

CITY OF FRANKLIN
COMMON COUNCIL MEETING
JULY 24, 2012
MINUTES

- ROLL CALL A. The regular meeting of the Common Council was held on July 24, 2012 and called to order at 6:30 p.m. by Mayor Tom Taylor in the Franklin City Hall Council Chambers, 9229 W. Loomis Road, Franklin, Wisconsin. On roll call, the following were in attendance: Aldermen Steve Olson, Tim Solomon, Kristen Wilhelm, Steve Taylor, Doug Schmidt, and Ken Skowronski. Also present were City Engineer John M. Bennett, Director of Administration Mark Luberda, City Attorney Jesse Wesolowski and Deputy City Clerk Jodi Vanden Boom.
- CITIZEN COMMENT B.1. Citizen comment period was opened at 6:40 p.m. and closed at 6:50 p.m.
- PROCLAMATION B.2.a. Mayor Tom Taylor acknowledged a proclamation in recognition of the 75th Anniversary of the founding of Carma Laboratories and to proclaim July 19, 2012 to be Carmex Day in the City of Franklin.
- APPROVAL OF
MINUTES-7/10/12 C.1. Alderman Taylor moved to approve the minutes of the regular meeting of July 10, 2012. Seconded by Alderman Wilhelm. All voted Aye; motion carried.
- HEARINGS
W. LOOMIS RD./
W. ST. MARTINS RD. D.1. Mayor Tom Taylor called the public hearing to order at 6:51 p.m. regarding a proposed ordinance to amend the City of Franklin 2025 Comprehensive Master Plan to change the Future Land Use Map use designation for property located at 11052-11056 South 76th Street, from Residential Use to Agriculture Use (Franklin Investment Properties LLC applicant). The public hearing was closed at 6:53 p.m.
- APPOINTMENTS E.1.a. Alderman Skowronski moved to approve the Mayoral appointment of Kevin Mineard to the Finance Committee, term expires 4/30/13. Seconded by Alderman Solomon. On roll call, all voted Aye; motion carried.
- E.1.b. Alderman Schmidt moved to approve the Mayoral appointment of Robert E. Campbell, Jr. to the Finance Committee, term expires 4/30/13. Seconded by Alderman Skowronski. On roll call, all voted Aye; motion carried.
- E.1.c. Alderman Taylor moved to approve the Mayoral appointment of Alderman Skowronski to the Finance Committee, term expires 4/30/13. Seconded by Alderman Solomon. On roll call, all voted Aye; motion carried.
- Alderman Olson moved to approve the Mayoral appointment of Alderman Solomon to the Plan Commission, term expires 4/30/13. Seconded by Alderman Skowronski. On roll call, all voted Aye; motion carried.

FRANKIN
INVESTMENT
PROPERTIES LLC

G.1. Alderman Solomon moved to postpone to the August 21, 2012, meeting of the Common Council, adoption of an ordinance to amend the City of Franklin 2025 Comprehensive Master Plan to change the Future Land Use Plan use designation for property located at 11052-11056 S. 76th Street from residential to agricultural use (approximately 11.96902 acres) (Franklin Investment Properties LLC, applicant). Seconded by Alderman Taylor. All voted Aye; motion carried.

ORD. 2012-2083
PLANNED
DEVELOPMENT
DISTRICT NO. 31-
FORESTHILL
HIGHLANDS/
UNITED FINANCIAL
GROUP, INC.

G.2. Alderman Olson moved to adopt Ordinance No. 2012-2083, AN ORDINANCE TO AMEND §15-3.0436 OF THE UNIFIED DEVELOPMENT ORDINANCE PLANNED DEVELOPMENT DISTRICT NO. 31 (FORESTHILL HIGHLANDS/UNITED FINANCIAL GROUP, INC.) TO ALLOW FOR REMOVAL OF A PARCEL OF LAND FOR ITS POTENTIAL USE IN ADJOINING PROPERTY DEVELOPMENT (DAVID W. BEHRENS, PRINCIPAL OF GREENBERGFARROW ARCHITECTURE INC., APPLICANT) [EASTERN CORNER OF WEST LOOMIS ROAD AND WEST ST. MARTINS ROAD (STH 100)]. Seconded by Alderman Taylor. All voted Aye; motion carried.

ORD. 2012-2084
BUILDING SIZE
LIMIT PROVISIONS-
DAVID W. BEHRENS

G.3. Alderman Solomon moved to adopt Ordinance No. 2012-2084, AN ORDINANCE TO AMEND THE UNIFIED DEVELOPMENT ORDINANCE TEXT AT §15-3.0505A.2., TO REMOVE "PDD DISTRICT" FROM THE RETAIL BUILDING SIZE LIMIT PROVISIONS (DAVID W. BEHRENS, PRINCIPAL OF GREENBERGFARROW ARCHITECTURE INC., APPLICANT). Seconded by Alderman Taylor. All voted Aye; motion carried.

RES. 2012-6820
CONDOMINIUM
PLAT-CORDGRASS
CIRCLE
CONDOMINIUM

G.4. Alderman Skowronski moved to adopt Resolution No. 2012-6820, A RESOLUTION CONDITIONALLY APPROVING A CONDOMINIUM PLAT FOR 8977-79 CORDGRASS CIRCLE CONDOMINIUM AT 8977 AND 8979 SOUTH CORDGRASS CIRCLE WEST, LOT 32, PRAIRIE GRASS PRESERVE SUBDIVISION (CHARLES G. CRUMP AND RENEE M. CRUMP/SARAH A. AMBLE, OWNERS, ANTOINETTE M. WOTNOSKE, CO-OWNER OF FW CONSTRUCTION & CUSTOM CARPENTRY LLC, APPLICANT). Seconded by Alderman Taylor. All voted Aye; motion carried.

RES. 2012-6821
CERTIFIED SURVEY
MAP-PEOPLE'S
CHOICE
CORPORATION

G.5. Alderman Solomon moved to adopt Resolution No. 2012-6821, A RESOLUTION REAPPROVING A CERTIFIED SURVEY MAP CONDITIONALLY APPROVED BY RESOLUTION NO. 2008-6467 ON AUGUST 5, 2008 (PEOPLE'S CHOICE CORPORATION) (6901 SOUTH 76TH STREET AND 7700 WEST RAWSON AVENUE). Seconded by Alderman Taylor. All voted Aye; motion carried.

COMPLETE STREETS
AND CONNECTIVITY
BOARD

G.6. Alderman Wilhelm moved to approve the Administrative Rules and Procedures for the Complete Streets and Connectivity Committee, a replacement for the Franklin Trails Committee, with the condition that appropriate corrections be made to reflect the approved name as a Committee and not as a Board. Seconded by Alderman Solomon. All voted Aye; motion carried.

RYAN CREEK
INTERCEPTOR
CHANGE ORDER

G.7. Alderman Skowronski moved to authorize staff to sign Change Order No. 3 in the amount of an increase in the contract cost of \$11,980.76 for Contract CO2006-C03 for the Ryan Creek Interceptor with D.F. Tomasini which will increase the cost from \$5,490,042.00 to \$5,502,022.76. Seconded by Alderman Solomon. All voted Aye; motion carried.

ORD. 2012-2085
PROHIBITING
PARKING-FOREST
HILL AVENUE

G.8. Alderman Olson moved to adopt Ordinance No. 2012-2085, ORDINANCE TO PROHIBIT PARKING ON THE NORTH SIDE OF W. FOREST HILL AVENUE FROM S. 79TH STREET TO S. FOREST MEADOWS DRIVE. Seconded by Alderman Wilhelm. At 7:14 p.m. Mayor Taylor passed the gavel to Council President Taylor, who then chaired the meeting. The gavel was returned to Mayor Taylor at 7:16 p.m., who returned to chairing the meeting. All voted Aye; motion carried.

JOHN'S DISPOSAL
SERVICE, INC.

G.9. Alderman Taylor moved to direct staff to return to the next regular Common Council meeting of 8/07/12 a final draft of a refuse collection, disposal and recycling contract with John's Disposal Service, Inc. for the years 2013 through 2017, with the substance of the terms presented to the Common Council at tonight's meeting, with input from aldermen to be given to City Engineer and City Attorney. Seconded by Alderman Olson.

Alderman Wilhelm moved to call the question. Seconded by Alderman Taylor. On roll call, Aldermen Solomon, Wilhelm, Taylor and Schmidt voted Aye; Aldermen Olson and Skowronski voted No, motion carried.

The vote on the main motion, all voted Aye; motion carried.

Alderman Olson then moved to direct staff to produce a post card or a notice with pictures to be placed in the City's newsletter if possible to all homes receiving trash collection asking for input regarding a potential change of recycling containers in the City of Franklin. Seconded by Alderman Skowronski. All voted Aye; motion carried.

- ORD. 2012-2086
FIRE PREVENTION,
PROTECTION AND
CONTROL
- G.10. Alderman Taylor moved to adopt Ordinance No. 2012-2086, AN ORDINANCE TO AMEND CHAPTER 133 OF THE MUNICIPAL CODE RELATED TO FIRE PREVENTION, PROTECTION AND CONTROL TO MODERNIZE AND UPDATE THE SAME AND TO IMPOSE CERTAIN FEES UPON PROPERTY OWNERS FOR FIRE INSPECTION SERVICES as corrected. Seconded by Alderman Olson. All voted Aye; motion carried.
- SHARED OR
CONSOLIDATED
SERVICES IN
SOUTHERN MILW.
COUNTY
- G.11. Alderman Olson moved to receive and place on file the Public Policy Forum's document "Exploring Shared or Consolidated Services in Southern Milwaukee County" as recommended by the Personnel Committee. Seconded by Alderman Taylor. All voted Aye; motion carried.
- BATALLION CHIEF
JOB DESCRIPTION
- G.12. Alderman Schmidt moved to approve amendment of the job description for Fire Department Battalion Chief with a "prepared date" of 7/18/12 as recommended by the Personnel Committee. Seconded by Alderman Skowronski. On roll call, Aldermen Solomon, Wilhelm, Taylor, Schmidt and Skowronski voted Aye; Alderman Olson voted No. Motion carried.
- RES. 2012-6822
EMPLOYEE
HANDBOOK
- G.13. Alderman Skowronski moved to adopt Resolution No. 2012-6822, A RESOLUTION TO AMEND THE CITY OF FRANKLIN EMPLOYEE HANDBOOK TO PROVIDE FOR AN EXTENDED INTRODUCTORY PERIOD TO MEET MINIMUM JOB QUALIFICATIONS, as recommended by the Personnel Committee. Seconded by Alderman Schmidt. On roll call, Aldermen Solomon, Wilhelm, Taylor, Schmidt and Skowronski voted Aye; Alderman Olson voted No. Motion carried.
- HEAVY EQUIPMENT
OPERATOR
POSITION
- G.14. Alderman Taylor moved to create an additional heavy equipment operator position and to eliminate one light equipment operator position in the Department of Public Works, as recommended by the Personnel Committee. Seconded by Alderman Wilhelm. All voted Aye; motion carried.
- CUSTODIAN JOB
DESCRIPTION
- G.15. Alderman Taylor moved to approve the revised job description for custodian, as recommended by the Personnel Committee. Seconded by Alderman Wilhelm. All voted Aye; motion carried.
- CLASSIFICATION
AND
COMPENSATION
STUDY
- G.16. No action was needed at this time regarding preliminary report as to the Personnel Committee's consideration of the need for retaining a consultant for a classification and compensation study for non-represented employees. Alderman Solomon moved to bring this item back to the Common Council as required. Seconded by Alderman Schmidt. All voted Aye; motion carried.

SENIOR TRAVEL PROGRAM G.17. Alderman Skowronski moved to approve the Franklin Senior Citizens Travel Program semi-annual update for 2012. Seconded by Alderman Olson. All voted Aye; motion carried.

MADACC DOG BITE POLICY G.18. Alderman Solomon moved to direct the Director of Administration to notify the Milwaukee Area Domestic Animal Control Commission (MADACC) of the City's decision to participate in the "Release of 'Bite Case' animals" policy. Seconded by Alderman Wilhelm. All voted Aye; motion carried.

CLOSED SESSION-SPECIAL USE-WHEATON FRANCISCAN HEALTHCARE-FRANKLIN, INC. G.19. Alderman Skowronski moved to enter closed session at 8:20 p.m. pursuant to Wis. Stat. §19.85(1)(e), to consider the terms and negotiation of a potential development agreement with Wheaton Franciscan Healthcare-Franklin, Inc. and related parties, concerning public improvements related to the development of the proposed medical office buildings and the terms of general property taxation of existing and future development and uses of the Wheaton Franciscan Healthcare-Franklin Inc. property within Tax Incremental District No. 4, for competitive and bargaining reasons, and to reenter open session at the same place thereafter to act on such matters discussed therein as it deems appropriate. Seconded by Alderman Taylor. On roll call, all voted Aye; motion carried.

Upon reentering open session at 9:30 p.m., Alderman Taylor moved to direct the City Attorney to work with counsel for Wheaton Franciscan to prepare an amendment to the existing facility development agreement to include the special use parcel to credit, in part, the initial medical office building non-tax exempt new development value against the minimum revenue requirement of the existing development agreement, generally consistent with the terms proposed in Wheaton Franciscan's counsel's letter dated 7/23/12 and to return the amendment to development agreement with and as part of an amended condition No. 14 in the proposed special use resolution at the next regular Common Council meeting of 08/07/12. Seconded by Alderman Olson. On roll call, all voted Aye; motion carried.

MISCELLANEOUS LICENSES H.1. Alderman Solomon moved to grant the following licenses:
2012-13 Operator License to Vito M. Siciliano, 1064 Main St. #2, Antioch, IL with warning letter from City Clerk; Dale G. Hasenstein, 2100 E. Leroy Ave., St. Francis; Eric A. Balcerowski, 11930 W. Ryan Rd.; John W. Benning Jr., 9441 S. 96th St. with warning letter from City Clerk; Rebecca L. Bernaden, 5320 Woodbridge Ln., Greenfield; Mary E. Furey, 5219 S. Lake Dr. #7, Cudahy; Scott S. Gramblicka, 3590 S. Sandalwood Dr., New Berlin; Amber E. Helm, 11401 Parkview Ln., Hales Corners with warning letter on file; Austin W. Helm,

MISCELLANEOUS
LICENSES-
CONTINUED

11401 Parkview Ln., Hales Corners; Jenny L. Jennings, 8232 S. 88th St.; Eli Krondeva; Sara L. Mussa, 9253 S. 15th Ave., Oak Creek; Kristi A. Quile-Lembcke, 10073 S. 60th St.; Jane B. Regnier, 239 E. Washington St. #204, Slinger; Kathy J. Schultz, 3426 Links Dr.; Lynn A. Scott, 1316 W. Armour Ave., Milwaukee; Jolene Skaradzinski, 15950 W. Cynthia Dr., New Berlin; Sarah J. Walkington, 2574 Honey Creek Cir. #217, East Troy; David A. Washkuhn, 11201 W. Mayers Dr. (renewal);

Class A Combination Change of Agent for Sam's East, Inc., d/b/a: Sam's Club #8167, 6705 S. 27th St., Agent: Cristi L. Mehta and Wisconsin CVS Pharmacy, LLC, d/b/a: CVS Pharmacy #5390, 5220 W. Rawson Ave., Agent: Thomas P. McGrath;

Temporary Operator License to Chad C. Hoffman, 9275 S. 96th St. and Jeffrey F. Terp, 26430 Grace Dr., Wind Lake, both for St. Martins Fair-Franklin Lions Club;

Further moved to hold temporary Operator License for Jacqueline M. Glanzmann, 4915 W. Loomis Rd., Greenfield for St. Martins Fair-Franklin Lions Club subject to satisfactory police check. Seconded by Alderman Taylor. All voted Aye; motion carried.

