

In attendance:

Mayor S. Bierce, Aldermen B. Bergman (arrived at 7:15 p.m.), C. Brown, B. Dziwulski, R. Grosch, J. Kara, and J. Wamser.

Also in Attendance:

Attorney V. Anderson, Administrator S. Klein, DPW Director J. Weigel, Utility Manager J. Mueller, Park and Recreation Director K. Woldanski, Lieutenant B. Ripplinger, and Clerk/Treasurer K. Tarczewski.

1. Call to Order and Pledge of Allegiance

Mayor Bierce called the meeting to order at 7:00 p.m.

2. Public Comment - None

3. Consent Agenda

- 3.1. Approval of the Common Council Meeting Minutes Dated December 3, 2018
- 3.2. Approval of the Common Council Meeting Minutes Dated January 21, 2019
- 3.3. Approval of the Common Council Meeting Minutes Dated February 4, 2019
- 3.4. Approval of the Common Council Meeting Minutes Dated February 6, 2019
- 3.5. Approval of Accounts Payable Listings
- 3.6. Approval of Bartender License
- 3.7. Approval of the Prairie Grass Apartments Second Amendment to the Development Agreement

Ms. Brown asked that Items 3.3 and 3.4 be removed for discussion.

A motion was made and seconded, (J. Wamser, C. Brown) to approve the remaining items on the consent agenda. Motion Passed: 6-For, 0-Against.

- 3.3 Approval of the Common Council Meeting Minutes Dated February 4, 2019
- 3.4 Approval of the Common Council Meeting Minutes Dated February 6, 2019

Ms. Brown stated she needs to abstain from those minutes. A motion was made and seconded, (B. Dziwulski, J. Wamser) to approve the Common Council meeting minutes from February 4th and February 6th, 2019.

Motion Passed: 5-For, 0-Against, 1-Abstain (C. Brown)

4. Presentation of the 2018 Annual Police Services Report

Lieutenant Ripplinger was present for this item. He stated there have been several changes in staffing over the last year. He reported heroin related calls continue to rise. He said safety talks are increasing and there are more community service requests.

He stated the Badges and Buddies program remains popular. They have partnered with Skipper Bud who have donated a new pontoon boat, the City just had to upgrade the motor. They also donate the use of boat, motor and gas when there is a need to run two boats. Lieutenant Ripplinger also stated Coffee with a Cop has seen an increase in interest. The Crossings restaurant has hosted three or four

sessions and have donated beverages, Danish and fruit. He said the department continues to monitor the special events throughout the City.

Lieutenant Ripplinger said the request of the speed trailer have been consistent. He further reported that the calls for service are up, and investigative reports are on the rise. He said there were more District Attorney referrals, meaning there is more criminal violations that cannot be processed on the municipal level.

Lieutenant Ripplinger mentioned the contract renewal is coming up and suggested the Council look at the statistics and determine what level of service they will want in the upcoming years. Mr. Bergman arrived at this time.

5. Discussion and Possible Action to Approve Wastewater Rate Option (Sewer Rate) Study

Mr. Weigel and Ms. Mueller were present for this item. He stated the department is doing a great deal of studies related to their operations that has lead up to this latest request. He said there are a couple hundred residents that are paying for City of Waukesha sewer services, approximately 800 residents have services through the Lake Pewaukee Sanitary District (LPSD) and the City has a portion as well. He said it is becoming more evident that we need to analyze costs more closely to ensure sewer costs equitable to all our residents and that a handful of users are not subsidizing others.

He said the consultants have knowledge that Oconomowoc is utilizing various service rates. Mr. Weigel stated they provided a quote to do a study on what our rates should really be. He asked Common Council to authorize the out of budget expenditure of \$18,000 to complete the sanitary sewer rate study.

Mr. Grosch asked if he anticipated any significant changes. Mr. Weigel stated he hoped there would be because currently the City is not collecting maintenance efforts or administration fees from those who are using other means of sanitary sewer service. Mr. Kara asked how some of his constituents came to use the Waukesha facility plant. Mr. Weigel stated back in the 1960's and 70's SEWRPC took on regional planning for treatment systems. It is more cost effective and environmentally effective to treat in regional areas verses each community doing their own. Mr. Weigel stated it is basically based on topography. Mr. Kara stated he felt this is all hodge-podge and a policy needs to be created. Mr. Weigel agreed.

A motion was made and seconded, (J. Wamser, B. Dziwulski) to authorize the Sewer Utility to enter into a contract with Ruckert & Mielke to perform a wastewater rate option analysis in the amount of \$18,000. Motion Passed: 5-For, 1-Agaisnt (R. Grosch)

6. Status of Water Utility Financial Studies

Mr. Weigel stated last June the Common Council approved two study contracts; one for water reserve and hook-up fees and the other for a water /waste water / storm water utility financial review. He stated, in December they authorized a water rate application with the Public Service Commission (PSC). He said the amount of data the department has to supply is enormous. They are hoping for submittal in late spring. He said this past January the sewer treatment facility capacity valuation study was approved. He said the City does not possess enough capacity in the Brookfield treatment plant. At the recommendation of the Public Works Director of the City of Brookfield we should work with Ruckert & Mielke to establish a fair market value to purchase more capacity. Mr. Weigel stated last

month a study by Strand Engineering was approved for individual capacity analysis for the Lake Country Commons baseball stadium.

