

VILLAGE OF GERMANTOWN
N112 W17001 MEQUON ROAD
GERMANTOWN, WI 53022

MEETING: **UTILITY ADVISORY COMMITTEE**

DATE AND TIME: **WEDNESDAY, MARCH 8, 2023 5:00 P.M.**

LOCATION: **Germantown Village Hall Board Room
N112 W17001 Mequon Road**

NOTICE: Citizens not wishing to attend the meeting personally may submit any public comments by sending an email to comments@germantownwi.gov by 4 p.m. on the day of the meeting so that it can be provided to the members of the body for their consideration.

- I. **CALL TO ORDER:** *This meeting has been given public notice in accordance with Section 19.83 and 19.84, Wis. Stats, in such form that will apprise the general public and news media of subject matter that is intended for consideration and action.*
- II. **ROLL CALL:**
- III. **APPROVAL OF MINUTES:** February 8, 2023, meeting.
- IV. **PUBLIC COMMENT:** Please be advised per State Statute Section 19.84(2), information will be received from the public. It is the policy of this municipality that there be a three-minute time period, per person, with time extensions per the Chief Presiding Officer's discretion; be further advised that there may be limited discussion on the information received, however, NO ACTION will be taken under public comments.
- V. **NEW BUSINESS:**
 - A. Presentation by Public Works Director on Sewer Lift Station Analysis
 - B. Summer Sewer Service Credit Calculation
 - C. Deduct Meter Requirements
 - D. Water Impact Fee Study Proposal
 - E. Update on Water Utility Cash Flow Analysis
 - F. Update on SEWRPC Sanitary Sewer Service Area Amendment and Facility Plan Update, and application to expand Water Service Area
 - G. Update on Tyler Munis Utility Billing Implementation
 - H. Update on Estimated Water Bill Adjustments
- VI. **SCHEDULE NEXT MEETING:**
- VII. **ADJOURNMENT:**

UPON REASONABLE NOTICE, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For Additional information or to request this service please contact the Village Clerk at (262)250-4740 at least 2 days prior to the meeting.

Notice is given that a majority of the Village Board may attend this meeting to gather information about an agenda item over which they have decision making responsibility. This may constitute a meeting of the Village Board per State Ex. Rel. Badke v. Greendale Village Board, even though the Village Board will not take formal action at this meeting.

DRAFT Minutes of Wednesday February 8, 2023, Meeting

- i. **CALL TO ORDER:** The meeting was called to order at 4 p.m. by Chair R. Miller.
- ii. **Roll Call:** Present: Chair R. Miller, Scott Hefle, Jim Hansen, Steven Wesolowski. Absent Excused: Dan Campbell

- a. Also present: Administrator Kreklow, Deputy Clerk Hanke, Budget Manager Uselding

- iii. **Approval of Minutes:** December 15th, 2022 Meeting

- a. **Motion to approve:** Hefle
 - b. **Second:** Wesolowski
 - c. **Aye:** 3
 - d. Nays: 0
 - e. Abstain: 1

- iv. **Public Comment:**

Melanie Smythe of N140W17938 Cedar Lane was wondering if this meeting was going to be like the last meeting with a lot of back of forth discussion rather than a typical committee type meeting. She was hoping this meeting could be an organizing meeting where they figure out how frequent to meet and who takes minutes.

- v. **New Business**

- a. **Discussion of Summer Sewer Credit**

Administrator Kreklow provided an update on the Summer Sewer Credit. He informed the committee that any changes recommended by the committee be applied in 2024 due to the timing of the implementation of the new Utility Billing software. Steven Wesolowski provided a packet comparing the old summer sewer credit to the new summer sewer credit. Discussion ensued on which quarters the credit should be applied. Administrator Kreklow informed the committee that not many residents were impacted by the removal of the second quarter credit. Steve W compared Germantown practices to neighboring communities and found that several communities have a credit for the second quarter.

Discussion ensued on a Sewer Utility Rate study to determine the appropriate distribution of sewer costs between industrial, commercial, and residential rates.

- b. **Discussion on Impact Fee Analysis for Water Utility**

Administrator Kreklow provided an update on the Impact Fee for the Village. He informed the committee that the PSC found that the Village needs to update the impact fees. The fees goes to

a special fund for expansion of capacity. Administrator Kreklow is talking with Baker Tilly about getting a new study done.

