



CITY OF WAUWATOSA
7725 WEST NORTH AVENUE
WAUWATOSA, WISCONSIN 53213
Telephone: (414) 479-8917
Fax: (414) 479-8989
Web Site: www.wauwatosa.net

BUDGET & FINANCE COMMITTEE MEETING

Tuesday, January 31, 2012

Committee Room #2

PRESENT: Alds. Walsh, Ewerdt, Causier, Donegan, Berdan, McBride, Hanson, Wilson – 8

ALSO PRESENT: J. Archambo, City Administrator; J. Ruggini, Finance Director; B. Porter, Public Works Director; J. Wojcehowicz, Water Superintendent; J. Tschudy, Business Manager; M. Hahn, Water Supervisor

Ald. Walsh as Chair called the meeting to order at 8:01 p.m.

2011 Operating and capital budget carry-over requests

The committee reviewed a memo from the Finance Director regarding the carryover requests as part of the final annual budgetary process as unused funds are transferred from the 2011 budget to the 2012 budget.

Department requests for carryover were submitted in mid-December. Finance Department staff followed up with questions and subsequent meetings. Final recommendations were developed in consensus with the City Administrator.

Mr. Ruggini explained that the carryover amount of \$220,243 is less than half the amount carried over in 2010. Efforts were made by city departments to limit carryovers. Mr. Ruggini noted that nearly 20% of the carryover amount is related to the zoning rewrite which was originally anticipated as a multi-year project. The purpose of carryover is intended for circumstances when a project cannot be completed.

Regarding the capital carryover, Mr. Ruggini said although it is a large amount, it is consistent with the 5-year capital plan as all the carryovers are related to 2011 projects that were started in late 2011 or expected to begin in early 2012.

Ald. Donegan commented that he would move approval of the item but asked for further information regarding the capital carryover. He suggested this conversation be included with the item to discuss updates on the monthly project tracking report.

Moved by Ald. Donegan, seconded by Ald. Berdan to recommend approval of the request to carryover funds into the 2012 budget as recommended – Ayes: 8

Monthly construction report update

Moved by Ald. Donegan, seconded by Ald. McBride to hold this item for two weeks in conjunction with the capital budget carryover discussion – Ayes: 8

Ald. McBride excused 8:20 p.m. - 7

Funding agreement with MMSD utilizing private property inflow and infiltration funds by retaining the services of Brown and Caldwell under MMSD's contract to administer 2012 pilot program

The committee reviewed a memo from the Public Works Director regarding a request to enter into a funding agreement with Milwaukee Metropolitan Sewerage District (MMSD) to utilize Private Property Inflow and Infiltration (PPI/I) funds allocated to the City and retain the services of Brown and Caldwell under MMSD's contract for private property inflow/infiltration management services to administer Wauwatosa's 2012 pilot program.

Mr. Porter advised that after testing the City knows there are inflow and infiltration problems in some sewersheds on the east side of Wauwatosa. MMSD has indicated that these sewersheds have excessive wet weather peak flows. In order to be in compliance with MMSD the City needs to show that some hard work is being done. The two project areas to be used for the program are North 65th Street project site and the Eagle Street project site.

Mr. Porter introduced Dave Bennett from Brown and Caldwell. Mr. Bennett presented a PowerPoint to the committee going over the process of a pilot program. Mr. Bennett showed the schematics of what a private and public sewer system looks like and explained the foundation drain system. He said that based upon the study done a major conclusion of the study was that private sanitary sewer laterals and foundation drains connected to the sanitary laterals contribute a substantial portion of I/I to these basins. The City would like to further evaluate this focus area to determine the effectiveness of different lateral rehabilitation strategies for I/I.

Mr. Bennett explained the pilot program objective would provide answers determining the effectiveness of different rehabilitation strategies to answer the following questions:

- How effective is it to rehabilitate the leakiest laterals, or those that have been identified with rainfall simulation, rather than all of the laterals in a given focus area?
- Can significant I/I reduction be achieved by rehabilitating only the portion of a lateral in the public right-of-way, rather than the entire lateral with a focus area?
- What amount of residual I/I will remain after lateral rehabilitation if foundation drains remain connected to the sanitary sewer system?

Jerome Flagel, Milwaukee Metropolitan Sewerage District told the committee that \$62 million dollars will be put into this program over a ten-year period. The program was initiated due to the 2010 flooding event. The City of Wauwatosa will receive about \$4 million. Of this 20% of the funds can be used on engineering investigative work. The remaining 80% needs to be used for private lateral work. Mr. Flagel answered a question that based on the city's property taxes paid to MMSD determines how much funding a municipality will receive.

