



**Department of Public Works
Engineering Division**
W240 N3065 Pewaukee Road
Pewaukee WI 53072
Phone: 262-691-0804

**PUBLIC WORKS COMMITTEE
MEETING NOTICE AND AGENDA
Thursday, March 5, 2026
4:00 PM**

Pewaukee City Hall Common Council Chambers
W240N3065 Pewaukee Road, Pewaukee, WI

1. Call to Order and Pledge of Allegiance
2. Public Comment - Please limit your comments to two minutes. If further time for discussion is needed, please contact your District Alderperson prior to the meeting.
3. Discussion and Action Regarding the Minutes
 - 3.1 Discussion and possible action to adopt Jan 22 2026 meeting minutes.
4. Water and Sewer Division
 - 4.1 Presentation and Discussion Related to Ehlers 2025 Sewer Rate Study Phase 1. [Wagner/Mueller]
 - 4.2 Presentation and discussion related to SEWRPC Sanitary Sewer Service Area Update. [Mueller/Wagner]
5. Engineering Division
 - 5.1 Discussion and possible action regarding the Intergovernmental Agreement Between the City of Pewaukee and Waukesha County Regarding the Municipal Recycling Dividend Program. [Wagner]
6. Public Comment - Please limit your comments to two minutes. If further time for discussion is needed, please contact your District Alderperson prior to the meeting.
7. Adjournment

Magdelene Wagner
Director of Public Works
March 05, 2026

NOTICE

It is possible that members of other governmental bodies of the municipality may be in attendance to gather information that may form a quorum. At the above stated meeting, no action will be taken by any governmental body other than the governmental body specifically referred to above in this notice.

Any person who has a qualifying disability under the Americans with Disabilities Act that requires the meeting or materials at the meeting to be in an accessible format must contact the DPW Main Office at (262) 691-0804 by 12:00 p.m. the Tuesday prior to the meeting so that arrangements may be made to accommodate your request.

City of Pewaukee - New Agenda Item

Agenda Language:

Discussion and possible action to adopt Jan 22 2026 meeting minutes.

Sub Item Agenda Language:

Background Provided By:

Magdelene Wagner

Background:

Draft minutes for the January 22, 2026 meeting are attached for your review and approval.

Fiscal Impact:

Recommended Motion:

Committee approve the minutes.

In Attendance:

Mayor Steve Bierce, Alderman Jerry Wamser, Michael Kreiter, James Blackwood

Also In Attendance:

Director of Public Works M. Wagner, City Engineer M. Gabbey, Utility Manager J. Mueller, Administrative Assistant H. Jacobs

1. Call to Order and Pledge of Allegiance

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

2. Public Comment - Please limit your comments to two minutes. If further time for discussion is needed, please contact your District Alderperson prior to the meeting.

There were no public comments.

3. Discussion and Action Regarding the Minutes

3.1 Discussion and possible action to adopt Dec 10 2025 meeting minutes

Motion was made and seconded (M. Kreiter, J. Blackwood) to approve the December 10, 2025 meeting minutes. Motion passed unanimously.

4. Storm Water Management Division

4.1 Discussion and possible action to approve the Intergovernmental Agreement regarding Transfer of Phosphorus and Total Suspended Solids Credits from Fox River Water Pollution Control Center to Others as Part of Fox Illinois Total Maximum Daily Load. [Wagner/Wirtz]

Ms. Wagner presented information regarding the Intergovernmental Agreement (IGA). She explained that the Wisconsin Department of Natural Resources (WDNR) is developing a Total Maximum Daily Load (TMDL) limit for the upper Fox River, which will assign pollutant loading limits to each community that must be reduced over time. Two key pollutants included in the TMDL are phosphorus and total suspended solids, both of which are also reduced at the Fox River Pollution Control Center (treatment plant).

Ms. Wagner noted that the City of Pewaukee owns approximately 17.22% of the treatment plant, which is primarily owned and operated by the City of Brookfield, with

ownership shares divided among seven communities. The treatment plant's phosphorus removal level is already set lower than what is anticipated under the TMDL, creating potential credits that communities may receive based on their percentage of ownership and wastewater flows.

The proposed agreement outlines how credits will be allocated among the communities and the potential costs for Pewaukee to realize these credits. The Stormwater Utility would reimburse the Sewer Utility for any additional costs associated with accessing these credits. Ms. Wagner emphasized that this is the most economical method for the City to meet requirements that will be established under the TMDL.

There were no questions or concerns raised by committee members.

Motion was made and seconded (J. Wamser, M. Kreiter) to recommend the approval of the Intergovernmental Agreement to the Common Council. Motion passed unanimously.

5. Engineering Division

5.1 Discussion and possible action to apply for a Joint Quiet Zone for Duplainville Road and Parkside Road with the Village of Pewaukee's Forest Grove Drive, Oakton Avenue, Wisconsin Avenue and Kopmeier Drive. [Wagner/Gabbey]

Mr. Gabbey presented information regarding the proposed joint quiet zone. He explained that the City has been pursuing quiet zones throughout its limits, with crossings at various stages of development. Current crossings under review include Watertown Road, Green Road, and Weyer Road along the Canadian National Railway, as well as Springdale Road (in partnership with the City of Brookfield), Duplainville Road, and Parkside Road along the Canadian Pacific Railway.

Mr. Gabbey reported that the Village of Pewaukee approached the City about submitting a joint quiet zone application encompassing all crossings along the Canadian Pacific Railway through both municipalities: Duplainville Road, Forest Grove Drive, Oakton Avenue, Wisconsin Avenue, Kopmeier Drive, and Parkside Road.

The primary purpose of the joint application would be to expedite the Village's approval process, as its crossings require Alternative Safety Measures that typically involve a lengthy approval timeline. By combining into a joint system, the Village would benefit from quad gate systems already in place at City crossings, thereby lowering the overall risk index and allowing all crossings to be included in a quiet zone without undergoing an extended Federal Railway Administration (FRA) review process.

Mr. Gabbey addressed concerns regarding potential crashes affecting the entire quiet zone. He explained that if a crash occurred at one crossing and raised the risk index, the City could file an amended quiet zone application to remove that specific crossing

while maintaining quiet zone status for the remaining crossings.

City staff indicated that a condition of the partnership would require the Village to implement the safety measures at its crossings that would have been required for individual quiet zone establishment, even if those measures might not technically be required under a joint zone. Ms. Wagner confirmed she had discussed this requirement with the Village Administrator, who understood and agreed.

Committee members discussed the status of other quiet zones in the area. Mr. Gabbey noted that improvements at the Springdale crossing were complete, but is awaiting completion of improvements at additional crossings by the City of Brookfield. There was also discussion regarding whether the quiet zone could eventually extend through Oconomowoc, although some gaps may remain.

Motion was made and seconded (J. Blackwood, M. Kreiter) to recommend to the Common Council moving forward with the establishment of a joint quiet zone with the Village of Pewaukee, including the crossings at Duplainville Road, Forest Grove Drive, Oakton Avenue, Wisconsin Avenue, Kopmeier Drive, and Parkside Road, contingent upon the Village constructing the Alternative Safety Measures that would have been required for individual establishment. Motion passed unanimously.

5.2 Presentation, Discussion, and Possible Action of the Preliminary Layout for the Pewaukee Road Trail Extension Project. [Gabbey]

Mr. Gabbey provided background on the Pewaukee Road Trail Extension Project. He explained that in 2024 the City received a residential petition requesting extension of the trail along Pewaukee Road from its current termination at Riverwood Drive north to Tower Place. The Public Works Committee previously directed staff to secure funding and retain a consultant, R.H. Batterman, to conduct feasibility studies. The consultants presented two alternatives:

- Alternative 1 (yellow line): Along Highway 164 at an estimated cost of \$1,334,000
- Alternative 3 (blue line): Utilizing private paths through the commercial area at an estimated cost of \$1,131,000

The committee engaged in discussion regarding the merits of each alternative. Mayor Bierce stated that he viewed the alternatives as fundamentally different in purpose. He noted that the yellow path would complete an unfinished segment but would place pedestrians in proximity to high-speed traffic. In contrast, the blue path would provide a more leisurely route that could better serve residents in the Avondale area as well as employees in the commercial district.

Alderman Wamser commented on the potential for future mixed-use development in the area and suggested the blue path would be more relaxing and appealing to residents who may feel uncomfortable near highway traffic.

Mr. Blackwood expressed concern that the business park area may feel isolated on weekends, which could make some users uncomfortable. However, he also noted that the highway route is extremely noisy, which would make conversation difficult for trail users.

The committee also discussed potential connections to ProHealth Care. Mr. Blackwood questioned whether City taxpayers should fund the estimated \$200,000 switchback ramps that would primarily benefit ProHealth.

Following additional discussion regarding lighting, safety, and maintenance considerations, the committee agreed that the blue alternative with a single connection at the rear of ProHealth was preferable. Ms. Wagner noted that easements from private property owners would be required. However, businesses may support the project if the city assumes maintenance responsibilities.

Motion was made and seconded (J. Wamser, J. Blackwood) to recommend that staff pursue the blue line alternative with the rear connection to ProHealth.

Motion passed unanimously.

6. Public Comment - Please limit your comments to two minutes. If further time for discussion is needed, please contact your District Alderperson prior to the meeting.

There were no public comments.

7. Adjournment

Motion was made and seconded (J. Wamser, J. Blackwood) to adjourn the meeting at 5:09 p.m. Motion passed unanimously.

Respectfully Submitted

Magdelene Wagner
Director of Public Works

City of Pewaukee - New Agenda Item

Agenda Language:

Presentation and Discussion Related to Ehlers 2025 Sewer Rate Study Phase 1.
(Wagner/Mueller)

Sub Item Agenda Language:

Background Provided By:

Magdelene Wagner/Jane Mueller

Background:

The Sewer Utility embarked on a rate study last year with Ehlers to evaluate the rates being charged by the Sewer Utility to its customers to support the operation and maintenance of the sanitary sewer system. Ehlers made the presentation at the February 16, 2026 Common Council meeting discussing the Sanitary Sewer Rate Study Phase 1.

The Council directed Ehlers and staff to complete Phase 2 of the Sewer Rate Study and provide a rate adjustment resolution at a future meeting.

Fiscal Impact:

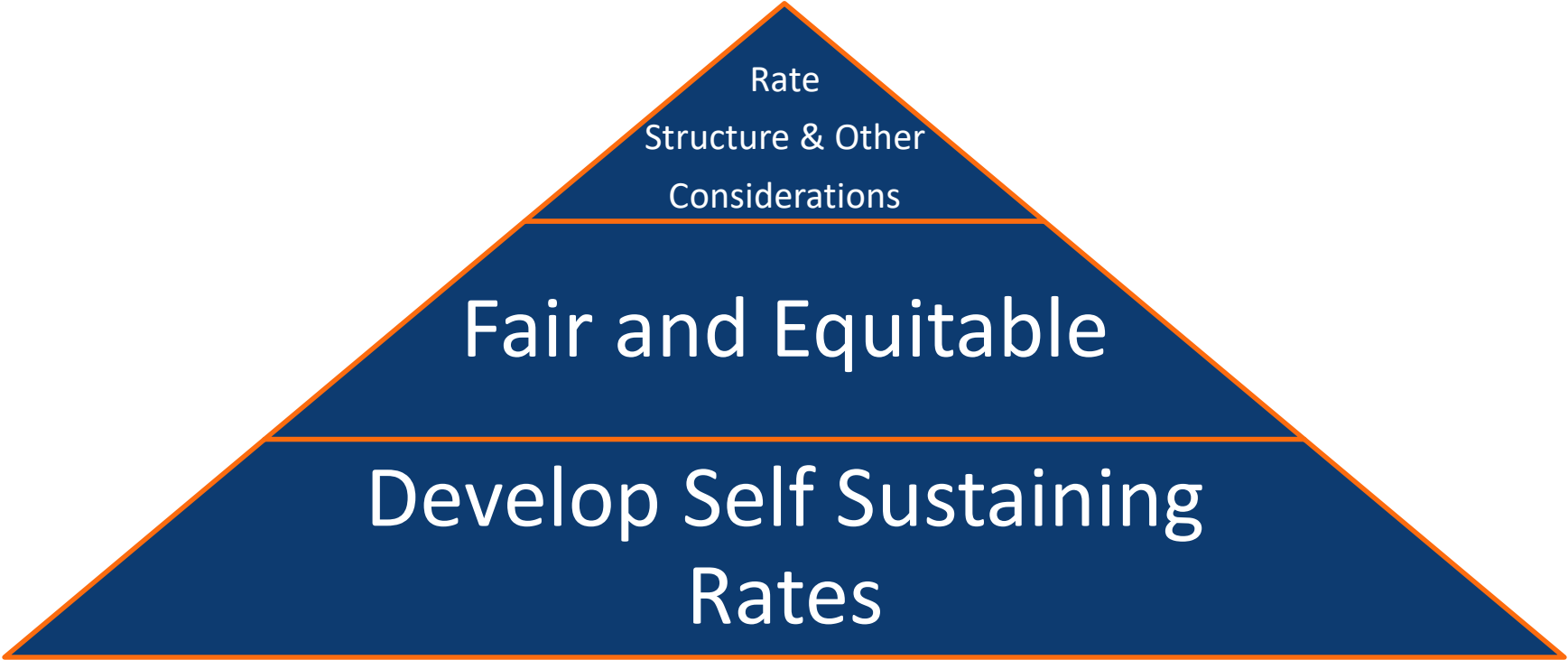
Recommended Motion:



City of Pewaukee, WI
2026 Sewer Rate Study
Phase 1: Long-Range Cash Flow Analysis