Committee discussed a recommendation to get a quote from Baker Tilly.

c. Discussion on PSC Review and water rate approval for Richfield

Administrator Kreklow provided an update on the process of expanding to Richfield. The process has been started and that goes through sewer pact, MMSD and the DNR. Any approvals or reviews for rates goes through Germantown.

The committee would like to see a copy of the bill before it goes out in case there are questions about the bill.

d. Discussion on Water Utility Cash Flow Analysis and Capital Project Financing

Administrator Kreklow discussed and handed out a packet with information Ehlers gave us with a proposal to look at the water revenues and cash flows.

e. Discussion on Future Sewer Utility Rate Review

Discussion on how to divvy up MMSD charges. MMSD separate their charges into two pieces. Some communities distribute that on the property tax bill. Germantown and other communities outside Milwaukee County distribute that as part of the user charges.

Motion to recommend an RFP process to look at bids for a sewer utility rate review study approved unanimously.

NEXT MEETING DATE: March 8, 2023 at 5:00

ADJOURNMENT:

ADJOURNMENT: There being no further business, the meeting adjourned at 5:41 p.m.



February 17, 2023

Mr. Steven R. Kreklow
Village Administrator
Village of Germantown
N112 W17001 Mequon Road
Germantown, WI 53022

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Madison, WI 53707-7398
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Dear Mr. Kreklow,

Thank you for considering Baker Tilly US, LLP ("Baker Tilly" or "we" or "our") to assist the Village of Germantown, Wisconsin ("the Village" or "you") with the project as described below. We appreciate the opportunity to work with you.

The purpose of this letter (the "Engagement Letter") is to confirm our understanding of the terms and objectives of this engagement and the nature of the services we will provide as consultants to the Village.

Services and Related Report

The services provided under this letter will be directed by Village management. We will assist the Village in updating the current Public Facilities Needs Assessment and Impact Fee Study for Water Improvements.

We will provide the following assistance:

- > Present the Village with a Water impact fee methodology to be used for the calculation of the Village's water impact fee.
- > Provide the Village with a list of items needed in order to compute the Water impact fee.
- > Review the responses provided by the Village for reasonableness. Request additional information as necessary.
- > Update the Water impact fee/ narrative related to impact fee statutory requirements and compliance with Wisconsin impact fee.
- > Calculate the impact fee for water facility improvements.
- > Attendance at one Village meeting to present the results.

The services listed above do not constitute an audit or review of the Village's impact fees and, accordingly, we will not express an opinion as a result of this engagement. The fee quote assumes that the impact fee methodology will be consistent with the methodology that we have used previously for the Village and will not change during the course of this project.

Mr. Steven R. Kreklow
Village Administrator

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Our Responsibilities and Limitations

Because of the inherent limitations of a consulting engagement, an unavoidable risk exists that some material misstatements may not be detected, even though the engagement is properly planned and performed.

You understand that our report is intended solely for the information and use of Village of Germantown, and is not intended to be and should not be used by anyone other than these specified parties.

Our engagement will not include a detailed inspection of every transaction and cannot be relied on to disclose all material errors, or known and suspected fraud or noncompliance with laws or regulations, or internal control deficiencies that may exist. However, we will inform you of any known and suspected fraud and noncompliance with laws or regulations, internal control deficiencies identified during the engagement, and uncorrected misstatements that come to our attention unless clearly trivial.

The terms and conditions that we mutually agreed upon in our audit engagement letter in force at the time of this engagement shall also apply here.

Management's Responsibilities

Management is responsible for the following:

1. Making available to Baker Tilly, on a timely basis, the information requested in the project get ready listing that will be provided to the Village.
2. In addition, the Village will make the final determination, on Village costs for purposes of calculating the fee.
3. The Village attorney, or whichever attorney you choose, is involved in drafting and review of the ordinance to ensure it meets the statutory requirements.
4. The Village is responsible for the completeness and accuracy of the information it provides, and client personnel to whom we may direct inquiries.
5. The Village accepts and approves our report and the methodology used therein.

Mr. Steven R. Kreklow
Village Administrator

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Nonattest Services

The services we will be providing are non-attest services. You are responsible for reviewing our work and understanding the nature of our work. We will not perform any management functions or make management decisions on your behalf with respect to any nonattest services we provide.

In connection with our performance of any nonattest services, you agree that you will:

- > Continue to make all management decisions and perform all management functions, including the approval of our work product when it is submitted to you.
- > Designate a competent employee with suitable skill, knowledge and/or experience, preferably within senior management, to oversee the services we perform.
- > Evaluate the adequacy and results of the nonattest services we perform.
- > Accept responsibility for the results of our nonattest services.
- > Establish and maintain internal controls, including monitoring ongoing activities related to the nonattest function.

