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

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

1. Call to Order and Pledge of Allegiance

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

2. Public Comment

None

3. Discussion and Action Regarding the Minutes of July 27, 2023

3.1. Discussion and Action Regarding Minutes of July 27, 2023 Meeting.

A motion was made and seconded (J. Tormey, M. Kreiter) to approve the July 27, 2023 minutes. Motion passed: For-3, Against-0

4. Storm Water Management Division

4.1. Discussion and possible action regarding the 2024 Storm Water Utility Budget.

Ms. Wagner reported on the proposed DPW budget for 2024. She stated it is essentially the same as last year, except for increases in items such as computer programming (update software to subscription service), adding some equipment to support the asset management software rolling out, and tweaking some normal maintenance activities.

Projects for the 2024 O&M budget include Takoma road project; Shade Lane and Shady Nook ditching and culvert replacement; ongoing city-wide storm water management which will be wrapping up next year; Joseph Road (road project); Springdale Estates (drainage, easement project); and Meadowbrook Phase IV - Fieldhack Drive (supporting infrastructure for road project). Westwood Drive and Corporate Court (road project) were added due to the damage to the curbs and failing road.

There are no purchases slated for the 2024 Capital budget for the Storm Water Utility, other than the year's portion for future equipment purchases.

Mr. Tormey stated the budget indicates that expenses exceed revenue by $2.5M. Ms. Wagner replied that some numbers came in late and the budget has been revised and now is in the black by $350,000, but it is not reflected in the version provided in the committee packet.

Ms. Wagner stated that it is not our intention to raise rates at this time; if necessary we would supplement with borrowing for large projects.

5. Water and Sewer Division

5.1. Discussion and Possible Action Regarding the PFAS Levels in Wells 11/12, also known as Entry Point 500.

Ms. Mueller reported that the PFAS public notice was mailed on 9/6/23. Unfortunately, we had a second hit for PFAS in our system. The last time committee met it was decided that Well 8 with the PFAS exceedance would be taken out of service. We tried to take both wells out of service in an attempt to remove the PFAS from getting to our customers, but found there is no way we can reliably continue to serve the west side of town with both wells out of service. The decision was made to put both wells back in service to provide adequate water to the entire customer base.

We are receiving a lot of phone calls with questions about the notice. We are going to try and provide a better way to explain the fact that the water is combined; that all 12 wells can be running at any given time and there isn't any one well providing water to a specific area.

The Utility will put together a plan for a treatment system as soon as we have the design information and a good idea of what we need from the DNR and DHS to move forward.

Mr. Kreiter asked if a PFAS treatment system currently exists. Ms. Mueller replied that granular activated carbon is the process that has been widely accepted. Reverse osmosis is another treatment system which is very expensive with a lot of wasted water.

Ms. Mueller stated the 2024 budget reflects the estimated costs for two treatment systems. The PFAS limits are currently being discussed and likely will be revised by the EPA. We understand that the acceptable levels may be lowered from 70 ppt to 4 ppt, but we don't know that for sure. If that is the case, there are other shallow wells that do have PFAS at levels currently below the acceptable level, that will then be in exceedance of the new level.

Ms. Wagner stated that we are being forced to design for something that isn't a law at this time and we don't know the limits. There are other cities in our state that are in the same position as we are. She said there are all sorts of PFAS; it's a generic term. We will continue to provide information as it becomes available.

5.2. Discussion and possible action regarding the 2024 Water & Sewer Budgets.

Ms. Mueller provided a revised budget for the committee. She noted the numbers are high, especially for electric and chemicals.

2024 Operating Utility Budget
Notice the category - wages not charged to projects. This is generally for the majority of the wages of staff. Detailed sheets indicate wages in other accounts as well.

The amount for power was a large number. We Energies expects to raise rates for residential by 11% next year. A 6% increase was included because we were unable to find out what the rates for commercial accounts would be. It is hard to determine the electric rates and the water demand.

