

Meeting – AMENDED AGENDA  
Brown Deer Water Commission  
Thursday, August 29, 2013  
Village Hall, Room 101, 4:00 P.M.



**PLEASE TAKE NOTICE** that a meeting of the Brown Deer Water Commission will be held at the Village Hall of the Village of Brown Deer, 4800 West Green Brook Drive, Brown Deer, Wisconsin at which time and place the following items of business will be discussed and possibly acted upon:

- I. Roll Call
- II. Persons Desiring To Be Heard
- III. Consideration of minutes:
  - A) Ratify June 13, 2013 Minutes
- IV. Old Business
  - A) None
- V. New Business
  - A) Review Draft Capital Improvement Plan 2014 - 2018
  - B) Review Draft 2014 Budget
  - C) Review and Approve City Water LLC Contract for Management and Operations
- VI. Staff Report
  - A) Status of PSC Rate Application
- VII. Treasurer's Report
  - A) Ratify Vouchers for June and July 2013
  - B) Approve Vouchers for August 2013
- VIII. Recess into Closed Session pursuant to §19.85 (1)(f) Wisconsin Statutes for the following reasons:
  - (f) Considering financial, medical, social or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems or the investigation of charges against specific persons except where par. (b) applies which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations.
- IX. Reconvene into Open Session for Possible Action on Closed Session Deliberations
  - A) Preliminary Consideration of Specific Personnel Problem
- X. Adjournment

  
Jill Kenda-Lubetski, Village Clerk  
August 28, 2013

**MINUTES OF THE MEETING OF THE BROWN DEER WATER UTILITY  
HELD AT THE BROWN DEER VILLAGE HALL- 4800 WEST GREEN BROOK DRIVE**

---

The meeting was called to order at 4:10 p.m.

<u>I.</u>	<u>Roll Call</u>	<u>Present</u>	<u>Absent</u>
	Walter Baehr, President	X	
	Tim Schilz, Secretary	X	
	Ken Harmon		X
	Gerald Anderson		X
	Zach Beanland	X	
		<hr style="width: 50px; margin: 0 auto;"/>	<hr style="width: 50px; margin: 0 auto;"/>
		3	2

**Also Present:**

Don Esche, Accountant  
Mike Rau, Water Superintendent  
Tom Nennig, Utility Engineer

II. **Persons Desiring To Be Heard**  
None

III. **Consideration of Minutes:**

**A) March 7, 2013 Meeting**

*Commissioner Schilz moved to ratify the minutes from the March 7, 2013 meeting as previously distributed. Commissioner Beanland seconded the motion. **Motion passed.***

IV. **Old Business:**

**A) Approve Filing Rate Increase Application with PSC**

Superintendent Rau and Accountant Esche explained the PSC rate increase application process and the application completed to date showing just under a 5% increase for a 2013 Test Year. The primary reason for the increase will be to incorporate a Milwaukee 3% purchased water increase and to fund water main replacements. It was also noted that 2013 revenue to date is down due to economic and weather factors. For example, public fire protection collections are down significantly due to reduced property valuations.

It was also noted that Brown Deer water rates are one of the lowest in the Milwaukee area.

*Commissioner Beanland moved to approve staff filing the rate application for just under 5% increase. Commissioner Schilz seconded the motion. **Motion passed.***

V. **New Business:**

**A) Discuss Verizon Request for Antennae Modification**

Verizon has made a request to replace their antennae on the standpipe to upgrade technology. They recently had changed antennae and had upgraded their contract with Brown Deer Water Utility.

*Commissioner Beanland moved to approve the Verizon request as long as they cover administrative costs and any damage they cause. Commissioner Schilz seconded the motion. **Motion passed.***

**B) Discuss Sprint Request for Antenna Modification**

Sprint has made some preliminary communications about upgrading cabling to the standpipe site plus installing new control cabinets. Commissioner Schilz noted that their cabling is marked on the plans as Time Warner. While a specific request is still necessary from Sprint, Commissioners felt that Sprint should upgrade their agreement with Brown Deer Water Utility to proceed.

**C) Approve Sale of Old Utility Van**

Superintendent Rau explained that the 2003 cargo van has now become excess because the Utility just purchased a new pick-up truck and the van isn't needed for meter reading anymore.

*Commissioner Schilz moved to authorize staff to proceed in accordance with Village procedures to sell the 2003 cargo van. Commissioner Beanland seconded the Motion. **Motion passed.***

**VI.****STAFF REPORT****A) SCADA**

Engineer Nennig informed the Commission that the SCADA project is now substantially complete and functioning. There are a few minor programming items that Kamp/Synergy will be completing in the coming weeks.

**B) 38<sup>th</sup> Street Water Main Replacement**

This project is now substantially complete. Reesman has done a good job on this project. It was noted that some substantial corrosion of the old pipe was observed near the Bradley Road connection.

**C) Homeowner Insurance for Water Pipes**

A company, Homeserve USA, has been marketing in the Milwaukee Metro area including Brown Deer over the last several months. Several Utility customers have contacted the Utility for information regarding this insurance.

Superintendent Rau explained that they were a valid company and it is an individual decision about whether to purchase insurance. Rau also explained that since the Utility has reduced service lateral failures in the last 8 or 9 years, the insurance may not be a good investment for a typical homeowner.