January 19th, 2026 Common Council Meeting

Sewer Rate Study Purpose

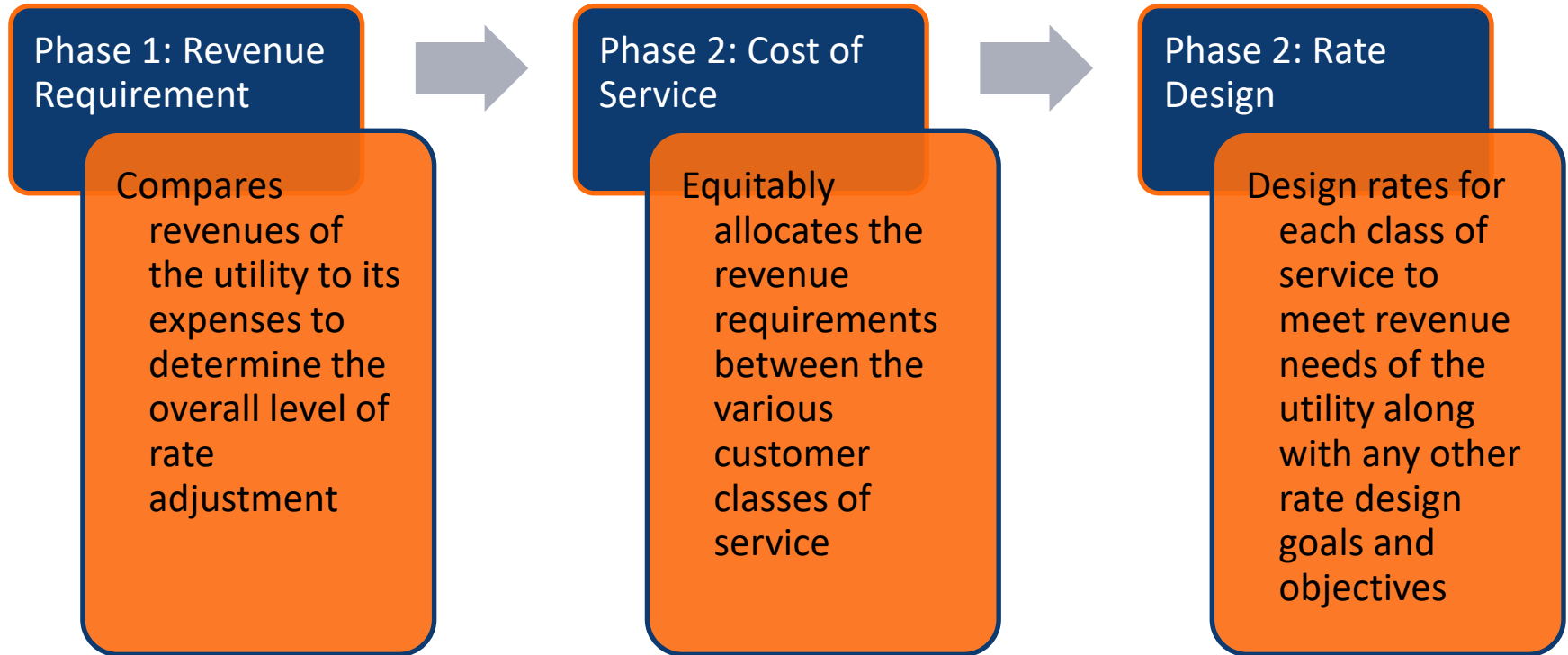


Rate
Structure & Other
Considerations

Fair and Equitable

Develop Self Sustaining
Rates

Sewer Rate Study Process



How do we determine Self-Sustaining Rates?

- Ehlers to identify rate revenue adjustments necessary for fiscal sustainability (1.4 debt coverage & healthy reserves) and moderate one-time adjustments
- Our Process
 - ✓ Historical Rate and Financial Performance
 - ✓ Future Projections
 - O&M and Depreciation
 - Funding Project(s): Debt vs. Cash
 - ✓ Rate Impact

Rate Revenue Determination

How much revenue should we generate from user rates?



Cash Basis

- + Op. and Maint. Expenses
- + Taxes/Transfer Payments
- + Debt Service (P&I)
- + Capital funded from rates
- Less Non-rate Revenue
- = Total Revenue Requirements

Utility Basis - PSC

- + Op. and Maint. Expenses
- + Taxes/Transfer Payments
- + Depreciation
- + Rate of Return on Rate Base
- Less Non-Rate Revenue
- = Total Revenue Requirements

Historical Rate Performance

Revenue Requirement		Shown with no increase				Est	Budget
Component	Description	2021	2022	2023	2024	2025	2026
Cash Basis							
1	Operating and Maintenance	\$3,235,101	\$2,864,706	\$3,279,321	\$4,593,382	\$5,213,734	\$4,942,971
2	Debt	\$129,770	\$278,349	\$428,447	\$447,194	\$446,251	\$445,032
3 ^A	Cash Funded Capital ^A	\$51,908	\$111,340	\$629,467	\$655,857	\$3,498,000	\$1,297,263
Less:							
	Other Revenue	\$0	\$0	\$0	\$20,787	\$192,328	\$270,834
	Interest Income	\$28,367	\$71,459	\$345,594	\$544,000	\$420,000	\$400,000
	Revenue Requirement (Costs less Other Income)	\$3,388,412	\$3,182,936	\$3,991,641	\$5,131,646	\$8,545,657	\$6,014,432
	User Rates Revenue	\$4,088,888	\$4,168,369	\$4,265,910	\$4,260,335	\$4,304,000	\$4,458,440
	Rate Adequacy	\$700,476	\$985,433	\$274,269	(\$871,311)	(\$4,241,657)	(\$1,555,992)
	Rate Adjustment Needed	0.00%	0.00%	0.00%	20.45%	98.55%	34.90%
Utility Basis (PSC)							
1	Operating and Maintenance	\$3,235,101	\$2,864,706	\$3,279,321	\$4,593,382	\$5,213,734	\$4,942,971
2	Depreciation	\$782,665	\$812,767	\$848,463	\$850,000	\$875,500	\$1,038,086
3	NIRB	\$36,070,878	\$37,428,436	\$37,815,831	\$39,344,840	\$42,347,632	\$46,218,921
	Typical ROI (2.5%)	\$901,772	\$935,711	\$945,396	\$983,621	\$1,058,691	\$1,155,473
Less:							
	Other Revenue	\$0	\$0	\$0	\$20,787	\$192,328	\$270,834
	Interest Income	\$28,367	\$71,459	\$345,594	\$544,000	\$420,000	\$400,000
	Revenue Requirement (Costs less Other Income)	\$4,891,171	\$4,541,725	\$4,727,586	\$5,862,216	\$6,535,597	\$6,465,696
	User Rates Revenue	\$4,088,888	\$4,168,369	\$4,265,910	\$4,260,335	\$4,304,000	\$4,458,440
	Rate Adequacy	(\$802,283)	(\$373,356)	(\$461,676)	(\$1,601,881)	(\$2,231,597)	(\$2,007,256)
	Rate Adjustment Needed	19.62%	8.96%	10.82%	37.60%	51.85%	45.02%

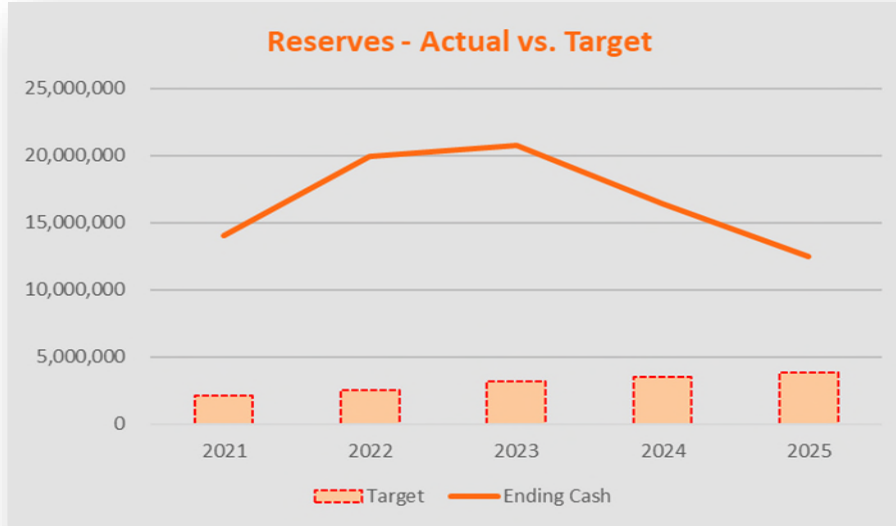
- The City last adjusted rates in 2021 at 28%

Rates inadequate on a cash basis.

Rates inadequate on a utility basis (method used by PSC)

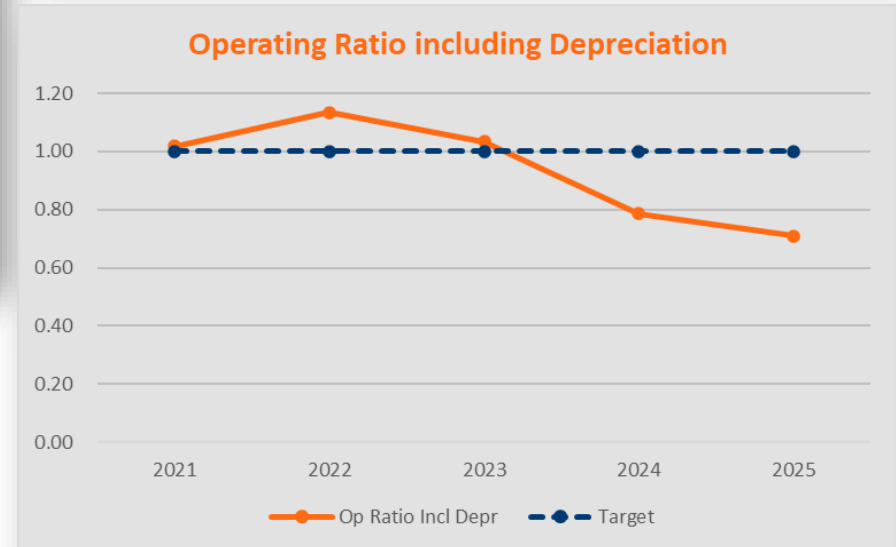
^AIncludes recommended debt coverage at 1.4x annual debt payment

Historical Financial Indicators



- Reserves to fund deficits and capital (5 mo. Target)

- Current assets estimated to be 27% depreciated



Current Capital Project List 2026-2031

Projects	Funding	2026	2027	2028	2029	2030	2031	Totals
Spice Creek Lift Station Rehab	Cash	125,000	125,000	0	0	0	0	250,000
Kopmeier Lift Station Village of Pewaukee	Cash	1,000,000	0	0	0	0	0	1,000,000
Kopmeier Lift Station City of Pewaukee	Cash	0	0	150,000	1,000,000	0	0	1,150,000
Forest Grove Lift Station Upgrade/Replacement	G.O. Debt	0	0	3,500,000	0	0	0	3,500,000
Forest Grove Lift Station Upgrade/Replacement	Cash	0	1,000,000	0	0	0	0	1,000,000
Sherwood Lift Station	G.O. Debt	1,250,000	2,750,000	0	0	0	0	4,000,000
Meadowbrook Lift Station-Rehab	G.O. Debt	200,000	0	0	0	0	0	200,000
Meadowbrook Lift Station-Rehab	Cash	0	2,250,000	0	0	0	0	2,250,000
Glacier Ridge Lift Station	G.O. Debt	0	75,000	850,000	0	0	0	925,000
Broken Hill Lift Station Expansion	G.O. Debt	0	0	0	0	0	3,500,000	3,500,000
Broken Hill Lift Station Expansion	Cash	0	0	0	200,000	200,000	0	400,000
Lift Station Security Upgrades	Cash	25,000	25,000	25,000	25,000	25,000	25,000	150,000
Trailer - Tools/equipment	Cash	0	0	0	0	15,000	10,000	25,000
Sewer Jetter(Shared w/stormwater)	Cash	18,000	18,000	18,000	18,000	18,000	18,000	108,000
Sherwood Forest/Busse Rd	G.O. Debt	200,000	3,800,000	0	0	0	0	4,000,000
Rolling Ridge Sewer I	G.O. Debt	175,000	1,600,000	0	0	0	0	1,775,000
Rolling Ridge Sewer II	G.O. Debt	0	200,000	1,750,000	0	0	0	1,950,000
Kopmeier sewer re-lay under Pewaukee lake	G.O. Debt	2,900,000	0	0	0	0	0	2,900,000
Lindsay Road - Balmer Park to Swan Road	Cash	0	0	0	0	100,000	0	100,000
Lindsay Road - Balmer Park to Swan Road	G.O. Debt	0	0	0	0	0	1,500,000	1,500,000
Sanitary Sewer Lining	Cash	0	0	0	500,000	750,000	0	1,250,000
Sanitary Sewer Lining	G.O. Debt	500,000	500,000	500,000	0	0	750,000	2,250,000
SCADA software upgrade (sewer portion)	Cash	10,000	10,000	10,000	10,000	50,000	37,500	127,500
PLC & Control Upgrades (sewer portion)	Cash	22,500	22,500	22,500	25,000	25,000	27,500	145,000
Radio Upgrade - SCADA (sewer portion)	Cash	0	25,000	25,000	0	0	0	50,000
Surveying equipment (sewer portion)	Cash	0	0	0	0	0	17,500	17,500
Mapping GIS (sewer portion)	Cash	0	0	0	0	7,500	7,500	15,000
Utility Truck (sewer portion)	Cash	41,000	46,500	37,500	37,500	42,500	42,500	247,500
Utility Computers and mobil devices (sewer portion)	Cash	4,250	5,000	5,000	5,000	5,000	5,000	29,250
Utility Billing Software (sewer portion)	Cash	11,000	0	0	15,000	0	0	26,000
ESRI - Software for GIS & Open Gov (sewer portion)	Cash	0	0	0	0	0	10,000	10,000
Furniture/Remodel (sewer portion)	Cash	17,500	10,000	0	0	0	0	27,500
Actual CIP Costs		6,499,250	12,462,000	6,893,000	1,835,500	1,238,000	5,950,500	34,878,250

Sources of Funding	2026	2027	2028	2029	2030	2031	
G.O. Debt	5,225,000	8,925,000	6,600,000	0	0	5,750,000	26,500,000
Cash	1,274,250	3,537,000	293,000	1,835,500	1,238,000	200,500	8,378,250
Total	6,499,250	12,462,000	6,893,000	1,835,500	1,238,000	5,950,500	34,878,250

Current Capital Project List Highlights

- Estimated Capital Projects in 2024 total \$4,437,085
- Estimated Capital Projects in 2025 total \$3,319,500
- Estimated Capital Projects in 2026 total \$6,499,250
- Year-end cash balance 2023 \$20,790,513
- Borrowing anticipated for Capital projects in 2026, 2027, 2028 and 2031

