



CITY OF WAUWATOSA

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BUDGET & FINANCE COMMITTEE MEETING Tuesday, January 12, 2010

PRESENT: Alds. Berdan, Donegan, Ewerdt, Jay, Krol, Organ, Walsh, Wilke -8

ALSO J. Archambo, City Admin.; A. Kesner, City Atty.;
PRESENT: R. Braier, Finance Dir.; W. Kappel, Dir. of Public Works

Ald. Ewerdt in the Chair called the meeting to order at 8:02 p.m.

2010 Sanitary Sewer Rates

Referring to a January 5, 2010 memo, Mr. Braier, Finance Director, noted that sanitary sewer rates are adjusted at the beginning of each year. They are comprised of Milwaukee Metropolitan Sewerage District (MMSD) usage and connection charges as approved in their annual budget and local charges based on operations costs and on costs for projects mandated by MMSD and the State of Wisconsin Department of Justice (DOJ). Based on 2009 year-end projections, changes in consumption, and the 2010 budget, Mr. Braier recommended an overall 2010 rate increase of 26%, which he noted is well within the 33% increase anticipated in the adopted city budget.

Ald. Walsh questioned the increase in the local operations charge. Mr. Kappel explained that it is due in part to funding of potential additional staff, to be determined based on a pending staffing study, and a \$500,000 line item for sewer investigations that were funded last year from the reserve.

Commenting on mandated work and the rate increase, Ald. Jay noted that the MMSD board is not directly elected. City Attorney Kesner explained that about two-thirds of the board is appointed by the City of Milwaukee. Others appointed by the Intergovernmental Cooperation Council (ICC) are usually elected officials. He emphasized that the mandates implement policy created by elected bodies of the federal and state government.

Mr. Kappel explained the DOJ mandate to inspect each sanitary structure once every five years. In addition, under MMSD rules on flow control, we are mandated to meet certain requirements during wet weather events. Basins that exceed those limits are being targeted initially. Not meeting MMSD and DOJ requirements could result in financial penalties.

Ald. Krol noted that the increased rates would help recover the cost of this investigative work for which resources were insufficient in the past. We will be doing a lot more in terms of maintenance.

Moved by Ald. Krol, seconded by Ald. Walsh to recommend approval
of the rate increase as presented by staff –

Ald. Donegan commented that we are responsible locally for the 32% increase for operations, not MMSD, and local elected officials are accountable. Rather than doing it because it is imposed upon us, he feels that it is a responsibility because of significant evidence that our system is leaking into waterways and residents' basements. We have to step up and spend the money here and explain the need to our citizens, he felt.

Asked about the duration of the increase, Mr. Kappel indicated that it would be some time before we catch up on the maintenance issue. As the system continues to age, it will continue to deteriorate. We are starting out with a system-wide study, fixing major problems first, and it is possible that we will preempt some problems. Mr. Kappel noted that three-quarters of last year's \$1 million was spent, although we don't have all the results yet. The \$500,000 in this budget will go into additional areas. Eventually, the plan is that every single sanitary sewer would be televised within five years or less. In some cases, further camera work would not be needed for 20 years, which would start to decrease costs over time barring any future mandates. We would spend more on capital projects, as reflected in the five-year plan, once the investigative process is complete.

Vote on the motion, Ayes: 8

The meeting adjourned at 8:22 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

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