**VII.****TREASURER'S REPORT****A) Ratify Vouchers for March 2013 through May 2013**

*Commissioner Schilz made a motion to ratify the vouchers for March 2013 through May 2013 as previously distributed. The motion was seconded by Commissioner Beanland. **Motion passed.***

**VIII.**      **ADJOURNMENT**

**Motion:** *Commissioner Beanland moved and Commissioner Schilz seconded to adjourn the meeting 5:05 p.m. **Motion Passed.***

---

Mike Rau, Water Superintendent



# MEMORANDUM

**To:** Water Commissioners Baehr, Schilz, Harmon, Anderson, and Beanland

**Cc:** Michael Hall, Village Manager ; John Fuchs, Village Attorney

**From:** Mike Rau, Water Superintendent  
Tom Nennig, Engineer

**Subject:** Background Information for August 29, 2013 Water Commission Meeting

**Date:** August 23, 2013

The following discussion is intended to provide you background information for the August 29, 2013 Water Commission meeting.

Please feel free to contact me if you have any questions. (Office, 414-371-3081, or cell phone, 414-559-8739) Tom's cell phone is 414-559-6883.

## **Capital Improvement Plan, 2014 – 2018**

Attached are worksheets prepared for the Village Capital Improvement Plan process. As you know, we piggyback on the Village's capital planning because our capital needs are combined with the Village where possible for borrowing purposes. We currently have enough cash on hand to proceed with 2014 projects without borrowing.

Our primary capital need in the 5 year planning period continues to be for water main relays. We use our water main break hot spot record, combined with Village paving needs, sanitary sewer needs, stormwater needs and available funds to determine the best locations for water main relay projects.

In 2014, we plan to relay the main on Carolann Drive between 67<sup>th</sup> Street and Bethanne Drive for an estimated cost of \$220,000. We also are investigating options to rehabilitate the water main in 60<sup>th</sup> Street from Brown Deer Road to the north prior to 2015 DOT paving.

### **Draft 2014 Budget**

At the August 29th meeting, we will handout a first draft of the 2014 Water Utility budget. Attached is a 2014 Budget highlight document to get you thinking beforehand so you could provide general direction to staff if desired.

### **City Water LLC Contract for Management & Operations**

City Water LLC has provided management services to Brown Deer Water Utility since 2009 which replaced the contract with We Energies initiated in 2004. In April 2012, when an operator resigned from the Village employment, City Water has also provided operations services on a month to month basis. The Village Manager has worked with City Water LLC and Village Attorney, John Fuchs, to prepare a contract that combines and formalizes this arrangement which has worked well for the Utility and Village.

The proposed contract is the same price and terms as the previous arrangements which has saved the Utility money compared to the old method of staffing with Village employees. The existing employees will continue in their employment and roles in this arrangement.

The Village Manager has prepared an analysis of this arrangement at the request of the Water Utility Commission President.

Attached is a fact sheet on the service provided by City Water LLC and their personnel.

### **PSC Water Rate Application**

Accountant Esche and Superintendent Rau drafted and submitted a PSC rate application as you directed in the June 2013 Water Commission meeting. This application shows a 5% rate increase. Even with this proposed increase, we will remain one of the lowest rate water utilities in the Milwaukee Metro area.

We recently received some questions from PSC analyst, Stephen Kemna. Most of the questions are related to accounting and the Public Fire Protection Charge. None of the questions were difficult and were answered last week.

We anticipate that PSC will schedule a public hearing with us soon.

**Project ID: Water - 001**

Project Name: Small Tools

Department: Water

Project Manager: Water Utility Manager

Estimated Life: 5

Asset Class: Equipment

Replacement/New: Replacement

Priority: 3

Funding Source and Expenditure Timeline

<u>Source</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Water	4,000	4,000	4,000	4,000	4,000

Description and Justification:

Replacement of annual small equipment items as necessary.



**CAPITAL IMPROVEMENT PROGRAM EXPENDITURE REQUEST (continued)**

**Project Name:** Water Main Relays

4. FUNDING SOURCES:

Description	2014	2015	2016	2017	2018
Water rates and borrowing	220,000	175,000	252,000	210,000	300,000

5. OTHER INFORMATION: (include the estimated cost impact on other operating costs per year)

<b>VILLAGE MANAGER NOTES ONLY:</b>		
Included _____	Not Included _____	Deferred to Budget Year _____

**VILLAGE OF BROWN DEER  
2014 - 2018  
CAPITAL IMPROVEMENT PROGRAM EXPENDITURE REQUEST**

**Department:** Water Utility

**Department Contact:** Mike Rau

**Project Name:** Continued Water Meter/Reading System Replacement

**Assigned Department Priority No.** 3

(#1 – Urgent; #2 – Very Important; #3 – Important; #4 – Less Important; #5 – Future Consideration.)