VOUCHERS AND
PAYROLL

- I.1. Alderman Schmidt moved to approve net City vouchers in the range of Nos. 143572 through 143738 dated July 24, 2012, in the amount of \$3,196,367.04. Seconded by Alderman Olson. On roll call, all voted Aye. Motion carried.
Alderman Skowronski moved to approve net payroll dated July 13, 2012, in the amount of \$350,641.27. Seconded by Alderman Schmidt. On roll call, all voted Aye. Motion carried.

ADJOURNMENT

- J. Alderman Taylor moved to adjourn the meeting at 9:35 p.m. Seconded by Alderman Schmidt. All voted Aye; motion carried.

State of Wisconsin
DEPARTMENT OF NATURAL RESOURCES
101 S. Webster Street
Box 7921
Madison WI 53707-7921

Scott Walker, Governor
Cathy Stepp, Secretary
Telephone 608-266-2621
FAX 608-267-3579
TTY Access via relay - 711



July 17, 2012

Alderman Steve Taylor, Common Council President
City of Franklin
2812 W Hilltop Ln
Franklin, WI 53132

RECEIVED
CITY OF FRANKLIN
2012 JUL 20 PH 4: 01

Dear Alderman:

The Department would like to inform you that a grant from the Knowles-Nelson Stewardship Program has been tentatively awarded to support the acquisition of two parcels in the City of Franklin by The Conservation Fund for conservation and public recreational purposes. The parcels are 24 acres and 17 acres in size.

The state biennial budget bill enacted in 2011 includes a provision requiring a Department notice to your Board stating that your Board may adopt a resolution that supports or opposes land acquisitions funded by the Stewardship Program - see s. 23.0917(5t) Wis. Stats. While the Board is not obligated to hold a meeting or adopt a resolution, if you decide to do so, please send a copy of the resolution to DNR grant staff:

Jillian Steffes
DNR - Rhinelander
107 Sutliff Ave
Phone: 715-365-8928
Jillian.Steffes@wisconsin.gov

Although a resolution for or against a grant for land acquisition will be nonbinding, the Department is required to consider the resolution if it is received within 30 days of your receipt of this letter.

If you would like more information, or have questions or concerns about this grant, please contact Jillian above.

Sincerely,



Pamela Foster-Felt
Stewardship Non Profit Grant Manager

cc: Jillian Steffes – DNR
Dan Kaemmerer – DNR
David Grusznski, Program Director, The Conservation Fund

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APPROVAL	REQUEST FOR COUNCIL ACTION	MTG. DATE
<i>Slw</i> Reports & Recommendations	SUBJECT: Method of obtaining refuse and recycling hauling municipal/resident services to be used relative to the refuse contract expiring December 31, 2012; John's Disposal Service, Inc. 5 year contract term proposal	8/7/12 ITEM NO. <i>G.1.</i>

BACKGROUND

At the last regular meeting on July 24, 2012, the Common Council directed staff to make changes in the contract and the City Attorney review the contract for technical changes. Also, staff was directed to review the possibility of providing dumpsters to condominium developments.

ANALYSIS

Staff has made the changes requested as shown in yellow highlight. The City Attorney will be providing the technical changes. Staff has surveyed adjacent communities relative to the City furnishing dumpsters for condominium developments and has found that all communities surveyed require condominium developments to furnish their own dumpsters (see attached). Also, Mr. Jongetjes from John's Disposal has indicated that the communities they serve require condominiums to furnish their own dumpsters. – see attached. Also attached is the notice that was published in the newsletter.

OPTIONS

Review contract changes

or

Table

FISCAL NOTE

Funding would be required for the new contract beginning in 2013.

RECOMMENDATION

Motion to approve the contract with John's Disposal as drafted by staff.

JMB/sg
Encl.

Community	Phone Number	For large condo units does City/Village furnish dumpsters or do they have to furnish their own?
Caldonia	Xenia Ramos 1-262-835-6413	They have 10 & 15 Unit condos and each unit has their own individual garbage & recycling containers so they can bill them individually on tax bill.
Greenfield	John's Ext. 6-Brett 329-5219	Condo's were given the choice to 1) furnish their own dumpsters, 2) have individual curb side pick up to be billed on tax bill, 3) or to use their own garbage service provider. Greenfield has all of these.
Hales Corners	Mike Martin 529-6165	For all condos/apartments over 4 units it is managements responsibility to provide for garbage and recycling collection.
Muskego	Dave Simpson 1-262-679-4188	Depends on type of Condo – If single with own garage have their own individual containers. If large Condo, say 48 Units, they get their own dumpsters.
Oak Creek	Public Works Dept 768-6500	They get their own private service.

NOTICE REGARDING A POTENTIAL CHANGE OF RECYCLING CONTAINERS IN THE CITY OF FRANKLIN

The City of Franklin is considering a change in the containers used for collection of recyclable materials. Currently, residents use 18-gallon bins, the smallest bin as shown in the picture below. The City is considering a change to recycling carts, also shown below. The carts are heavy-duty, plastic cans with wheels for easy movement.

If the change is approved, a 96-gallon cart (far right in photo) will be delivered to each home in the City. After 30 days, the smaller 48-gallon cart (center) will be made available immediately to any resident that requests a replacement for the larger cart. The elderly or disabled may request the smaller cart immediately. The current 18-gallon tubs would no longer be allowable or picked up. Otherwise, recyclable pickup would remain unchanged and continue to be every other week on the same schedule.

Some may consider the larger storage capacity and convenience of wheels a benefit. Additionally, the lid keeps items from blowing around. Some may view the larger capacity as unneeded and the larger carts as bulky and harder to store.



The Common Council wants your input. **PLEASE RESPOND SOON.** The Common Council will address the matter at their meeting on August 7th at 6:30 p.m. at City Hall (9229 W. Loomis Road). If you would like to provide comment or input to the Common Council on this matter, you are encouraged to do any of the following:

- email any comment or input to contactfranklin@franklinwi.gov,
- attend the meeting and speak during "Citizen Comments,"
- contact the City through the City's website at www.Franklinwi.gov (Click "Contact a City Official" then "Submit a Comment or Question to the City"), or
- call the Engineering Department at 425-7510.

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OFFICE OF THE CITY CLERK
9229 WEST LOOMIS ROAD
FRANKLIN, WISCONSIN 53132

GENERAL CONTRACT PROVISIONS
AND SPECIFICATIONS FOR

REFUSE COLLECTION, DISPOSAL AND RECYCLING

FOR THE

CITY OF FRANKLIN

January 1, 20130 to December 31, 20172

JULY 201209

SMALL AMOUNTS – A measure or quantity of solid waste equal in volume to one bushel or less and weighing less than 80 pounds per pickup.

SINGLE-FAMILY RESIDENCE – Any single-family home, including trailers and mobile homes, wherein one family resides.

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MULTI-FAMILY RESIDENCE – Includes condominiums and 3 and 4 family apartment buildings.

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TWO-FAMILY RESIDENCE – Any residential structure housing two families in separate living units.

III. SCOPE OF WORK

The Contractor shall perform everything required to be performed and shall provide and furnish all labor and materials, necessary tools, equipment and all utility and transportation services required for the weekly collection of all rubbish, garbage, trash, and the collection of brush and leaves when so required by the City under this contract from residences in the City of Franklin, Wisconsin, the disposal thereof and the recycling activities as specified per this contract for a period of five (5) years (subject to the terms set forth herein), all in accordance with their specifications. THE CONTRACTOR SHALL BE REQUIRED, AS PART OF THIS CONTRACT, TO DISPOSE OF ALL NON-RECYCLABLE RUBBISH, GARBAGE AND TRASH (SOLID WASTE) AT THE METRO LANDFILL LOCATED AT 10712 SOUTH 124TH STREET. Any groundwater fees and any other fees or taxes required by law to be paid by the City upon tipping or disposal of any materials which are the subject of this contract for payment to the government or governmental agency imposing same shall be paid by the contractor and such amounts shall be included in the contract unit and any other prices set forth in this contract. Notwithstanding the foregoing or anything to the contrary set forth in this contract, in the event that there no longer is an Active Fill Area within which to dispose of solid waste at the Metro landfill, and/or existing terms of the Final Negotiated Agreement between the operator of the Metro landfill and the City providing for the reimbursement to the City of all tipping fees (site operator and State of Wisconsin imposed) have expired and are not forthwith resumed upon such reimbursement terms of a new agreement as may be approved by the City with the operator of the Metro landfill, City and Contractor agree to negotiate in good faith upon the impact of any site operator and State of Wisconsin (State groundwater and environmental fees, taxes and the like payable upon tipping) imposed tipping fees upon the parties' respective obligations under this contract. In the event the City and Contractor are unable to negotiate such impact within 30 days after the date of personal service of written notice from either party requesting such negotiation, either party may terminate this contract by providing 60 days notice to the other party and this contract shall expire upon the expiration of 60 days following personal service of such termination notice.

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NOTE: FOR ITEM IV, THE CONTRACTOR WILL BE REIMBURSED FOR THE DISPOSAL TIPPING AND SAID FEES SHALL NOT BE INCLUDED IN THE RATES BID.

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IV. THE CONTRACT PRICE – WEEKLY REFUSE COLLECTION

The City shall pay the Contractor for the performance of this contract, in current funds, at the following prices: (Note: The contractor shall be paid at the contracted bid cost that does not include the tipping fees, including ground water and other fees. The contractor will be paid separately on a monthly basis for the actual aforesaid fees Contractor paid to dispose of the refuse at Metro Landfill.)

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1. FIVETHREE (53) YEAR CONTRACT

A. SINGLE-FAMILY, TWO-FAMILY AND MULTI-FAMILY UNITS

January 1, 20130 – December 31, 20130
Estimated 11,080343 residences @ \$ 57.33
Per residence per year = Total \$ 635,216.40

B. CONTAINERS AT CITY-OWNED BUILDINGS

January 1, 20130 – Life of Contract
This work shall include the furnishing and weekly emptying of suitable containers at the following City-owned buildings:

Franklin City Hall – 9229 W. Loomis Rd.
Franklin Dept. of Public Works – 7979 W. Ryan Rd.
Sewer & Water Building – 5550 W. Airways Ave.
Fire Station #1 – 8901 W. Drexel Ave.
Fire Station #2 – 9911 S. 60th St.
Fire Station #3 – 4755 W. Drexel Ave.
10 – 90 gallon totes for use at the Public Works Facility, 7979 W. Ryan Rd. (not required to be emptied)
Police Facility Building – 9455 W. Loomis Rd.
Library – 9151 W. Loomis Rd.
Ken Windl Park - 11615 W. Rawson Ave.

~~The cost of and payment for this work item is incidental to the payment by the City for the refuse and recycling collection services under this contract and no extra payment shall be due for this work item; notwithstanding the foregoing, each January, the Contractor shall furnish the City a memo detailing the otherwise actual market cost of this work item for use by the City for internal accounting purposes. Payment for this item shall be included in the cost of items A through I above and no extra payment will be made for this work. The size and number of containers shall be determined by the City Engineer.~~

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~~The Contractor shall furnish the City a memo, with initial bid and yearly thereafter at the beginning of the year, detailing the cost for all items contained in IV. S to be used by the City for internal account purposes and adjust to contract for change.~~

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C. **LEGEND PARK & LION'S PAVILION 8050 S. LEGEND DRIVE AND VERN BARG PAVILION 8717 W. DREXEL AVENUE**

The Contractor shall provide twice a week pickup from May 1 to October 1 for the City's Legend Park. Trash in the park area will be in one or more 6 yard containers furnished by the Contractor. Pick up for these park containers shall be by Monday, noon and Thursday, noon. An additional two (2) containers of 30 yard capacity each shall be furnished by the July 4th picnic. ~~The cost of and payment for this work item is incidental to the payment by the City for the refuse and recycling collection services under this contract and no extra payment shall be due for this work item; notwithstanding the foregoing, each January, the Contractor shall furnish the City a memo detailing the otherwise actual market cost of this work item for use by the City for internal accounting purposes. Payment for this item shall be included in the cost of items A through I above and no extra payment will be made for this work.~~

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ST. MARTIN'S LABOR DAY FAIR

The Contractor shall provide eight (8) 30 yard roll-off containers for use during the St. Martins Labor Day Fair. Delivery shall be no later than 12:00 noon on the Friday preceding. Also, the Contractor shall provide one empty refuse packer truck and driver shall be at the fair site at 7:00 a.m. the Tuesday after the fair, to assist the Franklin Department of Public Works in cleanup after the fair. This cleanup will be for the entire day, the Tuesday after the fair.

~~The cost of and payment for this work item is incidental to the payment by the City for the refuse and recycling collection services under this contract and no extra payment shall be due for this work item; notwithstanding the foregoing, each January, the Contractor shall furnish the City a memo detailing the otherwise actual market cost of this work item for use by the City for internal accounting purposes. Payment for these items shall be included in the cost of items A through I above and no extra payment will be made for this work.~~

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~~The Contractor shall furnish the City a memo, with initial bid and yearly thereafter at the beginning of the year, detailing the cost for all items contained in IV. T to be used by the City for internal account purposes and adjust to contract for change.~~

D. **PROSECUTION OF CONTRACT**

The Contractor agrees to commence work under this contract on January 1, 2013. The foregoing quantities of items are approximate only and payment will be made only on the

actual quantities of work completed, measured on the basis defined in the Contract Specifications and at unit prices as stated previously.

Special pick-ups may be requested by customers and picked-up by the Contractor with the Contractor charging pre-arranged compensation by the customer for said service.

V. SPECIFICATIONS

A. PURPOSE

The purpose of this contract is to effect the removal of all garbage, trash, refuse, rubbish, and other disposal items (solid waste) from the residences (single-four family) and City-owned buildings in the City of Franklin and to dispose of same. Included therein, but not limited by, is the below list of items:

1. Bagged, tied or sealed garbage.
2. Small appliances (toasters, coffee makers, radios, etc.).
3. Small furniture (3' x 5' or smaller).
4. Small amounts of stone, rubble, earth, and sod – in containers.
5. Small auto parts if in containers (mufflers, etc.) other than within cardboard boxes.
6. Minor construction debris – limit one 32-gallon container or equivalent.
7. Non-recyclable plastic and foam materials.

The following items need not be picked up:

1. Large amounts of stone, concrete, rubble, earth or sod.
2. Large furniture.
3. Containers over 32 gallons and/or over 80 pounds.
4. Large appliances (washers, dryers, etc.).
5. Construction debris except as noted in #6 above.
6. Large auto parts (engine blocks, heads, fenders).
7. Toxic or hazardous waste.
8. Motor oil.
9. Grass clippings.
10. Brush & leaves.
11. All recyclable materials.
12. Automobile Batteries
13. Tires
14. Electronics including TV's, computers, DVD players, etc.

