



11333 N. Cedarburg Road
Mequon, WI 53092
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www.ci.mequon.wi.us

Public Works/Engineering
Taped and Televised

SEWER UTILITY DISTRICT COMMISSION

Wednesday, November 9, 2022

7:30 PM

Christine Nuernberg Hall

Agenda

1) Call to Order, Roll Call

2) Approval of Meeting Minutes

Action requested: review and approve

a. October 27, 2022 Minutes

3) Ordinances

Action requested: review and recommend approval

a. **ORDINANCE 2022-1632** An Ordinance Appropriating the Necessary Funds from the City of Mequon's Sewer Utility District for the Year 2023 for Capital Charge Payments to the Milwaukee Metropolitan Sewerage District (MMSD) and City of Mequon Capital Debt Service Requirements

4) Resolutions

Action requested: review and recommend approval

a. **RESOLUTION 3998** A Resolution Rejecting the Bids for a Back-up Pumping System at Lift Station E (Ranch Road)

5) Adjourn

Dated: November 9, 2022

/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

Thursday, October 27, 2022

7:00 PM

Christine Nuernberg Hall

Minutes

1) Call to Order, Roll Call

Present:

Commissioner Andrew Nerbun
 Commissioner Mark Gierl
 Commissioner Jeffrey Hansher
 Commissioner Dale Mayr
 Commissioner Brian Parrish
 Commissioner Kathleen Schneider
 Commissioner Glenn Bushee -- **Excused**
 Commissioner Robert Strzelczyk -- **Excused**
 Vacant Seat -- **Excused**

Also present were City Clerk Fochs, City Administrator Jones, City Attorney Sajdak, Director of Public Works/City Engineer Lundeen Deputy Director of Utilities Driscoll, Finance Director Engroff, press and interested public.

2) Approval of Meeting Minutes

- a. Sewer Utility District Commission - Regular Meeting - Sep 13, 2022 7:15 PM

Moved by Commissioner Schneider, seconded by Commissioner Parrish to approve the minutes from September 13, 2022, 7:15 PM. Motion approve by voice acclamation.

3) Consent Agenda

- a. **RESOLUTION 3987** A Resolution Authorizing Execution of a Sanitary Service Deferral Agreement for the Property Located at 8813 West Mequon Road

The commission took Resolution 3987 and 3986 up together.

Attachment: 10-27-22 Min_Sewer Utility District (7877 : October 27, 2022 Minutes)

- b. **RESOLUTION 3986** A Resolution Authorizing Execution of a Sanitary Service Deferral Agreement for the Property Located at 13120 North West Shoreland Drive

The commission took Resolution 3987 and 3986 up together.

RESULT: Approved by Voice Acclamation [Unanimous]
MOVED BY: Commissioner Schneider
SECONDED BY: Commissioner Gierl

AYES: Nerbun, Gierl, Hansher, Mayr, Parrish, Schneider
ABSENT: Bushee, Strzelczyk

4) Discussion Items

- a. Lift Station E - Replacement Site Selection and Preliminary Cost Estimate

Discussion ensued about the challenges of finding a site that was appropriate in terms of engineering and accessibility of the land. The intent would be to keep the connection to the pedestrian pathway on one side of the structure and access for Sewer Utility Vehicles on the other side. The discussion concluded in consensus that staff proceed with the design to replace Lift Station E in the City right-of-way extended north of the dead end to Laguna Drive outside of the floodplain.

- b. A Resolution Rejecting the Bids for a Back-up Pumping System at Lift Station E (Ranch Road)

Staff asked for direction from the Commission to either award the contract for the back-up pumping system or to pursue other options. Back up pumping is needed in the event of a power fail at LS E, where anticipated replacement of a new lift station will take 24-30 months. Historically, power fails have occurred on transmissions from each substation power feed, however not simultaneously. Commissioners expressed consensus to reject the bid to construct the Lift Station E back-up pumping system and directed staff to pursue other options.

- c. Discussion Regarding the Sanitary Sewer Utility Mill Rate

A motion was made to suspend the rules to take up item “4.c.” before items “4.a” and “4.b” Moved by Commissioner Parrish, seconded by Commissioner Schneider. Motion was unanimously approved by voice acclamation.

