



11333 N. Cedarburg Road
Mequon, WI 53092
Phone: 262-236-2934
Fax: 262-242-9655

www.ci.mequon.wi.us

Public Works/Engineering
Taped and Televised

SEWER UTILITY DISTRICT COMMISSION
Tuesday, June 11, 2024
7:15 PM or immediately following the Committee of the Whole
Christine Nuernberg Hall

Agenda

- 1) Call to Order, Roll Call
- 2) Approval of Meeting Minutes
Action requested: review and approve
 - a. May 14, 2024, Minutes
- 3) Resolutions
Action requested: review and recommend approval
 - a. **RESOLUTION 4130** A Resolution Ratifying Replacement of a Public Sanitary Sewer Lateral at 11333 North Port Washington Road with Grunau of Oak Creek, Wisconsin, in the Estimated Amount of \$60,000
 - b. **RESOLUTION 4131** A Resolution Authorizing Staff to File the City of Mequon's Compliance Maintenance Annual Report (CMAR) for Calendar Year 2023, in Accordance with Requirements Under Wisconsin Administrative Code NR208
- 4) Discussion Items
 - a. Financial Policy Statement 19: Sewer Utility Levy and User Rates
- 5) Adjourn

Dated: June 11, 2024

/s/ Andrew Nerbun, Mayor

Notice is hereby given that a quorum of other governmental bodies may be present at this meeting to present, discuss and/or gather information about a subject over which they have decision-making responsibility, although they will not take formal action thereto at this meeting.

Persons with disabilities requiring accommodations for attendance at this meeting should contact the City Clerk's Office at 262-236-2914, twenty-four (24) hours in advance of the meeting.

Any questions regarding this agenda may be directed to the City Administrator's Office at 262-236-2941, Monday through Friday, 8:00 AM – 4:30 PM



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SEWER UTILITY DISTRICT COMMISSION

Tuesday, May 14, 2024

7:30 PM

Christine Nuernberg Hall

Minutes

1) Call to Order, Roll Call

Meeting called to order at 8:06 P.M.

Present:

Commissioner Andrew Nerbun
 Commissioner Kelly Tolocko
 Commissioner Dale Mayr
 Commissioner Jeffrey Hansher
 Commissioner Gregg Bach
 Commissioner Brian Parrish
 Commissioner Peter Bratt
 Commissioner William Gebhardt
 Commissioner Robert Strzelczyk -- **Excused**

Also present: City Administrator Jones, City Attorney Sajdak, City Clerk Fochs, Director of Public Works/City Engineering Lundeen, Director of Community Development Tollefson, Assistant Director of Community Development Zader, Administrative Assistant Schlereth, Acting Finance Director Keyser, press and interested public.

2) Approval of Meeting Minutes

a. October 30, 2023, Minutes

RESULT: **Approved by Voice Acclamation [Unanimous]**

MOVED BY: Commissioner Mayr

SECONDED BY: Commissioner Hansher

AYES: Nerbun, Tolocko, Mayr, Hansher, Bach, Parrish, Bratt, Gebhardt

NOT PRESENT: Strzelczyk

Attachment: 5-14-24 (9438 : May 14, 2024 Minutes)

b. November 14, 2023, Minutes

RESULT: Approved by Voice Acclamation [Unanimous]
MOVED BY: Commissioner Mayr
SECONDED BY: Commissioner Hansher

AYES: Nerbun, Tolocko, Mayr, Hansher, Bach, Parrish, Bratt, Gebhardt
NOT PRESENT: Strzelczyk

3) Resolutions

Action requested: review and recommend approval

a. **RESOLUTION 4124** A Resolution Authorizing a Sanitary Service Deferral Agreement for the Property Located at 10056 North Cedarburg Road

Motion to approve the Sanitary Service Deferral Agreement for the property located at 10056 North Cedarburg Road on condition that the property owner completes the proper paperwork.

RESULT: Approved by Roll Call Vote [Unanimous]
MOVED BY: Commissioner Tolocko
SECONDED BY: Commissioner Parrish

AYES: Nerbun, Tolocko, Mayr, Hansher, Bach, Parrish, Bratt, Gebhardt
NOT PRESENT: Strzelczyk

b. **RESOLUTION 4125** A Resolution Authorizing the Designation of 2010 West Ranch Road as the Replacement Site Location for the Construction of Lift Station E (Ranch Road)

The following residents were opposed and did not wish to speak:

Brian and Rebekah Barsch (1930 W River Bend Ct.), Dixie Lowin (2028 W. Ranch Rd.), Kathy Lorenz (11707 N Hillside Ln.), Bill Nimke (2042 W. Ranch Rd.) and Michael Levin (2041 W. Ranch Rd.).

The following residents were opposed and spoke out against the location:

Howard Schlei (1935 W. River Bend Ct.), Kirk Anderson (1928 W. Ranch Rd.), Barbara Levin (2041 W. Ranch Rd.), and Jeanne Vincent (2005 W. Ranch Rd.).