Do Nothing – Cash Depleted by 2029

	Budget 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenues										
Total Revenues from User Rates ¹	\$4,458,440	\$4,458,440	\$4,458,440	\$4,458,440	\$4,458,440	\$4,458,440	\$4,458,440	\$4,458,440	\$4,458,440	\$4,458,440
Percent Increase to User Rates	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cumulative Percent Rate Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Dollar Amount Increase to Revenues		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Revenues	\$545,595	\$170,862	\$158,741	\$151,126	\$144,608	\$144,816	\$145,027	\$145,240	\$145,454	\$145,671
Total Revenues	\$5,004,035	\$4,629,302	\$4,617,181	\$4,609,566	\$4,603,048	\$4,603,256	\$4,603,467	\$4,603,680	\$4,603,894	\$4,604,111
Less: Expenses										
Operating and Maintenance ²	\$4,942,971	\$5,091,260	\$5,243,998	\$5,401,318	\$5,563,357	\$5,730,258	\$5,902,166	\$6,079,231	\$6,261,608	\$6,449,456
Net Before Debt Service and Capital Expenditures	\$61,064	(\$461,958)	(\$626,817)	(\$791,751)	(\$960,309)	(\$1,127,002)	(\$1,298,699)	(\$1,475,551)	(\$1,657,714)	(\$1,845,345)
Debt Service										
Existing Debt P&I	\$445,032	\$439,844	\$437,985	\$435,741	\$420,466	\$417,153	\$405,536	\$305,577	\$302,944	\$305,760
New (2026-2035) Debt Service P&I	\$0	\$381,083	\$909,688	\$1,188,625	\$1,321,375	\$1,392,313	\$1,456,250	\$1,638,250	\$1,712,750	\$1,772,500
Total Debt Service	\$445,032	\$820,928	\$1,347,672	\$1,624,366	\$1,741,841	\$1,809,466	\$1,861,786	\$1,943,827	\$2,015,694	\$2,078,260
Transfer In (Out)/Sale of Cap. Assets/Coll. of Special Assess.	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Less: Capital Improvements	\$6,690,774	\$12,721,610	\$7,092,885	\$1,835,500	\$1,238,000	\$6,124,112	\$0	\$0	\$0	\$0
Debt Issued/Grants/Aid	\$5,380,000	\$9,045,000	\$5,910,000	\$0	\$0	\$4,395,000	\$0	\$0	\$0	\$0
Net Annual Cash Flow		(\$1,664,742)	(\$4,929,496)	(\$3,127,374)	(\$4,221,617)	(\$3,910,151)	(\$4,635,579)	(\$3,130,485)	(\$3,389,378)	(\$3,643,407)
Restricted and Unrestricted Cash Balance:										
Balance at first of year	\$12,411,486	\$10,746,744	\$5,817,248	\$2,689,874	(\$1,531,743)	(\$5,441,894)	(\$10,077,473)	(\$13,207,958)	(\$16,597,336)	(\$20,240,743)
Net Annual Cash Flow Addition/(subtraction)	(\$1,664,742)	(\$4,929,496)	(\$3,127,374)	(\$4,221,617)	(\$3,910,151)	(\$4,635,579)	(\$3,130,485)	(\$3,389,378)	(\$3,643,407)	(\$3,893,605)
Balance at end of year	\$10,746,744	\$5,817,248	\$2,689,874	(\$1,531,743)	(\$5,441,894)	(\$10,077,473)	(\$13,207,958)	(\$16,597,336)	(\$20,240,743)	(\$24,134,349)
"All-in" Debt Coverage	0.20	(0.53)	(0.44)	(0.47)	(0.53)	(0.61)	(0.68)	(0.74)	(0.81)	(0.87)

Notes:

- 1) Assumes no changes in customer count.
2) Assumes 3.00% annual inflation beyond budget year.

Legend:

- Increase depicted to maintain with assumed O&M inflation
 Increase needed above inflationary adjustment
 No CIP provided

10-year Cash Flow Analysis

	Budget 2026	2027	2028	2029	2030	Projected 2031	2032	2033	2034	2035
Revenues										
Total Revenues from User Rates ¹	\$5,111,418	\$5,860,029	\$6,718,282	\$7,702,233	\$7,933,300	\$8,171,299	\$8,416,438	\$8,668,931	\$8,928,999	\$9,196,869
Percent Increase to User Rates	14.65%	14.65%	14.65%	14.65%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Cumulative Percent Rate Increase	14.65%	31.44%	50.69%	72.76%	77.94%	83.28%	88.78%	94.44%	100.27%	106.28%
Dollar Amount Increase to Revenues		\$748,612	\$858,253	\$983,951	\$231,067	\$237,999	\$245,139	\$252,493	\$260,068	\$267,870
Total Other Revenues	\$545,595	\$172,495	\$163,881	\$161,929	\$159,718	\$158,876	\$156,815	\$159,126	\$161,428	\$163,753
Total Revenues	\$5,657,013	\$6,032,524	\$6,882,163	\$7,864,162	\$8,093,018	\$8,330,175	\$8,573,253	\$8,828,057	\$9,090,427	\$9,360,622
Less: Expenses										
Operating and Maintenance ²	\$4,942,971	\$5,091,260	\$5,243,998	\$5,401,318	\$5,563,357	\$5,730,258	\$5,902,166	\$6,079,231	\$6,261,608	\$6,449,456
Net Before Debt Service and Capital Expenditures	\$714,042	\$941,264	\$1,638,165	\$2,462,845	\$2,529,661	\$2,599,917	\$2,671,087	\$2,748,826	\$2,828,819	\$2,911,166
Debt Service										
Existing Debt P&I	\$445,032	\$439,844	\$437,985	\$435,741	\$420,466	\$417,153	\$405,536	\$305,577	\$302,944	\$305,760
New (2026-2035) Debt Service P&I	\$0	\$381,083	\$909,688	\$1,188,625	\$1,321,375	\$1,392,313	\$1,456,250	\$1,638,250	\$1,712,750	\$1,772,500
Total Debt Service	\$445,032	\$820,928	\$1,347,672	\$1,624,366	\$1,741,841	\$1,809,466	\$1,861,786	\$1,943,827	\$2,015,694	\$2,078,260
Transfer In (Out)/Sale of Cap. Assets/Coll. of Special Assess.	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Less: Capital Improvements	\$6,690,774	\$12,721,610	\$7,092,885	\$1,835,500	\$1,238,000	\$6,124,112	\$0	\$0	\$0	\$0
Debt Issued/Grants/Aid	\$5,380,000	\$9,045,000	\$5,910,000	\$0	\$0	\$4,395,000	\$0	\$0	\$0	\$0
Net Annual Cash Flow	(\$1,011,764)	(\$3,526,274)	(\$862,392)	(\$967,021)	(\$420,181)	(\$908,661)	\$839,301	\$834,999	\$843,126	\$862,905
Restricted and Unrestricted Cash Balance:										
Balance at first of year	\$12,411,486	\$11,399,722	\$7,873,448	\$7,011,056	\$6,044,035	\$5,623,854	\$4,715,193	\$5,554,494	\$6,389,493	\$7,232,619
Net Annual Cash Flow Addition/(subtraction)	(\$1,011,764)	(\$3,526,274)	(\$862,392)	(\$967,021)	(\$420,181)	(\$908,661)	\$839,301	\$834,999	\$843,126	\$862,905
Balance at end of year	\$11,399,722	\$7,873,448	\$7,011,056	\$6,044,035	\$5,623,854	\$4,715,193	\$5,554,494	\$6,389,493	\$7,232,619	\$8,095,524
"All-in" Debt Coverage	1.67	1.18	1.24	1.53	1.47	1.45	1.45	1.43	1.42	1.42

Notes:

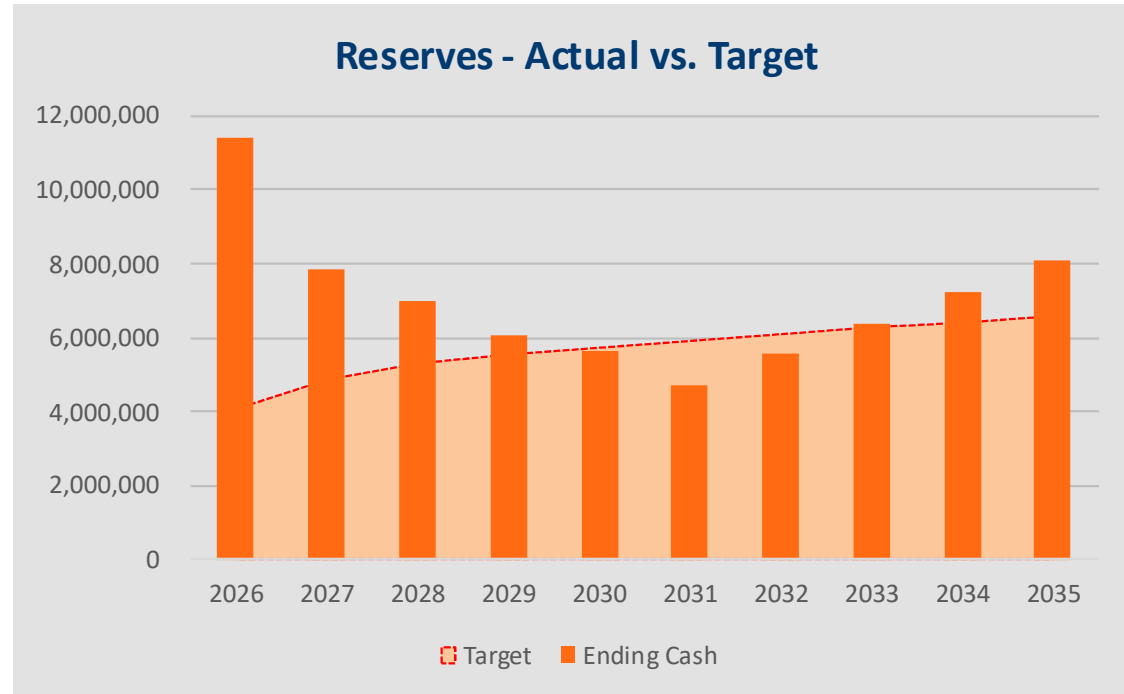
- 1) Assumes no changes in customer count.
- 2) Assumes 3.00% annual inflation beyond budget year.

Legend:

- Increase depicted to maintain with assumed O&M inflation
- Increase needed above inflationary adjustment
- No CIP provided

Projected Reserves

- Plan keeps reserves at minimum target



Impact on Avg. Res. Bill: Percent increase

Year	Sewer					Utility Bill (Annual)	Change Over Prior Year	% of MHI (112,093)	Year
	Increase	Sewer Operating REU Charge ¹	Sewer Administrativ e Charge ²	Utility Bill (Quarterly)	Change Over Prior Year				
2025		110.30	30.70	\$ 141.00		\$ 564.00		0.50%	2025
2026	14.65%	126.45	35.20	\$ 161.65	\$ 20.65	\$ 646.60	\$ 82.60	0.58%	2026
2027	14.65%	144.97	40.35	\$ 185.33	\$ 23.68	\$ 741.30	\$ 94.70	0.66%	2027
2028	14.65%	166.21	46.26	\$ 212.47	\$ 27.14	\$ 849.87	\$ 108.57	0.76%	2028
2029	14.65%	190.55	53.04	\$ 243.59	\$ 31.12	\$ 974.35	\$ 124.47	0.87%	2029
2030	3.00%	196.27	54.63	\$ 250.89	\$ 7.31	\$ 1,003.58	\$ 29.23	0.90%	2030
2031	3.00%	202.15	56.27	\$ 258.42	\$ 7.53	\$ 1,033.68	\$ 30.11	0.92%	2031
2032	3.00%	208.22	57.95	\$ 266.17	\$ 7.75	\$ 1,064.69	\$ 31.01	0.95%	2032
2033	3.00%	214.47	59.69	\$ 274.16	\$ 7.99	\$ 1,096.63	\$ 31.94	0.98%	2033
2034	3.00%	220.90	61.48	\$ 282.38	\$ 8.22	\$ 1,129.53	\$ 32.90	1.01%	2034
2035	3.00%	227.53	63.33	\$ 290.85	\$ 8.47	\$ 1,163.42	\$ 33.89	1.04%	2035
Total Change over planning period					\$ 149.85	\$ 599.42			

Notes:

1. The current Sewer operating charge takes into consideration the annual Operating, Maintenance and Debt expenses of the utility then assigns a cost per residential equivalent unit (REU).
2. The Sewer Administrative charge considers administrative charges like billing, accounting and insurance and charges quarterly per customer fee.

Sewer: Recommendations

- Phase 2 allocation of costs to define appropriate variance between Operating Charge and Administrative Charge
- Continually define long term capital needs
- This plan identifies the minimum recommended revenue adjustments given all current facts and circumstances with following goals
 - ✓ Max use of cash while maintaining reserves benchmark
 - ✓ Keep “All-in” Debt Coverage around 1.4 (minimum recommendation)
- Identify other ratemaking goals (if any)

Questions?

City of Pewaukee - New Agenda Item

Agenda Language:

Presentation and discussion related to SEWRPC Sanitary Sewer Service Area Update.
(Mueller/Wagner)

Sub Item Agenda Language:

Background Provided By:

Jane Mueller/Magdelene Wagner

Background:

The Utility has had several inquiries about providing municipal sewer and water service to several areas of the City for potential new development. The most recent interest is for development of the northwest quadrant of the City.

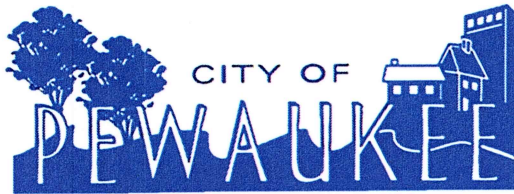
At a meeting with Southeastern Wisconsin Regional Plan Commission (SEWRPC) last year, SEWRPC staff advised the City to prepare a request for consideration of a Sanitary Sewer Service Area Plan Update instead of a smaller plan amendment which was previously considered for smaller geographical areas due to that age of our Sanitary Sewer Service Area Plan and the amount of acreage we area adding. This is a critical plan for any Wisconsin Department of Natural Resources approval of sanitary sewer extensions within the community.

Last week, City staff submitted the request to SEWRPC to review the remaining "unmapped and unsewered" areas of the City to include them in a City of Pewaukee Sanitary Sewer Service Area Plan. SEWRPC will review all environmental areas in the City, topography, and adjacent communities to our current plan as well as our current and future sewer capacity.

SEWRPC's plan update/review is expected to take up to one year to complete.

Fiscal Impact:

Recommended Motion:



**Department of Public Works
Water & Sewer Utility**

W240N3065 Pewaukee Road • Pewaukee, WI 53072
Phone: (262) 691-0804 • Fax: (262) 691-5729
Email: publicworks@pewaukee.wi.us

February 26, 2026

Benjamin McKay, AICP
Deputy Director
Southeastern Wisconsin Regional Planning Commission
W239N1492 Rockwood Drive
Waukesha, WI 53186

Re: City of Pewaukee Request for Sanitary Sewer Service Area Plan Update

Dear Mr. McKay:

The City of Pewaukee (City) is seeking to delineate the sewer service boundaries for the remaining unsewered areas within the City. This planning effort will allow the City to pursue serving the new development and existing unsewered development unfettered with the potential delays of regulatory approvals.