**Type:** Water Meters

(Stormwater, Beautification, Street Resurfacing, Street Improvement, Park, Remodeling, Sanitary Sewer, Bldg. Repair/Maintenance, Water Mains/Laterals, Planning, Street Lighting)

1. Provide detailed description of project. (Include planning and construction dates, a map-highlighting area project area or picture of area, if applicable)

The Water Utility annually repairs and/or replaces approximately 10% of its meter stock. The Utility also works closely with Badger Meter as a beta test site for new technology. In return, Badger Meter provides advantageous pricing and support. The Utility is replacing older “Trace” meter reading technology with the latest Orion technology. The Orion technology allows the Utility to read meters via the latest radio technology which may be done on a mobile basis or fixed network. Generally, the Utility is moving to the fixed network technology as budgets and time allows. The fixed network technology will provide the best customer service to our customers in finding leaks sooner or other plumbing concerns while also providing more accurate information on billing questions.

2. Project Justification: Meter accuracy and reading is a Public Service Commission requirement for the Water Utility.
3. EXPENDITURES: (Describe project activity and identify dollar amounts under the appropriate year.)

Description	2014	2015	2016	2017	2018
Repair/replace meters and reading equipment, approximately 10% of system per year	85000	88000	91000	94000	97000

**CAPITAL IMPROVEMENT PROGRAM EXPENDITURE REQUEST (continued)**

**Project Name: Water Meters**

---

4. FUNDING SOURCES:

Description	2014	2015	2016	2017	2018
Utility rates and borrowing	85000	88000	91000	94000	97000

5. OTHER INFORMATION: (include the estimated cost impact on other operating costs per year)  
 The sanitary sewer utility is served by the water meter reading system and shares half of the metering system costs.

<b>VILLAGE MANAGER NOTES ONLY:</b>		
Included _____	Not Included _____	Deferred to Budget Year _____

**Project ID: WAT-013**

Project Name: Dump Truck

Department: Water

Project Manager: Water Utility Manager

Estimated Life: 10

Asset Class: Equipment

Replacement/New: Replacement

Priority: 4

Funding Source and Expenditure Timeline

<u>Source</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Water	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000

Description and Justification:

The 2002 Utility dump truck is used for water main, valve, service lateral, and hydrant repairs. Due to the age of the truck, significant maintenance will need to regularly be performed so is shown in this capital budget.

**VILLAGE OF BROWN DEER  
2013 - 2017  
CAPITAL IMPROVEMENT PROGRAM EXPENDITURE REQUEST**

Department: Water Utility Department Contact: Mike Rau

Project Name: Hydrants, Valves, Services,

Assigned Department Priority No. 3

(#1 – Urgent; #2 – Very Important; #3 – Important; #4 – Less Important; #5 – Future Consideration.)

Type: Infrastructure Replacement as needed

(Stormwater, Beautification, Street Resurfacing, Street Improvement, Park, Remodeling, Sanitary Sewer, Bldg. Repair/Maintenance, Water Mains/Laterals, Planning, Street Lighting)

1. Provide detailed description of project. (Include planning and construction dates, a map-highlighting area project area or picture of area, if applicable)

Have hydrants, valves and services replaced as needed.

2. Project Justification:

3. EXPENDITURES: (Describe project activity and identify dollar amounts under the appropriate year.)

Description	2014	2015	2016	2017	2018
Hydrant replacement	10,000	10,000	10,000	10,000	10,000
Valve replacement	12,000	12,000	12,000	12,000	12,000
Service replacement	5,000	5,000	5,000	5,000	5,000
	27,000	27,000	27,000	27,000	27,000

**CAPITAL IMPROVEMENT PROGRAM EXPENDITURE REQUEST (continued)**

Project Name: Hydrants, Valves, Services

4. FUNDING SOURCES:

Description	2014	2015	2016	2017	2018
Water rates	27,000	27,000	27,000	27,000	27,000

5. OTHER INFORMATION: (include the estimated cost impact on other operating costs per year)

<b>VILLAGE MANAGER NOTES ONLY:</b>		
Included _____	Not Included _____	Deferred to Budget Year _____

## **2014 Budget Highlights**

### **2013 Accomplishments**

- Replaced 2,000 feet of deteriorating cast iron water main with PVC pipe on 38<sup>th</sup> Street between Bradley and Green Bay Road
- Replaced 350 water meters and meter reading devices that were due for replacement with the new Badger Meter ORION technology
- Operated main line valves with the new valve turning machine
- Replaced key components of the Water Utility SCADA system which operates the water system on 24/7 basis
- Leak detection survey of distribution system to help reduce un-accounted-for water
- Participated in Beta test of new Orion meter reading equipment with Badger meter
- Filed for PSC rate increase to incorporate Milwaukee rate increase and keep utility moving forward on water main replacement program
- Successfully located water facilities for over 1500 Diggers Hotline requests

### **2014 Goals**

- Replace approximately 2100 feet of deteriorating cast iron water main on Carolann between 67<sup>th</sup> and Bethanne.
- Plan optimum rehabilitation of 60<sup>th</sup> Street water main from Brown Deer Road to northern Village limits before DOT project in 2015
- Replace 3 fire hydrants and 5 main line valves
- Continue replacing approximately 250 water meters and meter reading devices to the new Badger Meter ORION technology
- Update water system mapping and records on the GIS system
- Update the water system hydraulic computer model
- Continue to reduce un-accounted for water
- Continue to improve asset management of water distribution system including fire hydrant maintenance

## Attachment A

### SCOPE OF SERVICES

#### 1 GENERAL

The Village owns and operates a public water utility that operates under the jurisdiction of the Water Commission, Village Board, and Village Manager.