The committee discussed the pilot program area and asked why it was being limited to the chosen areas. Mr. Porter said it was based on the sewershed study and the budget. Ald. Donegan said he hadn't given any budget restraints and to not be afraid to spend more for the pilot program. Mr. Ruggini advised that a policy has not been put in place as to who will be paying for private lateral work and he felt a large pilot program could be problematic because of this.

Mr. Porter said that residents in the pilot program area will be invited to a public informational meeting. Permission will be needed from the residents before work can be done on their property. Mr. Flagel said that

the City of Milwaukee has had good success getting volunteers in the same type of program. Mr. Porter reported that there are about 130 properties in the pilot program area.

Moved by Ald. Ewerdt, seconded by Ald. Hanson
to recommend approval that the City of Wauwatosa
enter into a funding agreement with MMSD to utilize
\$500,000 of City allocated PPI/I funds for the pilot project
and authorize Brown and Caldwell to develop a work plan
that will implement the City's pilot program in 2012 – Ayes: 7

Beta test site offer from Badger Meter for advanced metering analytics two-way fixed based meter reading network

The committee reviewed a memo from the Water Superintendent regarding a Beta Test Site offer from Badger Meter for their first Advanced Metering Analytics two-way fixed based meter reading network.

Mr. Wojcehowicz reported that following the 2012 Water Utility Budget approval staff met with Badger Meter to discuss their new marketing programs. Bader desires to partner with a local community to test and improve their metering product line which provides a two-way network of communication.

Mr. Wojcehowicz said that when he started with the City the water meters were read and logged by hand. In 2006 an automated water reading device started to be used. He said the City employs one meter reader who on average walks five to six miles per day collecting customer usage data. Approximately 96% of residential properties have Badger Meter's Read-o-Matic register fixed to the exterior wall of their building.

Mr. Wojcehowicz reported that the technology is starting to fail. As mentioned during the 2010 budget discussions, one of the problems facing the department is technological obsolescence of current equipment. Badger Meter's Read-o-Matic has reached the end of its product life cycle and production. He noted that due to technology failure over 100 additional trips were made to homes for repair.

The Water Superintendent explained the major advantages of going to a fixed base network. These include real-time consumption data, improved customer service levels, improved operational efficiencies, conservation of resources, and reduction of non-revenue water loss. Leak detection is a key result of this data. This data would notify customers of an ongoing leak inside or outside they may not otherwise be aware of. There would be the flexibility to bill on monthly basis.

As part of Badger's Orion SE Marketing Program, the water utility has been offered the opportunity to purchase 1,000 Orion SE units at a price of \$136.00 each and qualifying the utility to receive 1,000 units at no cost or \$136,000 initial program savings.

Mr. Wojcehowicz reported on some concern areas which include the short timeframe to make a decision, the initial proposal only includes 20% of our customer base and Badger Meter's software is in the early stages of development.

Mr. Ruggini answered a question that using the funds from the water surplus would not draw down the utility budget per fiscal respective. Previously it was felt that keeping \$2 million in surplus was good protocol.

Moved by Ald. Donegan, seconded by Ald. Hanson
to recommend approval to accept Badger Meter's proposal
to establish a beta test site for their first Advanced Metering Analytics

solution and approve changes to the 2012 Water Department Budget –

Ald. Ewerdt asked what the return on investment is with this plan. Mr. Wojcehowicz emphasized customer service and reduced labor costs. The committee expressed concerns about the software package in early stages of development.

Ald. Donegan removed his motion.

Ald. Hanson asked what the cost was to the City for failing technology. Mr. Tschudy reported about \$38,000. Ald. Hanson wondered how long Badger Meter would wait for the City to make a decision on their offer.

Moved by Ald. Hanson to recommend approval of Option A.
Motion dies for lack of second.

Ald. Donegan suggested that Mr. Wojcehowicz, Mr. Archambo and Mr. Ruggini work on a mitigation plan and present at the next meeting.

Moved by Ald. Donegan, seconded by Ald. Wilson to hold this item to allow for additional information to be presented – Ayes: 7

Use of surplus funds in lieu of TIF borrowing

Moved by Ald. Berdan, seconded by Ald. Wilson to hold this item for two weeks – Ayes: 7

Vouchers

Name	Dept.	Reason and location	Date	Amount
Joel Kutz	Police	Criminal Justice Instructor Development Course - Oak Creek	01/03 -01/06/12	165.98
Courtney Christiansen	Health	APIC business meeting - Menomonee Falls	12/1/11	30.14
Joe Lewandowski	Police	Mentoring for Development - Franklin	12/19/11	103.48

Moved by Ald. Hanson, seconded by Ald. Causier that the vouchers be allowed and paid. Ayes: 6 Present: 1 (Donegan)

The meeting adjourned at 9:37 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

mks