City Administrator Jones identified options for adjusting sewer tax rate to address future capital needs, that included self-funding, debt financing and a hybrid option. He identified that historically staff has approached the sewer levy as not subject to tax levy limits because it is not considered a ‘covered service’ by levy limits, in addition to the Sewer Utility enabling Ordinance that was adopted in 1996 that specified SUDC funding via Levy & User Charges. The current sewer levy includes MMSD capital charges in addition to debt service & capital funding. City Administrator Jones indicated that Finance Director Engroff will identify options and advised that additional discussion be brought back on this item to the

Commission in the first quarter of 2023.

Finance Director Engroff presented options that included a reduction of the sanitary tax rate by \$0.03 per \$1,000 assessed based on the tax levy limit, where that would result in \$129,000 (7.2%) decrease in capital funding. In addition, due to the capital funding decrease, an increase in user charges and fees could offset that. To offset that an increase to the quarterly rate by \$3.00 from \$75.00 to \$78.00 (4%) and an increase to the volumetric rate by \$0.29 (4%) would restore capital funding by \$139,000.

Commissioner D. Mayr made a motion to set the sanitary tax rate at \$1.59 per \$1,000 assessed, the quarterly flat rate at \$78.00, and the volumetric rate at \$7.55 per 1,000 gallons. City Attorney Sajdak confirmed this motion can be addressed during the discussion item, and that it can be recommended for inclusion in the budget resolution.

RESULT: Approved by Roll Call Vote [Unanimous]
MOVED BY: Commissioner Mayr
SECONDED BY: Commissioner Hansher

AYES: Nerbun, Gierl, Hansher, Mayr, Parrish, Schneider
ABSENT: Bushee, Strzelczyk

5) Resolutions

Action requested: review and recommend approval

- a. **RESOLUTION 3991** A Resolution Adopting the Fiscal Year 2023 Sanitary Sewer Utility Budget and Establishing the 2023 Sanitary Sewer User Fee Schedule

RESULT: Approved by Roll Call Vote [Unanimous]
MOVED BY: Commissioner Mayr
SECONDED BY: Commissioner Gierl

AYES: Nerbun, Gierl, Hansher, Mayr, Parrish, Schneider
ABSENT: Bushee, Strzelczyk

6) Adjourn

- a. Motion to Adjourn at 7:54

RESULT: Approved by Voice Acclamation [Unanimous]
MOVED BY: Commissioner Gierl
SECONDED BY: Commissioner Parrish

AYES:	Nerbun, Gierl, Hansher, Mayr, Parrish, Schneider
ABSENT:	Strzelczyk, Bushee

Respectfully Submitted,

Karen Schlereth
Administrative Secretary

Attachment: 10-27-22 Min_Sewer Utility District (7877 : October 27, 2022 Minutes)



11333 N. Cedarburg Road
Mequon, WI 53092-1930

Phone:

Fax: 262-242-9655

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Office of Sewer Utility District Commission

TO: Sewer Utility District Commission
FROM: Jennifer Engroff, Finance Director
DATE: October 28, 2022
SUBJECT: ORDINANCE 2022-1632 An Ordinance Appropriating the Necessary Funds from the City of Mequon's Sewer Utility District for the Year 2023 for Capital Charge Payments to the Milwaukee Metropolitan Sewerage District (MMSD) and City of Mequon Capital Debt Service Requirements

Background

An ordinance is required in order to appropriate the necessary funds for the City of Mequon Sewer Utility District to cover the 2023 capital charge payment to MMSD and the 2023 City of Mequon capital debt service requirements. As is the case every year, the MMSD annual capital charge to pay for capital infrastructure and watercourse improvements is an estimate, as the actual amount will not be available in time to set the levy and generate the tax roll and tax bills for 2022. The estimated MMSD capital charge is also adjusted for the difference between estimated and actual amounts incurred from the preceding year. It is then reduced by revenue received during the year from several tax-exempt organizations that have entered into separate sewer service agreements and payment in lieu of taxes (PILOT) agreements with the City.

Analysis

The 2023 estimated MMSD capital charge is projected to be \$4,604,759 which is 6.2% lower than 2022 due to a shift in their expenditures from capital to operating. This reallocation of costs allows for a sizable increase to the City of Mequon's Capital Funding without making a respective change to the levy. Projections from MMSD indicate that expected billing rates for 2024 through 2028 will increase an average of \$0.02 per \$1,000 of equalized value per year.