Staff clarified during normal business hours lift stations are checked weekly for operation and maintenance. At either the Laguna Drive or the Ranch Road location, Lift Station E will have a dual feed for backup power which would reduce the need to bring generators onsite during outages. The Laguna Drive location would still require a storage tank for water that would be filled once every other month. At the Ranch Road location, a tank would not be required instead the well would be used.

Attachment: 5-14-24 (9438 : May 14, 2024 Minutes)

Discussion ensued on the 2010 Ranch Road location being listed for sale and acquired by the City after multiple potential sites in the area were looked at. The lot size of Ranch Road location is .64 acres. Lift Station E will be one story with a similar footprint as the current house that is on the lot. Lift Station E functions have been designed, the next step will be to design the architecture and screening which will include public meetings with residents.

An amendment to the Resolution was made that the design plan will be brought back before the Sewer Commission after it is approved by the Planning Commission.

RESULT: Approved by Roll Call Vote [7 to 1]
MOVED BY: Commissioner Hansher
SECONDED BY: Commissioner Gebhardt

AYES: Nerbun, Tolocko, Mayr, Hansher, Bach, Bratt, Gebhardt
NAYS: Parrish
NOT PRESENT: Strzelczyk

4) Adjourn

a. Motion to Adjourn at 9:08 PM

RESULT: Approved by Voice Acclamation [Unanimous]
MOVED BY: Commissioner Mayr
SECONDED BY: Commissioner Bach

AYES: Nerbun, Tolocko, Mayr, Hansher, Bach, Parrish, Bratt, Gebhardt
NOT PRESENT: Strzelczyk

Respectfully Submitted,

Ren Schlereth
Administrative Assistant

Attachment: 5-14-24 (9438 : May 14, 2024 Minutes)



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Office of Engineering

TO: Sewer Utility District Commission
FROM: Kristen Lundeen, Director of Public Works/City Engineer
DATE: June 11, 2024
SUBJECT: RESOLUTION 4130 A Resolution Ratifying Replacement of a Public Sanitary Sewer Lateral at 11333 North Port Washington Road with Grunau of Oak Creek, Wisconsin, in the Estimated Amount of \$60,000

Background

North Shore Bank is constructing a building at 11317 North Port Washington Road. As a condition of approval, the building must connect to the public sanitary sewer. There is a lateral available to the site, but when the contractor televised the lateral, it discovered that the public portion of the lateral required reconstruction.

In order to allow the project to move forward, staff authorized the lateral repair. However, the cost of the repair exceeds the approval authority of staff, requiring Sewer Utility District Commission recommendation and Common Council action.

Analysis

Once the repair was identified, staff issued a request for quotes to ensure that the repair is cost efficient for the utility. The first attempt received no quotes, but ultimately Utility staff was able to obtain a cost from a contractor to compare to that offered by the developer. Grunau provided a lower cost than the developer and staff authorized approval.

The repair includes the following:

- Permit to work within the Ozaukee County right-of-way
- Saw cut curb and sidewalk
- Remove and replace curb, sidewalk and pavement
- Excavate 15-feet for new lateral
- Haul away spoils from excavation
- Slurry backfill under the roadway
- Stone bedding for all other pipe areas
- Traffic control
- Dust control
- Street sweeping
- Private utilities
- Dewatering (if required)
- Restoration

Fiscal Impact

The quote for the project is \$53,600. While the final work has not yet been invoiced, staff is requesting ratification of the repair at a total of \$60,000 to include unforeseen, ancillary costs.

The project will be paid for through the gravity sanitary sewer capital account.

Recommendation

A recommendation from the Sewer Utility District Commission is forthcoming on June 11, 2024.

COMMON COUNCIL
OF THE
CITY OF MEQUON

RESOLUTION 4130

A Resolution Ratifying Replacement of a Public Sanitary Sewer Lateral at 11333 North Port Washington Road with Grunau of Oak Creek, Wisconsin, in the Estimated Amount of \$60,000

RECITALS

- A. The public portion of the sanitary sewer lateral at 11333 North Port Washington Road requires replacement.
- B. The repair is critical to the construction of the development at 11333 North Port Washington Road and time was of the essence, creating an emergency situation that did not allow for approval prior to the authorization of the expenditure.
- C. The Sewer Utility Gravity Sanitary Sewer Fund Account has sufficient funds for the emergency repair and previously authorized or planned expenditures.
- D. Sewer Utility District Commission recommended approval on June 11, 2024.

BASED UPON THE FOREGOING RECITALS, IT IS RESOLVED by the Common Council of the City of Mequon, Wisconsin that the estimated, not-to-exceed \$60,000 project completed by Grunau of Oak Creek, Wisconsin, is ratified.

Approved by: Andrew Nerbun, Mayor

Date Approved: June 11, 2024

I certify that the foregoing Resolution was adopted by the Common Council of the City of Mequon, Wisconsin, at a meeting held on June 11, 2024.