B. MIXED REFUSE

The Contractor has the right to refuse to pick up refuse if it contains recyclable material. In such cases the contractor shall notify the generator by affixing a notice to the material container and shall notify the City of Franklin on a monthly basis of the addresses involved.

C. CONTAINERS

All refuse placed in containers of not more than 32 gallons capacity shall be picked up. No containers weighing more than 80 pounds need be picked up. Containers shall have tapered sides for easy removal. Large cardboard-type containers are not acceptable. Contractor shall instruct employees to return all containers to a point on the edge of the drive in a uniform set-back from the pavement of pickup in an orderly manner and in an upright condition with cover placed on top. All containers shall be returned to the cart if carts are provided by the residents. Bidders are alerted that more than one type of container may already be owned by various condominium associations and the Contractor will be responsible for emptying the containers presently in use regardless of type. Some condominiums may choose to have individual unit containers (garbage cans).

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D. TIME AND LOCATION OF PICKUP

The aforementioned refuse shall be removed by the Contractor at regular intervals by calling at each place of residence once a week. All pickups shall be on a regularly scheduled basis with each unit being served on the same day of each week and approximately the same time of day unless adjustments in the schedule are approved by the City Engineer or his authorized representative. All pickups shall be between the hours of 7:00 a.m. and 6:00 p.m. All refuse shall be picked up at the driveway entrance within five (5) feet of the curb line or edge of street or road. The contractor shall make every effort possible to provide collection in inclement weather. If for safety purposes collection is canceled, immediate notice shall be emailed to the elected officials, DPW secretary, Director of Public Works and the news media. If collection is canceled the pickups that were canceled shall be the very first collected the following business day.

E. **MAP**

Within thirty (30) days of the award of this contract, the Contractor's successful bidder shall provide the City with a route schedule map complete with days of pickup clearly marked. No change in this map will be permitted without written City approval.

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F. **COMPLAINTS**

Complaints on pickups shall be handled as follows:

The Contractor shall handle all complaints for missed pick-up on the day the complaints are received as long as the pick-up is still in process. If the pick-up for the day has been completed the missed pick-up shall be handled at the beginning of the next work day.

The Contractor shall provide the City staff a contact telephone number or numbers of a foreman, superintendent, superintendent or other satisfactory representative that has authority to order the crew to go back for a missed pick-up. Said contact person shall be available Monday through Saturday to respond to missed pick-ups (Note: Saturdays if pick-up extends into Sunday).

City staff will call in missed pick-ups as they are received Monday through Saturday. The Contractor may be called directly by the customer and, if so, the Contractor shall keep a log of the date and time of the complaint and how the complaint was resolved. On a weekly basis the log shall be transmitted to the City. During all times of trash and recyclables collection, there shall be a satisfactory contractor representative readily available to answer calls directly from a customer or the City.

It is expected as part of this contract that complaints, determined by City staff to require action and thus received by the Contractor, will be handled on the day the complaint is called in if called in prior to the Contractor's completion of the day's pick-up or if after the completion of the day's pick-up, picked up the following day. The Contractor will be charged \$50.00 each day for each missed pick-up (an individual address constitutes a missed pick-up ~~and possibly fine~~) if not handled within the prescribed time period.

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G. **BASIS FOR PAYMENT**

1. **Single, Two-Family and Multi-Family Units (Condominiums & 3 and 4 Family Apts)**
Single, two-family and multi-family residential payments shall be made on the basis of a unit cost per residence, the number of residences to be determined by the number of residences as of January 1, 2013~~0~~, and adjusted at six month intervals according to the number of occupancy permits issued by the City.

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2. **Combined Commercial & Residential Units**
In instances where there is a single family residence in combination with a commercial or business establishment, pickup from the residence shall be limited to not more than the equivalent of three 32 gallon garbage cans per week. For needs exceeding that noted above, arrangements are to be made with the individual concerned for private disposal service.

3. **Reimbursement for Disposal Tipping Fees Including Ground Water and other State-imposed Fees**

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Reimbursement for rubbish, solid waste disposal tipping fees shall be made to the contractor on a monthly basis according to the following formula:

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Reimbursement for solid waste tipping fees shall be made by the City to the Contractor on a monthly basis, based upon the actual amount paid by the Contractor to the Metro Landfill, or to such other landfill as may be permitted following any negotiated agreement therefore as set forth under Article III. above, for tipping fees.

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VI. BRUSH AND LEAF PICK-UP

The Contractor shall indicate below the cost to provide three (3) times a year brush and leaf pick-up and disposal and shall be paid for such work item at the rates set forth below in this Article.

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All brush shall be cut into five-foot maximum lengths and placed in neat, orderly piles at the curb or edge of road. The collection shall be limited to five cubic yards per residence per pick-up. No branches or logs over six inches in diameter need be collected.

The leaves shall be placed in plastic bags and placed at the curb or edge of road. There shall be no limit on the amount of leaves bagged for pick-up. Brush and leaf collection sequence shall follow the daily garbage collection routes.

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The anticipated collection times for the brush and leaf pick-ups are once in the spring and twice in the fall. The specific week of each pick-up will be determined by the City Engineer.

The Contractor shall provide, at its own expense, a suitable disposal site(s) for the brush and leaves collected. All sites shall comply with all local, state and federal laws, rules, ordinances, regulations and orders.

The Contractor shall call Public Works with addresses where brush pile or leaves will not be picked up due to non-compliance, and the specific reason for non-compliance.

FIVE (5) YEAR CONTRACT

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C. SINGLE-FAMILY, TWO-FAMILY AND MULTI-FAMILY UNITS

- a. Single-Family and Two-Family
 January 1, 2013 – December 31, 2013
 Estimated 8,9879,206 residences @ \$ 4.96
 Per residence for year = Total \$ 44,575.52
 - b. Multi-Family (Condominiums)
 January 1, 2013 – December 31, 2013
 Estimated 2,0932,387 residences @ \$ 3.31
 Per residence per year = Total \$ 6,927.83
- Total a and b = \$ 51,503.35

~~The rates for 2014 thru 2017 will be negotiated each year but limited to a minimum increase of 2.5% and a maximum of 4%. Factors to be considered in the rate negotiations shall include CPI, fuel and labor costs.~~

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TOTAL OF A THROUGH C = \$ _____

VII. RESIDENTIAL CURBSIDE RECYCLING AND PROCESSING

A. In addition to the collection and disposal of household refuse, the Contractor shall collect at curbside and provide the processing for the following recyclable materials:

- 1. Clear, brown and green glass

2. Tin cans
3. Bi-Metal cans
4. Newspaper and mixed residential paper
5. Aluminum
6. Plastic containers (WDNR variance #s 13-#7 for 1998)
7. Magazines
8. Foam P.S. packaging (WDNR variance for 1998)
9. Cardboard

B. Recyclables will be placed at curbside in 48 or 96-gallon plastic cartstubs as determined by the City of Franklin. All material must be contained in the cart. The Contractor shall initially provide each residential unit with one cart for recycling and pick-up and recycle the 18 gallon bins. If the property owner requests, the 96-gallon plastic cart will be replaced by a 48 gallon plastic cart. The Contractor will deliver the carts to new units after notification of occupancy by the City. All carts are the property of the homeowner for the duration of this contract agreement and must stay with the home. At the end of the contract agreement the Contractor will take ownership of the carts and remove each cart from the resident's property. The homeowner is responsible for keeping the carts clean. The homeowner is responsible for damage, other than normal wear, such as melting from fire or hot ashes, cuts from a saw, or other avoidable damage. In the event the homeowner is responsible for a lost or damaged cart(s), the replacement cost of \$60 for the 48/96 cart will be billed directly to the homeowner by the Contractor. The Contractor is responsible for normal wear to the cart, wheels or lid and will repair or replace the cart in a timely manner after the homeowner informs the Contractor of the problem. The Contractor is responsible for damage caused from snow plows or passing vehicles. The carts shall be placed upon the driveway entrance within five (5) feet of the curb line or edge of street or road, along the road side alongside the refuse containers.

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C. Additions and Deletions: The City of Franklin reserves the right to add or delete recyclable items in accordance with state and federal law and to add or delete them from the collection service provided under this contract. No additional payment shall be made for said additions or deletions. Written notice shall be provided to the contractor of such additions or deletions and to the service recipients by the City of Franklin.

D. Upon collection, all recyclables will become the property of the Contractor and all revenues received from the proper sale and processing of said recyclables shall be retained by the Contractor. No recyclables shall be disposed of in a landfill or similar disposal site or in any illegal manner.

F. FIVETHREE (53) YEAR CONTRACT

e. SINGLE-FAMILY, TWO-FAMILY AND MULTI-FAMILY UNITS
 January 1, 2013 - December 31, 2013
 Estimated 11,080⁵⁹³ residences @ \$ 30.60
 Per residence for year = Total \$ 339,048.00

VIII. COLLECTION OF BIOHAZARD CONTAINERS

"Contractor shall provide for collection and disposal of biohazards on a monthly basis by the pick-up of biohazard containers from the Franklin Health Department and the Police Department on a quarterly basis and transporting such containers to a DNR approved Destination Facility. Contractor shall provide for Franklin Health Department and Police Department a Certificate of Destruction, as required by the DNR, for each pick-up. One 7-cubic-foot containers will be available for a monthly pick-up with dates of those pick-ups agreed upon by Franklin Health Department staff and the transporter and one 7-cubic foot container will be available for a quarterly pick-up with dates of these pick-ups agreed upon by the Police Department staff and the transporter. The biohazard container may not be completely full at the time of the pick-up."

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A. FIVETHREE (53) YEAR CONTRACT 2013 THROUGH 2017

Yearly cost for pick-up and disposal of each biohazard container:

16 containers per year @ \$ 120 = \$ 1,920

Total for three (3) years: \$ _____

The rates for 2014 thru 2017 will be negotiated each year but limited to a minimum increase of 2.5% and a maximum of 4%. Factors to be considered in the rate negotiations shall include CPI, fuel and labor costs.

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IX. RECYCLING DROP-OFF CENTER

Contractor shall furnish the following roll-off containers for placement at the City of Franklin Department of Public Works yard, 7979 W. Ryan Road, for the duration of the contract (or such alternate site within the City of Franklin as determined by the City ~~Engineer or the City Engineer's designee~~):

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SIX - 6 CUBIC YARD CONTAINERS WITH LIDS FOR SINGLE STREAM RECYCLING

Contractor shall empty as needed up to 3 times per week.

*ONE - 44 3044 CUBIC YARD OPEN TOP CONTAINER FOR SCRAP STEEL

*Please Note: Contractor shall empty scrap steel at City determined location with proceeds going to the City.

CITY TO FURNISH:

The Contractor shall, as necessary, empty the containers listed above on a regular basis to avoid overflow and market the recyclable materials. The proceeds shall be retained by the Contractor except as noted for scrap steel. Materials are to be recycled and may not be disposed of in a landfill or in any other illegal manner. If City reduces or closes the recycling center the costs shall be pro-rated to actual number of units.

COST TO EMPTY ROLL-OFF CONTAINERS NOTED ABOVE:

Yearly costs to empty containers noted above and dispose of recyclables:

A: FIVETHREE (53) YEAR CONTRACT 20130 THROUGH 20172

January 1, 2013 - December 31, 2013

4 - 3044 cubic yard scrap containers per year @ \$ 140 = \$ _____
-560

SIX (6) cubic yard recycling containers per year @ \$1,952 = \$11,712

Total Containers for three (3) years: \$ 12,272

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X. REPORTING REQUIREMENTS

The Contractor is required to maintain records and report in writing to the City of Franklin at least semi-annually (July 15 for current year and January 15 for previous year). Reports shall include: the amount of recyclables collected and transported from the municipality (in tons); the amount of recyclables processed and/or marketed by item type from the municipality; gross revenues received by the Contractor from its sales of recyclables collected under ~~this contract the agreement~~ by item type; and the final disposal location of recyclable material. The determination of these various volumes and/or weights of recyclable materials may be done using the State of Wisconsin Department of Natural Resources "Guidance for Determining Weights and/or Volumes of Recyclable Materials" ~~at~~ Draft Revision 6 or as revised. Failure to report shall be cause for the municipality to revoke any license or terminate any contract with the Contractor. The City shall have the right to inspect all records of Contractor pertaining to required reporting, ~~including but not limited to subject to and including~~ records from any disposal site or processing facility operator utilized by the Contractor.

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~~The City of Franklin reserves the right to accept or reject any or all bids, options, proposals or portions thereof as may be deemed to be in the best interest of and most advantageous to the City of Franklin~~

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XI. SUMMARY OF COSTS AND ANNUAL RATE ADJUSTMENTS:

A. Total of all costs for the first year of the five (5) year contract:

1. Weekly refuse collection IV, D through H	\$ 635,216.40
2. Brush and leaf pick-up VI, A and B through H	\$ 51,503.35
3. Recycling collection and disposal VII, d through h	\$ 339,048.00
4. Biohazard collection VIII Total five (5) year 1,920.00	\$
5. Recycling drop-off containers IX Total five (5) year	\$ 12,272.00
Five (5) year first year Total	\$
	1,039,959.75

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The rates for all services to be provided under this Contract as set forth in Paragraphs, IV, VI, VII, VIII, and IX above, shall be adjusted annually for the years 2014 through 2017, by an increase in the Bureau of Labor Statistics - Consumer Price Index - All Urban Consumers, not seasonally adjusted, US City average, all items with base period 1982-84=100. Contractor may request a specified rate increase for the next calendar year due to increased labor and/or fuel costs, to apply in addition to any increase in the Consumer Price Index, provided such request is made in writing and delivered to the office of the City Engineer on or before July 1 of the year immediately preceding the calendar year for which the potential further rate increase is requested. The Common Council may accept such proposal in writing delivered to the Contractor on or before September 1 (November 1, in the alternative, following the receipt of such a rate increase request from the Contractor, the Common Council may determine to request proposals for such services for the next calendar year from all or other or another vendor(s) and upon award thereof, this Contract shall terminate upon the December 31 immediately thereafter.

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~~The rates for 2014 thru 2017 will be negotiated each year but limited to a minimum increase of 2.5% and a maximum of 4%. Factors to be considered in the rate negotiations shall include CPI, fuel and labor costs.~~

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XII. CONTRACT SECURITY

The Contractor shall furnish a surety bond or bonds in the amount equal to 25% of the value of the base contract excluding the contract bid amount for brush and leaf pickup A, B, and C for the period January 1, 2013 to December 31, 2013, as security for the faithful performance of the contract and for payment for all persons performing labor and furnishing material in connection with this contract. This bond shall be renewed on a yearly basis in amounts equal to the base contract value for the year of renewal.

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XIV. CONTRACTOR'S INSURANCE

The Contractor shall not commence work under this contract until Contractor has obtained all insurance required under this Article subsection and such insurance has been approved by the City, nor shall the Contractor allow any subcontractor to commence work on this sub-contract until all similar insurance required of the sub-contractor has been approved.

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Workmen's Compensation Insurance

The Contractor shall take out and maintain during the life of this contract and before any work is commenced, Workmen's Compensation Insurance for all of Contractor's employees employed on the project, and in case any work is sublet, the contractor shall require the sub-contractor similarly to provide Workmen's Compensation Insurance for all of the latter's employees unless such employees are covered by the protection afforded by the Contractor.

