #3 and Page #4 were a few corrections that were needed regarding the developer names.

7. Discussion and Possible Action Regarding the Final Plat for Cardinal Meadow Subdivision (PWC 0928-980)

   Ms. Wagner state this was tabled at the last meeting due to some concerns related to WE Energies not immediately installing transformers. She said she talked to them, and her concerns have been addressed. She said the power will be energized throughout the subdivision and ready to go. She said they just have to put a transformer in when a house is built. So power is there, and no additional considerations are needed.

   Ms. Wagner said she was also concerned about the transformers possibly not being in stock when they are needed. She said she doesn't believe someone would seek occupancy if they didn't have power. She said this problem will fall on WE Energies, not the City. She said in speaking to them, it appears they have contingencies in place to address the needs.

   Ms. Wagner stated the only contingency she would have on her end would be that all the improvements through the binder asphalt be installed prior to the execution of the plat.

   A motion was made and seconded (J. Wamser, P. Vetterkind) to approve the final plat with the contingency of all improvements through binder asphalt is installed prior to signing the final plat. Motion Passed: 6-For, 0-Against.

8. **Public Hearing,** Discussion and Possible Action Regarding the Conditional Use Permit for Keith Tubin for Property Located at N37 W26745 Kopmeier Drive (PWC 0894-014) for the Purpose of Constructing a Boathouse

Mr. Fuchs stated the Plan Commission meeting was cancelled due to weather. The public hearing was posted and published for this meeting. He said the Plan Commission will review this on March 16, 2023 and bring it to the Common Council on April 3, 2023. He recommended postponing the public hearing until then.

A motion was made and seconded (B. Dziwulski, P. Vetterkind) to postpone the Tubin public hearing to the April 3, 2023 Common Council meeting at 6:30 p.m. Motion Passed: 6-For, 0-Against.

9. Discussion and Possible Action to Appoint Thomas Farley to the Board of Review

Mayor Bierce proposed adding Thomas Farley to the Board of Review. He said he is well regarding and has done several things for the City of Pewaukee.

A motion was made and seconded (I. Clark, P. Vetterkind) to concur with the Mayor's recommendations and appoint Thomas Farley to the Board of Review. Motion Passed: 6-For, 0-Against.

10. Public Comment – None.

11. Adjournment

A motion was made and seconded (J. Wamser, I. Clark) to adjourn the meeting at 7:02 p.m. Motion Passed: 6-For, 0-Against.

Respectfully Submitted,

Kelly Tarczewski
Clerk/Treasurer