Caroline Fochs, City Clerk



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Office of Engineering

TO: Sewer Utility District Commission
FROM: Kristen Lundeen, Director of Public Works/City Engineer
DATE: June 11, 2024
SUBJECT: RESOLUTION 4131 A Resolution Authorizing Staff to File the City of Mequon's Compliance Maintenance Annual Report (CMAR) for Calendar Year 2023, in Accordance with Requirements Under Wisconsin Administrative Code NR208

Background

As a state requirement for owning and operating a separate municipal storm sewer system that discharges to waters of the state, the City maintains a general Wisconsin Pollution Discharge Elimination System (WPDES) permit through the Wisconsin Department of Natural Resources (WDNR). The permit covers water quality, illicit discharges, public information and education, storm water, and erosion control. In addition to an annual stormwater report, the City must also file a Compliance Maintenance Annual Report (CMAR) for the sanitary sewer system and any emergency sewer system overflows that may occur.

Analysis

The draft 2023 CMAR is attached for review and the WDNR requires that it be filed by June 30. Part of the reporting requirement is that the governing body of the municipality must adopt an annual resolution stating that it has reviewed the report before it is filed each year. The report has a grading system for both the financial management and collection systems. If a community falls below an overall grade point (3.00), scores less than a "C" in any individual CMAR section, or if Sanitary Sewer Overflows (SSOs) were reported in the year, the City must identify improvements to correct system deficiencies and improve the report's score. In 2023, the City continued its "A" grade for financial management and collection systems.

In 2023, the City reported three SSOs as a result of wet weather/snowmelt in February at lift stations in the vicinity of the Milwaukee River, in addition to one SSO as a result of equipment failure. In 2019, the City completed the prioritization for Private Property Inflow and Infiltration reduction to better manage wet weather events, and project implementation is ongoing. In addition, the construction of a new Lift Station E will provide additional capacity and relief to the four upstream lift stations which discharge into the station.

It is staff's recommendation that the Sewer Utility District favorably endorse, and the Common Council approve the accompanying resolution, which authorizes staff to file the CMAR report.

Fiscal Impact

There is no fiscal impact to filing this report outside of the staff time necessary for its preparation. Any potential projects identified must ultimately be approved by the Sanitary Sewer

Utility Commission prior to proceeding.

Recommendation

A recommendation is forthcoming from the Sewer Utility District Commission on June 11, 2024.

Attachments:

2023 Draft CMAR (PDF)

COMMON COUNCIL
OF THE
CITY OF MEQUON

RESOLUTION 4131

A Resolution Authorizing Staff to File the City of Mequon's Compliance Maintenance Annual Report (CMAR) for Calendar Year 2023, in Accordance with Requirements Under Wisconsin Administrative Code NR208

RECITALS

A. It is a requirement under the Wisconsin Pollutant Discharge Elimination System (WPDES) permit issued by the Wisconsin Department of Natural Resources to file a Compliance Maintenance Annual Report (CMAR) for Mequon's wastewater collection system under Wisconsin Administrative Code NR208.

B. It is necessary to acknowledge that the governing body has reviewed the CMAR.

C. It is necessary to provide recommendations or an action response plan for any individual CMAR section within the annual report with a grade of "C" or less, an overall grade point average of less than 3.0, or in a year where a Sanitary Sewer Overflow was reported.

BASED UPON THE FOREGOING RECITALS, IT IS RESOLVED by the Common Council of the City of Mequon, Wisconsin, that the CMAR has been reviewed and staff is hereby authorized to file said report and recommendations.

IT IS FURTHER RESOLVED by the Common Council of the City of Mequon, Wisconsin, that while the City has an overall GPA of 4.00, the City will continue to evaluate its system and take necessary actions to maintain and improve the collection system which may include:

1. Continuation of current system improvements such as manhole rehabilitation, mainline rehabilitation, and upgrades to force mains and lift stations.
2. Continued evaluation of sewer utility collection system energy efficiency and costs related to power for lift station system pumping, in reference to Section 6 of the CMAR.

Approved by: Andrew Nerbun, Mayor

Date Approved: June 11, 2024

I certify that the foregoing Resolution was adopted by the Common Council of the City of Mequon, Wisconsin, at a meeting held on June 11, 2024.