By this agreement it is intended that the MANAGER will provide services that are substantially equivalent to that of a water utility manager, along with his staff, in performing the duties and responsibilities under this contract. MANAGER shall be responsible to the Village Manager for daily operations but also respond to requests of the Water Commission and Village Board as appropriate.

MANAGER shall provide an experienced manager who shall be the principal representative of the MANAGER and who shall be responsible to the Village for the supervision and operation of the employees performing work under this contract. The MANAGER shall be expected to exercise its independent judgment in carrying out the duties under this agreement, but the MANAGER agrees that its duties shall include complying with all lawful directives and orders from the Water Commission, the Village Board, and Village Manager.

In addition, the MANAGER acknowledges that it is familiar with all state and federal laws and regulations regulating public water utilities, as well as the Village of Brown Deer ordinances relative to the rules and regulations of the Water Utility. MANAGER shall at all times comply with all applicable federal, state and local laws governing the Water Utility as the same may be in force and effect from time-to-time during the term of this Agreement as part of the services under this contract.

The scope of service to be provided by the MANAGER under this Agreement shall be to supervise and furnish all of the labor necessary for the complete operation, management, maintenance, and repair of the Village's water system, facilities and equipment to the extent specifically set forth in this Agreement. The scope may also include time and material items of work in the scope of services which will be provided on a per hour basis as quoted in the Agreement. Each party hereto agrees that it will cooperate in good faith with the other, its agents and subcontractors, to facilitate the performance of the mutual obligations set forth in this Agreement.

In addition to the above general scope of services, the MANAGER agrees to furnish the following service:

1. Attendance at all Water Commission Meetings and presentation of operation and utility reports or any other items of Commission interest that have been requested or that the MANAGER feels are pertinent to the Commission's review.

The Village agrees to provide the following under the general scope of services:

1. An operations office for the Water Utility conveniently located in Brown Deer with necessary access to the Village computer network, a phone system adequate for call center activity and all the related costs and reasonable office supplies and equipment for a functional office area. Office space will accommodate two people.

2. An operational storage area for any Utility-owned vehicles and a storage area for water system maintenance components, repair equipment and any other miscellaneous items.
3. The Village will furnish two (2) Utility-owned vehicles for the MANAGER's use when working under this agreement. The Village shall provide equipment maintenance, insurance, fuel and repair for the vehicle. Any additional required vehicles will be provided by MANAGER including equipment maintenance, insurance, fuel and repair.
4. The Village shall provide a compatible SCADA alarm system, with all related software and maintenance costs, accessible by remote computer for the 24 hour monitoring of the water system.
5. The Village agrees to provide all financial management and accounting services in accordance with the PSC regulations as required in support of all utility operations.
6. The Village shall provide all legal support for all issues related to the Water Utility except those that are a direct result of negligent actions of the employees of the MANAGER.
7. The Village shall provide administrative support for all correspondence, schedules, reports, staffing of the call center, customer brochures or notices, etc. in support of daily operations of the utility.
8. The Village will provide capital investment in the water system, resources described in other sections of this agreement, payment of supplier invoices, maintenance of the water system.
9. The Village will provide IT resources.
10. The Village will provide for major maintenance items such as main break repair contractors.

## 2 SCHEDULES AND MAINTENANCE

The MANAGER shall be responsible for the day-to-day maintenance of the water distribution system to include:

- A. Monitoring of the distribution system for pressure, flow and water quality;
- B. Distribution maintenance to include monitoring for any leak repair issues; hydrants, valve boxes, plumbing permit coordination and inspection of new taps to the system; annual flushing of the system and hydrant maintenance, repair and painting; valve operation and valve box adjustments; electrical and instrumentation monitoring and maintenance; maintenance on meter pit operations; booster pump, standpipe and booster disinfection station operation and maintenance;
- C. Water quality monitoring to include regulatory required samples per regulations in effect at the time of monitoring, chloramine testing, and special testing for customers as requested by customers or otherwise required.

- D. Field customer service operations to include observation for leaks in the system or on private property if requested, water quality issues, curb box investigation and locations, and investigation of billing issues.
- E. Diggers Hotline locating as required with the Village paying all Diggers Hotline agency fees and costs for the locating equipment.
- F. All monitoring involving the SCADA operations including identifying necessary maintenance, changes or improvements to the SCADA system the Village may need to pursue.
- G. MANAGER shall provide a 24/7 emergency response capable of resolving any emergency situation to the point of completion as required by each individual situation. The Village via police dispatch shall provide 24/7 monitoring of the SCADA system and shall alert the MANAGER of any reported emergencies or alarms. The Village will also pay for the underground contractor who performs emergency repairs of water system.
- H. MANAGER shall provide the labor to investigate water meters that have questionable accuracy and change out water meters as necessary and to arrange for any required testing and repair. The Village will provide replacement meters, meter reading equipment, and plumbing contractor, if necessary.
- I. MANAGER shall coordinate and attend any annual inspections, sanitary surveys or other regulatory required or requested inspections.
- J. MANAGER shall prepare the annual Consumer Confidence Report as required by the State and submit same for review and mailing by the Village.
- K. MANAGER shall assist the Village Manager with media communications regarding water system issues.