The capital debt service component of the tax rate is associated with the East Trunk Sewer project spanning 2018-2020 which was funded in 2018 by issuing \$19.4M in general obligation bonds. The Utility's recent history of debt service obligations (since 2014) is as follows:

Year	Existing Debt Service
2023	\$1,861,756
2022	\$1,861,893
2021	\$1,865,247
2020	\$1,699,051
2019	\$2,062,650
2018	\$1,981,513

2017	\$1,706,250
2016	\$1,798,000
2015	\$1,885,000
2014	\$1,935,500

The remaining levy capacity of \$1,249,786 has been allocated towards the Sewer Utility Capital Project Fund in order to reduce future borrowing for major projects.

To summarize, the breakdown of the recommended 2023 appropriation for the Sewer Utility District is as follows:

2022 Sewer Levy (Payable in 2023)	
Estimated 2022 MMSD Capital Charge (net)	\$4,149,989
City of Mequon Capital Debt Service Requirements (net)	\$1,814,181
Capital Improvement Projects	<u>\$1,249,786</u>
Total	<u>\$7,213,956</u>

2021 Sewer Levy (Payable in 2022)	
Estimated 2021 MMSD Capital Charge (net)	\$4,415,570
City of Mequon Capital Debt Service Requirements (net)	\$1,864,386
Capital Improvement Projects	<u>\$ 934,000</u>
Total	<u>\$7,213,956</u>

Presented below is a history of tax rates in the Sewer Utility District:

Levy Year	Mill Rate per \$1,000 of Assessed Value (TID Out)
2022	\$1.59 (Proposed Estimate)
2021	\$1.62
2020	\$1.81
2019	\$1.81
2018	\$1.94
2016	\$1.89
2015	\$1.90
2014	\$1.88
2013	\$1.76
2012	\$1.79

Fiscal Impact

Under the proposed tax levy for 2022 that is payable in 2023, a Mequon home located in the Sewer Utility District assessed at \$450,000, will pay approximately \$715 in utility taxes, which represents a 1.9% decrease from prior year. The proposed tax rate represents a decrease from a year ago, in order to maintain the same levy to ensure that the City does not exceed the combined

City/Sewer tax levy limit statutory requirement.

Recommendation

City staff recommends that the Mequon Sewer Utility District Commission favorably endorse and the Common Council adopt the ordinance appropriating the necessary funds for the City of Mequon Sewer Utility District to cover the 2023 capital charge payment to MMSD and the 2023 City of Mequon capital debt service requirements.

COMMON COUNCIL
OF THE
CITY OF MEQUON

ORDINANCE 2022-1632

An Ordinance Appropriating the Necessary Funds from the City of Mequon's Sewer Utility District for the Year 2023 for Capital Charge Payments to the Milwaukee Metropolitan Sewerage District (MMSD) and City of Mequon Capital Debt Service Requirements

THE COMMON COUNCIL OF THE CITY OF MEQUON, OZAUKEE COUNTY,
STATE OF WISCONSIN, DO ORDAIN AS FOLLOWS:

SECTION I

There is hereby appropriated out of the tax receipts of the City of Mequon's Sewer Utility District for the year 2023, the amount set forth in the total of:

Total Amount of Tax Levy	\$7,213,956
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SECTION II

There is hereby levied a tax of \$7,213,956 upon all taxable property within the City of Mequon Sewer Utility District as returned by the Assessor in 2022 for the purposes set forth in said budget.

SECTION III

The City Clerk be and hereby is authorized and directed to spread the said tax upon the current tax roll of the City of Mequon Sewer Utility District.

SECTION IV

This ordinance shall take effect and be in full force upon its passage and publication.

SECTION V

The terms and provision of this ordinance are severable. Should any term of provision of this ordinance be found to be invalid by a court of competent jurisdiction, the remaining terms and provisions shall remain in full force and effect.

SECTION VI

All ordinances and parts of ordinances in contravention to this ordinance are hereby repealed.

Approved by: Andrew Nerbun, Mayor

Date Approved: November 9, 2022

I certify that the foregoing Ordinance was adopted by the Common Council of the City of Mequon, Wisconsin, at a meeting held on November 9, 2022.

Caroline Fochs, City Clerk

Published: _____



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Office of Sewer Utility District Commission

TO: Sewer Utility District Commission
FROM: Kevin Driscoll, Deputy Director of Utilities
DATE: November 9, 2022
SUBJECT: RESOLUTION 3998 A Resolution Rejecting the Bids for a Back-up Pumping System at Lift Station E (Ranch Road)

Background

At its meeting on October 27, 2022, the Sewer Utility District Commission discussed the condition assessment of Lift Station E (see attached map) in two separate agenda items. One item specifically addressed the identified need for a backup pumping system in case both of the power sources to the station simultaneously lost power. The full memo from that meeting is attached.