The City respectfully requests that the Southeastern Wisconsin Regional Planning Commission (SEWRPC) consider this letter as our formal request for a Sanitary Sewer Service Area Plan Update. Based on our previous meeting with Joel Deitl regarding this matter, we have enclosed the following information that is required to fulfill the request for a Sanitary Sewer Service Area Plan Update:

1. A copy of the City of Pewaukee Sanitary Sewer Master Plan (Appendix A), completed in 2023 by Strand Associates. This comprehensive report provides detailed information on the City's existing sanitary sewer system, as well as future anticipated sanitary sewer flows based on the City's Comprehensive Plan.
2. An informational letter sent to adjacent communities (Exhibit 1).
3. The list of adjacent communities (Exhibit 2).
4. A letter of support from the City of Brookfield Fox River Water Pollution Control Center (FRWPCC) (Exhibit 3).
5. Responses received from adjacent communities (Exhibits 4, 5, and 6).

Please let me know if you have any questions or require additional information. We look forward to working with SEWRPC to update the Sanitary Sewer Service Area Plan for the continued growth of our community.

Sincerely,

Magdelene Wagner
Director of Public Works
City of Pewaukee

Enclosures

BACKGROUND CITY OF PEWAUKEE SANITARY SEWER

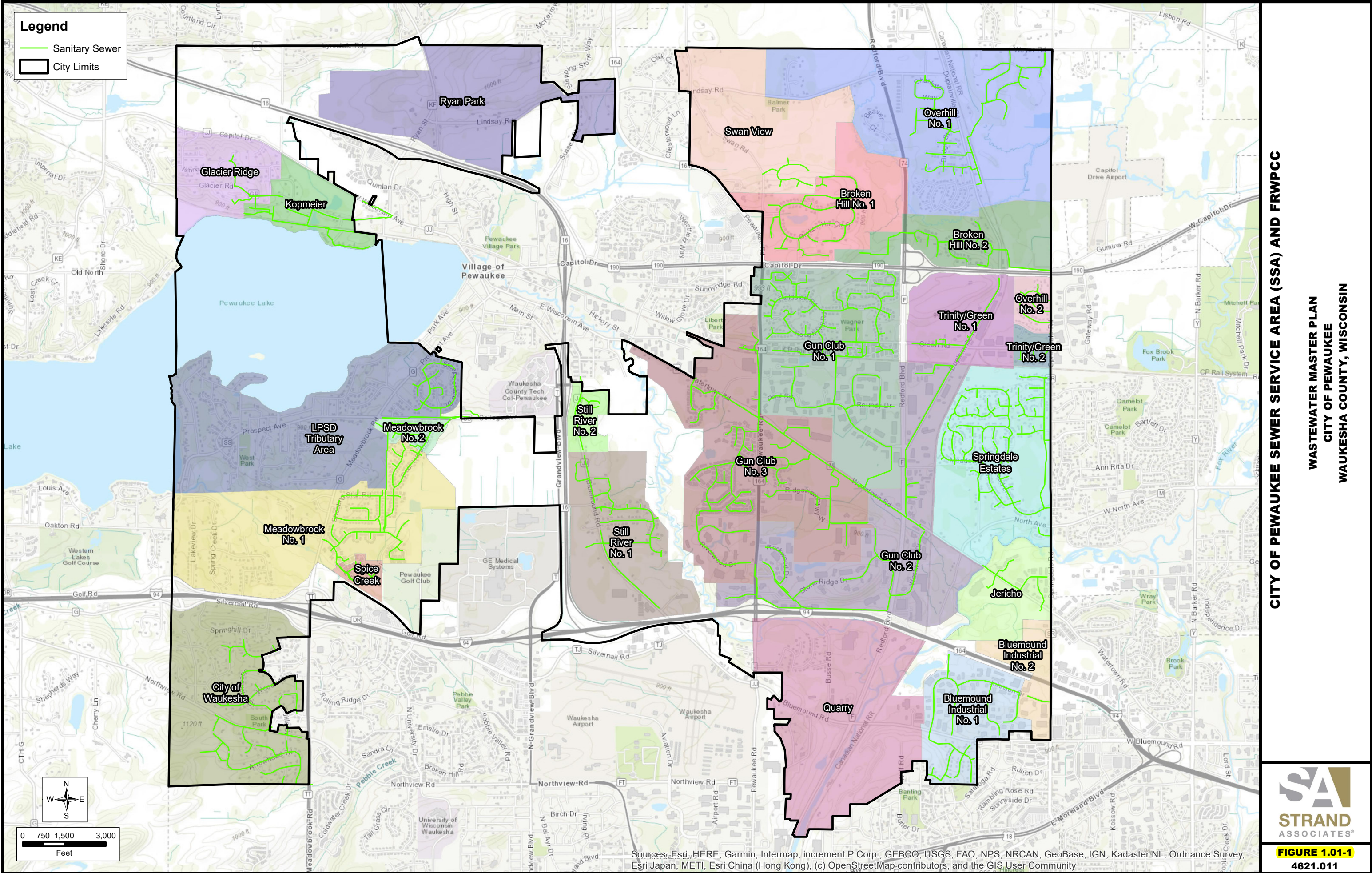
The City of Pewaukee (City) owns wastewater collection and conveyance facilities that serve its residential, commercial, institutional and industrial dischargers. According to the 2020 United States Census, the City has a population of approximately 15,914. The City operates and maintains 12 sanitary lift stations and approximately 77 miles of sanitary sewer within the current Sewer Service Area (SSA). Figure 1.01-1 (Source: Strand Associates) illustrates the existing SSA, which follows the City's municipal boundary.

Lake Pewaukee Sanitary District (LPSD) also operates a sanitary sewer system within the corporate limits of the City. LPSD operates the collection system on the south and west sides of Pewaukee Lake, as well as lands within the Town of Delafield on the north and west ends of the lake. Portions of the City and LPSD's sewage flows through a common conveyance pipe (owned by LPSD) to the Village of Pewaukee.

The City has purchased approximately 17.48% capacity in the Fox River Water Pollution Control Center (FRWPCC), the regional wastewater treatment plant located in the City of Brookfield. The FRWPCC provides treatment for some of the flow from the Village of Menomonee Falls and all flows from the Village of Pewaukee, the City of Pewaukee, LPSD, the Town of Brookfield Sanitary District No. 4, and the City of Brookfield. A small portion of the City's wastewater is treated by the City of Waukesha Wastewater Treatment Plant (WWTP).

The City participates in multiple intergovernmental agreements (IGAs) with neighboring communities. Shared sanitary sewer infrastructure is maintained between the City and the Village of Pewaukee, LPSD, the Town of Brookfield and the City of Brookfield. Shared segments of infrastructure include sanitary sewer interceptors and lift stations which are governed by IGAs between the respective municipalities.

The City owns and maintains 12 sanitary sewer lift stations with approximately 4.2 miles of force main of varying sizes. The City also maintains five flow metering stations throughout the collection system to monitor flows within each sewer flow basin.



CITY OF PEWAUKEE SEWER SERVICE AREA (SSA) AND FRWPCC



FIGURE 1.01-1
4621.011

WASTEWATER MASTER PLAN
CITY OF PEWAUKEE
WAUKESHA COUNTY, WISCONSIN

Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

SEWER SERVICE AREA PLANNING FOR THE CITY OF PEWAUKEE

The Southeastern Wisconsin Regional Planning Commission (SEWRPC) completed a regional sewer service area plan for the multiple municipal agencies within the Pewaukee sewer service area in June 1985. The Regional Planning Commission adopted the report that same month. Subsequent plan amendments occurred in the following years:

- Amended December 1986 (Town of Pewaukee and City of Waukesha)
- Amended March 1997 (Town of Pewaukee)
- Amended June 2002 (City of Pewaukee and City of Waukesha)
- Amended December 2005 (City of Pewaukee)

PROPOSED SANITARY SEWER SERVICE AREA

The current sanitary sewer service plan for the City is documented in SEWRPC Community Assistance Planning Report No. 113.

The City is requesting a comprehensive review of the City's Sewer Service Area Plan with an eye to the future. The City requests that all currently unsewered lands within the City limits be included in the City's SSA plan. The proposed additions to the current City sanitary sewer service area are illustrated in Figure 5.03-1 (Source: Strand Associates).

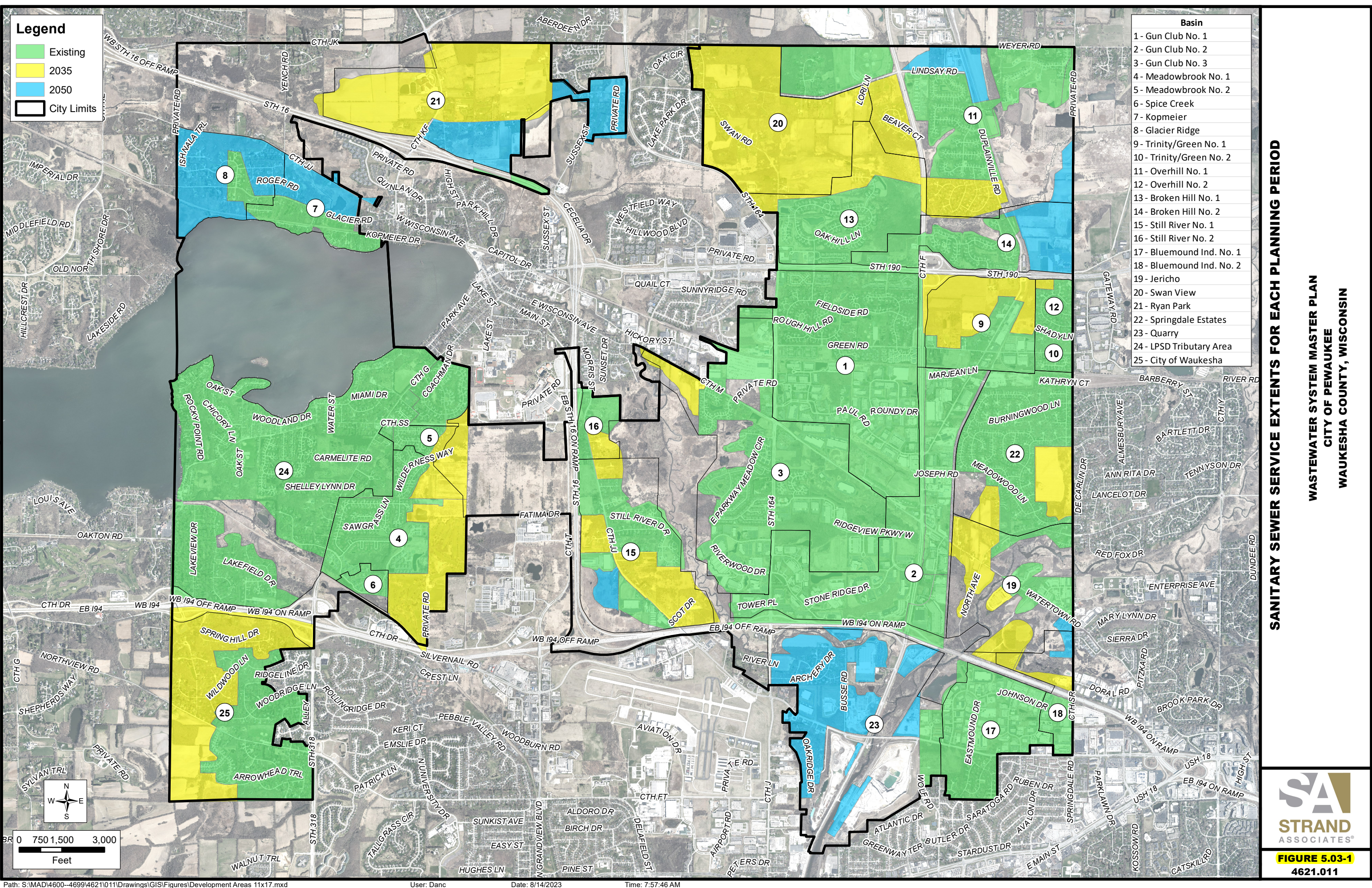
In 2023, the City worked with Strand Associates to prepare a Sanitary Sewer Master Plan. Strand Associates conducted a comprehensive review of the City's existing sewer facilities and infrastructure and evaluated existing and future sewer flow projections using hydraulic modeling. Strand Associates conducted detailed evaluations in several areas where there is anticipated development in the near future.

Appendix A (Source: Strand Associates; see link below) contains the City of Pewaukee Sanitary Sewer Master Plan. Please note the following sections for reference in preparing the Sewer Service Area Plan:

- Section 1 – Introduction
- Section 2 – Sanitary Sewer System Review
- Section 3 – Lift Station Capacity Assessment
- Section 4 – 2022 Flow Monitoring Study
- Section 5 – Summary of Existing Flows and Future Flow Projections
- Section 6 – Sanitary Sewer Hydraulic Modeling
- Section 7 – Focused Study Areas
- Section 8 – Recommended Capital Improvement Plan

Link to Appendix A

<https://www.dropbox.com/scl/fi/apcnzf8024cqwpnz78161/Appendix-A-Pewaukee-Sanitary-Sewer-Master-Plan.pdf?rlkey=qw6t75ezd5swlvaem6ixdm4r&st=na9s94qi&dl=0>



Legend

- Existing
- 2035
- 2050
- City Limits

Basin
1 - Gun Club No. 1
2 - Gun Club No. 2
3 - Gun Club No. 3
4 - Meadowbrook No. 1
5 - Meadowbrook No. 2
6 - Spice Creek
7 - Kopmeier
8 - Glacier Ridge
9 - Trinity/Green No. 1
10 - Trinity/Green No. 2
11 - Overhill No. 1
12 - Overhill No. 2
13 - Broken Hill No. 1
14 - Broken Hill No. 2
15 - Still River No. 1
16 - Still River No. 2
17 - Bluemound Ind. No. 1
18 - Bluemound Ind. No. 2
19 - Jericho
20 - Swan View
21 - Ryan Park
22 - Springdale Estates
23 - Quarry
24 - LPSD Tributary Area
25 - City of Waukesha

SANITARY SEWER SERVICE EXTENTS FOR EACH PLANNING PERIOD

**WASTEWATER SYSTEM MASTER PLAN
CITY OF PEWAUKEE
WAUKESHA COUNTY, WISCONSIN**



FIGURE 5.03-1
4621.011

NEIGHBORING COMMUNITY OUTREACH

In May 2025, the City sent an informational letter to adjacent communities and agencies advising them of the City's intent to further define and update its Sewer Service Area for future planning purposes (Exhibit 1). Letters were sent to the following (Exhibit 2):

City of Brookfield	Village of Lisbon
Town of Brookfield Sanitary District No. 4	Town of Merton
Dela-Hart WPCC	Village of Pewaukee
City of Delafield	Village of Sussex
Town of Delafield	Sussex WWT
Lake Pewaukee Sanitary District	City of Waukesha
Village of Hartland	

COMMUNITY RESPONSE

The City received responses from the following communities:

- City of Brookfield (Exhibit 3)
- Village of Hartland (Exhibit 4)
- City of Waukesha (Exhibit 5)
- Village of Pewaukee (Exhibit 6)

To date, the City has received no objections to its pursuit of an updated Sanitary Sewer Service Area Plan, and no communities have requested to include additional areas in the revised service plan.