Caroline Fochs, City Clerk

Compliance Maintenance Annual Report

3.b.a

Mequon Sewage Collection System

Last Updated: Reporting For:
5/28/2024 2023

Financial Management

<p>1. Provider of Financial Information</p> <p>Name: <input style="width: 300px;" type="text" value="Kristen Lundeen"/></p> <p>Telephone: <input style="width: 150px;" type="text" value="262-236-2938"/> (XXX) XXX-XXXX</p> <p>E-Mail Address (optional): <input style="width: 300px;" type="text" value="klundeen@ci.mequon.wi.us"/></p>													
<p>2. Treatment Works Operating Revenues</p> <p>2.1 Are User Charges or other revenues sufficient to cover O&M expenses for your wastewater treatment plant AND/OR collection system ?</p> <p>● Yes (0 points) <input type="checkbox"/><input type="checkbox"/></p> <p>○ No (40 points)</p> <p>If No, please explain:</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <p>2.2 When was the User Charge System or other revenue source(s) last reviewed and/or revised?</p> <p>Year: <input style="width: 100px;" type="text" value="2023"/></p> <p>● 0-2 years ago (0 points) <input type="checkbox"/><input type="checkbox"/></p> <p>○ 3 or more years ago (20 points) <input type="checkbox"/><input type="checkbox"/></p> <p>○ N/A (private facility)</p> <p>2.3 Did you have a special account (e.g., CFWP required segregated Replacement Fund, etc.) or financial resources available for repairing or replacing equipment for your wastewater treatment plant and/or collection system?</p> <p>● Yes (0 points)</p> <p>○ No (40 points)</p>	0												
<p>REPLACEMENT FUNDS [PUBLIC MUNICIPAL FACILITIES SHALL COMPLETE QUESTION 3]</p>													
<p>3. Equipment Replacement Funds</p> <p>3.1 When was the Equipment Replacement Fund last reviewed and/or revised?</p> <p>Year: <input style="width: 100px;" type="text" value="2023"/></p> <p>● 1-2 years ago (0 points) <input type="checkbox"/><input type="checkbox"/></p> <p>○ 3 or more years ago (20 points) <input type="checkbox"/><input type="checkbox"/></p> <p>○ N/A</p> <p>If N/A, please explain:</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>													
<p>3.2 Equipment Replacement Fund Activity</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">3.2.1 Ending Balance Reported on Last Year's CMAR</td> <td style="width: 5%; text-align: right;">\$</td> <td style="width: 35%; text-align: right;"><input style="width: 100%;" type="text" value="316,214.77"/></td> </tr> <tr> <td>3.2.2 Adjustments - if necessary (e.g. earned interest, audit correction, withdrawal of excess funds, increase making up previous shortfall, etc.)</td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><input style="width: 100%;" type="text" value="0.00"/></td> </tr> <tr> <td>3.2.3 Adjusted January 1st Beginning Balance</td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><input style="width: 100%;" type="text" value="316,214.77"/></td> </tr> <tr> <td>3.2.4 Additions to Fund (e.g. portion of User Fee, earned interest, etc.)</td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><input style="width: 100%;" type="text" value="35,000.00"/></td> </tr> </table>	3.2.1 Ending Balance Reported on Last Year's CMAR	\$	<input style="width: 100%;" type="text" value="316,214.77"/>	3.2.2 Adjustments - if necessary (e.g. earned interest, audit correction, withdrawal of excess funds, increase making up previous shortfall, etc.)	\$	<input style="width: 100%;" type="text" value="0.00"/>	3.2.3 Adjusted January 1st Beginning Balance	\$	<input style="width: 100%;" type="text" value="316,214.77"/>	3.2.4 Additions to Fund (e.g. portion of User Fee, earned interest, etc.)	\$	<input style="width: 100%;" type="text" value="35,000.00"/>	
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3.2.3 Adjusted January 1st Beginning Balance	\$	<input style="width: 100%;" type="text" value="316,214.77"/>											
3.2.4 Additions to Fund (e.g. portion of User Fee, earned interest, etc.)	\$	<input style="width: 100%;" type="text" value="35,000.00"/>											

Attachment: 2023 Draft CMAR (RESOLUTION 4131 : Compliance Maintenance Annual Report to WDNR)

Compliance Maintenance Annual Report

3.b.a

Mequon Sewage Collection System

Last Updated: Reporting For:
5/28/2024 2023

3.2.5 Subtractions from Fund (e.g., equipment replacement, major repairs - use description box 3.2.6.1 below*) -

\$ 0.00

3.2.6 Ending Balance as of December 31st for CMAR Reporting Year

\$ 351,214.77

All Sources: This ending balance should include all Equipment Replacement Funds whether held in a bank account(s), certificate(s) of deposit, etc.

3.2.6.1 Indicate adjustments, equipment purchases, and/or major repairs from 3.2.5 above.

Nothing to report for 2023

3.3 What amount should be in your Replacement Fund? \$ 200,000.00

0

Please note: If you had a CFWP loan, this amount was originally based on the Financial Assistance Agreement (FAA) and should be regularly updated as needed. Further calculation instructions and an example can be found by clicking the SectionInstructions link under Info header in the left-side menu.

3.3.1 Is the December 31 Ending Balance in your Replacement Fund above, (#3.2.6) equal to, or greater than the amount that should be in it (#3.3)?

- Yes
- No

If No, please explain.

4. Future Planning

4.1 During the next ten years, will you be involved in formal planning for upgrading, rehabilitating, or new construction of your treatment facility or collection system?