Analysis

Given the cost of the bids received and the discussion at the meeting, the project was identified as cost prohibitive. As also indicated at the meeting, Sewer Utility staff will release a scope of services for the design of a replacement lift station within City right-of-way. Replacement of the existing station will consider an on-site generator to address power failure concerns. In the interim, Sewer Utility staff will continue to evaluate other less costly alternatives to address surcharging and power failure.

Fiscal Impact

Two bids were opened on Tuesday, September 27, 2022, and are summarized below.

Contractor	Amount
August Winter and Son	\$598,000
Mid-City	\$656,900

Recommendation

On October 27, 2022, the Sewer Utility District Commission approved a recommendation to reject the bids.

Attachments:

Exhibit 1 - 10-27-22 SUDC Cover Memo - Item 4b (PDF)
 Exhibit 2 - Map of LS E Area(PDF)
 Exhibit 3 - Bid Summary (#3616) (PDF)

COMMON COUNCIL
OF THE
CITY OF MEQUON

RESOLUTION 3998

A Resolution Rejecting the Bids for a Back-up Pumping System at Lift Station E (Ranch Road)

RECITALS

A. A number of capital improvement projects were identified as part of the FY2022 Sanitary Sewer budget adopted by the Common Council on October 28, 2021.

B. The Sewer Utility advertised and received bids to install an automatic back-up pumping system for the lift station at Ranch Road, also known as Lift Station E.

C. Staff has reviewed the various bids and contractor qualifications for the contracts and discussed the rejection of the bids with the Sewer Utility District Commission on October 27, 2022.

D. The Sewer Utility District Commission at its meeting on October 27, 2022, recommended the rejection of the bids and directed staff to pursue other options.

BASED ON THE FOREGOING RECITALS, IT IS RESOLVED by the Common Council of the City of Mequon, Wisconsin, that the bids to install an automatic back-up pumping system for the Ranch Road Lift Station E are rejected.

Approved by: Andrew Nerbun, Mayor

Date Approved: November 9, 2022

I certify that the foregoing Resolution was adopted by the Common Council of the City of Mequon, Wisconsin, at a meeting held on November 9, 2022.

Caroline Fochs, City Clerk



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Office of Sewer Utility District Commission

TO: Sewer Utility District Commission
FROM: Kevin Driscoll, Deputy Director of Utilities
DATE: October 19, 2022
SUBJECT: Lift Station E Back-up Pumping System Consideration

Background

In addition to the replacement of Lift Station E (LS E) on Ranch Road, the condition assessment recommended consideration of several improvements to address operational and maintenance issues in the interim. Most notably, LS E currently has two electrical feeds. No back-up generator or automatic back-up pumping system is located on site. Over the last eight years, power failures have occurred annually to each one of the dual electrical feeds, however not simultaneously. These temporary power failures are due to incidents such as high winds and tree blow down or an accident where someone's vehicle impacts a power pole that knocks it over and out of service. If both of the power feeds go out then the station pumps would become temporarily inoperable and out of service. The station operates at up to 6,000 gallons per minute (gpm) during wet weather and 1,500 gpm during dry weather. For reference, the amount or volume of domestic wastewater flow handled by LS E is roughly equivalent to filling up the City's pool every 45 minutes or 3 hours, respectively for wet weather and dry weather operations. The Sewer Utility typically dispatches portable back-up pumps to address power outages and/or high wet wells, but none of the pumps has the capacity to handle the volume of flow at LS E.

Please note that an overflow due to a power failure would not only impact LS E, but those properties and residents that ultimately discharge to LS E. Power failure and high wet wells put the system at risk of surcharging, which could and historically has resulted in basement backups. The sewershed, or properties contributing directly to LS E, and those sewersheds that are processed through LS E are shown in the attached Exhibit A.

Based upon the condition assessment and risk, a back-up pumping system was designed to continue operations of the station in the event of dual power failure to avoid a catastrophic event and dire predicament. On April 12, 2022, the Sewer Utility District Commission awarded a contract to design a back-up pumping system to operate until a new lift station can be built. A copy of the consultant memo (dated 6/28/2022) evaluating a back-up generator compared to a back-up pumping system, that uses natural gas or diesel fuel, is enclosed as Exhibit B. The revised cost estimate (dated 8/29/2022) for back-up pumping system, with diesel fuel, is enclosed as Exhibit C. The diesel fuel allows for relocation, in contrast to a fixed natural gas hard piping.