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In any case any class of employees engaged in work under this contract at the site of the project is not protected under the Worker's Compensation Statute; the Contractor shall provide Employer's Liability Insurance for the protection of Contractor's employees not protected by the Worker's Compensation Statute.

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Public Liability and Property Damage Insurance

The Contractor shall take out and maintain during the life of this contract such Public Liability and Property Damage Insurance as shall protect Contractor, any sub-contractor and the City during the

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performance of work covered by this contract, from claims for damages for personal injury, including accidental death as well as claims for property damages which may arise from operation under this contract, whether such operations be by Contractor itself or by any sub-contractor or by anyone directly or indirectly employed by either of them in such manner as to impose liability on the City and the amounts of such insurance shall be as required by law and set forth herein.

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If the persons or property of others sustain loss, damage or injury resulting directly or indirectly from the work of the Contractor or Contractor's sub-contractors or employees, in their performance of the contract or from its or their failure to comply with any of the provisions of this contract or of law, the Contractor shall indemnify and hold the City harmless from any and all claims and judgments for damages, and from costs and expenses to which the City may be subject or which it may suffer or incur by reason thereof.

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In addition to, and not to the exclusion or prejudice of, any provisions of this contract or documents incorporated herein by reference, the Contractor shall indemnify and save harmless the City, its officers, agents and employees, and shall defend the same, from and against any and all liability, claims, loss, damages, interest, actions, suits, judgments, costs, expenses, attorneys' fees and the like to whomsoever owed and by whomsoever and whenever brought or obtained, which in any manner results from or arises in the course of, out of, or as a result of the negligent performance of the contract or the violation of any law or ordinance, the infringement of any patent, trademark trade name or copyright.

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The Contractor shall not commence work on this contract until Contractor has obtained all insurances required under this paragraph and has filed certificates thereof with the City:

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1. **COMPREHENSIVE GENERAL LIABILITY AND PROPERTY DAMAGE INSURANCE** - Coverage shall protect the Contractor and any sub-contractor during the performance of work covered by this contract from claims for damages for personal injury, including accidental death as well as claims for property damages, which may arise from operation under this contract whether such operations be by Contractor itself or by any sub-contractor or by anyone directly or indirectly employed by either of them in such manner as to impose liability on the City and the amounts of such insurance shall be subject to the following limits:

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Bodily Injury	\$1,000,000 per Person \$1,000,000 per Occurrence \$1,000,000 Aggregate
Property Damage	\$ 500,000 per Occurrence \$ 500,000 Aggregate

2. **COMPREHENSIVE AUTOMOBILE LIABILITY AND PROPERTY DAMAGE** – Operation of owned, hired and non-owned motor vehicles.

Body Injury	\$1,000,000 per Person \$1,000,000 per Occurrence
Property Damage	\$ 500,000 per Occurrence

The Contractor shall file a certificate of insurance containing a thirty (30) day prior notice of cancellation, in form and content acceptable to the City.

XV. PROOF OF CARRYING INSURANCE

The Contractor shall furnish the City with satisfactory proof of carriage of the insurance required with a reliable company or companies with an A.M.Best rating of A- or better, before commencing any work. Such proof shall consist of a certificate executed by the respective insurance companies and filed with the City. The Contractor shall also submit the original insurance policies for inspection and approval of the City before work is commenced. Said insurance shall not thereafter be canceled, permitted to expire or be changed without notice of thirty (30) days in advance to the City and consented to by the City.

XVI. PERMITS AND COMPLIANCE WITH LAWS

The Contractor shall procure and pay for all permits, licenses and bonds necessary for the prosecution of the work required by Municipal, State and Federal regulations and laws, unless specifically provided otherwise in the contract specifications.

The Contractor shall give all notices, pay all fees and comply with all Federal, State and Municipal Laws, ordinances, rules and regulations and codes bearing on the conduct of the work. This contract as to all matters not particularly referred to and defined herein, shall notwithstanding, be subject to the provisions of all pertinent ordinances of the municipality within whose limits the work is performed, which ordinances are hereby made a part hereof with the same force and effect as if specifically set out herein.

XVII. SUB-CONTRACTS

The Contractor shall not subcontract any of the Contractor's obligations under this contract without the written consent of the City.

The Contractor agrees to be fully responsible to the City for the acts of omissions of Contractor, his sub-contractors and of anyone employed directly or indirectly by Contractor or them and this contract obligation shall be in addition to the liability imposed by law upon the Contractor.

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Nothing contained in the contract documents shall create any contractual relationship between any sub-contractor and the City.

The Contractor agrees to bind every sub-contractor (and every sub-contractor of a sub-contractor) by the terms of this Contract as for as applicable to sub-contractor this work, unless specifically noted to the contrary in a sub-contract in writing and approved as adequate by the City.

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XVIII. ASSIGNMENT OF CONTRACT

No assignment by the Contractor of this contract, principal contract or any part hereof or the funds to be received hereunder by the Contractor, will be recognized unless such assignment has had written approval of the City and the Surety has been given due notice of such assignment and has furnished written consent thereto. Such written approval by the City shall not relieve the Contractor of the obligations incurred by him under the terms of this contract. In addition to the usual recitals in assignment contracts, the following language must be set forth:

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"It is agreed that the funds to be paid to the assignee under this assignment are subject to a prior lien for services rendered or materials supplied for the performance of the work called for in said contract in favor of all persons, firms or corporations rendering such services or supplying such materials."

Assignment for the purposes of this contract shall also mean sale of the Contractor's business to other than its current principal owners and/or stockholders.

XIX. SUPERINTENDENCE

The Contractor shall give his personal superintendence to the work or have available at all times, a competent foreman, superintendent or other representative satisfactory to the City and having authority to act for the Contractor. The superintendent shall have a cell phone where he or she can be reached during normal working hours Monday through Saturday.

Insofar as it is practicable and excepting in the event of discharge by the Contractor or in the event of proven incompetence, the individual who has been accepted to represent the Contractor shall so act, and shall follow without delay instructions of the City Engineer or the City Engineer's designee in the prosecution of the work in conformity with this Contract.

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XX. USE OF JOB SITE

The Contractor shall confine Contractor's equipment, apparatus, the storage of materials and operations of his workmen to limits indicated by law, ordinances, permits or direction by the City shall not encumber the premises with Contractor's materials.

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The Contractor shall not load or permit any part of a structure to be loaded with a weight that will endanger its safety.

XXI. USE OF PRIVATE LAND

The Contractor shall not use any vacant lot or private land within the City of Franklin as a spoil site without written authorization of the owner of the land (or ~~the owner's~~ his agent) and approval by the City. A copy of the authorization shall be filed with the owner for his approval.

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XXII. LABOR

The Contractor shall employ none but competent and skilled workmen and foremen in the conduct of work on this contract. The City shall have the authority to order the removal of any Contractor's employee who refuses or neglects to obey any of its instructions, or those of its City Engineer or inspector relating to the carrying out of the provisions and intent of the provisions of the contract, or who is incompetent, unfaithful, elusive, threatening or disorderly in his conduct and any such person shall not again be employed on this project.

XXIII. DAMAGE

The Contractor will be responsible for any and all damage to property, public or private, that may be caused by its operations in the performance of this contract, and the Contractor shall defend any suit that may be brought against ~~Contractor~~ himself or the City on account of damage inflicted by ~~Contractor~~ his operations and shall pay any judgments awarded to cover such damage. The Contractor shall defend any claims, hold the City harmless from any liability, and indemnify the City for any loss arising out of or occasioned by the Contractor's performance of this contract.

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XXIV. PAYMENTS

The Contractor may submit periodically, but not more than once each month, a request for payment for work done. The Contractor shall ~~finish the City Administrator Clerk all reasonable facilities required from any liability, and~~ indemnify the City for any loss arising out of or occasioned by the Contractor's performance of this contract.

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XXV. DEDUCTION FOR UNCORRECTED WORK

If the City deems it expedient to accept work not done in accordance with the contract, an equitable adjustment will be made with proper deduction from the contract price for unsatisfactory work. Unsatisfactory work shall include but not be limited to:

- A. Failure of the Contractor to make the necessary collections.
- B. Failure of the Contractor to respond to complaints to the satisfaction of the owner.
- C. Failure of the Contractor to follow-up on "missed" pickups.
- D. Failure of the Contractor to make pickups on the scheduled day.
- E. Failure of the Contractor to properly process recyclables.
- F. Failure of the Contractor to immediately and properly clean up liquid spills from compacted garbage or fluid spills (i.e. hydraulic oil, diesel fuel, antifreeze) due to break down of equipment.

Claims for damage filed against the Contractor by the City shall be handled expeditiously by the Contractor. If ~~Contractor~~ fails to do so, the City maintains the right to withhold funds from the Contractor and pay claims if the City ~~determines~~ feels the claims are warranted and justified.

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XXVI. TERMINATION OF CONTRACT

The Franklin ~~Common~~ City Council may terminate this contract at any time upon the proper showing that the services of the Contractor are not satisfactory, or upon failure of the Contractor to adhere to this contract. The action of the City Council shall be conclusively presumed to be based upon facts supporting said action and shall be binding upon the parties hereto.

XXVII. CITY'S RIGHT TO DO WORK

Contractor shall have sufficient equipment and manpower available to continue regular pickups in case of breakdown of equipment, resignation of ~~employees~~ or inclement weather.

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If the Contractor neglects to prosecute the work to be performed on this contract, the City, after three days written notice to the Contractor and ~~Contractor's~~ surety, may without prejudice to any other remedy the City may have, make good such deficiencies and may deduct the cost thereof from the payment due the Contractor.

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IN WITNESS WHEREOF, the said CONTRACTOR has caused this instrument to be executed, in the case of an individual by personal signature, in the case of a partnership by the signatures of the members thereof, in the case of a cooperative or a corporation by the proper officers thereof, and the said CITY has caused it to be executed by its Mayor and countersigned by its City Clerk upon authority duly given therefor.

IN PRESENCE OF:

_____	_____ (SEAL)
_____	PRESIDENT (SEAL)
_____	SECRETARY (SEAL)

CITY OF FRANKLIN

_____ MAYOR, THOMAS M. TAYLOR

COUNTERSIGNED:

_____ CITY CLERK, SANDRA L. WESOLOWSKI

COUNTERSIGNED:

Provisions have been made to pay the liability that will accrue under this contract.

_____ DIRECTOR OF FINANCE & TREASURER,
CALVIN A. PATTERSON

APPROVED AS TO FORM:

_____ CITY ATTORNEY, JESSE A. WESOLOWSKI

NOTE: When executed by an individual or partnership, signature should be under seal and witnessed by two persons. When executed by corporation or cooperative, contract should be signed by President and Secretary thereof and corporate seal affixed.

CERTIFICATE TO BE EXECUTED

IF

CONTRACTOR IS A CORPORATION

I, _____
certify that I am the _____
of the corporation named as Contractor hereinabove; that _____
_____, who signed the foregoing contract on behalf of the
Contractor was then _____
of said Corporation; thence said contract was duly signed for in behalf of said Corporation by authority of
the Governing Body and is within the scope of its corporate powers.

(CORPORATE SEAL)

INSTRUCTIONS FOR EXECUTION OF PERFORMANCE BOND

INSTRUCTIONS

The penal amount of the Performance Bond for a unit price Contract shall be the summation of the correct and checked extension of the unit prices with the estimated number of units.

The form of bonds attached hereto shall be used for each contract. This form contemplates one corporate surety only. In case co-sureties will be furnished, ~~proper~~, proper forms therefore shall be obtained.

If the principal is an individual, his full ~~Christian~~ name and residence shall be inserted in the body thereof, and the individual ~~he~~ shall sign the bond with the individual's usual signature on the line opposite the scroll seal.

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If the principals are partners, their individual names shall appear in the body of the bond, with the recital that they are partners composing a firm, naming it.

If the principal is a corporation, the name of the State in which incorporated shall be inserted in the appropriate place in the body of the bond, and said instrument shall be executed and attested under the corporate seal as indicated in the form. If the corporation has no corporate seal, the fact shall be stated in which case a scroll of adhesive seal shall appear following the corporate name. This also applies to execution by the surety.

The date of the bond must not be prior to the date of the contract for which it is given.

A Power of Attorney authorizing the execution of the Bond by an attorney-in-fact, or agent, shall be attached to the executed counterpart of the bond. If the bond is executed by an out-of-state agent, the executed counterpart of the Bond shall be countersigned by a licensed resident agent.

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS, THAT

_____ as Principal, and
_____ as Surety, are held and firmly bound unto _____

in the full and just sum of _____ Dollars (\$) lawful money of the UNITED
STATE OF AMERICA for the payment of which sum of money well and truly to be made, we bind ourselves,
heirs, executors, administrators, successors and assigns jointly and severally, firmly by these presents:

WHEREAS: The Principal has submitted to the _____
the attached signed Contract being for _____ complete, as described in the foregoing
CONTRACT AND ARTICLES OF AGREEMENT.

NOW THE CONDITIONS OF THIS OBLIGATION ARE SUCH, that inasmuch as the said attached
Contract has been executed on behalf of the _____ of the above named bounded Principal
shall in all respects well and truly keep and perform the said Contract, and shall pay all sums of money due or to
become due for any labor, materials, apparatus, fixtures of equipment furnished for the purpose of constructing the
work provided in said contract, and shall defend, indemnify and save harmless said _____
against any and all liens, encumbrances, damages, claims, demands, expenses, costs and charges of every kind
except as otherwise provided in said specifications and other contract documents arising out of or in relation to the
performance of said work and the provisions of said contract, and shall remove and replace any defects in
workmanship or materials which may be apparent or may develop.

And the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alterations or additions to the terms of the contract or to the work to be performed thereunder or the specifications accompanying the same in any way affect its obligation on this Bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the work or to the specifications.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____,

201209.

In the presence of:

(as to Principal)
ATTEST:

(Name of Principal)

SEAL

By _____

Title _____

In the presence of:

(as to Surety)
ATTEST:

Surety

The above and foregoing is hereby approved as to form and sufficiency of Surety, this _____ day of

_____, 201209.

By _____

Title _____

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- Upon the completion of the 2012 Budget process in late 2011, this request was moved from the Police Department's Other Capital Equipment Fund to City's Capital Improvement Plan Fund (thus needing this follow up approval to proceed, per Mr. Patterson). The requested amount of \$264,000 was reduced to \$177,000 by Mr. Patterson anticipating approval of a WISCOM radio replacement and reprogramming grant in the amount of \$87,000 that the Police Department had applied for but was not awarded at this time. (see attachment #1)
- In early 2012 the Police Department was awarded the WISCOM \$87,000 grant. (see attachment #2)
- The WISCOM grant dictated and was used for the following purposes:
 1. The purchase of 11 of the requested 74 mobile and portable radios, \$41,734.40 (see attachment #3)
 2. The reprogramming of 22 existing digital compatible mobile and portable radios, \$29,955.00 (see attachment #4)
 3. The purchases of WISCOM base station for the Police Department Communication Center, \$10,336.00 (see attachment #5)
 4. Ineligible grant dollars for use, \$4,974.60 (see attachment #6)
- Grant conclusion: $\$87,000 - \$41,734.40$ (11 new radios) = $\$45,265.60$. This amount was used for WISCOM grant requirements outside of purchasing new digital compatible mobile and portable radios. Therefore, the Police Department requests that this amount be added back into our original request, $\$177,000 + \$45,265.60 = \$222,265.60$
- We are still in need of 63 digital compatible mobile and portable radios (the requested 74 – 11 that were purchased with the WISCOM grant). A current quote was received on 7/25/2012 and a price increase of \$65 per radio has occurred since last year. Therefore, $63 \text{ radios} \times \$65 \text{ increase} = \$4,095.00$. Our requested total to complete this radio replacement program would be $\$226,360.60$ ($\$222,265.60 + \$4,095.00$ price increase).