- Yes - If Yes, please provide major project information, if not already listed below.
- No

Project #	Project Description	Estimated Cost	Approximate Construction Year
1	Generator, New (LS H)	\$60,000	2025
2	Generator, New (LS K)	\$60,000	2026
3	Generator, New (LS Q)	\$60,000	2027
4	Generator, New (LS J)	\$60,000	2028
5	On-site generator, Replacement (LS V)	\$60,000	2025
6	Lift station & force main R Design and Construction	\$250,000	2028
7	Commercial Sewer Meter Improvements	\$10,000	2023
8	Annual Manhole Inspections	\$30,000	2024
9	Annual Manhole Rehabilitation	\$85,000	2024
10	Sanitary Building Sewer Lateral Work in Ranch Road LS "E" area	\$755,858	2024
11	Lift Station Pump, Valve, Motor Replacement (R,S,T,U)	\$200,000	2025
12	Equipment - Lateral Camera Truck, New	\$250,000	2030
13	Equipment - Sewer Main Camera Truck, Replacement	\$250,000	2025
14	Replace Ranch Road Lift Station E	\$8,800,000	2025
15	Fieldwood Drive Lift Station "G" Force Main Improvements	\$2,200,000	2022
16	Heritage Estates Siphon Replacement Design Study	\$25,000	2026
17	Generator, New (LS M)	\$60,000	2029
18	LS E Infrastructure Utility Work	\$932,000	2025
19	Glen Oaks Lane LS Area E Gravity Sewer Improvements, Construct 1300ft, Ph 3	\$1,300,000	2025
20	Glen Oakes Lane Area E Gravity Sewer Improvements, Construct 1700ft, Phase IV	\$1,700,000	2026

Attachment: 2023 Draft CMAR (RESOLUTION 4131 : Compliance Maintenance Annual Report to WDNR)

Compliance Maintenance Annual Report

3.b.a

Mequon Sewage Collection System

Last Updated: Reporting For:
5/28/2024 **2023**

21	Riverdale Park Area F Gravity Sewer Improvements	\$1,500,000	2027
22	Sewer Main Improvements in Areas A, B, C, D	\$1,000,000	2027
23	Update System Hydraulic Modeling with Improvements	\$50,000	2028
24	Mequon Road, Flow Equalization @STH57	\$210,000	2027
25	Fieldwood Drive Lift Station G Capacity Upgrade	\$275,000	2026

5. Financial Management General Comments

None

ENERGY EFFICIENCY AND USE

6. Collection System

6.1 Energy Usage

6.1.1 Enter the monthly energy usage from the different energy sources:

COLLECTION SYSTEM PUMPAGE: Total Power Consumed

Number of Municipally Owned Pump/Lift Stations:

	Electricity Consumed (kWh)	Natural Gas Consumed (therms)
January	58,006	53
February	57,132	22
March	78,494	128
April	80,478	22
May	53,982	55
June	32,279	61
July	27,764	25
August	31,753	128
September	29,592	26
October	29,584	63
November	40,262	35
December	44,079	45
Total	563,405	663
Average	46,950	55

6.1.2 Comments:

6.2 Energy Related Processes and Equipment

6.2.1 Indicate equipment and practices utilized at your pump/lift stations (Check all that apply):

- Comminution or Screening
- Extended Shaft Pumps
- Flow Metering and Recording
- Pneumatic Pumping
- SCADA System
- Self-Priming Pumps
- Submersible Pumps
- Variable Speed Drives
- Other:

Attachment: 2023 Draft CMAR (RESOLUTION 4131 : Compliance Maintenance Annual Report to WDNR)

Compliance Maintenance Annual Report

3.b.a

Mequon Sewage Collection System

Last Updated: Reporting For:
5/28/2024 2023

<div data-bbox="147 205 1461 260" style="border: 1px solid black; height: 26px;"></div>
6.2.2 Comments: <div data-bbox="134 302 1461 354" style="border: 1px solid black; height: 25px;"></div>
6.3 Has an Energy Study been performed for your pump/lift stations? <input type="radio"/> No <input checked="" type="radio"/> Yes Year: <div data-bbox="212 499 482 541" style="border: 1px solid black; padding: 2px;">2019</div> By Whom: <div data-bbox="284 577 552 619" style="border: 1px solid black; padding: 2px;">Arch Electric</div> Describe and Comment: <div data-bbox="134 657 1461 743" style="border: 1px solid black; padding: 5px;">Preliminary Feasibility Study to evaluate options for utility energy cost offset, including solar (pending site selection)</div>
6.4 Future Energy Related Equipment 6.4.1 What energy efficient equipment or practices do you have planned for the future for your pump/lift stations? <div data-bbox="121 947 1461 1024" style="border: 1px solid black; padding: 5px;">Continue lift station assessments and inspections to verify stations have optimal performance. Replace pumps with more efficient models, and update controls (PLCs) and transducers.</div>

Total Points Generated	0
Score (100 - Total Points Generated)	100
Section Grade	A

Attachment: 2023 Draft CMAR (RESOLUTION 4131 : Compliance Maintenance Annual Report to WDNR)

Compliance Maintenance Annual Report

3.b.a

Mequon Sewage Collection System

Last Updated: Reporting For:
5/28/2024 2023

Sanitary Sewer Collection Systems

1. Capacity, Management, Operation, and Maintenance (CMOM) Program

1.1 Do you have a CMOM program that is being implemented?

- Yes
- No

If No, explain:

1.2 Do you have a CMOM program that contains all the applicable components and items according to Wisc. Adm Code NR 210.23 (4)?