Mr. Weigel stated there are various things to consider due to the studies performed. He said the City needs to remove the deferred and delayed special assessments, and make them active, especially those that will remain open on the books forever. He stated that will require new public hearings, engineering and impact analysis reports. The consultants are also recommending setting the water RCA hook-up fees for a single family home at \$5,431 for 2019 which is an increase of 11% from the rate that was just established at the beginning of 2019. According to the PSC the City cannot raise the rate different from the approved formulas until a new public hearing can be held.

Mr. Weigel stated another issue to review is establishing a formal cash reserve policy within the utility. He said the sewer and water utility has \$11 million dollars in the bank, mostly being sewer funds. He said the cash on hand reserve fund is recommended to be able to pay the current year's expenses and the annual debt payment scheduled when you start each year. He said that is estimated to be \$2.6 million per year. He said the water utility has been spending sewer funds and water owes sewer \$6.3 million. He is recommending that we take the dollar figure that water owes sewer as of January 1st, 2019 and calculate the reserve amount needed and put together a long term loan agreement with the sewer utility with little or no interest. He was suggesting no payment until 2020 or 2021 and equal payments over the next 23 years. Mr. Weigel stated the consultants have said the sewer utility has enough money in the bank to forgive the debt, but he didn't think the Council would agree to that.

Mr. Kara asked why we'd go through the trouble. Mr. Klein stated it may come down to being more equitable to those that are paying for water service verses those who do not. It will also be important to the water rate case to say what our needs will be. Mr. Kara asked what the long term ramifications would be. Mr. Weigel stated perhaps Ehlers could also offer their opinion in the matter when they do the City's long term financial analysis. Ms. Brown stated she feels both utilities should be self-sufficient.

Mr. Weigel stated the City extracts \$715,000 of revenues from the water and sewer utility annually. He said a major portion of that is the optional tax of \$580,000 they pay. He asked the City to consider in times where revenues exceed expenditures to share the wealth with the utility and possibly give them a credit.

7. Discussion and Possible Action to Approve the Purchase of the Water and Sewer Pick-up Truck for 2018 and the Purchase of the Sanitary Sewer and Storm Water Utility Cameral System Budgeted for 2018

Mr. Weigel stated the truck was budgeted for in 2018 and it was ordered in August but they still haven't received it. He said they over spent on that account by approximately \$5,000. He said due to the timing, the funds will be paid in 2019. Jane said they plan to replace another vehicle in 2019 as well so she requested the unspent money for the 2018 truck be rolled over into 2019 with an additional \$5000.

A motion was made and seconded, (R. Grosch, C. Brown) to approve the 2018 budgeted funds for the utility truck brought forward to the 2019 budget and utilizing additional funds as needed.
Motion Passed: 6-For, 0-Against.

Mr. Weigel stated in 2018 the storm water utility put in their capital budget \$10,000 for a shared pipe camera. The sanitary sewer budgeted \$12,000 toward the camera. Staff looked at various cameras and

decided the type they originally thought of purchasing was not what they wanted any longer. They found a self-propelled camera in the amount of \$62,864 but at the time it wasn't in the budget so they didn't purchase it. The vendor will sell the demonstration model for \$54,865. He asked Council if he should wait until 2020 and budget appropriately or take advantage of the discounted demo price. Funds would come from the sanitary sewer utility and the storm water utility. Mayor Bierce asked if this camera was actually worth three times as much. Ms. Mueller stated it was. Not only is the camera a self-propelled track vehicle verses having to be pushed in a sewer with a rod, but it has a panoramic view verses a small lens view and it has a better recorder. Jane said this would expedite their work in emergency situations verses waiting for contractor to respond.

A motion was made and seconded, (B. Dziwulski, R Grosch) to approve the purchase of the Envirotech sewer pipe camera system at the purchase price of \$54,865 with the understanding that the 2019 Storm Water Utility budget for equipment expenditures will be amended to include \$25,000 for this purchase and the 2019 Sewer Utility budget for equipment expenditures will be amended to include \$30,000 for this purchase.

Motion Passed: 6-For, 0-Against.

8. Public Comment - None.

9. Closed Session – You are hereby notified that the Common Council and staff of the City of Pewaukee will convene into closed session after all regular scheduled business has been concluded and upon motion duly made and seconded and acted upon by roll-call vote as required under §19.85(1)(a), Stats. The purpose of the closed session is for the following:

- §19.85(1)(c): Considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility specifically related to the Parks and Recreation Director.

You are further notified that at the conclusion of the Closed Session, the Common Council may convene into open session pursuant to 19.85(2), Stats., for possible additional discussion and action concerning any matters discussed in closed session and for adjournment.

A motion was made and seconded, (B. Dziwulski, J. Kara) to adjourn into closed session at 8:32 p.m. The motion was approved by roll call vote: 6-For, 0-Against.

10. Adjournment – Common Council adjourned from closed session at approximately 9:00 p.m.

Respectfully Submitted,

Kelly Tarczewski
Clerk/Treasurer