**Department of Public Works
Water & Sewer Utility**

W240N3065 Pewaukee Road • Pewaukee, WI 53072

Phone: (262) 691-0804 • Fax: (262) 691-5729

Email: publicworks@pewaukee.wi.us

May 8, 2025

Dear Neighbor:

The City of Pewaukee is embarking on a Sanitary Sewer Service Area (SSA) Plan Update with the Southeast Wisconsin Region Plan Commission (SEWRPC). This update aims to identify areas of the City of Pewaukee that are not currently included in a mapped SEWRPC SSA.

As you are a neighbor to the City of Pewaukee border or an adjacent SSA Wastewater Treatment Plant (WWTP) operator, we are notifying you of our planning efforts in accordance with SEWRPC's procedures. If you are aware of any potential SSA changes that should impact the City of Pewaukee SSA or could be considered in the City of Pewaukee SSA update, we kindly ask that you notify us of these changes by **June 4, 2025**.

This SSA Plan Update is intended to address all anticipated changes for the next 10 to 20 years. These changes:

- May include any additions or deletions to the existing SSA,
- May include any boundary adjustments between two or more adjacent SSAs,
- Are intended to foster comprehensive and cooperative sewer service area planning, and
- Should be consistent with the local community's comprehensive plan and with the tributary WWTP's Facility Plan.

It is important to note that incorporating the changes now helps avoid the need for future SSA Amendments and additional public hearings.

Currently, the City of Pewaukee has received inquiries regarding sewer service in Sections 4, 5, and 6; areas generally located north of Highway 16, south of Lynndale Road (CTH JK), west of Sussex Street, and east of the city limits. However, we will pursue the inclusion of the remaining unmapped areas of the City of Pewaukee in our SEWRPC planning efforts.

If you wish to request the inclusion or removal of any areas in this SSA update, please provide the following to the City of Pewaukee and SEWRPC:

- A map identifying the area(s) to be added to and/or removed from the SSA;
- The planned land uses for the area(s);
- Estimated sewage flows from each planned land use;
- Confirmation that these changes are consistent with the municipal's comprehensive plan;
- Projected sewage flows from any major anticipated developments or redevelopments not already accounted for in the WWTP Facility Plan;
- A letter of support for the proposed plan changes from the WWTP.

(Over)

Jane E. Mueller, Utility Manager

Note: This proposed update specifically pertains to the Pewaukee SSA, which flows to the Fox River Water Pollution Control Center and the City of Waukesha WWTP.

Please direct your responses or questions to Jane Mueller, Utility Manager, by **June 4, 2025**, for inclusion in our planning process.

Sincerely,

A handwritten signature in black ink that reads "Jane E. Mueller". The signature is written in a cursive style with a large, stylized "J" and "M".

Jane E. Mueller
Utility Manager

May 8, 2025

David Buechl
Village of Pewaukee
235 Hickory Street
Pewaukee, WI 53072

Tom Koepp
Lake Pewaukee Sanitary District
N25W27534 Oak Street
Pewaukee, WI 53072

Tony Skof
Sanitary District #4
645 N. Janacek Road
Brookfield, WI 53045

Tom Grisa
City of Brookfield
2000 N. Calhoun Road
Brookfield, WI 53005

Alex Damien
City of Waukesha
201 Delafield Street
Waukesha, WI 53188

Michelle Luedtke
Town of Delafield
W302N1254 Maple Avenue
Delafield, WI 53018

Rob Minnema
Dela-Hart WPCC
416 Butler Drive
Delafield, WI 53018

Dan Green
Village of Lisbon
W234N8676 Woodside Road
Sussex, WI 53089

Judith Neu
Village of Sussex
N64W23760 Main Street
Sussex, WI 53089

Jon Baumann
Sussex WWTP
N59W23551 Clover Drive
Sussex, WI 53089

Sandee Policello
Village of Hartland
210 Cottonwood Avenue
Hartland, WI 53029

Donna Hann
Town of Merton
PO Box 128
North Lake, WI 53064

Tom Hafner
City of Delafield
111 Main Street
Delafield, WI 53018

From: Kincaid, Rob
Sent: Thursday, September 11, 2025 4:12 PM
To: Mueller, Jane
Subject: Fw: Sewer Service Area Study

From: Tom Grisa <grisa@ci.brookfield.wi.us>
Sent: Thursday, September 11, 2025 4:11 PM
To: Kincaid, Rob <kincaid@pewaukee.wi.us>
Cc: Wagner, Magdelene <wagner@pewaukee.wi.us>
Subject: RE: Sewer Service Area Study

We have no objection to the City of Pewaukee's request for a sewer service area study.



Thomas M. Grisa, P.E., F. ASCE
Director of Public Works

Email: grisa@ci.brookfield.wi.us
Phone: 262-796-6644 Fax: 262-782-1323

2000 N. Calhoun Rd. | Brookfield, WI 53005
<https://www.ci.brookfield.wi.us/>



The City of Brookfield is subject to Wisconsin Statutes related to public records. Unless otherwise exempted from the public records law, senders and receivers of City email should presume that the emails are subject to release upon request and are subject to State record retention requirements. If you are not an intended recipient of this email, please notify the sender immediately.

From: Kincaid, Rob <kincaid@pewaukee.wi.us>
Sent: Wednesday, September 10, 2025 2:12 PM
To: Tom Grisa <grisa@ci.brookfield.wi.us>
Cc: Wagner, Magdelene <wagner@pewaukee.wi.us>
Subject: Sewer Service Area Study

EXTERNAL EMAIL: Do not click links or open attachments unless you know the content is safe.

Good afternoon Tom,

I hope this email finds you well!

We are in the beginning steps of applying for a Sewer Service Area Study with SEWRPC. Our last sewer service area study was completed in 1987, since then we've applied for a number of amendments for property developments. The northwest section and a couple smaller areas of the city have yet to be

mapped by SEWRPC and since they are larger sections of undeveloped land, additional amendments won't be allowed.

The sections of the city that are unmapped currently, are to be mostly residential with typical residential loading factors for FRWPCC with a possibility of some commercial and industrial properties.

Following a discussion with Joel Dietl this morning, SEWRPC asked us to reach out to FRWPCC for approval to apply for a Sewer Service Area Study. FRWPCC's approval (or no objection) or disapproval can be acknowledged by a response to this email or we can send out a formal Request for Approval letter to you if needed.

Kind regards,

Rob Kincaid

Assistant Utility Manager

City Of Pewaukee Water and Sewer Utility

kincaid@pewaukee.wi.us

(262)691-0804

Strengths- Analytical, Learner, Significance, Focus, Futuristic, Achiever, Consistency, Relator

Disclaimer

This message originates from the City of Pewaukee. It contains information that may be confidential or privileged and is intended only for the individual named above. It is prohibited for anyone to disclose, copy, distribute, or use the contents of this message without permission, except as allowed by the Wisconsin Public Record Law. If this message is sent to a quorum of a governmental body, my intent is the same as though it were sent by regular mail and further e-mail distribution is prohibited. All personal messages express views solely of the sender, which are not attributed to the municipality I represent and may not be copied or distributed with this disclaimer. If you have received this message in error please notify me immediately.

From: Reed, Renee
Sent: Tuesday, July 1, 2025 2:49 PM
To: Kincaid, Rob; Mueller, Jane
Subject: FW: SSA Plan Update Comment

See below.

*Renee S. Reed
Utility Billing Specialist
City of Pewaukee
| (262)691-6022 Direct Line | (262)691-0804 office | (262)691-5729 fax |
E-mail: reed@pewaukee.wi.us
Find us Facebook <https://www.facebook.com/cityofpewaukee>*

This message originates from the City of Pewaukee. It contains information that may be confidential or privileged and is intended only for the individual named above. It is prohibited for anyone to disclose, copy, distribute, or use the contents of this message without permission, except as allowed by the Wisconsin Public Record Law. If this message is sent to a quorum of a governmental body my intent is the same as though it were sent by regular mail and further e-mail distribution is prohibited. All personal messages express views solely of the sender, which are not attributed to the municipality I represent and may not be copied or distributed with this disclaimer. If you received this message in error please notify me immediately.

From: Sandee Policello <sandeep@villageofhartland.wi.gov>
Sent: Tuesday, July 1, 2025 2:48 PM
To: PublicWorks <publicworks@pewaukee.wi.us>
Subject: SSA Plan Update Comment

Good afternoon – The Village of Hartland has no comment or concerns regarding the City of Pewaukee’s proposed SSA Plan Update.

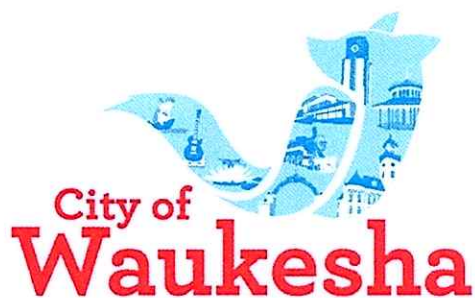
Thank you,



Sandee Policello
Village of Hartland, Village Clerk
210 Cottonwood Avenue, Hartland, WI 53029
Ph: 262-367-2714 | F: 262-367-2430 |
sandeep@villageofhartland.wi.gov | www.villageofhartland.wi.gov

From: Alex Damien <ADamien@waukesha-wi.gov>
Sent: Tuesday, June 3, 2025 2:08 PM
To: Mueller, Jane
Cc: Chris Langemak; Zachary Eisner; Brandon Schwenn
Subject: Pewaukee Sanitary Sewer Service Area
Attachments: scan_jschapekahm_2025-05-15-08-29-03.pdf

Jane,
The city has received and reviewed Pewaukee's letter dated May 8th regarding your Sanitary Sewer Service Area plan update. Upon review, we do not have any areas we'd request to add or remove during this update.
Thanks
Alex



Alex Damien, PE

Director of Public Works
City of Waukesha
Public Works Department

P: 1-262-524-3907

E: adamien@waukesha-wi.gov
waukesha-wi.gov

201 Delafield St., Waukesha, WI 53188



Notice: Please be aware that email sent to, or received from, the City of Waukesha should be presumed to be a public record, that it will be retained by the City as a public record, and will be subject to public disclosure under Wisconsin's open records law. If you are not the intended recipient of this email, please do not read it or forward it to another person, but notify the sender and then delete it.



PUBLIC WORKS DEPARTMENT
1000 Hickory Street
Pewaukee, WI 53072

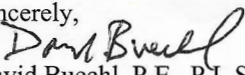
July 15, 2025

Ms. Jane Mueller
 Utility Manager
 City of Pewaukee
 W240N3065 Pewaukee Road
 Pewaukee, WI 53072
 Ms. Mueller:

We received your second request dated June 24, 2025 inquiring about anticipated additions or deletions to the Village's Sanitary Sewer Service Area (SSA) Plan updates proposed for the next 10 to 20 years. Response comments are provided below regarding anticipated changes in the SSA to areas you asked about as listed in italics:

1. *Include any additions or deletions to the existing SSA:* I downloaded my understanding of the Village's current SSA boundary from the SEWRPC website dated March 1991. I also called Joel Dietl at SEWRPC to confirm the boundary shown matches the Village's current boundary but did not receive any response. All existing Village lands and those lands north of STH 16 appear to already be included in the existing SSA boundary so no additional Village lands appear to be needed to be added to the SSA. The Village has not contacted any property owners to inquire about their desire to receive sanitary sewer service, nor have I received any requests for new sanitary sewer service connections.
2. *Include any boundary adjustments between two or more adjacent SSAs:* I am not aware of any recent or proposed boundary adjustments.
3. *Are intended to foster comprehensive and cooperative SSA Planning, and:* I understand that the City desires to discharge sanitary sewer to the Villages sanitary sewers along Cecelia Drive from the area north of STH 16. The Village was planning to be involved with the City in the Winkelman/Northwest quadrant Sanitary Sewer Study in early 2025. I understand that the start of this study was delayed because the developer has not yet agreed to pay for and begin the study. This study will help to determine how to best service the Winkelman Farm area and the anticipated areas of new tributary sewer service areas that are in the existing Village and City lands located generally northerly of STH 16. The intent is to also determine how to service any remaining Village parcels with sanitary sewer. From what I can tell, all Village parcels in this area are already included in the existing SSA. If any remaining Village parcels are not included in the existing SSA map from 1991 in this area, then these areas should be included. However, at time time, no additional lands are known to be added.
4. *Should be consistent with the local community's comprehensive plan and the tributary WWTP's Facility Plan:* I reviewed the Village's existing Comprehensive plan. All existing lands within the Village and also northerly of STH 16 are intended to be serviced with sanitary sewer.

Feel free to call or email with any comments, questions, or concerns at 262-691-5694 or dbuechl@villageofpewaukee.gov.

Sincerely,

 David Buechl, P.E., P.L.S.
 Director of Public Works/Village Engineer

Cc:
 Matt Heiser, Village Administrator
 Shawn Tremaine, Utility Operations Supervisor
 File

City of Pewaukee - New Agenda Item

Agenda Language:

Discussion and possible action regarding the Intergovernmental Agreement Between the City of Pewaukee and Waukesha County Regarding the Municipal Recycling Dividend Program. [Wagner]

Sub Item Agenda Language:

Background Provided By:

Magdelene Wagner

Background:

As many of you are aware, Waukesha County is the responsible unit (RU) for many communities, including the City of Pewaukee, in Waukesha County which was designated in 1990. As part of the designation, the City is obligated to follow Waukesha County's recycling program and take all our recycling material to their designated location. The location since 2015, was the Joint Material Recovery Facility (MRF) located in the City of Milwaukee. The MRF experienced a fire in May 2023. The fire significantly damaged the infrastructure at the facility. In response, Waukesha County completed a study to determine the best way to move forward with the recycling processing. In 2024, the County let a request for proposals for Recycling Processing and Marketing which it ultimately awarded to Waste Management (WM) in Germantown, WI. Since May 1, 2025, the City's recycling hauler has been dropping our materials at WM for processing.