- Yes
- No (30 points)
- N/A

If No or N/A, explain:

1.3 Does your CMOM program contain the following components and items? (check the components and items that apply)

- Goals [NR 210.23 (4)(a)]

Describe the major goals you had for your collection system last year:

Comply with WPDES permit for sanitary sewer overflows;
Minimize occurrence of preventable overflows;
Improve and maintain system reliability;
Provide adequate capacity to convey peak flow;
Manage infiltration and inflow; and
Protect collection system worker health and safety.

Did you accomplish them?

- Yes
- No

If No, explain:

- Organization [NR 210.23 (4) (b)]

Does this chapter of your CMOM include:

- Organizational structure and positions (eg. organizational chart and position descriptions)
- Internal and external lines of communication responsibilities
- Person(s) responsible for reporting overflow events to the department and the public

- Legal Authority [NR 210.23 (4) (c)]

What is the legally binding document that regulates the use of your sewer system?

City Ordinance 86-IV

If you have a Sewer Use Ordinance or other similar document, when was it last reviewed and revised? (MM/DD/YYYY) 1996-11-12

Does your sewer use ordinance or other legally binding document address the following:

- Private property inflow and infiltration
- New sewer and building sewer design, construction, installation, testing and inspection
- Rehabilitated sewer and lift station installation, testing and inspection
- Sewage flows satellite system and large private users are monitored and controlled, as necessary
- Fat, oil and grease control
- Enforcement procedures for sewer use non-compliance
- Operation and Maintenance [NR 210.23 (4) (d)]

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Compliance Maintenance Annual Report

Mequon Sewage Collection System

Last Updated: Reporting For:
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Does your operation and maintenance program and equipment include the following:

- Equipment and replacement part inventories
- Up-to-date sewer system map
- A management system (computer database and/or file system) for collection system information for O&M activities, investigation and rehabilitation
- A description of routine operation and maintenance activities (see question 2 below)
- Capacity assessment program
- Basement back assessment and correction
- Regular O&M training
- Design and Performance Provisions [NR 210.23 (4) (e)]

What standards and procedures are established for the design, construction, and inspection of the sewer collection system, including building sewers and interceptor sewers on private property?

- State Plumbing Code, DNR NR 110 Standards and/or local Municipal Code Requirements
- Construction, Inspection, and Testing
- Others:

Overflow Emergency Response Plan [NR 210.23 (4) (f)]

Does your emergency response capability include:

- Responsible personnel communication procedures
- Response order, timing and clean-up
- Public notification protocols
- Training
- Emergency operation protocols and implementation procedures

Annual Self-Auditing of your CMOM Program [NR 210.23 (5)]

Special Studies Last Year (check only those that apply):

- Infiltration/Inflow (I/I) Analysis
- Sewer System Evaluation Survey (SSES)
- Sewer Evaluation and Capacity Management Plan (SECAP)
- Lift Station Evaluation Report
- Others:

0

Attachment: 2023 Draft CMAR (RESOLUTION 4131 : Compliance Maintenance Annual Report to WDNR)

2. Operation and Maintenance

2.1 Did your sanitary sewer collection system maintenance program include the following maintenance activities? Complete all that apply and indicate the amount maintained.

Cleaning	21	% of system/year
Root removal	21	% of system/year
Flow monitoring	3	% of system/year
Smoke testing	0	% of system/year
Sewer line televising	7	% of system/year
Manhole inspections	38	% of system/year
Lift station O&M	23	# per L.S./year
Manhole rehabilitation	0	% of manholes rehabbed
Mainline rehabilitation	0	% of sewer lines rehabbed

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Private sewer inspections % of system/year

Private sewer I/I removal % of private services

River or water crossings % of pipe crossings evaluated or maintained

Please include additional comments about your sanitary sewer collection system below:

3. Performance Indicators

3.1 Provide the following collection system and flow information for the past year.

<input type="text" value="33.65"/>	Total actual amount of precipitation last year in inches
<input type="text" value="34.6"/>	Annual average precipitation (for your location)
<input type="text" value="166.65"/>	Miles of sanitary sewer
<input type="text" value="23"/>	Number of lift stations
<input type="text" value="0"/>	Number of lift station failures
<input type="text" value="0"/>	Number of sewer pipe failures
<input type="text" value="23"/>	Number of basement backup occurrences
<input type="text" value="23"/>	Number of complaints
<input type="text"/>	Average daily flow in MGD (if available)
<input type="text"/>	Peak monthly flow in MGD (if available)
<input type="text"/>	Peak hourly flow in MGD (if available)

3.2 Performance ratios for the past year:

<input type="text" value="0.00"/>	Lift station failures (failures/year)
<input type="text" value="0.00"/>	Sewer pipe failures (pipe failures/sewer mile/yr)
<input type="text" value="0.02"/>	Sanitary sewer overflows (number/sewer mile/yr)
<input type="text" value="0.14"/>	Basement backups (number/sewer mile)
<input type="text" value="0.14"/>	Complaints (number/sewer mile)
<input type="text"/>	Peaking factor ratio (Peak Monthly:Annual Daily Avg)
<input type="text"/>	Peaking factor ratio (Peak Hourly:Annual Daily Avg)