Pending the approval of site selection for LS E, the anticipated schedule for replacement is 24 to 30 months once a site is selected and established.

Analysis

The Sewer Utility's condition assessment identified vulnerability with electric service connections, and the potential for pump failure. In the event both electrical feeds go out, then the station would be inoperable without a back-up power source. If an electrical power source

becomes temporarily unavailable, then a swimming pool sized volume would need to be pumped every half hour and/or bypassed to avoid basement back-ups during severe wet weather events.

In September the contract documents were advertised to procure and install an onsite automatic back-up pumping system with capacity of 3,000 gallons per minute. Two bids were opened on Tuesday, September 27, 2022, and are summarized below and in Exhibit D.

Contractor	Amount
August Winter and Son	\$598,000
Mid-City	\$656,900

If this contract is authorized, this back-up pumping system would be functional in summer 2023, with anticipated supply chain delivery schedule of 3-4 months. In addition, this back-up pumping system would be on stand-by for the full duration LS E operation, until it is replaced, in potentially 24-30 months.

This back-up pumping system is intended to maintain system reliability in the event of a power outage. This diesel back-up pumping system also has the ability for relocation in the future to another lift station or can be considered for resale. The resale cost in 3 years cannot be predicted and that is unknown but would generally be based on wear and tear of the pump. However, at this time pump resale can be more than 50% of the original pump cost for standby pumps with only a few years of use.

The bids were opened on September 27, 2022, and remain valid for 45 days until Friday, November 11, 2022. Therefore, the Sewer Utility District Commission and Common Council must either approve the contract award or reject the bids at the November 9 meeting.

Fiscal Impact

The low bidder is August Winter and Son at \$598,000. Funding is available to procure and install a back-up pumping system at LS E, but this would substantially reduce the balance available for the overall replacement of Lift Station E, which is estimated to range between \$4.8 - \$6.2 million.

Recommendation

Sewer Utility staff is concerned regarding the risk to public infrastructure and private property if there was a catastrophic power failure at LS E, before the replacement project is complete. An automatic back-up pumping system is one of the best options to mitigate surcharging should there be an overflow. The expenditure of \$598,000 significantly reduces the available funding for not only the replacement of LS E, but other identified capital projects.