Ms. Mueller stated she tried to hold everything at a moderate level while trying to anticipate the repairs on pumps with hope that they are within the realm of regular maintenance.

Ms. Wagner pointed out that they added a laborer position, as there are a number of employees coming into retirement age and an employee out on long-term disability. This position will help with current needs, while it takes a few years to get them fully trained.

Ms. Mueller reported that the budget includes a position that we have not got a chance to fill hyet in 2023. The Assistant Utility Manager position is part of succession planning for the Utility Manager. The city has been reclassified to an AB Utility and will require additional requirements that will need a great deal of reporting and tracking. Ms. Mueller indicated there are so many new regulatory issues that need ongoing attention over and above the daily activities. Mayor Bierce asked if we will try and fill that position internally? Ms. Wagner stated that we will consider internal candidates, but we also plan to go outside the city for applicants.

Ms. Mueller reported that we are in the process of a rate case increase. When reporting the revenues she was very conservative in using the same rate structure that we have now because we have no idea where the PSC is going to land moving forward.

2024 Sewer Utility Budget
The wages reflect the positions. Plant maintenance was increased because of the age of our equipment. Of the 12 lift stations, the one slated to be upgraded is a smaller submersible station.

We have not heard for sure what the sewer service charges are for the Waukesha service rates. The budget was increased by 6% for electric rates.

2024 Capital Budget
Included are additional PFAS treatment systems for both Well 11 and Well 12 (EP 500), and the Still River Well. Included is the construction of Still River Well 2 (Deep Well) to reduce the radium level in anticipation of taking Well 5 offline by the end of 2024. We will lose capacity of that well.

Ms. Wagner discussed the status of the water main loop which will go from Busse Road easterly to Foster Court. Ms. Mueller indicated that this loop will take care of the radium compliance issues and will increase our firefighting protection and reliability to service that area. The committee discussed some issues involved with the water main loop project.

There are significant capital projects which revolve around drinking water compliance standards. Ms. Mueller discussed additional projects included in the budget.

Mayor Bierce asked with all the additional government regulatory requirements, will the government help us with these costs? Ms. Mueller said that they do offer low interest loans, but they require the use of American-made supplies, which are getting hard to find, which make it difficult to get the projects completed in a timely manner. The city does not qualify for grants due to the high median household incomes.

The Sewer Utility is replacing the Gun Club lift station at a cost of $5M, as it is at the end of its useful life.

Another big project is the Kopmeier lift station. It will be a shared cost between the City and the Village. The project may be pushed out later than 2024, but we kept our share of the funds in the 2024 budget.

5.3. Discussion and possible action regarding the 2024 Engineering Budget.

Ms. Wagner reported that included the O&M budget is the bulk of staff wages, along with minor increases in the cost of doing business. Engineering is holding steady, as it has in the last several years.

2024 Engineering Capital Budget
The only change added to this budget is the purchase of a vehicle. Engineering currently shares a van between eight employees, and one technician uses the van most of the time every day. This forces the rest of the staff to use personal vehicles and request mileage reimbursement, which increases the mileage budget. Purchasing another vehicle will allow the technician to use the van, leaving a second vehicle available for staff to use. The vehicle will be shared between Engineering and Storm Water Utility, and will be purchased in 2025.

Bike and Pedestrian Budget
General maintenance funds are included in the budget, along with some Engineering design funds for long-term planning. The city received a grant for the Meadowbrook Trail, which will be constructed in 2026. Ms. Wagner updated the committee on the progress of various projects in 2023, and discussed the pedestrian crossing projects planned for 2024.

Road Projects
Ms. Wagner discussed the budget for the various 2024 road projects included in the packet.

Deer Removal
The deer roadway pick-up rate increased substantially. The city averages eight deer pick-ups per month.