COUNCIL ACTION REQUESTED

Motion to approve the purchase of digital compatible mobile and portable radios for the Police Department from the Capital Improvement Fund not to exceed \$226,360.60

ATTACHMENT #1

City of Franklin Capital Improvement Plan 2011-2016

	Adopted 2011	Amended Budget 2011	Estimate 2011	Requested Budget 2012	Adopted Budget 2012	Forecast				Potential Future Projects
						2013	2014	2015	2016	
Revenue:										
Proceeds from borrowing-10 year or interfund	48,000,4811	171,000	-	-	2,675,000	62,000	-	-	3,220,000	-
Grants-LGIP	48,000,4143	78,000	-	-	-	-	-	-	-	-
Landfill Siting - Direct	48,000,4492	-	240,000	240,000	427,000	427,000	463,000	658,000	850,000	898,000
Landfill Siting	48,000,4493	35,000	27,000	27,000	-	-	-	-	-	-
Reimbursement - Drexel Avenue	48,000,4781	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue	48,000,4789	5,000	5,000	5,000	-	-	-	-	-	-
Transfer from Connection Fees - Sewer	46,0756,4833	760,000	760,000	760,000	500,000	500,000	500,000	500,000	500,000	500,000
Transfer from Connection Fees - Water	46,0755,4833	-	-	-	500,000	500,000	500,000	500,000	500,000	500,000
Transfer from Impact Fees-Development	46,0000,4839	500,000	500,000	-	500,000	-	1,100,000	-	-	-
Transfer from Water Utility toward building **	48,0000,4850	1,400,000	1,400,000	-	1,400,000	1,400,000	-	-	-	-
Transfer from Sewer Fund toward building **	48,0000,4830	1,400,000	1,400,000	-	1,400,000	1,400,000	-	-	-	-
Transfer from Street Improvement fund	46,0000,4888	40,000	40,000	40,000	-	-	-	-	-	-
Transfer from TIF District #2	46,0000,4830	422,000	325,000	325,000	-	-	-	-	-	-
Transfer from TIF District #3	46,0000,4830	-	-	-	-	-	-	-	500,000	500,000
Transfer from TIF District #4	46,0755,4830	597,000	348,000	348,000	-	-	-	-	-	-
Interest revenue	48,0000,4711	4,000	4,000	4,000	4,000	5,000	5,000	5,000	5,000	5,000
Total Revenue	6,402,000	6,039,000	1,739,000	7,408,000	4,294,000	2,568,000	1,683,000	5,584,000	2,403,000	
Expenditures:										
Approved Projects:										
Tornado Warning Sirens	46,321,7969,6819	-	1,000	1,000	-	-	-	-	-	-
Oakwood Road 34th St to 60th St		500,000	325,000	325,000	-	-	-	-	-	-
City Hall & Fire Parking lot and Sidewalk Repair		310,000	210,000	210,000	-	-	-	-	-	-
Storm Water Management Plan		45,000	45,000	45,000	-	-	-	-	-	-
Bridge Repair 51st & Drexel		40,000	40,000	40,000	-	-	-	-	-	-
51st St-Clair Meadows S half to Minnesota	46,000,0000,5589	-	25,000	25,000	-	-	-	-	-	-
South 76th St - Puetz to Imperial Dr- Sidewalks	46,000,9249,5829	-	-	-	-	-	172,000	-	-	-
27th St - College to Drexel Enhanced Lighting		-	-	-	-	-	-	-	-	710,000
Ryan Road - 60th St to Loomis Road		-	-	-	-	-	-	-	-	-
Oakwood Road-Water Main	46,755,9740,5830	797,000	588,000	588,000	-	-	-	-	-	-
Water Projects	46,755,0000,5830	-	-	-	500,000	500,000	500,000	500,000	500,000	500,000
Sewer Projects	46,756,0000,6829	760,000	760,000	750,000	500,000	500,000	250,000	500,000	500,000	500,000
Sewer - Local connection costs of RCI project		-	-	-	-	-	250,000	-	-	-
Interfund Loan repayment		-	-	-	-	-	62,000	-	-	600,000
Total Approved Projects	2,442,000	1,984,000	1,984,000	1,000,000	1,000,000	1,234,000	1,000,000	1,500,000	2,310,000	
Projects Pending Approval:										
27th St - College to Rawson-Enhanced Items		-	-	-	-	-	-	2,025,000	-	-
27th St - Rawson to Drexel - WISDOT items *		-	-	-	-	-	-	591,000	-	-
27th St - Rawson to Drexel-Enhanced items *		-	-	-	-	-	-	2,025,000	-	-
27th St - Drexel to Ryan - 2 miles - WISDOT items		-	-	-	-	-	-	-	-	1,982,000
27th St - Drexel to Ryan - 2 miles - Enhanced items		-	-	-	-	-	-	-	-	4,050,000
27th St - Ryan to .5M south - WISDOT items		-	-	-	-	-	-	-	-	295,500
27th St - Ryan to .5M south - Enhanced items		-	-	-	-	-	-	-	-	1,012,500
27th St - .5M south of Ryan to County Line - WISDOT items		-	-	-	-	-	-	-	-	886,500
27th St - .5M south of Ryan to County Line - Enhanced items		-	-	-	-	-	-	-	-	3,037,500
Puetz Road -76th St to St Martins-Rural Section		-	-	-	-	-	-	-	-	1,000,000
College Avenue S27th St to S43rd St		-	-	-	-	-	-	-	-	1,150,000
St Martins Road Extension at Forest Hill Ave		-	-	-	-	-	-	-	-	1,425,000
South 76th St - Puetz to County Line		-	-	-	-	-	-	-	-	3,500,000
51st St Bike lanes		-	-	-	?	-	-	-	-	-
51st St Sidewalks - West Side		-	-	-	122,500	122,600	-	-	-	-
51st St Sidewalks - East Side		-	-	-	135,000	-	-	-	-	-
51st St-Clair Meadows N half to Minnesota	46,000,0000,5589	-	-	-	55,000	-	-	-	-	-
51st St-Clair Meadows - Minnesota to Rawson	46,000,0000,5589	-	-	-	70,000	-	-	-	-	-
Extension W Marquette - PVS to 49th Street		60,000	60,000	-	283,000	-	-	-	-	-
Extension W Marquette - 49th to 51st Street		-	-	-	417,000	-	-	-	-	-
Roof Replacements - City Hall & Fire Station #1		-	-	-	177,000	177,000	-	-	-	-
Fire Station #1 Addition		-	-	-	1,500,000	-	-	-	-	1,500,000
Water/Sewer Building Addition **		2,800,000	2,800,000	-	2,800,000	2,800,000	-	-	-	170,000
Salt Storage Building		-	-	-	170,000	-	-	-	-	-
Pleasant View Park Access (Road)		600,000	500,000	-	600,000	-	-	-	-	585,000
Hillcrest Neighborhood Park		-	-	-	-	-	-	-	-	367,000
Woodview Park		-	-	-	-	-	-	-	-	-
Community Recreation Center		-	-	-	-	-	1,100,000	-	-	-
Police Dept Mobile & Portable Radio Equipment		-	-	-	177,000	177,000	-	-	-	-
Police Department Dispatch Center		-	-	-	-	-	186,000	-	-	-
Other	46,999,0000,6499	50,000	25,000	25,000	137,000	137,000	50,000	50,000	50,000	50,000
Total Projects not yet Approved	46,999,0000,5499	3,400,000	3,376,000	25,000	6,523,500	3,413,500	1,335,000	50,000	4,691,000	60,000
Total expenditures	6,842,000	6,359,000	2,009,000	7,823,500	4,413,500	2,569,000	1,650,000	6,191,000	2,360,000	20,151,000
Net change in fund balance	(440,000)	(320,000)	(270,000)	(117,500)	(119,500)	(1,000)	613,000	(607,000)	43,000	
Beginning fund balance (projected)	391,301	391,301	391,301	121,301	121,301	1,801	801	613,801	613,801	6,831
Ending fund balance	(48,699)	71,301	121,301	3,801	1,801	801	613,801	6,801	48,801	

* Possible TIF #3 funding if Joint Review Board approved

Current construction estimate in 2025 (Traffic dependent)

ATTACHMENT #2
State of Wisconsin



SCOTT WALKER
Governor

JOHN MURRAY
Executive Director

1 S. Pinckney Street
Suite 615
Madison WI 53703-3220

Phone: (608) 266-3323
Fax: (608) 266-6676
<http://oja.wi.gov>

January 5, 2012

Eric Schroeder, Captain
Franklin Police Department
9455 West Loomis Road
Franklin, WI 53132-9690

RE: Homeland Security/WISCOM Trunking Upgrades
OJA Grant Number: 2009-HS-05-9412

Dear Captain Schroeder:

Congratulations! On behalf of Governor Walker, I have approved a grant award to the City of Franklin in the amount of \$87,000. These funds are from OJA's Homeland Security Program available through the State of Wisconsin. This grant supports the City of Franklin Homeland Security/WISCOM Trunking Upgrades.

To accept this award, have the authorized official sign the *Signatory Page, Certified Assurances and Lobbying and Debarment Forms* in addition to initialing the bottom right corner of Attachment A and B, if enclosed. The Project Director should sign the Acknowledgement Notice. One of the two award packets enclosed should be returned to OJA within 30 days. The other should be maintained for your records. Funds cannot be released until all signed documents are received.

As Project Director, you will be responsible for all reporting requirements outlined in the grant award and seeing that funds are administered according to the approved application materials and certifications enclosed. Please refer to the FAQ sheet enclosed for contact information and grant guidelines. We look forward to a collaborative working relationship with you.

Sincerely,

John Murray
Executive Director

Enclosures

FRANKLIN POLICE DEPARTMENT *ATTACHMENT #3*

2/20/2012

Qty	Model	Description	Unit Price	Total Price
APX6500 MOBILE				
6	M25URS9PW1N	APX6500 MOBILE, 35 WATT, 800 MHz	\$ 1,519.20	\$ 9,115.20
6	G51	SMARTZONE SYSTEM SOFTWARE	\$ 960.00	\$ 5,760.00
6	G806	SOFTWARE DIGITAL CAI OP APX	\$ 412.00	\$ 2,472.00
6	G361	PROJECT 25 TRUNKING SOFTWARE	\$ 240.00	\$ 1,440.00
6	G174	ANTENNA 3DB, 800 MHZ	\$ 34.40	\$ 206.40
6	G444	CONTROL HEAD SOFTWARE, 05	\$ -	\$ -
6	G442	APX 05 CONTROL HEAD	\$ 345.60	\$ 2,073.60
6	W22	PALM MICROPHONE	\$ 57.60	\$ 345.60
6	G67	REMOTE MOUNT	\$ 237.60	\$ 1,425.60
6	B18	5 WATT EXTERNAL SPEAKER	\$ 48.00	\$ 288.00
6	QA1648	HARDWARE KEY	\$ 4.00	\$ 24.00
MOBILE TOTAL				\$23,150.40

INSTALL NOT INCLUDED

APX6000 PORTABLE				
5	H98UCF9PW6N	APX6000 PORTABLE, MODEL II, 800 MHz	\$ 1,760.00	\$ 8,800.00
5	H38	SMARTZONE SYSTEM SOFTWARE	\$ 960.00	\$ 4,800.00
5	Q806	SOFTWARE DIGITAL CAI OPERATION	\$ 412.00	\$ 2,060.00
5	Q361	PROJECT 25 TRUNKING SOFTWARE	\$ 240.00	\$ 1,200.00
5	QA1648	HARDWARE KEY	\$ 4.00	\$ 20.00

PORTABLE TOTAL \$ 16,880.00

5	NNTN7080	IMPRESS CHARGER SINGLE UNIT	\$ 100.00	\$ 500.00
5	PMnN4403	SPARE BATTERY	\$ 100.00	\$ 500.00
5	PMMN4060	PUBLIC SAFETY SPEAKER MIC	\$ 131.20	\$ 656.00
5	PMAF4002	PSSM, STUBBY ANTENNA	\$ 9.60	\$ 48.00
0	NNTN7073B	IMPRESS CHARGER MULTI UNIT	\$ 1,080.00	\$ -

ACCESSORY TOTAL \$ 1,704.00

PORTABLE GRAND TOTAL \$ 18,584.00

GRAND TOTAL \$ 41,734.40

ATTACHMENT #4

Milwaukee 2-Way, Inc.
 11408 W. Lincoln Ave.
 West Allis WI 53227

I N V O I C E

Invoice#
 66183

Inv. Date
 03/26/12

Telephone #: 414-546-2011

Bill To:
 FRANKLIN POLICE DEPT., CITY OF
 9455 W. LOOMIS ROAD
 FRANKLIN WI 53132-0160

Ship To: Phone #: 414-858-2613
 FRANKLIN POLICE DEPT., CITY OF
 9455 W. LOOMIS ROAD
 FRANKLIN WI 53132-0160

Order#	Customer#	Customer P.O.	Terms	Shipped	Rep
42190	199	CAPTAIN ERIC SCHROEDER	NET 10 DAYS	UPS	PJM
03/26/12					

QUANTITY	U/M	ITEM/DESCRIPTION	UNIT PRICE	AMOUNT
5	EA	*MISC LOC 888 T6997	0.00	.00
5	EA	*MISC LOC 888 Q808 - ASTRO DIGITAL	515.00	2,575.00
5	EA	*MISC LOC 888 Q347 - SMARTZONE	400.00	2,000.00
5	EA	*MISC LOC 888 Q361 - ASTRO P25 TRUNKING	300.00	1,500.00
17	EA	*MISC LOC 888 T6748	0.00	.00
17	EA	*MISC LOC 888 Q808AG - ASTRO DIGITAL	515.00	8,755.00
17	EA	*MISC LOC 888 Q327BF - SMARTZONE	400.00	6,800.00
17	EA	*MISC LOC 888 Q361AM - ASTRO P25 TRUNKING	300.00	5,100.00
		FLAT RATE LOC 001		2,650.00
		PROGRAMMING		
		FLAT RATE LOC 001		750.00
		TEMPLATE		
		FLAT RATE LOC 001		825.00
		PROGRAMMING		
		Subtotal		29,955.00
		Tax #: 188558		
		Total Due		29,955.00

INVOICES OVER THIRTY (30) DAYS ARE SUBJECT TO A
 1 1/2% SERVICE CHARGE PER MONTH

ATTACHMENT *5

Milwaukee 2-Way, Inc.
11408 W. Lincoln Ave.
West Allis WI 53227

I N V O I C E

Invoice#
66187
Inv. Date
04/30/12

Telephone #: 414-546-2011

Bill To:
FRANKLIN POLICE DEPT., CITY OF
9455 W. LOOMIS ROAD
FRANKLIN WI 53132-0160

Ship To: Phone #: 414-858-2613
FRANKLIN POLICE DEPT., CITY OF
9455 W. LOOMIS ROAD
FRANKLIN WI 53132-0160

Order#	Customer#	Customer P.O.	Terms	Shipped	Rep
42194	199	SEE BELOW	NET 10 DAYS	UPS	PJM
04/30/12					

QUANTITY	U/M	ITEM/DESCRIPTION	UNIT PRICE	AMOUNT
		PO: CAPTAIN ERIC SCHROEDER		
1	EA	*MISC LOC 888 M25URS9PW1N - APX6500 CONTROL BASE	4984.00	4,984.00
1	EA	*MISC LOC 888 L3276 - TONE REMOTE ADAPTER, CABLES, CONNECTORS, ANTENNA, AND TX LINE	1997.00	1,997.00
1	EA	*MISC LOC 888 BLN6654 - BASE INTERFACE MODULE, POLYPHASER, AND JUMPER	1355.00	1,355.00
		FLAT RATE LOC 001 INSTALL AND PROGRAMMING		2,000.00
		Subtotal		10,336.00
		Tax #: 188558		10,336.00
		Total Due		

INVOICES OVER THIRTY (30) DAYS ARE SUBJECT TO A
1 1/2% SERVICE CHARGE PER MONTH

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<p>APPROVAL</p> <p><i>Slw CAP</i></p>	<p>REQUEST FOR COUNCIL ACTION</p>	<p>MEETING DATE</p> <p>8/7/12</p>
<p>REPORTS & RECOMMENDATIONS</p>	<p>Ordinance to Amend Ordinance 2011-2063, an Ordinance Adopting 2012 Budgets and Tax Levy for the City of Franklin, to Approve a 2012 Budget Change for the General Fund, Capital Outlay Fund, Capital Improvement Fund and Debt Service Fund</p>	<p>ITEM NUMBER</p> <p><i>6.3.</i></p>

The Finance Committee reviewed and is recommending to the Common Council budget adjustments that were determined necessary during the new year budget preparation process as detailed in the attached memo to the Finance Committee.