4. Overflows

LIST OF SANITARY SEWER (SSO) AND TREATMENT FACILITY (TFO) OVERFLOWS REPORTED **				
	Date	Location	Cause	Estimated Volume
0	2/27/2023 1:00:00 PM - 2/27/2023 1:45:00 PM	12735 N. Fieldwood Dr. (LS G)	Rain, Snowmelt	7,425
1	2/27/2023 12:00:00 PM - 2/27/2023 4:00:00 PM	12439 N. Circle Dr (Riverdale Park Lift Station "F")	Rain, Snowmelt	90,000
2	2/27/2023 12:30:00 PM - 2/27/2023 6:00:00 PM	2932 W. Riverland Dr (Lift Station "H")	Rain, Snowmelt, Flooding	57,750
3	4/18/2023 2:00:00 PM - 4/18/2023 3:00:00 PM	12300 N. Port Washington Road	Plugged Sewer, Equipment Failure	4,500

** If there were any SSOs or TFOs that are not listed above, please contact the DNR and stop work on this section until corrected.

Attachment: 2023 Draft CMAR (RESOLUTION 4131 : Compliance Maintenance Annual Report to WDNR)

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3.b.a

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What actions were taken, or are underway, to reduce or eliminate SSO or TFO occurrences in the future?

Construction of a new Lift Station E, which accepts discharge from 4 other lift stations to increase capacity and efficiency. Sewer Lateral Work to reduce I/I, Sewer Main Rehabilitation, Replace pumps at lift stations to increase pump capacity.

5. Infiltration / Inflow (I/I)

5.1 Was infiltration/inflow (I/I) significant in your community last year?

- Yes
- No

If Yes, please describe:

During wet weather flow rates and lift station pump cycles increase

5.2 Has infiltration/inflow and resultant high flows affected performance or created problems in your collection system, lift stations, or treatment plant at any time in the past year?

- Yes
- No

If Yes, please describe:

During wet weather flow rates and lift station pump cycles increase

5.3 Explain any infiltration/inflow (I/I) changes this year from previous years:

Continued with sewer mainline and manhole rehabilitation including grouting and lining, and continued with private property inflow and infiltration (PPI/I) reduction program.

5.4 What is being done to address infiltration/inflow in your collection system?

Continued with sewer mainline and manhole rehabilitation including grouting and lining, and continued with private property inflow and infiltration (PPI/I) reduction program.

Total Points Generated	0
Score (100 - Total Points Generated)	100
Section Grade	A

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Compliance Maintenance Annual Report

3.b.a

Mequon Sewage Collection System

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Grading Summary

WPDES No: 0047341

SECTIONS	LETTER GRADE	GRADE POINTS	WEIGHTING FACTORS	SECTION POINTS
Financial	A	4	1	4
Collection	A	4	3	12
TOTALS			4	16
GRADE POINT AVERAGE (GPA) = 4.00				

Notes:

- A = Voluntary Range (Response Optional)
- B = Voluntary Range (Response Optional)
- C = Recommendation Range (Response Required)
- D = Action Range (Response Required)
- F = Action Range (Response Required)

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Resolution or Owner's Statement

Name of Governing Body or Owner:	<input type="text"/>
Date of Resolution or Action Taken:	<input type="text"/>
Resolution Number:	<input type="text"/>
Date of Submittal:	<input type="text"/>

ACTIONS SET FORTH BY THE GOVERNING BODY OR OWNER RELATING TO SPECIFIC CMAR SECTIONS (Optional for grade A or B. Required for grade C, D, or F):

Financial Management: Grade = A

Collection Systems: Grade = A
(Regardless of grade, response required for Collection Systems if SSOs were reported)

ACTIONS SET FORTH BY THE GOVERNING BODY OR OWNER RELATING TO THE OVERALL GRADE POINT AVERAGE AND ANY GENERAL COMMENTS
(Optional for G.P.A. greater than or equal to 3.00, required for G.P.A. less than 3.00)

G.P.A. = 4.00

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Office of Engineering

TO: Sewer Utility District Commission
FROM: Kristen Lundeen, Director of Public Works/City Engineer
DATE: June 11, 2024
SUBJECT: Financial Policy Statement 19: Sewer Utility Levy and User Rates

Background

At the May 2nd Strategic Planning Workshop, the Common Council authorized staff to proceed with the generation of a financial policy that annually establishes sewer user rates and the corresponding tax levy.

The intent of this agenda item is to introduce the draft policy for review, discussion and consideration. In July, the final policy document will be before the Sewer Utility District Commission (SUDC) for recommendation and subsequently the Common Council for approval.

Analysis

During previous budget cycles, staff and the SUDC have discussed the best strategy for budgeting for capital costs: borrowing or self-funding. Borrowing consists of the issuance of debt, whereas self-funding relies upon revenues generated either by user rates or sewer levy.