Forestry
The budget includes a large increase in tree removal as we implement the forestry plan completed in 2022 as part of the grant. There will a substantial number of large or dead trees removed in the right-of-way in the next two years that may be hazardous, along with some maintenance. Costs included are to contract some of the services out. Further discussions will take place in the future about replacing some of the trees removed.

Boat Launch
The budget includes $50,000 for replacement of fishing piers and rehab of the boat launch. Most of the damage to the launch is being done by barges and commercial boats. Funds were added for future maintenance of the launch.

6. <u>Engineering Division</u>

6.1. Discussion and possible action regarding establishing the 2024 garbage and recycling collection rates with Johns Disposal, and moving recycling collection to weekly.

Ms. Wagner reported on the annual rate adjustment for garbage and recycling collection based on the consumer price index of fuel and fuel index. In the city's agreement with Johns Disposal, the rate increase is capped at 2.65% each year. Johns is requesting the 2.65% increase for the 2024 recycling and garbage collection.

The 2023 rate was $178.00 per home; the 2024 rate is $183 per home, which includes all the garbage and recycling - and the recycling dropped off at City Hall. This year the city received a dividend payment of almost $11,000 from the county for the operation of the MERF recycling. That dividend payment was incorporated in the rate calculations to bring the rate down. Without the dividend added the rate would be $185 per home. Ms. Wagner pointed out that we will not get that dividend again anytime in the near future due to a fire. Mr. Kreiter asked if she knew what caused the fire, and she replied that she heard it was from a battery that was put in recycling.

Two more dumpsters were added to the Recycling Center due to complaints received from residents that the dumpsters are always full. It is partly for this reason that we are requesting to change the residential recycling collection from biweekly to weekly pick-up. The weekly recycling collection would cost an additional $2.26 per household per month, increasing the annual 2024 rate from $183 to $210.

Staff recommends changing to the weekly recycling collection. Ms. Wagner stated that the additional price is inflated due to the number of residents with disabilities who qualify for Johns up-the-drive pick-up service at no cost. There are 142 customers in the city who receive that benefit. Similar surrounding communities average 30-40 customers. Johns said if we agree to perform an audit and reduce the number of no cost up-the-drive customers, we might get a better rate on the weekly recycling fee. This audit would not include customers who choose to opt for and pay the up-the-drive service.

The committee agreed that the demand is there for the weekly recycling collection.

Mr. Kreiter asked what the tonnage of recycling is from the City of Pewaukee. Ms. Wagner said she would review the reports and get back to him with that information.

A motion was made and seconded (J. Tormey, M. Kreiter) to recommend to the Common Council to establish the 2024 Residential Recycling and Garbage Collection Fee at $210 per home per the contract and approve the weekly recycling collection. Motion Passed: For-3, Against-0.

7. Highway Division

7.1. Discussion and possible action regarding the 2024 Highway Budget.

Ms. Wagner stated that the Streets Superintendent was unable to attend the meeting, but indicated that the department is status quo with most of the Operations budget. With the DPW garage being so new, the cost for utilities is an estimate. The only substantial increase in this budget is for fuel.

The Capital budget indicates cost increases for equipment that are eye-popping. Ms. Wagner stated that the plow truck we are supposed to acquire in 2024 may not be delivered until 2026, and more likely 2027 because of manufacturing and supply chain issues, and the demand for bigger trucks. She pointed out that the 10-year replacement program for these trucks will be moved to 12-15 years, so the return value on the equipment will not be as high.

The budget also includes the replacement of the chipper. The price included a large trade-in value, but the cost for the new chipper nearly doubled.

Ms. Wagner stated we will have to pay close attention when budgeting for new equipment in the future.

8. Public Comment

None

9. Adjournment

A motion was made and seconded (J. Tormey, M. Kreiter) to adjourn the meeting at 5:34 p.m.
Motion Passed: For-3, Against-0

Respectfully Submitted,

Magdelene Wagner
Director of Public Works