COUNCIL ACTION REQUESTED

Motion to approve Ordinance 2012 _____ approving the 2012 Budget changes to the General Fund, Capital Outlay Fund, Capital Improvement Fund and Debt Service Fund.

STATE OF WISCONSIN: CITY OF FRANKLIN: MILWAUKEE COUNTY

ORDINANCE NO. 2012 - _____

AN ORDINANCE TO AMEND ORDINANCE 2011-2063, AN ORDINANCE ADOPTING THE 2012 BUDGETS AND TAX LEVY FOR THE CITY OF FRANKLIN, TO APPROVE CHANGES TO 2012 BUDGET IN VARIOUS DEPARTMENTS OF THE GENERAL FUND, CAPITAL OUTLAY FUND, CAPITAL IMPROVEMENT FUND AND DEBT SERVICE FUND

WHEREAS, the Common Council of the City of Franklin adopted the 2012 Annual Budgets for the General Fund, Capital Outlay Fund, Street Improvement Fund, Capital Improvement Fund, Sewer Service Fund and Debt Service Fund of the City on November 29, 2011; and

WHEREAS, the Common Council has determined that it would be in the best interest of the City to approve changes to various departments for items included in the 2012 General Fund, Capital Outlay Fund, Capital Improvement Fund and Debt Service Fund for items included in their 2012 budgets.

NOW, THEREFORE, the Common Council of the City of Franklin does hereby ordain as follows:

Section 1 that the 2012 General Fund Annual Budget be amended as follows:

	Contingency	01.199.0000.5110	1,325,000 Decrease
Fund Bal	Unrestricted	01.0000.4850	1,325,000 Decrease
Council	Recognition	01.102.0000.5726	3,000 Increase
Council	Recognition	01.109.0000.5726	5,000 Increase
Contingency		01.199.0000.5499	8,000 Decrease

Section 2 that the 2012 Capital Outlay Fund Annual Budget be amended as follows:

Municipal	Building Improvements	41.181.0000.5822	4,400 Increase
Municipal	Sundry Contracts	41.199.0000.5499	4,400 Decrease

Section 3 that the 2012 Capital Improvement Fund Annual Budget be amended as follows:

CIF Revenue	Sundry Contracts	46.999.0000.5499	2,908,500 Decrease
CIF	Revenue – Trans other	46.0000.4830	2,700,000 Decrease
CIF	Sidewalks – N 51 st West		
	Side	46.0000.9537.5828	122,500 Increase
CIF	Sidewalks – N 51 St		
	Claire Meadows to MN	46.0000.9539.5828	80,000 Increase
CIF	Debt Proceeds	46.0000.4911	62,000 Decrease
CIF	Landfill Siting Rev	46.0000.4493	215,000 Decrease
CIF	Interest Income	46.0000.4711	4,000 Decrease
CIF	Fund Balance	46.0000.4850	281,000 Decrease;

Section 4 that the 2012 Debt Service Fund Annual Budget be amended as follows:

Debt Service	Transfer from Impact Fees	31.0000.4839	149,000 Decrease
Debt Service Rev	Transfer frm Special Assess	31.0000.4835	2,318 Increase
Debt Service	Fund Balance	31.0000.4850	146,682 Increase;

Section 5 that pursuant to §65.90(5)(a), Wis. Stats., the City Clerk is directed to publish a Class 1 notice of this budget amendment within ten days of adoption of this resolution.

Introduced at a regular meeting of the Common Council of the City of Franklin this ____ day of _____, 2012.

Passed and adopted at a regular meeting of the Common Council of the City of Franklin this ____ day of _____, 2012.

APPROVED:

ATTEST:

Thomas M. Taylor, Mayor

Sandra L. Wesolowski, City Clerk

AYES ____ NOES ____ ABSENT ____

M E M O R A N D U M

DATE: July 25, 2012
TO: Finance Committee
FROM: Cal Patterson, Director of Finance & Treasurer
RE: 2012 Second quarter Budget Amendment Recommendations

General Fund

As part of the budget preparation process a number of issues surfaced that require consideration of budget changes and are being presented for consideration.

Transfer from Contingency back to Fund Balance

Contingency	01.199.0000.5110	1,325,000	Decrease
Fund Balance	01.0000.4850	1,325,000	Increase

Business Appreciation – Forward Franklin Economic Development Committee

Council approved the budget/business plan of the Forward Franklin Economic Development Committee. . Spending was to come out of the Contingency budget.

Council	Recognition	01.102.0000.5726	3,000	Increase
Contingency		01.199.0000.5499	3,000	Decrease

TID#2 Closure Celebration

Council authorized expenditure for the TID#2 Closing Ceremony. Spending was to come out of the Contingency budget.

Council	Recognition	01.102.0000.5726	5,000	Increase
Contingency		01.199.0000.5499	5,000	Decrease

Capital Outlay Fund

Council awarded contract to Milwaukee Plate Glass Co as part of a grant to replace the windows at City Hall. \$4,446 to come from the Capital Outlay Fund

Cap. Outlay Fund		41.181.0000.5822	4,400	Increase
Contingency		41.199.0000.5499	4,400	Decrease

Capital Improvement Fund

Deferring the construction of the Sewer & Water building and adjusting the Landfill Siting expected revenues to reflect 2012 experience. Remove the scheduled borrowing in the adopted budget.

CIP -	Sewer & Water	46.999.0000.5499	2,908,500	Decrease
CIP	Sewer & Water	46.0000.4830	2,700,000	Decrease
CIP	Sidewalks – N 51 West			
	Side	46.0000.9537.5828	122,500	Increase
CIP	Sidewalks – N 51 st Street			
	Claire Meadows to MN	46.0000.9539.5828	80,000	Increase
CIP	Debt Proceeds	46.0000.4911	62,000	Decrease
CIP	Landfill Siting Revenue	46.0000.4493	215,000	Decrease
CIP	Interest Income	46.0000.4711	4,000	Decrease
CIP	Fund Balance	46.0000.4850	281,000	Decrease

Debt Service Fund

Debt Service Fund adjustments need to be made to reflect less impact fees received than budgeted and as a result more funds from special assessments being used than budgeted.

Debt Service	Transfer from Impact Fees	31.0000.4839	149,000	Decrease
Debt Service	Transfer from Special Assessments	31.0000.4835	2,318	Increase
Fund Balance	Transfer	31.0000.4850	146,682	Increase

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APPROVAL <i>Slw CAP</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE 8/7/12
REPORTS & RECOMMENDATIONS	Capital Improvement Fund Revenue Shortfall	ITEM NUMBER G.4.

The Finance Committee received the attached report indicating that the Capital Improvement Fund revenue would not meet 2012 budgeted levels. The result is a projected deficit in the fund of from \$100,000 to \$157,000.

The reason for this projected shortfall is landfill siting revenue being projected to be less than the revenue estimate established at this time last year, prior to the new landfill agreement becoming effective. The estimate was based on gross expected tonnage of 430,000 tons. However the new agreement provided reimbursement based upon net tonnage giving the landfill operator credit for all clean fill and free material received. An amount now projected to be 84,000 tons. The new projection resulted in a reduction of \$227,000 in projected landfill siting revenue in 2012, from \$427,000 previously projected to \$209,000 currently projected.

Options

1. Defer one of the two remaining projects (Expected to also be on this agenda)
 The impact would be to defer the issue to the following year with the Capital Improvement Fund being short in 2013 by the same amount.
2. Reallocate one time funds previously designated to other funds
 A reallocation would solve this Fund's issue but would put the funds to which the one time funds were designated into a less fiscally sound basis.
3. Transfer \$150,000 from the fund balance of the General Fund
 The General Fund has an estimated balance of \$6,121,000 which is 26% of expected expenditures. Our current policy allows for the use of fund balance when the fund balance exceeds 25%.
4. Authorize borrowing of \$150,000 for the Capital Improvement Fund with the Debt Service Fund being responsible for the repayment of the borrowed money.
 The Debt Service Fund has the ability without additional external borrowing to provide the amount needed with the eventual repayment from the Debt Service Fund Tax Levy.

From a staff viewpoint options 3 or 4 make better long term sense.

A Policy decision by the Council is necessary to resolve this issue.

COUNCIL ACTION REQUESTED

M E M O R A N D U M

DATE: July 25, 2012
TO: Finance Committee
FROM: Cal Patterson – Director of Finance & Treasurer
RE: Capital Improvement Fund Funding Availability

The Capital Improvement Fund is the fund that accounts for all City building projects including public works projects. Each project is expected to have a specified funding source. Possible funding sources are Connection fees, Impact Fees, transfers from other funds, landfill siting fees and proceeds from borrowing.

If all projects were completed then theoretically all the available funding in the fund would be used. From a practical view because of variances between planned and actual project costs, especially when borrowing, some remainder or deficiency on specific projects is inevitable. The expectation is that those will balance out over time.

Last year's report showed that current projects exceeded funding by \$144,746 and there was \$246,556 available for new projects (end of 2011).

The 2012 Adopted Budget anticipated using \$119,500 of that fund balance and borrowing \$62,000 in addition to the revenue projected to fund the projects budgeted for 2012. Landfill siting revenue was projected to realize \$427,000 in revenue. That projection is not being realized. An attachment shows that \$209,000 in revenue is now projected to be realized in 2012. If all budgeted projects are completed the result will be a negative fund balance of \$156,945.

Potential solutions would be to borrow money to enable all projects to be completed, defer a project so as to not have to borrow or have additional revenue directed to this fund.

Staff is reviewing the possibility of recommending deferring a project. This would get us through 2012 and any remaining shortfall would need to be dealt with in the 2013 budget process.

**City of Franklin
Capital Improvement Fund
Funding Availability**

	Budget Amount	Impact Fee Amount	Cash	Accounts Payable	Fund Balance
Capital Improvements - Fund Balance -12/31/10		\$ -	\$ 461,077	\$ 69,776	\$ 391,301
Repay Interfund Advance					
Repayment from Water Utility		-			
Payment of 12/31/10 payables		-	(69,776)	(69,776)	-
Accrual of 12/31/10 payables			15,679	15,679	
2011		-	406,980	15,679	391,301
Revenue:					
Internal borrowing	-				-
Grants	-				-
Landfill Siting Fees - New	240,000		76,925		76,925
Landfill Siting Fees - Old	27,000		36,695		36,695
Miscellaneous Revenue	5,000		3,972		3,972
Refunds/Reimbursements			5,852		5,852
Impact Fee - Parks	500,000				-
Sewer Connection Fee	750,000				-
Water Connection Fee					-
Investment Earnings	4,000		4,119		4,119
Transfer from Water Utility	1,400,000		192,975		192,975
Transfer from Sewer Fund	1,400,000				-
Transfer from TIF #2	325,000		455,891		455,891
Transfer from TIF #4	348,000		359,491		359,491
Transfer from Special Assessments			84,512		84,512
Transfer from Street Improvement Fund	40,000		37,690		37,690
Total Revenue	5,039,000	-	1,258,122	-	1,258,122
Sub-total		-	1,665,102	15,679	1,649,423
2011 Project costs:					
Water Projects	-				-
Oakwood Road Water main	325,000		(455,891)		(455,891)
Sewer Projects	750,000				-
Oakwood Road	588,000		(584,206)		(584,206)
City Hall & Fire Station #1 Parking lots	210,000		(263,424)		(263,424)
Storm Water Management Plan	45,000		(37,800)		(37,800)
Bridge Repair 51St & Drexel	40,000		(37,690)		(37,690)
Puetz Road - Pumping Station			(49,885)		(49,885)
S 51 St - Forest Hill Sidewalks			(14,647)		(14,647)
Tornado Warning Sirens	1,000		(1,140)		(1,140)
Projects not yet Approved:					-
Water/Sewer Building	2,800,000				-
Pleasant View Park Access Road	500,000				-
Extension of W Marquette	50,000				-
Ryan Road Reconstruction			42,449		42,449
Misc	50,000		(634)		(634)
Total Expenditures	5,359,000	-	(1,402,868)	-	(1,402,868)
Sub-total - 2011 year end balances		-	262,234	15,679	246,555

**City of Franklin
Capital Improvement Fund
Funding Availability**

	Budget Amount	Impact Fee Amount	Cash	Accounts Payable	Fund Balance
Sub-total - 2011 year end balances		-	262,234	15,679	246,555
Revenue: 2012					
Internal borrowing	62,000		-		-
Grants			-		-
Landfill Siting Fees - New	427,000		209,000		209,000
Landfill Siting Fees - Old			-		-
Sewer Connection Fee	500,000		500,000		500,000
Water Connection Fee	500,000		500,000		500,000
Investment Earnings	5,000		1,000		1,000
Transfer from Water Utility	1,400,000		-		-
Transfer from Sewer Fund	1,400,000		-		-
Total Projected Revenue 2012	4,294,000	-	1,210,000	-	1,210,000
Prior year accrued project costs:			(15,679)	(15,679)	-
Approved:					
Water Projects	500,000		(500,000)		(500,000)
Sewer Projects	500,000		(500,000)		(500,000)
Projects not yet Approved:					
Water/Sewer Building	2,800,000		-		-
51st St sidewalks	122,500		(122,500)		(122,500)
Roof Replacements - City Hall & Fire Sta	177,000		(177,000)		(177,000)
Police Mobile & Portable radio Equipmen	177,000		(177,000)		(177,000)
51 Street - Clair Meadows N half to Minnesota			(80,000)		(80,000)
Misc	137,000		(57,000)		(57,000)
Projected spending 2012	4,413,500	-	(1,613,500)	-	(1,613,500)
Projected ending balance		-	(156,944)	0	(156,945)
Projected ending balance		-	(156,944)	0	(156,945)