At the workshop, the City's financial advisor, Ehlers, presented an overview of and recommendation for cash basis accounting. This accounting practice ensures that revenues for the utility are stable and viable for the long-term forecasting of utility expenses, as opposed to budgeting on an annual, or incremental, basis. It also puts the utility in the position to be eligible for revenue bonds, although borrowing for the sewer utility is often structured under the City's bonding capacity and associated debt rating.

Attached to this memo is the draft policy. The policy outlines the framework and goals for preparing the Sewer Utility's annual budget, which includes a flat sewer levy and revenue targets for self-funded capital projects. The policy relies on moderate and consistent increases in user rates. Please note that the policy is intended to allow the Utility to meet its funding goals long-term, while also establishing reporting requirements for transparency. If the budget in any particular fiscal year fails to meet identified funding goals/targets, staff will provide additional forecasting to show how/whether the Utility will meet the goals in the long-term.

As with any of the City's current financial policies, this policy can be amended at any time. With annual reporting and forecasting requirements, staff will leverage the process to recommend policy changes, as warranted.

Fiscal Impact

The policy memorializes the Council's previous direction to freeze the sewer levy and transition towards self-funding capital projects through the user rates. It also helps define the revenue triggers that would necessitate borrowing versus self-funding, although the decision to borrow would continue to be at the discretion of the SUDC/City on a project-by-project basis.

Additionally, the policy defines the process for budget generation, and the framework under which annual analyses are completed to determine whether the budget meets established goals and reporting requirements. Specifically, the proposed policy provides Utility staff with standard guidance for budget generation.

The SUDC will have the opportunity each year to adjust the budget, user rates and/or levy, as circumstances warrant. In practice, it is anticipated that rates will increase approximately 5.5% annually until goals within the longer-term funding framework are met. Rate increases will subsequently be adjusted as required, in order to ensure the Utility's long-term financial sustainability.

Recommendation

Staff recommends that the SUDC review the draft policy and provide staff with feedback, in advance of considering the policy's adoption in July.

Attachments:

Sewer User Rate and Levy Policy (PDF)

POLICY STATEMENT 19 SEWER USER RATE AND LEVY

The Sewer Utility funds operation and maintenance expenses through user rates and funds capital through user rates and taxes as an enterprise fund. User rates consist of both flat and volumetric rates. The intent of this policy is to create a sustainable revenue source with the goal of predictable user rates and stable levy. The policy will be utilized for development of the Sewer Utility's annual operating and capital budgets.

Annually, the Sewer Utility budget shall be generated with the following goals:

- No adjustments to the Sewer District Tax Rate without a policy amendment.
- Self-funded capital accounts to meet projected capital needs.
- Rate revenue adjustments to maintain a recommended debt service coverage ratio of 1.6.
- Level, sustainable user rate increases based on the 10-year outlook of the Sewer Utility.

Staff is required to report whether the policy framework is being achieved with each budget cycle. In years where not all goals are being met, staff shall provide a 10-year outlook (including the budget year) which shows the adjustments required to meet the identified targets.

Sewer District Tax Rate

Unless amended by policy, the sewer levy shall remain flat at \$1.62 per \$1,000 assessed. The sewer levy funds Metropolitan Milwaukee Sewerage District (MMSD) annual capital expenses and self-funds Sewer Utility capital projects. The levy is established annually via ordinance.

Sewer User Rates

The Sewer Utility will utilize cash basis accounting for determining user rates. Cash basis accounting shall determine total revenue requirements by adding the operation and maintenance expenses, taxes/transfer payments, debt service (both principal and interest) and capital funding from user rates (excluding capital funded from levy) and subtracting non-rate revenue. The user rates are established annually, concurrent to the fiscal year budget approval.

Capital Funding

The Sewer Utility will endeavor to be self-funding for capital projects when practical and when user rates will not vary significantly as a result. Terms for borrowing shall consider whether:

- Unrestricted Reserves Policy can be met as a result of capital expenditures.
- Appropriate cash balances remain at the end of the planning period.
- Future debt is structured around existing debt until additional debt capacity is available.

Process Overview:

Annually, the Sewer Utility budget shall be generated as follows:

1. Identify the anticipated expenses for the fiscal year by populating the anticipated fiscal year expenditures for both operation and maintenance and capital projects, both for the Sewer Utility and MMSD.
2. Calculate the revenue generated by the sewer levy. From that, subtract the MMSD capital charges to identify the remaining revenue available and allocate such as self-funding capital.
3. Identify the additional self-funded capital required to meet the annual projection of capital expenses and populate that as the revenue requirement for user rates.
4. Establish the estimated flow volume for the Sewer Utility for both residential and

commercial users on the basis of the number of customers, the MMSD residential occupancy factor and equivalent residential units.

5. Adjust residential and commercial user rates and the tax exempt capital rate as required to meet the goals of the policy within a 10-year planning outlook.
6. Validate and report to the Sewer Utility District Commission whether the budget meets this policy's goals, including the amount allocated for undesignated cash reserves.
7. Allocate the capital funding and excess undesignated cash reserves to the appropriate capital accounts.