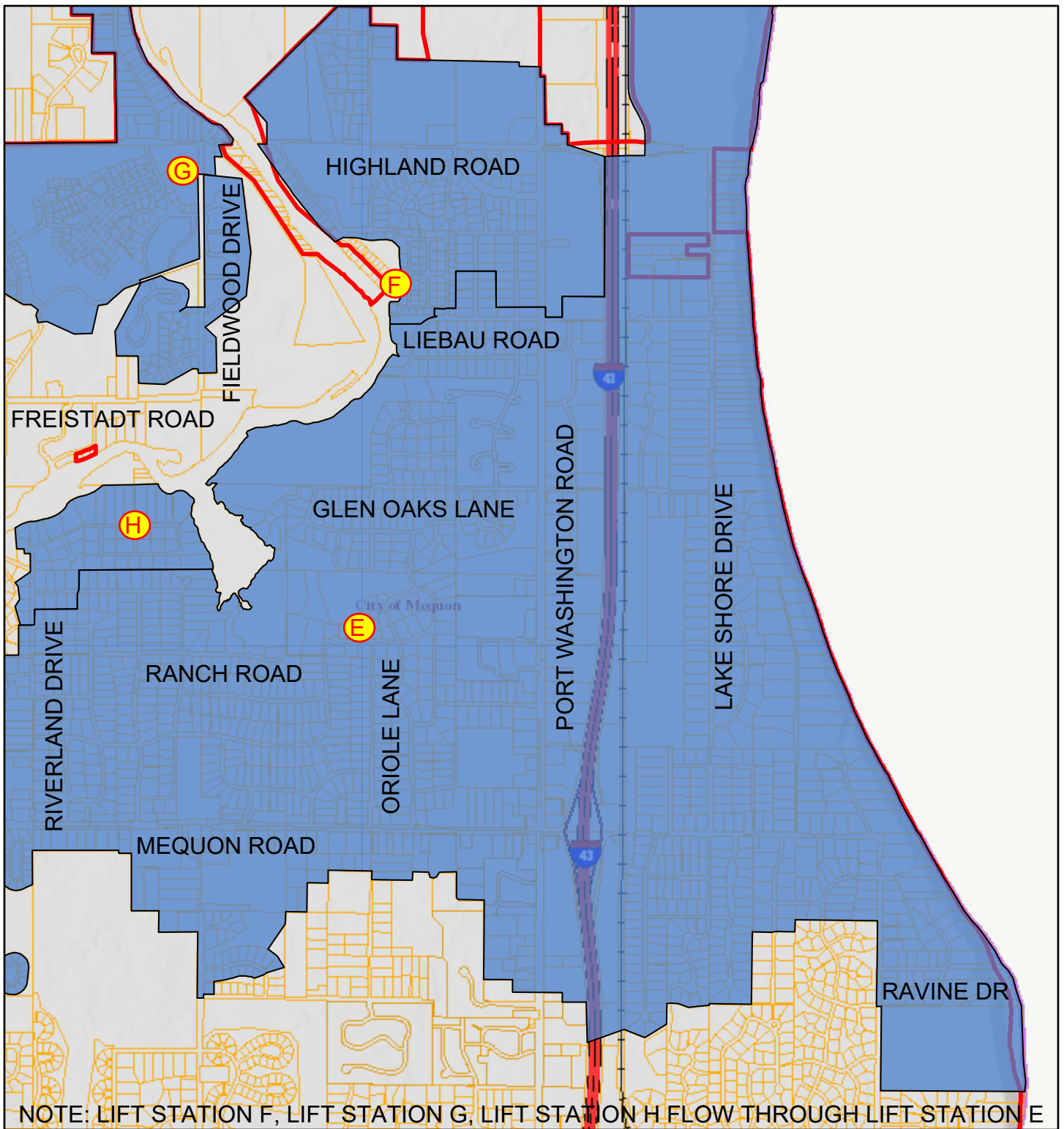
If the Sewer Utility District Commission authorizes the site selection for the LS E replacement and an attainable funding source is identified, then LS E replacement will ultimately address those issues identified. Acknowledging the risk of not implementing a back-up pumping system until LS E is replaced, staff is seeking feedback from the Sewer Utility District Commission on the award or rejection of the bids.

Please note if the Sewer Utility District Commission directs staff to bring a resolution to reject the bids at the November meeting, Sewer Utility staff will continue to evaluate other less costly alternatives to address surcharging and power failure.

Attachments:

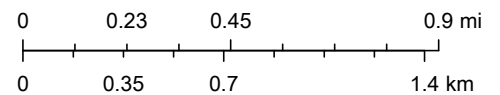
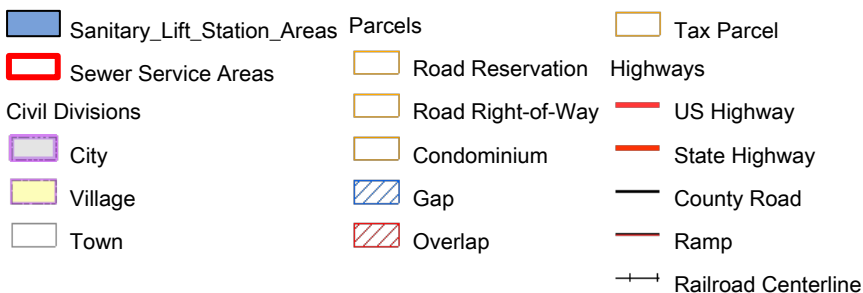
- Exhibit A - Map of LS E Area (PDF)
- Exhibit B - LS E Preliminary Alternatives Analysis Memo (PDF)
- Exhibit C - Capital Cost Analysis (PDF)
- Exhibit D - Bid Summary (#3616) (PDF)

City of Mequon



10/19/2022, 1:35:18 PM

1:36,112



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**CITY OF MEQUON
SEWER UTILITY**

BIDS RECEIVED FOR:

Back-Up Pumping System for Lift Station E, #3616

BID OPENING: 9/27/2022 1:00 PM
DATE TIME

Contractor	General PRE-QUAL	Bid Bond	ADDENDUM No. 1	Base Bid	Alternate Bid
August Winter & Sons, Inc.	X	X	X	\$598,000.00	\$593,000.00
Mid City Corporation	X	X	X	\$656,900.00	\$634,900.00