The County is requesting we update the IGA with the new location. They also updated some language throughout the IGA. Several communities attempted to discuss terms of the IGA with the County which was met with resistance. In the end, the legislation related to RU's has no way to allow communities to opt out of the designation of the County as our RU. Without support from the legislation and the County unwilling to change or add language to the IGA, there is little we can do to change the IGA. Items we asked the County to consider were:

1. Add language back into the IGA to protect the City from additional hauling costs if we are required to take our recycling to another facility. This language was in previous agreements, but removed in this IGA. The County stated that the City's are protected by the County's contract with WM, although the City is not specifically mentioned. The County argued that the term "COUNTY" in their contract includes all 25 communities under their umbrella of RU. In addition, they have stated WM is responsible for all recycling dropped at the center and any potential re-routing of materials which the County had this responsibility under the old IGA and MRF operations.
2. Add language that the County must convene a group meeting prior to adjusting the MRF Fund's Working Capital (ceiling and floor) limits to allow for input and justification of the adjustment. The County is stating they will do this, but will not add the language

into the IGA.

3. Add language to understand the Education Program which the County is responsible for to allow better flow of information to the communities to support their education outreach and verification of meeting the state requirements. The County is stating they will do this, but will not add the language into the IGA.

4. Open transparency of the budget related to the program. The County is stating that we can review the budget at anytime online but they are not going to allow the communities to help them create the budget for this program.

After several emails, phone calls, and a meeting, the County will not change the language in the IGA and encourages all communities to sign the agreement. They have sent a notice of termination for the existing agreement, which will expire 1 year from the date of the termination letter per the current IGA. The termination of the IGA does not change where we take our recycling, but will eliminate us from the potential dividend payments in the future.

At this time, the City Staff have exhausted the discussion regarding the IGA with the County. In order to preserve the possibility of dividend payments for the program, Staff recommends signing the agreement. Staff will continue to press the County for more transparency and will continue the discussion with other communities about IGA and future possibilities. The City has partnerships with the County on many functions and it is important to maintain a good working relationship with the County.

Fiscal Impact:

Recommended Motion:

Committee recommend approval of the agreement to the Common Council for further action.

INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF PEWAUKEE AND WAUKESHA COUNTY

Regarding the Municipal Recycling Dividend Program

THIS INTERGOVERNMENTAL AGREEMENT (“Agreement”) is between the City of Pewaukee (“Municipality”) and Waukesha County – Department of Parks and Land Use (“County”) a body corporate and politic. The City of Pewaukee, a City, and County may be referred to individually or collectively in the Agreement as the “Party” or “Parties” respectively.

RECITALS

WHEREAS, since 1990, the County has served as a “Responsible Unit” (“RU”) for recycling under Chapter 287 Wisconsin Statutes for twenty-five (25) participating communities through a Resolution, including the Municipality;

WHEREAS, the public/private partnership at the County-owned Material Recovery Facility (“MRF”) in Waukesha has allowed the County to provide participating communities over \$12 million in tax relief (“dividend payments”) and numerous services at no cost, such as recyclable processing, public education programs, household recyclable containers, special event containers and regional recyclable drop-off boxes;

WHEREAS, between 2007 and 2012, a series of independent and joint studies were completed by both the County and the City of Milwaukee (“City”) to determine the best future path for recyclable processing to adapt to the industry trend of single sort collection and processing systems;

WHEREAS, in 2014, after completing a competitive joint request for proposal (RFP) process, the County and City executed an intergovernmental agreement and concurrent contracts with a private company to design, build and operate a Joint City/County MRF in Milwaukee (“Joint MRF”), which began processing single sort recyclables for both communities in March 2015;

WHEREAS, in 2021, the County and participating communities convened a Recycling Dividend Workgroup to discuss financial support for municipal recycling costs; and

WHEREAS, in accordance with the final recommendations of the Recycling Dividend Workgroup, a formulaic approach will be utilized in determining when dividend payments may be made to participating communities as financial support for municipal recycling costs, and when tipping fees may be charged to participating communities in order to maintain an appropriate MRF Fund Working Capital balance.

NOW THEREFORE, in consideration of these premises, the County, serving as the RU, and the Municipality, as a participating community, hereby agree as follows:

SECTION 1

SERVICES BY THE MUNICIPALITY

- a. Delivery of Recyclables to Joint MRF. The Municipality shall, through its solid waste collection contract, require: 1) all recyclables to be hauled directly to the Joint MRF located at 1401 W. Mount Vernon Ave, Milwaukee in accordance with Waukesha County Code of Ordinances; and 2) the Municipality's solid waste collector ("SWC") to coordinate with the City and the Joint MRF operator the delivery of recyclables to the Joint MRF at times that maximize efficiencies at the scale and tip floor and minimize traffic back-ups. In the event the Joint MRF is unable to accept recyclables, the Municipality will direct the SWC to deliver recyclable materials to an alternate location for a designated time, as directed by the County, at no additional cost to the Municipality through a contract between the County and the Municipality's SWC.
- b. Record Keeping and Reporting. The Municipality shall keep records and, through an Internet-based County reporting system, provide annual data required to complete DNR Recycling Grant application and annual reports in accordance with the Waukesha County Code of Ordinances. Additionally, the Municipality shall, through their solid waste collection contract, require their SWC to keep records, provide the necessary data and reports to the County, maintain compliance with applicable state or local codes, program rules, and to comply with the requirement for delivery of recyclables to the Joint MRF. This includes, but is not limited to, providing up-to-date information on haul routes, collection days, and contamination.
- c. Collection Contracts. The Municipality shall provide the County a current copy of their solid waste collection contract including any future amendments or contracts.
- d. Solid Waste Collection Contract Compliance Requirements. The Municipality shall attach and incorporate the attached Exhibit B into the terms of their solid waste collection contract, which describes the Municipality's solid waste and recycling hauler requirements contained in this Agreement.
- e. Responsible Contact. Municipality will designate an individual to serve as the Responsible Contact to receive recycling updates from the County and participate in the Recycling Dividend Workgroup as further defined in this Agreement.

SECTION 2

SERVICES BY THE COUNTY

- a. Educational Program Services. The County will provide educational program services in accordance with the requirements of an "effective recycling program" under Chapter NR 544 Wisconsin Administrative Code.

- b. Effective Recycling Program. The County will provide compliance assurance as required of an “effective recycling program” under Chapter NR 544 Wisconsin Administrative Code.
- c. Recycling Updates. The County will provide recycling updates, including but not limited to current contamination rates and current material sale rates. These updates shall be provided to the Municipality’s Responsible Contact every two months.
- d. Annual Planning and Implementation Meeting. The County will host an annual program planning and implementation meeting to provide a comprehensive program update to the Municipality.
- e. Components and Calculations. The County will annually provide a list of included components and a calculation for the additional recycling services and education partnership portions of the dividend.
- f. Recycling Dividend Workgroup. The Recycling Dividend Workgroup is composed of volunteer Responsible Contacts from participating communities. The County shall meet with the Recycling Dividend Workgroup as needed and will take into consideration any recommendations of the Recycling Dividend Workgroup on program elements.

SECTION 3

PAYMENTS AND FEES

- a. Dividend Payments. Commencing in 2022, County will calculate dividend payments to Municipality for inclusion in the following budget if as of December 31st of the preceding year in which the dividend payment is to be calculated, (1) the MRF Fund’s Working Capital is above the cap set by the County and as further defined in Exhibit A, Section 1 and (2) the recycling program’s audited financial statements show a positive cash flow at the close of the Waukesha County fiscal year as verified in the County’s Annual Comprehensive Financial Report.
 - i. Working Capital is defined as the current assets minus the current liabilities, exclusive of the following: 1) Funds specifically reserved for equipment repairs or upgrades; 2) Grant funds received in excess of the state’s basic recycling grant; and 3) The recycling consolidation grant to Responsible Units.
 - ii. Positive cash flow is defined as the positive net change in Working Capital from the previous year.
- b. Tipping Fees. Tipping fees shall be charged to the Municipality if as of December 31st of the preceding year in which the tipping fee is calculated, the MRF Fund Working Capital is below the floor set by the County and as further defined in Exhibit A, Section 1. Municipality shall pay any tipping fees in accordance with the terms of this Agreement.

- c. Calculation of Dividend Payments and Tipping Fees. Any dividend payments or tipping fees shall be determined by County in accordance with Exhibit A, which is hereby incorporated into the terms of this Agreement.
- d. Timing of Payments and Fees. County will provide status updates regarding estimated dividend payments or tipping fees throughout the auditing and budgeting process. A final invoice if applicable will be issued by March 1 and final payments shall be made by April 1 in the year following the year in which the fee or payment was calculated. Illustration: Audited financials of 2021 are released May 1, 2022. These results are used to determine if there is a dividend payment or tipping fee and the total amount. Staff will calculate each participating community's dividend payment or tipping fee, communicate that to the Municipality, and incorporate it into the budget for the following year. By March 30, 2023 an invoice will be provided (if necessary) and payment will be made by April 1, 2023.

SECTION 4

MISCELLANEOUS

- a. Authority and Responsibilities. Nothing in this Agreement forfeits any RU rights and responsibilities of the County, or any other Municipality or County's rights or responsibilities under state or local laws. The County remains responsible for implementing a recycling education program for residents of the Municipality and for complying with other requirements of an "effective recycling program" under Chapter NR 544 Wisconsin Administrative Code.
- b. Responsible Contacts. Upon execution of this Agreement, the County, and the Municipality each shall designate in writing a primary person as a Responsible Contact to be responsible for carrying out the activities described in this Agreement.
- c. Review and Amendments. All changes to the main body of this Agreement shall be mutually agreed upon between the Parties and shall be in writing and designated as written amendments to this Agreement. The County has the authority to change the MRF Fund Working Capital cap and floor balances identified in Exhibit A upon providing twelve months' advance written notice of any changes to the Municipality.
- d. Effective Date and Term. Upon execution by both parties, this Agreement shall become effective on January 1, 2023, and shall remain in effect until January 1, 2030, unless otherwise terminated in writing by either party upon a one (1) year written notice to the other party. Termination of this Agreement does not alter the County's status as the Responsible Unit or the Municipality's responsibilities as a participating community in the Responsible Unit.

- e. Severability. If any clause, provision or section of this Agreement be declared invalid by any Court of competent jurisdiction, the invalidity of such clause, provision, or section shall not affect any of the remaining provisions of this Agreement.
- f. Notices. Any and all notices regarding termination of this Agreement shall be in writing and deemed served upon depositing same with the United States postal Services as "Certified Mail, Return Receipt Requested",

Addressed to the Municipality at:

City of Pewaukee
ATTN: City Clerk
W240N3065 Pewaukee Road
Pewaukee, WI 53072

and to the County at:

Waukesha County Parks and Land Use
515 W. Moreland Blvd
Waukesha, WI 53188

- g. Binding Agreement. This Agreement is binding upon the parties hereto and their respective successors and assigns.

WAUKESHA COUNTY:

By: _____ Date: _____

Dale R. Shaver, Director - Department of Parks and Land Use

MUNICIPALITY

By:  _____ Date: 12/19/2022

Steve Bierce, Mayor City of Pewaukee

Attest:  _____
Kelly Tarczewski, Clerk/Treasurer

EXHIBIT A

Dividend Payment and Tipping Fee Formula

SECTION 1

MRF FUND WORKING CAPITAL

The County will set the MRF Fund Working Capital cap and floor balances to be utilized in determining when a dividend payment or tipping fee will be issued. The County has identified the following minimum balances, excluding grant issued funds and segregated funds for equipment repair and maintenance and efficiency improvement, to be utilized in determining when a dividend payment or tipping fee will be issued:

Cap \$3,500,000.00

Floor \$3,100,000.00

The County has the authority to change the MRF Fund Working Capital cap and floor balances upon providing twelve months' advance written notice of any changes to the Municipality. Any changes to these balances will be based upon several factors including but not limited to market conditions, net commodity revenue, the analysis and recommendations of a third-party vendor and input from local subject matter experts.

SECTION 2

DIVIDEND CALCULATION

Dividend payments will be determined when (1) the MRF Fund Working Capital is above the cap identified in Section 1, and (2) the recycling program's audited financial statements of the preceding year show a positive cash flow as defined in Section 3(a) of the Agreement. The Dividend payment calculation will be determined by the County based on County's audited financial statements. This amount shall be divided between the participating communities in the Responsible Unit. The formula utilized by County to determine a Municipality's dividend payment will be based on the following considerations:

- 50% of the dividend will be based upon the proportion of the 5-year average of total eligible costs the Municipality paid for eligible recycling expenses.
- 35% of the dividend will be based upon the number of eligible households in a participating community as a proportion of the total number of eligible households in the program. Eligible households, as defined under Wisconsin Administrative Code NR Chapter 544.04(4), will be identified by the Municipality's January hauling invoice from the SWC or, if not available, according to the County's GIS system. A multiplier of 1, 1.2, 1.4, 1.6, 1.8, or 2 will also be incorporated based on the distance the Municipality is located from the Joint MRF with 1 being the nearest and 2 being the furthest in proximity to the Joint MRF.
- 7.5% of the dividend will be based upon additional recycling services Municipality provides for its residents or all County residents for a minimum of 12 months. In order to qualify, Municipality must provide evidence of said services that is satisfactory to the County. A list

of qualifying services and the corresponding scores will be provided on an annual basis to the participating communities. The number of services provided and whether the services are provided to all County residents or the participating community's residents will earn the Municipality a score of 0, 0.5, 2, or 3. A numerical assignment of 3 represents the highest number of services provided.

- 7.5% of the dividend will be allocated based on education and outreach partnership opportunities in which a Municipality collaborates with the County. A list of qualifying opportunities and the corresponding scores will be provided on an annual basis to the participating communities. The number of services provided and whether the services are provided to all County residents or the municipalities' residents will earn Municipality a score of 0, 1, 2, or 3, with 3 being the highest number of qualifying opportunities.

Illustration: Municipality "Y" has a 5-year average of total eligible recycling costs of \$500,000 and the 5-year average of the total eligible recycling costs for all participating communities is \$7,000,000. Municipality "Y" has 4,760 eligible households and the total number of eligible households for all participating communities is 200,000. Municipality "Y" is located 38 miles away from the Joint MRF, earning a multiplier of 2 for its eligible household points. Municipality "Y" also provided additional services for all County residents earning an additional recycling services score of '2' and partnered on education and outreach with the County, earning an education and partnership score of '3'. The total number of additional service points for all participating communities is 14.5 and the total number for education and outreach partnership points is 20. In this illustration, the total dividend available to be divided is \$100,000.

Accordingly, Municipality "Y" will receive the following: 1) 7.14% or \$3,570 for its 5-year average of total eligible recycling costs in proportion to the total eligible recycling costs for all participating communities; 2) 4.76% or \$1,666 for its eligible households in proportion to the total number of eligible households in all participating communities after factoring in the multiplier for proximity to the Joint MRF; 3) 13.79% or \$1,034 for additional recycling services; and 4) 15% or \$1,125 for education and outreach partnership opportunities. Therefore, Municipality "Y"s total dividend payment, after taking into account all of the aforementioned considerations, would amount to \$7,395.