Timing and Fees

If we are awarded the work, we will provide the Village with a get ready letter within two weeks of receiving the signed engagement letter. We would be able to start our analysis when we receive all items requested would expect that this could be completed within a three month time frame. Completion of our work is subject to, among other things, (i) appropriate cooperation from the Village's personnel, including timely preparation of necessary schedules and (ii) timely responses to our inquiries. When and if for any reason the Village is unable to provide such schedules, information and assistance, Baker Tilly US, LLP and you may mutually revise the fee to reflect additional services, if any, required of us to complete the engagement.

Invoices for these fees will be rendered each month as work progresses and are payable on presentation. A charge of 1.5% per month shall be imposed on accounts not paid within thirty (30) days of receipt of our statement for services provided. In accordance with our firm policies, work may be suspended if your account becomes thirty (30) days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notice of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

We estimate that our fees for these services will range from \$10,500 to \$13,500 plus out of pocket costs. After we meet with the Village and understand the Village's needs and what information is available, the actual costs could exceed the estimated range. If applicable, we will discuss this with the Village as soon as practically possible. This estimate assumes that all requested information is provided, there are no changes to the assumptions or methodology after the first draft of the report and there is one meeting to present the results.

Any additional services that may be requested, and we agree to provide, may be the subject of separate arrangements.

Mr. Steven R. Kreklow
Village Administrator

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This letter and the attached terms and conditions comprise the complete and exclusive statement of agreement between the parties, superseding all proposals, oral or written, and all other communications between the parties. If any provision of this letter is determined to be unenforceable, all other provisions shall remain in force.

Signature Section

BAKER TILLY US, LLP

Handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.


The services and terms set forth in the Engagement Letter are agreed to by the Village of Germantown, Wisconsin:

Name

Title

Date



Village of

Germantown
Willkommen

OFFICE OF THE VILLAGE PRESIDENT
N112 W17001 Mequon Road
P.O. Box 337
Germantown, WI 53022-0337
Phone: 262-250-4700

January 30, 2023

Mr. Joel Dietl, AICP
Chief Land Use Planner
Southeastern Wisconsin
Regional Planning Commission
W239 N1812 Rockwood Dr.
P.O. Box 1607
Waukesha, WI 53187-1607

Dear Mr. Dietl:

Thank you for taking the time over the last few weeks to meet and speak with representatives from the Villages of Germantown and Richfield to discuss Germantown's proposed Sanitary Sewer Planning Area and Sanitary Sewer Service Area (SSSA) extensions into the Village of Richfield. The information you provided was very helpful to both communities. Per that discussion, and on behalf of the Villages of Germantown and Richfield in partnership with the Milwaukee Metropolitan Sewerage District, Washington County, and Economic Development Washington County (EDWC), we formally request that SEWRPC begin the review process for a minor amendment to Germantown's Planning Area and SSSA boundary to include a small portion of the Village of Richfield and a small number of parcels in Germantown as necessary to create a contiguous SSSA boundary as shown on the attached map (the "SSSA Amendment"). Simultaneously, Germantown also requests that SEWRPC prepare a full update to Germantown's Sanitary Sewer Area Plan (last completed in 1983) to include new population projections and other information and analyses as necessary to facilitate future amendments to Germantown's SSSA boundary (the "Planning Area Update").

As you are aware, time is of the essence to approve the SSSA Amendment for including Richfield in the Germantown Planning Area and SSSA in order to retain a significant development project that will benefit the entire county and greater region. Accordingly, we ask that these requests be processed separately and that the SSSA Amendment be processed in time for action by the Commission's full governing body at its June 2023 meeting. Most of the information below is targeted to the SSSA Amendment, but both communities are more than willing to provide any and all additional information as required by SEWRPC for processing both requests. (Note that all of the documents linked in this letter can be found in a Dropbox here:

<https://www.dropbox.com/scl/fo/fsplfgysgvmdiiu3pkzmc/h?dl=0&rlkey=r4hxyxtvfk562a9ihbz0x9fy>

The extension of Germantown's sanitary sewer and potable water services to Richfield is the subject of an Intergovernmental Agreement approved by the governing bodies of both communities and by the voters of Germantown through a referendum held last November. The Agreement generally identified two potential water and sewer main extension routes to Richfield, both emanating from the Friestadt Rd./Goldendale Rd. intersection in Germantown. This was done to preserve capacity in existing sewer mains along Holy Hill Rd. (east of the interstate) as needed to serve future growth in Germantown to the north and east. The likely route shown on the attached map is the most efficient for providing service to future development in an area Germantown's Comprehensive Plan identifies as the Freistadt District. It is believed that this route will provide the greatest likelihood of success in negotiating necessary easement and right-of-way acquisitions from current property owners along the route. Further, this route avoids most of the wetlands and other environmental sensitive areas located with the area.