### 3. STAFFING:

The MANAGER will provide adequate staffing to carry out all of the duties required for consistent and high quality attention to the operation, management and maintenance requirements of the Water Utility as described in the Agreement herein. The current level of service assumes the equivalent of one FTE.

The Village will provide the full-time and on-call services of the incumbent water service worker to the MANAGER who will serve at the direction of the MANAGER. Compensation and benefits will be maintained for the incumbent in accordance with Village personnel practices.

### 4. REPORTS AND RECORD KEEPING

The MANAGER shall maintain records of operation, maintenance, repair and improvement activities of the Water Utility and shall prepare and submit to the Water Commission and the Village such reports including a summary of operations and other matters which the MANAGER feels should be included in the report, including significant unusual events, if any, and all data required for reporting to local, state, and federal agencies as well as staffing; operational concerns, emergency response situations, safety and training programs, corrective maintenance and repairs, equipment replacements, etc. A representative of the MANAGER shall be available to attend the Water Commission meetings if requested and to review the reports or discuss any pertinent issues.

In addition, the MANAGER shall provide all operational data for the annual PSC report in a form or format consistent with the Village's Treasurer in order to complete the report in a timely manner. The MANAGER and Village staff shall also organize utility data and records in such a form that it can be maintained within the Village's computer network system and available to other Village staff as necessary.

The Village shall provide GIS services and as-built mapping services for the Water Utility as may be necessary to keep current and accurate maps of the system at all times.

The MANAGER shall maintain written and/or electronic records of customer records coordinated with the billing system, valve records, hydrant records, meter records and other system information as needed to accurately account for system appurtenances. Records will contain available information on age, material, inspections, and other industry standard records for system components including drawings, record drawings and operation and maintenance manuals. The MANAGER shall also maintain accurate and current information on equipment and service providers and vendors. Records will be kept in a system as identified by the Village which may change from time to time. Any special software requested by the Village will be provided by the Village.

5. ANNUAL OPERATING BUDGET AND CAPITAL IMPROVEMENTS PROGRAM

The MANAGER shall prepare an Annual Water Utility Operating Budget in a format acceptable to the Water Commission and Village Treasurer. The MANAGER shall prepare and maintain a 5-year Capital Improvement Plan for the utility to be compiled and to be submitted annually to the Water Commission for their review and approval. The MANAGER shall report on the status of capital improvement projects related to the improvement plan as directed by the Water Commission.

The MANAGER shall review and assist in the selection and purchase of major equipment and/or maintenance contracts which may affect the operations of the Water Utility.

6. WATER SOURCE AND SUPPLY MANAGEMENT

The MANAGER shall be the primary contact with regard to the administration of the water supply as it relates to the Milwaukee Waterworks contract. The MANAGER shall ensure that Brown Deer Water Utility complies with all provisions of that agreement and shall bring any issues of concern with regard to that agreement to the attention of the Water Commission Village Manager as necessary.

7. METER READS AND BILLING

The MANAGER shall be responsible for all meter reads using the automated system equipment provided by the Village. The MANAGER shall assist in downloading and correction of the meter data to the point of being ready for preparation of the bills.

The Village will be responsible for preparing the bills, mailing and collection of all funds related to the utility. The MANAGER shall assist in resolution of disputes with regard to meter reads as necessary to resolve those issues.

8. THIRD PARTY CONTRACTING

By agreement between the MANAGER and the CITY, a list of emergency contractors and routine maintenance contractors shall be prepared and available for use as necessary. Where required pursuant to Section 66.0901, Wisconsin Statutes, or other provision of law, non-emergency

construction work shall be accomplished using the prescribed statutory bidding process. To the degree practicable, all other non-emergency purchases of labor or material shall be based upon competitive quotations.

The cost of all outside contracting, whether consulting services, design and construction administration/inspection services, emergency or routine repairs related to the mains, hydrants, valves, booster stations, electrical, instruments, SCADA, water tower, buildings, etc. shall be the responsibility of the Village. The MANAGER shall supply all labor as necessary for direct supervision and inspection of emergency and routine maintenance work by outside contractors as part of his contract.

9. PERMITS, FEES, UTILITY COSTS

The Village shall be responsible for obtaining and maintaining all necessary permits, licenses, PSC annual fees and other governmental or private property approvals and for payment of all fees required for ownership and operation of the Water Utility facilities and the equipment owned by the Village and used in conjunction with the Water Utility facilities. The Village shall pay all required testing and laboratory fees required for the operation of the Water Utility to include any regulatory testing and fees as necessary.

10. TIME AND MATERIAL WORK

The MANAGER shall assist the Village with design of main replacement preparation of plans and specifications for bid documents and construction contract management services up to one project per year. Above that amount would be additional service.

If necessary, the MANAGER shall furnish construction inspection services for water main projects on a time and material basis in accordance with Attachment E.

The Village and MANAGER shall agree, prior to and in writing, on the scope of any other additional services to be provided on a time and material basis under this contract.

**Attachment B**  
**Terms and Conditions**

1. **Term of Service**

Services by the MANAGER under this Agreement shall commence on September 1, 2013 and continue until terminated as provided herein in Section 5.