SECTION 3

TIPPING FEE CALCULATION

Tipping Fees will be charged to the Municipality and Municipality agrees to pay same when (1) the MRF Fund Working Capital is below the floor identified in Section 1. The tipping fee calculation will be determined by the County based on the County's audited financial statements. This amount shall be divided between the participating communities in the Responsible Unit according to the following formula:

$$\text{Fee} = \text{EH} * [(\text{F}-\text{B}) / \text{TH}]$$

Whereas:

- EH = Number of eligible households in a municipality, as defined under Wisconsin Administrative Code NR Chapter 544.04(4), which will be identified by the Municipality's January hauling invoice from the SWC or, if not available, according to the County's GIS system
- F=MRF Fund Working Capital floor
- B=Balance of the MRF Fund Working Capital as defined by Section 3(a) of the Agreement and Exhibit A, Sec. 1
- TH = Total eligible households from all participating communities in the County's RU, as defined under Wisconsin Administrative Code NR Chapter 544.04(4), which will be identified by the municipalities' January invoices from the SWCs or, if not available, according to the County's GIS system.

EXHIBIT B

Collection Contract Compliance Items Related to Waukesha County's Municipal Recycling Dividend Program

The Contractor shall comply with the provisions below, which are required to maintain eligibility for payments from Waukesha County ("County") through an intergovernmental agreement (IGA) with [insert Municipality name] or Local Unit of Government ("LUG"). In case of conflict with other provisions of this Contract, this Exhibit shall prevail.

A. Recycling Container Provisions

1. Recycling Container Standards. All recycling containers shall be for single sort recycling and shall meet County standards for in-mold educational labeling, identifying recyclable and non-recyclable/hazardous materials. All containers shall have a 10-year warranty.
2. Distribution and Use of Recycling Containers. Contractor shall, by the dates specified in this Contract, distribute recycling containers to each household/unit served under this Contract. Contractor shall ensure these containers are only used for recycling. Contractor shall notify any non-complying household/unit at the time non-compliance is observed, and shall track and report a summary of non-compliance to the LUG monthly.
3. Distribution of Educational Materials. Contractor shall attach educational materials to the top of each recycling container upon delivery of the containers, as noted above. The educational materials will be provided to the Contractor by the County at no cost to the Contractor.
4. Contractor Report on Containers. Contractor shall provide the County an annual (calendar year) report by March 1 each year on the number and size(s) of recycling containers used within the LUG, including the number of households/units.

B. Direct Haul Provisions

1. Direct Haul. Contractor shall deliver all recyclable materials collected under this Contract to the Joint MRF at 1401 W. Mount Vernon Ave., Milwaukee, WI.
2. Delivery Protocol. Contractor shall coordinate delivery times with the City of Milwaukee and the Joint MRF operator (i.e., Republic Services) to maximize efficiencies at the truck scale and tip floor and minimize traffic back-ups. For all recyclable deliveries to the Joint MRF, Contractor shall comply with the County Protocol, which is subject to periodic updates to meet the stated intent.
3. Record Keeping and Reports. Contractor shall keep records and provide all requested data and reports to the County as needed to administer the IGA and maintain compliance with applicable state or local codes, program rules, and the protocol for delivery of recyclables to the Joint MRF. This includes, but is not limited to, providing up-to-date information on haul routes, collection days and times, and vehicles used to collect recyclables.
4. Alternate Processing. In the event the Joint MRF is unable to accept recyclables the Contractor shall deliver recyclable materials to an alternate location for a designated time, as directed by the County. [Note: Any additional transportation and processing costs will be covered by separate contract with the County or the Joint MRF operator.]



RECEIVED
FEB 20 2026

OFFICE OF THE
CLERK/TREASURER

Waukesha County
Department of Parks and Land Use

To: City of Pewaukee Mayor Steve Bierce, City Clerk Kelly Tarczewski, and Director of Public Works Maggie Wagner

From: Alan Barrows, Land Resources Manager

Date: February 9, 2026

Subject: Notice to Terminate Recycling Intergovernmental Agreement

Thank you for your continued coordination and collaboration which contributes directly to Waukesha County's recycling program serving as a leader across key metrics.

This written correspondence serves as formal notification that Waukesha County is exercising its right to terminate the existing Intergovernmental Agreement (IGA) between Waukesha County and City of Pewaukee Regarding the Municipal Recycling Dividend Program dated January 5, 2023. Pursuant to Section 4.d. of the IGA, this notice provides the required one-year notice of termination of the IGA.

Wisconsin law regarding recycling, requires a "Responsible Unit" (RU) to create a system for collecting, processing, and marketing of recyclable materials from residences located in the responsible unit. Your municipality is part of the Waukesha County Responsible Unit. To comply with the Wisconsin Law, the Waukesha County Code requires recyclable materials collected in member municipalities from single family residences and two to four unit residences, shall be delivered to a drop off site approved by Waukesha County.

The existing IGA no longer accurately reflects the current operational structure and materials recovery process implemented by the County as the RU. In May 2023, the Joint Waukesha County/City of Milwaukee Material Recovery Facility (MRF) experienced a catastrophic fire that resulted in a total loss of the facility and required immediate coordination for alternative material processing solutions. In response, Waukesha County coordinated alternative processing for recyclable materials collected from households in municipalities under the Waukesha County RU status while it determined how to best move forward.

Waukesha County retained a national consultant to evaluate options to manage recycling tonnage through a publicly owned and privately operated MRF model. The study identified significant increases in required capital investments, longer construction timelines, and higher processing costs. In addition, the study identified significant recyclable material processing capacity at new MRFs in the region. Based on these findings, the County determined that it would not be continuing with a publicly owned and privately operated MRF model. The County issued a Request for Proposals on November 13, 2024 for the processing of all recyclables collected from RU municipalities at a privately owned MRF. Waste Management of Wisconsin, Inc. (WM) was awarded a 10-year contract, with two optional five-year extensions, beginning May 1, 2025, for processing and marketing

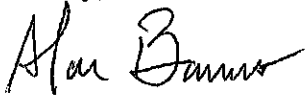
recyclables at their Germantown facility. The contract also places the responsibility for alternative processing to WM.

Waukesha County convened a municipal IGA workgroup on June 18, 2025, and August 27, 2025, to review and draft a new recycling IGA to update the address of the designated recycling facility, remove references to the Joint MRF and the partnership with the City of Milwaukee, and to reflect the current operations for the processing and marketing of recyclables. The revised IGA was intended to replace and supersede the current IGA. A revised IGA reflecting the changes agreed upon by the IGA workgroup was provided to City of Pewaukee on September 15, 2025, with a request to review, sign, and return the agreement by October 20, 2025. As of February 6, 2026, the County has not received a signed IGA from your community.

Under the current circumstances, Waukesha County cannot continue to operate under the current IGA as it does not accurately reflect the current process for the processing and marketing of recyclables. Please be advised that termination of the prior IGA does not modify the County's status as the Responsible Unit (RU) under Wisconsin law, nor does it alter City of Pewaukee's responsibilities as a participating community in the RU. Since 2001, Waukesha County has distributed over \$20 million in dividends to participating municipalities. Please understand that your community will not be eligible for the dividends that could be distributed to participating RU municipalities if it does not enter into a fully signed IGA with Waukesha County.

We value our long-standing partnership and urge your timely review and execution of the revised IGA. Failure to execute the new IGA will result an effective termination date of February 9, 2027 of the old IGA and City of Pewaukee's participation in the Municipal Recycling Dividend Program. Please do not hesitate to contact me if you would like additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan Barrows". The signature is fluid and cursive, with the first name "Alan" and last name "Barrows" clearly distinguishable.

Alan Barrows
Land Resources Manager
Waukesha County Department of Parks & Land Use



Waukesha County
Department of Parks and Land Use

September 15, 2025

Re: 2026 Recycling Dividends and Tip Fees

To Whom It May Concern,

We extend our gratitude for your ongoing partnership in the Waukesha County Recycling Program. In 2021, Waukesha County engaged municipal partners to update Intergovernmental Agreements ("IGA"), which included procedures concerning dividends and potential tip fees for the recycling program. Consistent with these practices, we are communicating our decisions regarding the 2026 fiscal year in advance of forthcoming budget processes.

County staff have concluded their analysis of the 2024 Material Recovery Facility ("MRF") Fund Working Capital to evaluate options for dividends and potential tip fees for 2026 recycling partner community budgets. Despite the MRF Fund Working Capital falling below the designated floor balance of \$3.1 Million, as established in the IGA with our community partners, Waukesha County has elected not to issue tip fees for the 2026 fiscal year.

This decision is influenced by the promising potential of our newly signed 10-year recycling processing agreement with Waste Management of Wisconsin, effective May 1, 2025. This agreement provides favorable conditions and outlook, indicating that the issuance of tip fees over the next decade will likely be unnecessary. This strategic achievement sets our program apart from others across the United States, as most programs charge tip fees.

Waukesha County remains committed to delivering ongoing, timely updates and appreciates your cooperation in ensuring a successful recycling program. For any questions, please reach out to the Waukesha County Recycling and Solid Waste Supervisor, Abbie Liedtke at aliedtke@waukeshacounty.gov or (262) 896-8317.

Thank you,

Alan Barrows
Land Resources Manager

WM Forecast	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Tonnage	25,370	25,370	25,370	25,370	25,370	25,370	25,370	25,370	25,370	25,370
Processing Fee (3% increase/year)	79.75	82.14	84.61	87.14	89.76	92.45	95.23	98.08	101.02	104.06
Revenue Share	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Waste Disposal Fee	54	55.62	57.29	59.01	60.78	62.60	64.48	66.41	68.41	70.46
Residue Rate	10.77%	10.77%	10.77%	10.77%	10.77%	10.77%	10.77%	10.77%	10.77%	10.77%
ACR Estimate	100	100	100	100	100	100	100	100	100	100
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<u>Revenues</u>	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Landfill fees	-									
State Grant	972,683	972,683	972,683	972,683	972,683	972,683	972,683	972,683	972,683	972,683
Investment income	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Material sales	1,692,975	1,689,433	1,685,786	1,682,029	1,678,160	1,674,174	1,670,069	1,665,841	1,661,486	1,657,000
Education Fee/Miscellaneous	67,913	67,913	67,913	67,913	67,913	67,913	67,913	67,913	67,913	67,913
Total Revenues	2,833,571	2,830,029	2,826,382	2,822,625	2,818,756	2,814,770	2,810,665	2,806,437	2,802,082	2,797,596
<u>Expenses</u>										
Personnel	412,591	441,439	450,268	459,273	468,459	477,828	487,384	497,132	507,075	517,216
Operating	120,000	91,000	91,910	92,829	93,757	94,695	95,642	96,598	97,564	98,540
Processing fee	2,023,258	2,083,955	2,146,474	2,210,868	2,277,194	2,345,510	2,415,875	2,488,352	2,563,002	2,639,892
Interdepartmental	20,981	21,401	21,829	22,265	22,711	23,165	23,628	24,101	24,583	25,074
Indirect Costs	64,375	65,663	66,976	68,315	69,682	71,075	72,497	73,947	75,426	76,934
Management Services	48,900	49,389	49,883	50,382	50,886	51,394	51,908	52,427	52,952	53,481
Total Expenses	2,690,105	2,752,846	2,827,339	2,903,933	2,982,688	3,063,667	3,146,935	3,232,557	3,320,601	3,411,138
Operating Income/(Loss)	143,466.06	77,183.09	(956.86)	(81,307.23)	(163,931.93)	(248,896.77)	(336,269.45)	(426,119.68)	(518,519.20)	(613,541.87)
10 Year Income Gain/(Loss)										(2,168,893.83)

INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF PEWAUKEE AND WAUKESHA COUNTY

Regarding the Municipal Recycling Dividend Program

THIS INTERGOVERNMENTAL AGREEMENT (“Agreement”) is between the City of Pewaukee (“Municipality”) and Waukesha County – Department of Parks and Land Use (“County”) a body corporate and politic. The City of Pewaukee a municipal corporation and County may be referred to individually or collectively in the Agreement as the “Party” or “Parties” respectively.

RECITALS

WHEREAS, since 1990, the County has served as a “Responsible Unit” (“RU”) for recycling under Chapter 287 Wisconsin Statutes for twenty-five (25) participating communities through a Resolution, including the Municipality;

WHEREAS, the public/private partnership at the County-owned Material Recovery Facility in Waukesha has allowed the County to provide participating communities over \$20 million in tax relief (“dividend payments”) and numerous services at no cost, such as recyclable processing, public education programs, household recyclable containers, special event containers and regional recyclable drop-off boxes;

WHEREAS, between 2007 and 2012, a series of independent and joint studies were completed by both the County and the City of Milwaukee (“City”) to determine the best future path for recyclable processing to adapt to the industry trend of single sort collection and processing systems;

WHEREAS, in 2014, after completing a competitive joint request for proposal (RFP) process, the County and City executed an intergovernmental agreement and concurrent contracts with a private company to design, build and operate a Joint City/County MRF in Milwaukee (“Joint MRF”), which began processing single sort recyclables for both communities in March 2015;

WHEREAS, in 2021, the County and participating communities convened a Recycling Dividend Workgroup to discuss financial support for municipal recycling costs; and

WHEREAS, in accordance with the final recommendations of the Recycling Dividend Workgroup, a formulaic approach will be utilized in determining when dividend payments may be made to participating communities as financial support for municipal recycling costs, and when tipping fees may be charged to participating communities in order to maintain an appropriate MRF Fund Working Capital balance.