In total, the SSSA Amendment adds approximately 814 acres of land (including roughly 110 acres of road and railroad rights-of-way) in Germantown and Richfield. The Germantown portion of the expansion area (shown in yellow on the attached map) generally includes those parcels that directly border the proposed sewer main extension, a few additional properties that ultimately would be served by it, and a couple of others as necessary to eliminate any holes between the expanded area and the current SSA boundary. Note, that the Wisconsin DNR and PSC approved a new water tower on Rockfield Road at a height sufficient to serve this same area, including the parcels on the west side of the interstate. Accordingly, we believe it makes sense to bring the entire area into the SSSA as part of the SSSA Amendment, such request still falling below SEWRPC's and DNR's 1,000-acre and 10% growth in SSSA area thresholds that would trigger a more detailed review. Further, the population of Germantown remains well under the projections from the 1983 SSSA Plan. Altogether, the Germantown portion consists of 34 parcels totaling 431 acres (plus an additional 95 acres of rights-of-way), the vast majority of which currently consists of farmland with some wetlands.

The Richfield portion of the SSSA expansion area (shown in green on the attached map) consists of 11 parcels totaling 273 acres (plus an additional 15 acres of rights-of-way). Except for a developed parcel on the north side of Holy Hill Rd. at the I-41 interchange, the area is currently farmed. Water service from Germantown would follow the same route as the sewer main extension, continue north through the Richfield portion of the SSSA, and then proceed east across the interstate and back into Germantown down Rockfield Rd. to tie into an existing line to provide a loop in Germantown's water supply system for the area.

As noted above, the need to split SEWRPC's consideration of the SSSA Amendment and the Planning Area Update is based upon market conditions. The northwest quadrant of the Holy Hill/I-41 interchange is of regional importance and primed for office and light industrial development. Hillwood Development Company, LLC, based in Dallas, Texas, affirmed again last month their sincere interest in committing to the development of the large, vacant property in Richfield. However, they need assurance that the proposed utility extensions are acceptable to SEWRPC and the DNR by the end of the summer in order to proceed with acquisition of the

property and their development plans. Economic impact analysis modeling from EDWC of the future Hillwood development indicates significant regional benefits to Washington County. A 10-year proforma estimates the project would create net fiscal benefits of \$31 million for local governments. It also estimates that the project would create approximately 2,400 jobs, provide an average salary of \$53,936 for workers, create over \$1.28 billion in wages over 10-years, and draw hundreds of new workers and residents to Washington County. Hillwood anticipates breaking ground in early 2024 if water and sewer utilities can be extended to the property.

The proposed SSSA Amendment is consistent with local and regional planning efforts. Germantown's 2050 Comprehensive Plan supports this project and the development of the Freistadt District with a thoughtful mix of residential and commercial development, while preserving the environmentally sensitive lands within it. The Plan specifically mentions that the Village has the potential to extend adjoining utility infrastructure into the Freistadt District, and that it also could further extend its utility infrastructure into the Village of Richfield due to the nearby location of its existing sewer and water infrastructure. Additionally, a review of SEWRPC's Regional Water Quality Management Plan indicates that the proposed SSSA extension minimally infringes on environmental corridors indicated within the plan, which also was a primary consideration of both Villages in developing the Intergovernmental Agreement for the extension.

Richfield's 2013 Community Buildout Analysis, 2014 Comprehensive Plan update, 2016 Northeast Corridor Opportunity Analysis, and 2020 Northeast Corridor Infrastructure Analysis all indicate that the project area, as part of Richfield's Northeast Corridor, is Richfield's highest priority development area planned for a future mix of office and light industrial development. This proposed project is supported by and consistent with Richfield's aforementioned planning efforts, as language in the Northeast Corridor Opportunity Analysis specifically identifies that providing centralized water and sewer connections to serve future development could be accomplished by extending services from the Village of Germantown.