City of Franklin
\$3.50 2010 Base for first 2.8 million tons
 Estimated 2012 Fees

	Metro 1st 2.8M CPI	Tons Filled	Beneficial Reuse & Free Material	Net Tons Filled	Total Direct Payments Due	Advance Payments @ \$1 per ton	Net Per Ton Direct Payments Received	Franklin 75.0%	Capital Outlay Fund 22.22%	Equipment Revolving Fund 33.33%	Street Improvement Fund 44.44%	Capital Improvement Fund	General Fund
2010	\$ 3.50	-	-	-	600,000.00	600,000.00	-	450,000.00	-	-	-	300,000.00	150,000.00
Jan 2011	1.6%	3.56			600,000.00	600,000.00	-	450,000.00	100,000.00	150,000.00	200,000.00	-	-
Nov 2011	0.0%	3.56	2,950.24	15,441.13	54,970.42	(15,441.13)	39,529.29	29,646.97	-	-	-	29,646.97	-
Dec 2011	0.0%	3.56	8,370.80	24,623.89	87,661.05	(24,623.89)	63,037.16	47,277.87	-	-	-	47,277.87	-
Year Total		51,386.06	11,321.04	40,065.02	742,631.47	559,934.98	102,566.45	526,924.84	100,000.00	150,000.00	200,000.00	76,924.84	-
Cumulative Year's Total		51,386.06	11,321.04	40,065.02	1,342,631.47	1,159,934.98	102,566.45	976,924.84	100,000.00	150,000.00	200,000.00	376,924.84	150,000.00
Jan 2012	3.2%	3.67	30,833.44	6,197.07	24,636.37	(24,636.37)	65,779.11	49,334.33	10,963.18	16,444.78	21,926.37	-	-
Feb 2012	3.67	36,271.35	6,908.15	29,363.20	107,762.94	(29,363.20)	78,399.74	58,799.81	13,066.62	19,599.94	26,133.25	-	-
Mar 2012	3.67	39,452.29	7,080.40	32,371.89	118,804.84	(32,371.89)	86,432.95	64,824.71	14,405.49	21,608.24	28,810.98	-	-
Apr 2012	3.67	32,544.83	6,422.87	26,121.96	95,867.59	(26,121.96)	69,745.63	52,309.22	11,624.27	17,436.41	23,248.54	-	-
May 2012	3.67	34,337.16	7,808.82	26,528.34	97,359.74	(26,528.34)	70,831.20	53,123.40	11,805.20	17,707.80	23,610.40	-	-
June 2012	3.67	33,343.48	7,573.64	25,769.84	94,575.31	(25,769.84)	68,805.47	51,604.10	11,467.58	17,201.37	22,935.16	-	-
July 2012	3.67	34,500.00	7,000.00	27,500.00	100,925.00	(27,500.00)	73,425.00	55,068.75	12,237.50	18,356.25	24,475.00	-	-
Aug 2012	3.67	34,500.00	7,000.00	27,500.00	100,925.00	(27,500.00)	73,425.00	55,068.75	12,237.50	18,356.25	24,475.00	-	-
Sept 2012	3.67	34,500.00	7,000.00	27,500.00	100,925.00	(27,500.00)	73,425.00	55,068.75	2,192.65	3,288.98	4,385.30	45,201.82	-
Oct 2012	3.67	34,500.00	7,000.00	27,500.00	100,925.00	(27,500.00)	73,425.00	55,068.75	-	-	-	55,068.75	-
Nov 2012	3.67	34,500.00	7,000.00	27,500.00	100,925.00	(27,500.00)	73,425.00	55,068.75	-	-	-	55,068.75	-
Dec 2012	3.67	34,500.00	7,000.00	27,500.00	100,925.00	(27,500.00)	73,425.00	55,068.75	-	-	-	55,068.75	-
Year Total		413,782.55	83,990.97	329,791.80	1,210,335.91	(329,791.80)	880,544.11	660,408.07	100,000.00	150,000.00	200,000.00	210,408.07	-
Cumulative Year's Total		465,168.61	95,312.01	369,856.82	2,552,967.38	830,143.18	983,110.56	1,637,332.91	200,000.00	300,000.00	400,000.00	587,332.91	150,000.00
Check Total			20.49%				983,110.56						

Estimated
 L:\41803 VOL1 Finance\MISC\Landfill Siting - projections - 2012.xlsx\Multi Year

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APPROVAL <i>Slw</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE August 7, 2012
REPORTS AND RECOMMENDATIONS	The City of Franklin Board of Water Commissioners Report to the Common Council upon Public Service Commission of Wisconsin Case No. 4310-Wr-104; Application of the Oak Creek Water and Sewer Utility to Increase Water Rates; Public Service Commission of Wisconsin Final Decision Dated July 20, 2012 and Mailed July 23, 2012	ITEM NUMBER <i>G, 5.</i>

The Chairman of the Board of Water Commissioners, Gary Grobner, and other members of the Board of Water Commissioners will be present at the Council meeting to report upon and discuss the above matter with the Common Council. Attached is a copy of the Decision of the Public Service Commission.

COUNCIL ACTION REQUESTED

A motion as the Common Council deems appropriate.

DATE MAILED

JUL 23 2012

PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Oak Creek Water and Sewer Utility, Milwaukee
County, Wisconsin, for Authority to Increase Water Rates

4310-WR-104

FINAL DECISION

This is the Final Decision in the Class 1 proceeding conducted by the Public Service Commission (Commission) on the application of Oak Creek Water and Sewer Utility (Oak Creek) for approval to increase water rates. This application is APPROVED subject to conditions.

Introduction

On May 10, 2011, Oak Creek filed an application with the Commission requesting authority to increase water rates. Oak Creek requested an increase of \$1,522,304 (19 percent) in water revenues based on an estimated overall 4.10 percent rate of return (ROR) on net investment rate base (NIRB) with a differential wholesale customer ROR approximately 150 basis points higher than the retail customer ROR.

On June 1, 2011, Oak Creek accepted three changes to the revenue requirement proposed by Commission staff and requested that the composite ROR be revised from 4.10 percent to 4.30 percent.

On June 16, 2011, the City of Franklin Municipal Water Utility (Franklin), a wholesale customer of Oak Creek, requested party status in this proceeding. Party status was granted by order on June 28, 2011.

On July 28, 2011, Commission staff completed its initial audit in this proceeding which resulted in a \$1,572,487 (19 percent) increase in water revenues based on an overall 4.30 percent ROR on NIRB with a 5.22 percent ROR for wholesale customers and a 3.72 percent ROR for retail customers. Oak Creek accepted this revenue requirement.

This case was delayed for several reasons. First, Commission staff delayed action on the case to allow the parties to attempt to reach an agreement on the issues in this case, particularly those related to the cost of service. The parties were unable to reach an agreement. Second, Franklin's consultant lost several key staff, and they needed to bring in new experts to assist in the preparation of their testimony. Finally, Commission staff determined that it would be more appropriate for the parties to each file their own rate cases, rather than rely on Commission staff to present a rate case alternative, as is typical for uncontested water rate cases.

On February 1, 2012, a Notice of Prehearing Conference was issued. The prehearing conference was scheduled for February 16, 2012, at 11:00 a.m., but was later cancelled by an order signed on February 15, 2012, and issued on February 17, 2012, as Commission staff and all parties agreed to the pre-determined issues list and filing schedule.

On February 8, 2012, the Village of Caledonia Water Utility (Caledonia), a wholesale customer of Oak Creek, requested party status in this proceeding. Party status was granted in the Prehearing Conference Memorandum which was issued on February 17, 2012.

On February 10, 2012, Oak Creek requested an increase in the overall ROR on NIRB from 4.30 percent to 4.85 percent with a 6.00 percent ROR for wholesale customers, resulting in an effective ROR for retail customers of 4.20 percent and a differential of approximately 180 basis points.

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Due to the length of time to process this case, Commission staff determined that it would be appropriate to update Oak Creek's application to a 2012 test year.

On February 13, 2012, Commission staff completed its conversion from a 2011 test year to a 2012 test year in this proceeding which resulted in an additional revenue increase of \$249,874. The 2012 test year revenue requirement resulted in an overall \$1,822,361 (23 percent) increase in water revenues based on an overall 4.85 percent ROR on NIRB with a 6.00 percent ROR for wholesale customers and a ROR of approximately 4.20 percent for retail customers. Oak Creek accepted this 2012 test year revenue requirement.

On February 17, 2012, a Prehearing Conference Memorandum was issued which set the filing schedule and identified the parties.

On March 14, 2012, a Notice of Hearing was issued. The hearing was scheduled for April 26, 2012, at 10:00 a.m.

On March 30, 2012, direct testimony and exhibits were filed.

On April 20, 2012, rebuttal testimony and exhibits were filed.

On April 24, 2012, surrebuttal testimony and exhibits were filed.

On April 26, 2012, a hearing was held in Madison and in Oak Creek for technical issues and for public comment.

On May 15, 2012, the hearing transcript was filed.

On May 17, 2012, the prefiled testimony transcript was filed.

On May 29, 2012, simultaneous party briefs were filed.

The parties, for purposes of review under Wis. Stat. §§ 227.47 and 227.53, are listed in Appendix A. Others who appeared are listed in the Commission's files.

Findings of Fact

1. Oak Creek's presently authorized rates for water utility service are estimated to produce operating revenues of \$8,237,236 for the 2012 test year, resulting in an estimated net operating income of \$578,445.
2. The estimated NIRB applicable to water utility operations for the 2012 test year is \$49,501,146.
3. The estimated ROR on average NIRB at current rates for the 2012 test year is 1.17 percent, which is inadequate.
4. A reasonable increase in operating revenues for the 2012 test year to produce a 4.85 percent ROR on Oak Creek's NIRB for water utility operations is \$1,822,361.
5. It is reasonable to mitigate rates for retail customers by setting the retail ROR on NIRB 180 basis points lower than the wholesale ROR.
6. A reasonable composite ROR on NIRB is 4.85 percent with resulting rates of return for retail customers of 4.20 percent and 6.00 percent for wholesale customers.
7. It is reasonable to use non-coincident customer demand ratios to allocate shared costs to the various customer classes.
8. A reasonable estimate of the maximum day system demand is 12,066,187 gallons, equivalent to 1.658 times the average day demand. A reasonable estimate of maximum hour demand is 735,336 gallons, equivalent to 2.425 times the average hour demand.
9. It is reasonable to use the four-year average non-coincident wholesale customer class maximum day and maximum hour demand factors.

10. There is insufficient information in the record to support a revision of non-coincident retail customer class maximum day and maximum hour demand factors in this case. These ratios may be revised in a future rate case if data are collected to support a revision.

11. It is reasonable to allocate 50 percent of the 12-inch mains to transmission.

12. It is reasonable to allocate \$7,826,802 of the contributions in aid of construction for transmission main.

13. It is reasonable to allocate the oversizing of transmission mains to support maximum hour flow to maximum hour cost functions.

14. It is reasonable that costs related to the 2008-2009 treatment plant expansion be shared by all customers, both retail and wholesale.

15. It is reasonable to make no adjustment for unaccounted for water and that the associated costs be shared by all customers, both retail and wholesale.

16. It is reasonable to allocate public fire protection (PFP) costs based on the method used in the 2011 Milwaukee Water Works rate case (Docket 3720-WR-107).

17. A reasonable estimate of the demand of water for PFP, based on the population served, is 3,660 gallons per minute (gpm) for 3.6 hours for Oak Creek, 1,834 gpm for 1.8 hours for Caledonia, and 3,404 gpm for 3.4 hours for Franklin.

18. It is reasonable to not allocate PFP costs to Franklin.

19. It is reasonable to rely on the results of the final cost of service study (COSS) along with other factors, including the parties' rate designs, as guides for rate design.

20. It is reasonable to authorize rates for water service as shown in Appendix D.

21. The rate changes set forth for water service in Appendix D will permit Oak Creek to earn the necessary revenue requirement and are consistent with the cost of service and rate design.

Conclusions of Law

1. Oak Creek is a municipal public utility as defined in Wis. Stat. § 196.01(5)(a).
2. The Commission has authority under Wis. Stat. §§ 196.03(1) and (3), 196.19, 196.20, 196.22, 196.37(1), (2), and (3), 196.395, and 196.40 to authorize Oak Creek to increase water utility rates and revise tariff provisions.

Opinion

Applicant and Its Business

Oak Creek provides retail water service to 8,847 customers in the City of Oak Creek and wholesale water service to the City of Franklin and a portion of the Village of Caledonia.

Revenue Requirement

Net Investment Rate Base

The estimated NIRB for the 2012 test year is as follows:

Utility Financed Plant in Service	\$70,872,192
Less: Accumulated Provision for Depreciation	<u>\$19,201,194</u>
Net Plant in Service	\$51,670,998
Plus: Materials and Supplies	62,081
Less: Regulatory Liability for Pre-2003 Accumulated Depreciation - CIAC	<u>2,231,933</u>
Net Investment Rate Base	<u>\$49,501,146</u>

Comparative Income Statement

The estimated test year income statement showing the effect of the increase in revenue which will result from authorized rates is as follows:

	<u>At Present Rates</u>	<u>Authorized Increase</u>	<u>After Rate Increase</u>
Operating Revenues	\$8,237,236	\$1,822,361	\$10,059,597
Operating Expenses:			
Oper. & Maint. Exp.	\$4,082,748		\$4,082,748
Depreciation	1,861,290		1,861,290
Taxes & Tax Equiv.	<u>1,714,753</u>		<u>1,714,753</u>
Total Oper. Expenses	<u>\$7,658,791</u>		<u>\$7,658,791</u>
Oper. Income (or Loss)	<u>\$578,445</u>		<u>\$2,400,806</u>
Rate of Return	1.17%		4.85%

The depreciation expense included in the revenue requirement for the 2012 test year was computed using the depreciation rates shown in Appendix G. These depreciation rates are effective on January 1, 2012, for computing the depreciation expense on the average investment for each plant account.

Financial

Retail and Wholesale Differential Rate of Return

Oak Creek's final requested composite ROR on NIRB was 4.85 percent, comprised of a 4.20 percent ROR for retail customers and a 6.00 percent ROR for wholesale customers, a differential of 180 basis points. Oak Creek supported its request stating that the American Water Works Association supports a differential return where inside city owners provide service to outside city non-owners, and the Commission has approved differential rates for other utilities.

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Oak Creek stated that a higher ROR for wholesale customers reflects the higher risk burden the utility incurs providing water to a class of customers that could switch providers.

The Wholesale Intervenors objected to the differential ROR of 180 basis points. They believe the differential return exacerbates what they perceive to be an already excessive allocation of capital costs to wholesale customers.¹ They also believe the 180 point differential is too great to reflect additional risk posed by wholesale customers. Late in the briefing process, the Wholesale Intervenors sought to update the ROR based on declining interest rates since the time of Oak Creek's rate application.