2. **Compensation**

From September 1, 2013, the VILLAGE shall pay the MANAGER as compensation ("Compensation") for the services performed pursuant to this Agreement, the following sums per month or part thereof:

\$5,700 per month – Manager Services

\$6,900 per month – Staffing Services

3. **Appropriation of Funds**

Continuation of the contract and payment of services for any period beyond December 31<sup>st</sup> of any year is contingent upon the appropriation of sufficient funds by the Water Commission and Village Board of the VILLAGE.

4. **Conditions of Performance and Compensation**

The MANAGER agrees that the performance of the MANAGER's work, services and the results therefrom, pursuant to the terms, conditions and agreements of the Contract, shall be in substantial conformity with the intention of the parties as set forth in the Scope of Services.

The VILLAGE agrees to pay, subject to the contingencies herein, and the MANAGER agrees to accept for the satisfactory performance of the services under this Agreement the amount of compensation set forth in No. 2 above, inclusive of all expenses.

The MANAGER shall not subcontract for the performance of any services required by this Agreement without prior written approval obtained from the VILLAGE.

5. **Termination**

If, through any cause, either party shall fail to fulfill in timely and proper manner their obligations under this Contract, or if either party shall violate any of the covenants, agreements or stipulations of this Agreement the non defaulting party shall thereupon have the right to terminate this Agreement by giving written notice to the other party of such termination and specifying the effective date thereof, at least ninety (90) days before the effective date of such termination. In such event, all finished and unfinished documents, data, studies, reports or other materials related to the services prepared by the MANAGER under this Agreement shall, at the option of the VILLAGE, become the property of the VILLAGE.

Notwithstanding the above, the MANAGER shall not be relieved of liability to the VILLAGE for damages sustained by the VILLAGE by virtue of any breach of the Agreement by the

MANAGER, and the VILLAGE may withhold any payments to the MANAGER for the purpose of set off until such time as the exact amount of damages due to the VILLAGE from the MANAGER is determined.

Either party may terminate this Agreement at any time for any reason by giving at least ninety (90) days notice in writing to the other party. If the MANAGER is terminated by the VILLAGE as provided herein, the MANAGER will be paid for all services actually performed pursuant to this Agreement.

#### 6. Personnel and Subcontracting

The MANAGER represents that they have or will secure at its own expense all personnel required in performing the service under this Contract. Such personnel shall be employees of MANAGER and are not employees of the VILLAGE for any purpose whatsoever.

None of the work or services covered by this Agreement shall be subcontracted without the prior written approval of the VILLAGE. If any work or services is subcontracted, it shall be specified by written agreement and shall be subject to all provision of this Agreement. The MANAGER shall be as fully responsible to the VILLAGE for the acts and omissions of their subcontractor and of persons either directly or indirectly employed by them, as they are for the acts and omissions or persons directly employed by them.

#### 7. Indemnification

MANAGER hereby indemnifies and shall defend and hold harmless the VILLAGE, its elected and appointed officials, officers, employees or authorized representatives or volunteers, from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, interest, costs and expenses of whatsoever kind or character whether arising before, during or after completion of the work hereunder and in any manner directly or indirectly caused or contributed to in whole or in part (or claimed to be caused or contributed to in whole or in part), by reason of any act, omission, fault, or negligence, whether active or passive of the MANAGER, or of anyone acting under its direction or control or on its behalf in connection with the performance of this Agreement, regardless if liability without fault is sought to be imposed on the VILLAGE. MANAGER'S indemnity and hold harmless agreement does not apply to any liability caused by the sole negligence or willful misconduct of the VILLAGE, its elected and appointed officials, officers, employees or authorized representatives or volunteers. This indemnity provision shall survive the termination or expiration of this Agreement.

MANAGER shall reimburse the VILLAGE, its elected and appointed officials, officers, employees or authorized representatives or volunteers for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. MANAGERS obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the VILLAGE, its elected and appointed officials, officers, employees or authorized representatives or volunteers.

#### 8. Relationship

The relationship of the MANAGER to the VILLAGE is that of independent contractor and not one of employment. None of the employees or agents of the MANAGER shall be considered employees of the VILLAGE. However, the VILLAGE retains the overall and final operational, management and financial decision-making authority over the Water Utility.

9. Liability and Governmental Immunity

It is the intention of the parties that the MANAGER shall be an agent of the Village while performing services within the scope of this Agreement for the purposes of liability to persons not parties to this agreement pursuant to the doctrine of governmental immunity under the common law and Section 893.80 of the Wisconsin Statutes. It is the intent of the parties that those provisions of governmental immunity law shall be applicable to MANAGER with respect to any claims, actions or suits, and the parties agree that nothing contained herein shall waive the rights and defenses to which each party may otherwise be entitled, including all of the immunities, limitations, and defenses under Section 893.80 of the Wisconsin Statutes (2001- 2002) or any amendments thereof.

10. Nondiscrimination

The MANAGER shall not engage in unlawful discrimination in employment.

11. Force Majeure

A Party's performance of any obligation under this Agreement, other than an obligation to pay money, shall be excused if, and to the extent that, the party is unable to perform because of events of force majeure, which shall include but shall not be limited to, storms, floods, and other Acts of God, the acts of civil or military authority, quarantine restrictions, riots, strikes, lockouts or other labor disputes, commercial impossibility, epidemics, fires, explosions and bombings, the inability to obtain or delays in obtaining permits or other private or governmental approvals, or because of any other cause or causes beyond the reasonable control of the party seeking to be excused from performance, so long as the condition giving rise to the excuse to performance was not caused by the failure to act with due diligence by the party unable to perform shall be required to resume performance of its obligations under this Agreement upon the termination of the event or cause which excused performance hereunder.