In Richfield's 2020 infrastructure analysis, Stantec Consulting Services, Inc. analyzed the three most viable alternatives to accomplish the provision of utility connections to the northeast area of Richfield. The analysis explored the extensions of utilities from the Villages of Germantown and Jackson, as well as the creation of a new well, tower, and water treatment facility in Richfield. Of these three alternatives, the study indicates that the proposed connection to the Village of Germantown's utility infrastructure clearly is the most fiscally prudent and financially feasible. Since then, Richfield's consultant engineer, Cedar Corporation, provided additional analysis of potential routing options from Germantown and updated cost estimates for the project.

The capacity of Germantown's utility infrastructure already has been evaluated and confirmed. This evaluation of projected flows from the proposed SSSA extension area has determined that existing pipe and treatment plant infrastructure can accommodate this extension and future development in Richfield without creating or incurring any negative effects on Germantown's water and sewer utility capacities or flow rates. Current sewer capacity at Goldendale and Freistadt Roads, where the sewer main extension to Richfield would tie into, is 5.39 MGD. The

Intergovernmental Agreement allocates an average daily flow of .4 MGD (maximum flow of .7 MGD) to Richfield. This value was calculated in an effort to preserve adequate capacity for the maximum potential buildout of Germantown per its 2050 Comprehensive Plan. Permitted capacity at our MMSD connection is 22.5 MGD, with current flow rates at only 2.6 MGD. Including the maximum Richfield flow of 0.7 MGD, MMSD still has adequate capacity to accommodate future growth throughout the Village of Germantown. It was further determined that routing sewer through the Freistadt District will eliminate potential capacity bottlenecks in Germantown's sewer system and bring utilities to a previously unserved area of the community.

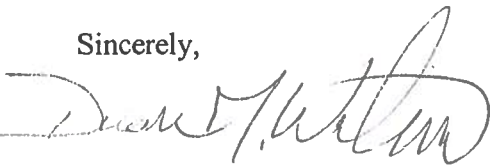
Germantown has had several discussions with MMSD about the proposed extension of sewer service to Richfield, and MMSD staff has raised no objections. Simultaneous with this request to SEWRPC, Germantown and Richfield are pursuing a coterminous amendment to the MMSD district boundary and their Facilities Plan. Per our conference call with you, representatives from both villages, MMSD, and the DNR on January 26, the DNR indicated that it would be acceptable for SEWRPC to approve the SSSA Amendment prior to MMSD completing its Facilities Plan update provided the update is completed prior to actual construction of the sewer main. Since construction is not anticipated until early next year, we do not believe this will be a problem.

In addition to the SSSA Amendment, Germantown would like to move forward with the Planning Area Update that includes a full update of our Sanitary Sewer Service Area Plan adopted in 1983. Our recently completed comprehensive plan update details all existing and planned uses, densities and intensities, and population projections for the next 20 years. Please contact us at your earliest convenience to discuss the specific information you need from us to assist with the update. Given the extent of work involved in this effort, we understand that it may take a year or more to complete the process, which we have no problem with.

Staff and consultants from both communities stand ready to assist with all data and analysis needs you may have, so please do not hesitate to contact us as necessary. To expedite things on our end, Jim Healy, Richfield Village Administrator, has been appointed as the primary contact person for the SSSA Amendment, and Larry Ratayczak, Germantown Director of Public Works, has been appointed as the primary contact person for Germantown's Planning Area Update. Contact information for both is attached.

Again, thank you for all of your assistance with helping us understand SEWRPC's and WDNR's requirements for these requests. We look forward to working with you on these important projects.

Sincerely,



Dean Wolter
Germantown Village President



John Jeffords
Richfield Village President

CC: (via email)

Josh Schoemann, Washington County Executive

Jeff Schleif, Washington County Board Chairman

Christian Tscheschlok, Executive Director, EDWC

Jim Healy, Richfield Village Administrator

Steve Kreklow, Germantown Village Administrator

Larry Ratayczak, Germantown Director of Public Works

Jeff Retzlaff, Germantown Community Development Director

Tim Asplund, DNR Natural Resources Program Manager

Betsyjo Howe, DNR Sewer Service Area Plan Reviewer

Jason Knutson, DNR Environmental Engineer Supervisor

Emma Lorenzen, DNR Wastewater Engineer

Micki Klappa-Sullivan, MMSD Manager of Engineering Planning