Effective May 1, 2025

WHEREAS, on May 31, 2023, the Joint MRF experienced a fire which left the building and equipment significantly damaged, rendering it unable to accept recyclables for processing; and

WHEREAS, on November 13, 2024, Request for Proposal (“RFP”) #2024034 Waukesha County Materials Recycling Processing and Marketing was released; and

WHEREAS, on April 22, 2025 the Waukesha County Board of Supervisors ordained Service Contract 2024034 for Processing of Recyclable Materials for Waukesha County with Waste Management of Wisconsin, Inc., which is on file in the Office of the County Clerk;

NOW THEREFORE, in consideration of these premises, the County, serving as the RU, and the Municipality, as a participating community, hereby agree as follows:

SECTION 1

SERVICES BY THE MUNICIPALITY

- a. Delivery of Recyclables to MRF. The Municipality shall, through its solid waste collection contract, require: 1) all recyclables to be hauled directly to a designated facility as directed by Waukesha County (the “MRF”). As of May 1, 2025, the designated recycling facility is the Waste Management of Wisconsin, Inc. materials recycling facility located at W132N10487 Grant Dr. Germantown, WI 53022 ; and 2) the Municipality’s solid waste collector (“SWC”) to coordinate with the County and the MRF operator the delivery of recyclables to the MRF at times that maximize efficiencies at the scale and tip floor and minimize traffic back-ups.
- b. Downtime. In the event that the designated recycling facility is unable to receive or process recyclable material to its full capacity as a result of a planned or unplanned downtime event, the designated facility operator is contractually obligated to Waukesha County to continue to operate, if feasible and commercially practical, to the extent of its reduced capacity and find an alternative solution wherein the remaining recyclable material is responsibly processed at a self-certified materials recovery facility and under the guidelines of the contract with Waukesha County at no additional cost to the County.
- c. Record Keeping and Reporting. The Municipality shall keep records and, through an Internet-based County reporting system, provide annual data required to complete DNR Recycling Grant application and annual reports in accordance with the Waukesha County Code of Ordinances. Additionally, the Municipality shall, through their solid waste collection contract, require their SWC to keep records, provide the necessary data and reports to the County, maintain compliance with applicable state or local codes, program rules, and to comply with the requirement for delivery of recyclables to the MRF. This includes, but is not limited to, providing up-to-date information on haul routes, collection days, and contamination.
- d. Collection Contracts. The Municipality shall provide the County a current copy of their solid waste collection contract including any future amendments or contracts.

- e. Solid Waste Collection Contract Compliance Requirements. The Municipality shall attach and incorporate the attached Exhibit B into the terms of their solid waste collection contract, which describes the Municipality's solid waste and recycling hauler requirements contained in this Agreement.
- f. Responsible Contact. Municipality will designate an individual to serve as the Responsible Contact to receive recycling updates from the County and participate in the Recycling Dividend Workgroup as further defined in this Agreement.

SECTION 2

SERVICES BY THE COUNTY

- a. Educational Program Services. The County will provide educational program services in accordance with the requirements of an "effective recycling program" under Chapter NR 544 Wisconsin Administrative Code.
- b. Effective Recycling Program. The County will provide compliance assurance as required of an "effective recycling program" under Chapter NR 544 Wisconsin Administrative Code.
- c. Recycling Updates. The County will provide recycling updates, including but not limited to current contamination rates and current material sale rates. These updates shall be provided to the Municipality's Responsible Contact every two months.
- d. Annual Planning and Implementation Meeting. The County will host an annual program planning and implementation meeting to provide a comprehensive program update to the Municipality.
- e. Components and Calculations. The County will annually provide a list of included components and a calculation for the additional recycling services and education partnership portions of the dividend.
- f. Recycling Dividend Workgroup. The Recycling Dividend Workgroup is composed of volunteer Responsible Contacts from participating communities. The County shall meet with the Recycling Dividend Workgroup as needed and will take into consideration any recommendations of the Recycling Dividend Workgroup on program elements.

SECTION 3

PAYMENTS AND FEES

- a. Dividend Payments. Commencing in 2022, County will calculate dividend payments to Municipality for inclusion in the following budget if as of December 31st of the preceding year in

which the dividend payment is to be calculated, (1) the MRF Fund's Working Capital is above the cap set by the County and as further defined in Exhibit A, Section 1 and (2) the recycling program's audited financial statements show a positive cash flow at the close of the Waukesha County fiscal year as verified in the County's Annual Comprehensive Financial Report.

- i. Working Capital is defined as the current assets minus the current liabilities, exclusive of the following: 1) Funds specifically reserved for equipment repairs or upgrades; 2) Grant funds received in excess of the state's basic recycling grant; and 3) The recycling consolidation grant to Responsible Units.
 - ii. Positive cash flow is defined as the positive net change in Working Capital from the previous year.
- b. Tipping Fees. Tipping fees may be charged to the Municipality if as of December 31st of the preceding year in which the tipping fee is calculated, the MRF Fund Working Capital is below the floor set by the County and as further defined in Exhibit A, Section 1. Municipality shall pay any tipping fees in accordance with the terms of this Agreement.
- c. Calculation of Dividend Payments and Tipping Fees. Any dividend payments or tipping fees shall be determined by County in accordance with Exhibit A, which is hereby incorporated into the terms of this Agreement.
- d. Timing of Payments and Fees. County will provide status updates regarding estimated dividend payments or tipping fees throughout the auditing and budgeting process. A final invoice if applicable will be issued by March 1 and final payments shall be made by April 1 in the year following the year in which the fee or payment was calculated. Illustration: Audited financials of 2021 are released May 1, 2022. These results are used to determine if there is a dividend payment or tipping fee and the total amount. Staff will calculate each participating community's dividend payment or tipping fee, communicate that to the Municipality, and incorporate it into the budget for the following year. By March 30, 2023 an invoice will be provided (if necessary) and payment will be made by April 1, 2023.

SECTION 4

MISCELLANEOUS

- a. Entire Agreement. This Intergovernmental Agreement between the City of Pewaukee and Waukesha County Regarding the Municipal Recycling Dividend Program constitutes the entire, final, complete, and fully integrated agreement between the parties with respect to the subject matter hereof and supersedes and replaces all prior agreements effective May 1, 2025.
- b. Authority and Responsibilities. Nothing in this Agreement forfeits any RU rights and responsibilities of the County, or any other Municipality or County's rights or responsibilities under state or local laws. The County remains responsible for implementing a recycling education program for residents of the Municipality and for complying with other requirements of an "effective recycling program" under Chapter NR 544 Wisconsin Administrative Code.

- c. Responsible Contacts. Upon execution of this Agreement, the County, and the Municipality each shall designate in writing a primary person as a Responsible Contact to be responsible for carrying out the activities described in this Agreement.
- d. Review and Amendments. All changes to the main body of this Agreement shall be mutually agreed upon between the Parties and shall be in writing and designated as written amendments to this Agreement. The County has the authority to change the MRF Fund Working Capital cap and floor balances identified in Exhibit A upon providing twelve months' advance written notice of any changes to the Municipality.
- e. Effective Date and Term. Upon execution by both parties, this Agreement shall become effective on May 1, 2025, and shall remain in effect until December 31, 2034, unless otherwise terminated in writing by either party upon a one (1) year written notice to the other party. Termination of this Agreement does not alter the County's status as the Responsible Unit or the Municipality's responsibilities as a participating community in the Responsible Unit.
- f. Severability. If any clause, provision or section of this Agreement be declared invalid by any Court of competent jurisdiction, the invalidity of such clause, provision, or section shall not affect any of the remaining provisions of this Agreement.
- g. Notices. Any and all notices regarding termination of this Agreement shall be in writing and deemed served upon depositing same with the United States postal Services as "Certified Mail, Return Receipt Requested",

Addressed to the Municipality at:

City of Pewaukee
ATTN: City Clerk
W240N3065 Pewaukee Road
Pewaukee, WI 53072

and to the County at:

Recycling and Solid Waste Supervisor
Abbie Liedtke
aliedtke@waukeshacounty.gov
Department of Parks and Land Use
515 W. Moreland Blvd., Room AC 260
Waukesha, WI 53188
262.896.8300

- h. Binding Agreement. This Agreement is binding upon the parties hereto and their respective successors and assigns.

WAUKESHA COUNTY:

By: _____ Date: _____

Dale R. Shaver, Director - Department of Parks and Land Use

MUNICIPALITY

By: _____ Date: _____

Name

Attest: _____

Name, Clerk

EXHIBIT A

Dividend Payment and Tipping Fee Formula

SECTION 1

MRF FUND WORKING CAPITAL

The County will set the MRF Fund Working Capital cap and floor balances to be utilized in determining when a dividend payment or tipping fee will be issued. The County has identified the following minimum balances, excluding grant issued funds and segregated funds for equipment repair and maintenance and efficiency improvement, to be utilized in determining when a dividend payment or tipping fee will be issued:

Cap \$3,500,000.00

Floor \$3,100,000.00

Effective May 1, 2025

The County has the authority to change the MRF Fund Working Capital cap and floor balances upon providing twelve months' advance written notice of any changes to the Municipality. Any changes to these balances will be based upon several factors including but not limited to market conditions, net commodity revenue, the analysis and recommendations of a third-party vendor and input from local subject matter experts.

SECTION 2

DIVIDEND CALCULATION

Dividend payments will be determined when (1) the MRF Fund Working Capital is above the cap identified in Section 1, and (2) the recycling program's audited financial statements of the preceding year show a positive cash flow as defined in Section 3(a) of the Agreement. The Dividend payment calculation will be determined by the County based on County's audited financial statements. This amount shall be divided between the participating communities in the Responsible Unit. The formula utilized by County to determine a Municipality's dividend payment will be based on the following considerations:

- 50% of the dividend will be based upon the proportion of the 5-year average of total eligible costs the Municipality paid for eligible recycling expenses.
- 35% of the dividend will be based upon the number of eligible households in a participating community as a proportion of the total number of eligible households in the program. Eligible households, as defined under Wisconsin Administrative Code NR Chapter 544.04(4), will be identified by the Municipality's January hauling invoice from the SWC or, if not available, according to the County's GIS system. A multiplier of 1, 1.2, 1.4, 1.6, 1.8, or 2 will also be incorporated based on the distance the Municipality is located from the Joint MRF with 1 being the nearest and 2 being the furthest in proximity to the Joint MRF.
- 7.5% of the dividend will be based upon additional recycling services Municipality provides for its residents or all County residents for a minimum of 12 months. In order to qualify, Municipality must provide evidence of said services that is satisfactory to the County. A list of qualifying services and the corresponding scores will be provided on an annual basis to the participating communities. The number of services provided and whether the services are provided to all County residents or the participating community's residents will earn the Municipality a score of 0, 0.5, 2, or 3. A numerical assignment of 3 represents the highest number of services provided.
- 7.5% of the dividend will be allocated based on education and outreach partnership opportunities in which a Municipality collaborates with the County. A list of qualifying opportunities and the corresponding scores will be provided on an annual basis to the participating communities. The number of services provided and whether the services are provided to all County residents or the municipalities' residents will earn Municipality a score of 0, 1, 2, or 3, with 3 being the highest number of qualifying opportunities.

Illustration: Municipality "Y" has a 5-year average of total eligible recycling costs of \$500,000 and the 5-year average of the total eligible recycling costs for all participating communities is \$7,000,000. Municipality "Y" has 4,760 eligible households and the total number of eligible

households for all participating communities is 200,000. Municipality “Y” is located 38 miles away from the Joint MRF, earning a multiplier of 2 for its eligible household points. Municipality “Y” also provided additional services for all County residents earning an additional recycling services score of ‘2’ and partnered on education and outreach with the County, earning an education and partnership score of ‘3’. The total number of additional service points for all participating communities is 14.5 and the total number for education and outreach partnership points is 20. In this illustration, the total dividend available to be divided is \$100,000. Accordingly, Municipality “Y” will receive the following: 1) 7.14% or \$3,570 for its 5-year average of total eligible recycling costs in proportion to the total eligible recycling costs for all participating communities; 2) 4.76% or \$1,666 for its eligible households in proportion to the total number of eligible households in all participating communities after factoring in the multiplier for proximity to the Joint MRF; 3) 13.79% or \$1,034 for additional recycling services; and 4) 15% or \$1,125 for education and outreach partnership opportunities. Therefore, Municipality “Y”’s total dividend payment, after taking into account all of the aforementioned considerations, would amount to \$7,395.

SECTION 3

TIPPING FEE CALCULATION

Tipping Fees may be charged to the Municipality and Municipality agrees to pay same when (1) the MRF Fund Working Capital is below the floor identified in Section 1. The tipping fee calculation will be determined by the County based on the County’s audited financial statements. This amount shall be divided between the participating communities in the Responsible Unit according to the following formula:

$$\text{Fee} = \text{EH} * [(\text{F}-\text{B}) / \text{TH}]$$

Whereas:

- EH = Number of eligible households in a municipality, as defined under Wisconsin Administrative Code NR Chapter 544.04(4), which will be identified by the Municipality’s January hauling invoice from the SWC or, if not available, according to the County’s GIS system
- F=MRF Fund Working Capital floor
- B=Balance of the MRF Fund Working Capital as defined by Section 3(a) of the Agreement and Exhibit A, Sec. 1
- TH = Total eligible households from all participating communities in the County’s RU, as defined under Wisconsin Administrative Code NR Chapter 544.04(4), which will be identified by the municipalities’ January invoices from the SWCs or, if not available, according to the County’s GIS system.

EXHIBIT B

Collection Contract Compliance Items Related to Waukesha County's Municipal Recycling Dividend Program

The Contractor shall comply with the provisions below, which are required to maintain eligibility for payments from Waukesha County ("County") through an intergovernmental agreement (IGA) with [insert Municipality name] or Local Unit of Government ("LUG"). In case of conflict with other provisions of this Contract, this Exhibit shall prevail.

A. Recycling Container Provisions

1. Recycling Container Standards. All recycling containers shall be for single sort recycling and shall meet County standards for in-mold educational labeling, identifying recyclable and non-recyclable/hazardous materials. All containers shall have a 10-year warranty.
2. Distribution and Use of Recycling Containers. Contractor shall, by the dates specified in this Contract, distribute recycling containers to each household/unit served under this Contract. Contractor shall ensure these containers are only used for recycling. Contractor shall notify any non-complying household/unit at the time non-compliance is observed, and shall track and report a summary of non-compliance to the LUG monthly.
3. Distribution of Educational Materials. Contractor shall attach educational materials to the top of each recycling container upon delivery of the containers, as noted above. The educational materials will be provided to the Contractor by the County at no cost to the Contractor.
4. Contractor Report on Containers. Contractor shall provide the County an annual (calendar year) report by March 1 each year on the number and size(s) of recycling containers used within the LUG, including the number of households/units.

B. Direct Haul Provisions

1. Direct Haul. Contractor shall deliver all recyclable materials collected under this Contract to the designated facility identified as Waste Management of Wisconsin, Inc. MRF located at W132N10487 Grant Dr. Germantown, WI 53022
2. Delivery Protocol. Contractor shall coordinate delivery times with the County and the MRF operator (i.e., Waste Management of Wisconsin, Inc.) to maximize efficiencies at the truck scale and tip floor and minimize traffic back-ups. For all recyclable deliveries to the MRF, Contractor shall comply with the County Protocol, which is subject to periodic updates to meet the stated intent.
3. Record Keeping and Reports. Contractor shall keep records and provide all requested data and reports to the County as needed to administer the IGA and maintain compliance with applicable state or local codes, program rules, and the protocol for delivery of recyclables to the MRF. This includes, but is not limited to, providing up-to-date information on haul routes, collection days and times, and vehicles used to collect recyclables.
4. Alternate Processing. In the event the MRF is unable to accept recyclables the Contractor shall deliver recyclable materials to an alternate location for a designated time, as directed by the County.