12. Entire Agreement: Amendments

This Agreement contains the entire agreement between the VILLAGE and the MANAGER and supersedes all prior or contemporaneous communications, representations, understandings, or agreements. This Agreement may be modified only by a written amendment signed by both parties.

13. Headings, Attachments and Exhibits

The headings contained in this Agreement are for reference only and shall not in any way affect the meaning or interpretation of this Agreement. The Attachments and Exhibits to this Agreement shall be construed as an integral part of this Agreement.

14. Waiver

The failure on the part of either party to enforce its rights as to any provision of this Agreement shall not be construed as a waiver of its rights to enforce such provisions in the future.

15. Assignment

This Agreement shall not be assigned by either party without the prior written consent of the other unless such assignment shall be to a wholly owned subsidiary or successor of either party.

16. Authority to Contract

Each party warrants and represents that it has power and authority to enter into this Agreement.

17. Governing Law

The Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin.

18. Notices

All notices will be in writing and will be delivered in person or transmitted by certified mail, return receipt requested. Notices required, to be given to the MANAGER will be addressed to:

Michael P. Rau  
City Water LLC  
PO Box 1726  
Milwaukee, WI 53201-1726

Notices required, to be given to the VILLAGE will be addressed to:

Village Manager  
Village of Brown Deer  
4800 W. Green Brook Drive  
Brown Deer, WI 53223

Changes in addresses shall be transmitted to the other party by like notice. Addresses must include a street address.

19. Severability

Should any part of this Agreement for any reason be declared invalid or void, such declaration will not affect the remaining portion, which will remain in full force and effect as if this Agreement had been executed with the invalid portion eliminated.

## Attachment C

### Insurance Requirements

#### 1. General

Unless otherwise specified in this Agreement, the MANAGER shall, at its sole expense, maintain in effect at all times during the term of the Agreement, insurance coverage with limits not less than those set forth below with insurers and under forms of policies set forth below.

#### 2. Worker's Compensation and Employers Liability Insurance

The MANAGER shall cover or insure under the applicable labor laws relating to worker's compensation insurance, all of their employees in accordance with the law in the State of Wisconsin. The MANAGER shall provide statutory coverage for work related injuries and employer's liability insurance with limits of \$1,000,000 each accident, \$1,000,000 disease policy limit, and \$1,000,000 disease each employee.

#### 3. Commercial General Liability and Automobile Liability Insurance

The MANAGER shall provide and maintain the following commercial general liability and automobile liability insurance:

**Coverage** - Coverage for commercial general liability and automobile liability insurance shall be at least as broad as the following:

1. Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 0001)
2. Insurance Services Office (ISO) Business Auto Coverage (Form CA 0001), covering Symbol 1 (any vehicle)

**Limits** - The MANAGER shall maintain limits no less than the following:

1. General Liability - One million dollars (\$1,000,000) per occurrence (\$1,000,000 general aggregate if applicable) for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2503, or ISO CG 2504, or insurer's equivalent endorsement provided to the VILLAGE or the general aggregate including product-completed operations aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability - One million dollars (\$1,000,000) for bodily injury and property damage per occurrence limit covering all vehicles to be used in relationship to the Agreement.
3. Professional Liability - One million dollars (\$1,000,000) per claim and annual aggregate.

**Required Provisions** - The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The Village of Brown Deer, its elected and appointed officials, officers, employees or authorized representatives or volunteers are to be given additional insured status (via ISO endorsement CG 2010, CG 2033, or insurer's equivalent for general liability coverage) as respects: liability arising out of activities performed by or on behalf of the MANAGER; products and completed operations of the MANAGER; premises occupied or

used by the MANAGER; and vehicles owned, leased, hired or borrowed by the MANAGER. The coverage shall contain no special limitations on the scope of protection afforded to the VILLAGE, its elected and appointed officials, officers, employees or authorized representatives or volunteers.

2. For any claims related to this Agreement, the MANAGER'S insurance shall be primary insurance as respects the VILLAGE, its elected and appointed officials, officers, employees or authorized representatives or volunteers. Any insurance, self-insurance, or other coverage maintained by the VILLAGE, its elected and appointed officials, officers, employees, or authorized representatives or volunteers shall not contribute to it.
3. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the VILLAGE, its elected and appointed officials, officers, employees or authorized representatives or volunteers.
4. The MANAGER'S insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this agreement shall state, or be endorsed to state, that coverage shall not be canceled by the insurance carrier or the MANAGER, except after sixty ((60) days) (10 days for non-payment of premium) prior written notice by U.S. mail has been given to the VILLAGE.
6. Such liability insurance shall indemnify the VILLAGE against loss from liability imposed by law upon, or assumed under contract by, the MANAGER for damages on account of such bodily injury (including death), property damage, personal injury, completed operations, and products liability.
7. The general liability policy shall cover bodily injury and property damage liability, owned and non-owned equipment, blanket contractual liability, completed operations liability, explosion, collapse, underground excavation, and removal of lateral support, and shall not contain an exclusion for what is commonly referred to by the insurers as the "XCU" hazards. The automobile liability policy shall cover all owned, non-owned, and hired vehicles. All of the insurance shall be provided on policy forms and through companies satisfactory to the VILLAGE and shall have a minimum A.M. Best's rating of A- VII.

#### 4. Deductibles and Self-Insured Retentions

Any deductible or self-insured retention must be declared to and approved by the VILLAGE. At the option of the VILLAGE the insurer shall either reduce or eliminate such deductibles or self-insured retentions.

#### 5. Evidences of Insurance

Prior to execution of the agreement, the MANAGER shall file with the VILLAGE a certificate of insurance (Acord Form 25-S or equivalent) signed by the insurer's representative evidencing coverage that is satisfactory to the Village and its insurance carrier. Such evidence shall include an additional insured endorsement signed by the insurer's representative. Such evidence shall also include confirmation that coverage includes or has been modified to include all required provisions listed in paragraph 3 above unless waived by the Village.

The MANAGER shall, upon demand of the VILLAGE, deliver to the VILLAGE such policy or policies of insurance and the receipts for payment of premiums thereon.

6. Sub-Contractors

In the event that the MANAGER employs other contractors (sub-contractors) as part of the work covered by this agreement, it shall be the MANAGER'S responsibility to require and confirm that each sub-contractor meets the minimum insurance requirements specified above.

**Attachment D**

Certificate of Corporation

\_\_\_\_\_  
(type or print name of Corporation)

\_\_\_\_\_ certify that I am the \_\_\_\_\_ of the above  
(Print Name) (Print Title)  
corporation named herein; that \_\_\_\_\_, who has executed  
(Print Signator of Contract)  
this Agreement on behalf of the MANAGER was then \_\_\_\_\_  
(Official Capacity of Signator)  
of said corporation, and in said capacity, duly signed said Contract for and on behalf of  
said corporation, being duly authorized so to do under its bylaws or is authorized so to do by action  
of its duly constituted board, all within the scope of its corporate powers.

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2009  
(Location)

\_\_\_\_\_  
(Signature)

## City Water LLC Fact Sheet on Service to Brown Deer Water Utility

August 2013

- Since City Water LLC has served the Brown Deer Water Utility with management services since May 2009, we have provided services and expertise from all our personnel listed below:
  - Mike Rau, Professional Engineer, Certified Water Operator, Past President Waukesha Chapter, WI Professional Engineers, Past President WI Water Association
  - Tom Nennig, WI Professional Engineer, Certified Operator, Past Chair – WI Water Association Education Committee
  - Jim Voigt, Certified Operator, Water Operations Supervisor – Mequon Water Utility
  - Mark Haas, Pipeline and Construction Manager Expert
  - Dan Singer, Certified Water Operator
  - Martell Gladney, Certified Water Operator
  - Andy Krueger, Water Operator
  - Jeff Trudell, Engineering Intern
  - Jasmine Carter-Ward, Finance Intern

These persons total over 100 years of professional utility operating experience.

- Total Management Hours Provided over 35 months (May 2009 – Apr 2012) = 2,962.50 hours ; Billings = \$198,337.50 ; Avg per hour: \$66.95 per hour which includes costs for vacation, sick, health insurance, commercial liability insurance, professional liability insurance, vehicle use and retirement funds (Comparable average consulting rates in the industry for the type of service we provide = \$90 to \$150 per hour. A comparable village employee Superintendent would have cost approximately \$270,000 during that same time period.
- A Certified Water Operator has been provided since April 2012 when a Village employee resigned. City Water LLC has provided this service at slightly less cost than the Village filling the position. This arrangement has allowed the Village to receive services from more of our staff and match skills to the needs.
- Key Issues handled by City Water people since 2004:
  - Actions taken by City Water reduced leaking copper water laterals from about 8 – 12 per year to less than one per year
  - Improved lack of chlorine residual (violation of NR811)
  - Re-designed, oversaw construction, manage and operate the Booster Disinfection Station
  - Milwaukee Water Works proposed 35% rate increase, helped lead the eight (8) wholesale customers of Milwaukee to fight this increase. Result was a 3.2% increase for Brown Deer.
  - Updating of Cell phone carrier contracts on Standpipe to increase revenue
  - Water system pressure and flow management, alarm response 24/7
  - Institution of the uni-directional flush program called the Big Flush which pulled large amounts of debris from the water distribution system

- Ramp up of water main replacement by 5x, coordination with DPW, Sewer Utility, Storm Water Utility, Road Replacement Program, and Village Treasurer, State Required Professional Engineer Supervision/Stamp of Plans done for the first time in the Water Utility (Estimated value \$15,000 - \$20,000 per year.)
- Managed replacement of municipal utility billing system two times to coordinate with Village accounting software
- Performed as customer service back up to Utility Billing Clerk
- Replacement of obsolete meter reading technology with the latest technology by Badger Meter, one of the largest tax payers in the Village of Brown Deer, provided City Water leading edge expertise to the Water Utility and Badger Meter
- Provided back up help to Water Utility personnel for emergencies in the case of their vacation, illness, or other time off.