The Commission finds it reasonable to mitigate rates for retail customers by setting the retail ROR lower than the wholesale ROR by 180 basis points. In reaching its determination as to the appropriate return on equity, the Commission must balance the needs of investors with the needs of consumers, with due consideration to economic and financial conditions along with public policy considerations. If the appropriate return on equity could be measured precisely, setting the authorized return on equity would be straightforward. Because a precise measurement is not possible, determining the appropriate return on equity is typically one of the most contested issues in a rate proceeding, as it was here.

Oak Creek's requested returns were within Commission historical guidelines for municipal utilities as described on the record by Commission staff. The guidelines' upper boundary is the Commission's Benchmark ROR on NIRB which is based on the cost of 30-year municipal bonds plus 200 basis points. The lower boundary is 1.5 times interest coverage or 1.25 times cash flow to total debt service. Using these guidelines from the time Oak Creek's rate

¹ The wholesale customers did not contest the differential in the 2008 rate proceeding, Docket 4310-WR-103, which, was 100 basis points.

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application was filed, the upper boundary was 6.75 percent and the lower boundary was about 2.50 percent.²

According to Wis. Stat. § 66.0811(1), municipal utilities are entitled to the same rate of return on equity as is permitted for privately-owned utilities. Staff testimony explained that the upper boundary of the Commission guidelines is consistent with this statutory requirement. Further, because of the interrelationship between the municipal utility, retail ratepayer, municipality, and city electorate/taxpayer, the Commission ordinarily accommodates the municipal utility's return preference if it is within the Commission's allowable range. To the extent a utility seeks a lower ROR on NIRB for its retail customers, the low end of the Commission's allowable range assures a utility can meet its debt service obligations.

The Commission did not find any compelling reason to place any further limits on its historical guidelines for the potential differential between wholesale and retail RORs. Arguments regarding relative riskiness of wholesale customers versus retail customers were subjective and unconvincing. To the extent concerns exist about the allocation of capital costs, those concerns are addressed in the discussion of the parameters of a COSS. Any potential benefits or detriments to making an update to the benchmark ROR on NIRB after the filing of a water rate application were not developed in the record in this proceeding.

The Commission must balance the needs of investors, the needs of consumers, the principle of gradualism when making rate changes, the decline in yields for 30-year municipal bonds, Oak Creek's capitalization, the adequacy of debt service coverage, the proposed payment in lieu of taxes, Oak Creek's excess capacity, and applicable statutory requirements. Based on

² The prevailing ROR when Oak Creek filed its application in May, 2011, was 6.75 percent. The current benchmark is at 5.75 percent.

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these competing considerations, a composite return on rate base of 4.85 percent, with resulting RORs of 4.20 percent for retail customers and 6.00 percent for wholesale customers, is reasonable.

Capital Structure

Oak Creek's capital employed in providing public utility service that is associated with the NIRB is estimated to be 58.82 percent municipal equity and 41.18 percent long-term debt. The composite cost of debt is 3.98 percent. A composite 4.85 percent ROR on NIRB will provide a 5.46 percent return on municipal earning equity and 2.96 times interest coverage.

Cost of Service Study (COSS)

Method for Allocating Costs

Oak Creek presented two alternative COSS methods that differ from the approach used in the last rate case. The applicant's preferred method – the “two-step method” – allocates costs in two steps. The first step allocates shared costs (treatment service and transmission service) between the communities of Oak Creek, Franklin, and Caledonia. Base costs are allocated according to each community's average day use and extra capacity costs are allocated according to each community's maximum day to average day ratio. The second step allocates Oak Creek's portion of shared costs and other retail-only costs (distribution service) to Oak Creek's retail customers.

Oak Creek's alternative method – the “coincident demand method” – uses the traditional COSS method but uses coincident demand factors, as opposed to non-coincident demand factors, to allocate shared costs. Oak Creek argued that this approach addresses its concerns regarding the allocation of shared costs in situations where there is a large wholesale municipal customer.

The Wholesale Intervenors used the traditional COSS method which uses non-coincident demand factors to allocate shared costs.

The Commission acknowledges that alternative cost allocation methods are available and may be appropriate in some instances. However, the Commission is not convinced that the methods proposed by Oak Creek in this case result in a more equitable allocation of costs than the Commission's generally accepted practices in water rate cases. As a result, the Commission finds that the use of the traditional base-extra capacity COSS method, which uses non-coincident customer demand factors to allocate shared costs, is reasonable and just.

System Demand Factors

System demand factors allocate utility operating expenses between the cost functions of base water consumption and extra capacity demand (maximum day and maximum hour). Because residential customers typically have higher peak demand relative to their total consumption, they bear a larger percentage of the costs allocated to the extra capacity cost functions. Because wholesale and large nonresidential customers typically have lower peak demand relative to their total consumption, they bear a larger percentage of the costs allocated to the base cost function.

Oak Creek, in both of its COSS alternatives, used system demand factors based upon a four-year average in order to even out year-to-year variations in peak usage that occur as a result of wet and dry summers. The Wholesale Intervenors proposed using a two-year average for calculating system demand factors, but also indicated they have no preference as to whether four-year or two-year system demand factors are used. The Commission finds it reasonable to

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use a four-year average for system demand factors to smooth out year-to-year fluctuations in peak demand.

Wholesale Customer Class Demand Factors

Customer class demand factors represent the relationship between a customer class' average annual demand and its extra demand during its peak day and its peak hour. Customer classes with higher maximum day and maximum hour demand factors are allocated greater percentages of the maximum day and maximum hour extra capacity cost functions, respectively.

As there are no hourly, daily, or monthly metered consumption data available for Caledonia, both Oak Creek and the Wholesale Intervenors opted to use the average of Franklin's actual metered demand as a proxy for Caledonia. Oak Creek, in both of its COSS alternatives, used wholesale customer class demand factors based upon a four-year average of Franklin's actual data in order to even out variations in peak usage.

The Wholesale Intervenors proposed using a two-year average of Franklin's actual 2010 and 2011 metered demand for calculating wholesale customer demand factors. Flow control facilities installed by Franklin in 2009 have impacted maximum hour demands, and Franklin intends to manage the demands it places on Oak Creek's system in a much more efficient and effective manner than was the case in the period prior to 2010.

The Commission agrees with Oak Creek and finds it reasonable to use the four-year average of Franklin's non-coincident maximum day and maximum hour demand factors for the wholesale customer class demand factors to smooth out year-to-year fluctuations in peak demand.

Retail Customer Class Demand Factors

Oak Creek proposed using coincident customer demand factors for its retail customer classes. Oak Creek determined maximum day and maximum hour retail customer class demand factors by first subtracting measured wholesale demand on the system peak day and peak hour and then by using industry information to assign each retail customer class a relative contribution to the system's peak demands. Under Oak Creek's proposed method, the sum of all retail and wholesale demands are equal to the system's peak day, and the sum of the demands of Oak Creek's retail customer classes are equal Oak Creek's demand as a community.

The Wholesale Intervenors proposed using the non-coincident retail customer class demand factors, as authorized by the Commission for Oak Creek in the last rate case (2008). The Wholesale Intervenors contended that Oak Creek's method for calculating its retail customer class demand factors results in excessively low demand factors which shift costs to wholesale customers.

The Commission agrees with the Wholesale Intervenors and finds that it is unreasonable to establish retail customer class demand factors in the manner proposed by Oak Creek. The Commission notes that these values are derived from consumption data of differing frequencies. As a result, the Commission finds that using the retail customer class demand ratios that were established in the last rate case is reasonable. The Commission could consider adjustments to the retail customer class demand factors in a future rate case if Oak Creek provides sufficient evidence, based on actual consumption data, to support the changes.

Allocation of 12-inch Mains to Transmission

Oak Creek presented evidence that at least 50 percent of its 12-inch mains are necessary to transport water to the wholesale customers. . The Wholesale Intervenors proposed using the same classification of 12-inch mains that was used in Oak Creek’s last rate case in 2008. In that case, all mains 12-inch and smaller were classified as distribution while all mains larger than 12-inch were classified as transmission.

The Commission finds that Oak Creek could not adequately supply its wholesale customers unless 50 percent of the 12-inch mains are used for transmission purposes. As a result, the Commission finds it reasonable to classify 50 percent of the 12-inch mains as transmission.

Allocation of Contributions in Aid of Constructions between Transmission and Distribution Mains

Both Oak Creek and the Wholesale Intervenors used the allocations shown in Appendix H for the \$25,317,145 book cost of contributed water main. The Commission finds it reasonable to use the allocations shown in Appendix H for the \$25,317,145 book cost of contributed water main.

Allocation of Transmission Main Costs to the Maximum Hour Cost Function

Oak Creek, in both of its COSS alternatives, allocated costs related to transmission mains to the base and maximum day cost functions but not to the maximum hour cost function. Oak Creek contended that the primary design consideration in the sizing of transmission mains is maximum day demand.

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The Wholesale Intervenors proposed allocating transmission main costs to the maximum hour cost function in addition to the base and max day cost functions. The Wholesale Intervenors argued that this approach recognizes that transmission mains support the maximum hour demands of customers and comports with the cost allocation precepts of the current AWWA M1 Manual. Furthermore, this reflects the Commission's Final Decision in Milwaukee Water Works' 2011 rate case (Docket 3720-WR-107).

The Commission agrees with the Wholesale Intervenors and finds that transmission main serves both maximum hour and maximum day functions. As a result, the Commission finds it reasonable to assign a portion of the costs related to transmission mains to the maximum hour cost function.

Allocation of Treatment Plant Expansion Costs

Oak Creek's decision to expand its treatment plant was based on a March 2002 "Water System Study" and the preliminary November 2008 "Water System Master Plan Update." Both studies indicated that the treatment plant's existing capacity would be exceeded by 2010. Oak Creek received DNR and PSC approval of the treatment plant expansion in December 2008 and February 2009, respectively.

The Wholesale Intervenors pointed out that approximately \$13.3 million net book value was expended by Oak Creek in expanding its treatment plant capacity from 20 million gallons per day (mgd) to 28 mgd, which was then re-rated to 35 mgd in 2011. However, the Wholesale Intervenors noted that the highest maximum day that has occurred on the Oak Creek system is 15.66 mgd, which occurred in 2005. Further, the Wholesale Intervenors argued that neither Franklin nor Caledonia needed or reasonably benefitted from the added treatment plant capacity.

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As a result, they argue that the costs related to this expansion should not be allocated to wholesale customers.

The Commission notes that the Wholesale Intervenors did not object to the proposed plant expansion prior to the Commission's approval in 2009. In general, the Commission defers to the expertise of water utility management on decisions about water system capacity because the utility is better positioned to evaluate its future needs. Further, the Commission has long followed a "system-averaging approach" in allocating costs, which relies on the principle that all customers share proportionately in the costs operating the utility, regardless of whether a customer directly benefits from a particular system component or cost. The added treatment plant capacity provides system-wide benefits, not only in the future but in the present as well. As a result, the Commission finds it reasonable that all customers, both wholesale and retail, share in the cost of the treatment plant expansion.

Unaccounted For Water

Oak Creek, in both of its COSS alternatives, made certain adjustments for unaccounted for water which are only appropriate if the "two-step method" or "coincident demand method" is used. An adjustment for unaccounted for water is not appropriate if the "traditional" COSS method with non-coincident customer demand factors is used. The Wholesale Intervenors proposed an adjustment for unaccounted for water which results in 15.88 percent of those costs being allocated to wholesale and the remaining 84.12 percent of those costs being allocated to Oak Creek's retail customers. The Wholesale Intervenors contended that a majority of water losses on any water system occur within the retail service area, due to items such as meter slippage, line flushing, hydrant testing, and distribution system losses.

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The Commission finds it unreasonable to make adjustments for unaccounted for water under the traditional COSS method using non-coincident customer demand factors.

Allocation of Public Fire Protection (PFP) Costs to Franklin

Oak Creek, in its "coincident demand method" COSS, allocated PFP costs to both Franklin and Caledonia. Oak Creek stated that the system has sufficient capacity to provide fire protection to Franklin. Oak Creek has three booster stations which combined can produce over 19 mgd of water for an indefinite period of time. Oak Creek argued that these extra capabilities, along with the transmission main network, would be available to Franklin during a large fire event, and, therefore, Franklin should be allocated PFP costs.

The Wholesale Intervenors proposed that no PFP costs be allocated to Franklin. Due to contractual and operational relationships, Franklin stated that it receives no PFP benefit from the Oak Creek system. The Wholesale Intervenors noted that the wholesale contract does not require that Oak Creek to meet Franklin's fire flow requirements during periods of maximum day demand. Further, the flow control devices that Franklin installed cannot exceed the maximum day flow limit in the wholesale contract. As a result, Franklin has constructed its own storage facilities to ensure that it can meet its fire flow needs under maximum day conditions.

The Commission finds it reasonable to allocate no PFP costs to Franklin. However, the total PFP allocation for the system does not change. Oak Creek's retail customers will be allocated the remainder of the total PFP costs not allocated to Caledonia.

Final COSS

The final COSS resulting from the Commission's decisions on the issues in this rate case is shown in Appendix B. The base-extra capacity cost allocation method was used for the

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analysis. Under this method, the operating expenses are allocated first to the service cost functions of extra-capacity maximum day and maximum hour demand, base, customer, and fire protection and then to each of the customer classes served. Summaries of such analyses, based on allocations that are reasonable and just, are shown in Schedules 8 and 11. Appendix C shows customer class revenue requirements resulting from the cost analysis compared with revenues at authorized rates.

Rate Design

Overall, the rates authorized for Oak Creek in Appendix D of this Final Decision result in an estimated net operating income of approximately \$2,400,806, which provides a 4.85 percent ROR on the water utility NIRB of \$49,501,146. This represents an increase of 23 percent in total water revenues.

As shown in attached Appendix C, the base-extra capacity cost allocation method results in a relatively wide range of increases in the charges to the various general service customer classes to reflect the cost of providing service to such classes. The percentage rate increase to any individual customer will not necessarily equal the overall percentage increase to the associated customer class, but will depend on the specific usage level of that customer.

The authorized rates as set forth in Appendix D are based on the cost of providing water service to the various customer classes or types of service and other rate-setting goals. These rates are reasonable and just. All customers will be required to pay an appropriate amount for the service provided.

Some typical water bills for residential, commercial, industrial, and public authority retail customers in the City of Oak Creek were computed using Schedule Mg-1 to compare existing rates with the new rates. That comparison is set forth in Appendix F.

A typical Oak Creek residential customer's bill for general service will rise 19 percent. When the PFP charge is included, the overall water bill will rise 18 percent. Rates have risen because of a 20 percent increase in gross plant investment and a 26 percent increase in operating expenses since Oak Creek's last rate case in 2008. The typical bills calculated using the authorized rates are above average when compared with those of similar water utilities in the state.

The overall increase in annual revenues is 23 percent, comprised of a 25 percent increase in general service charges and a 9 percent increase in fire protection charges. Retail general service charges will increase by 19 percent compared to a 35 percent increase in wholesale general service charges. Retail PFP charges will increase by 15 percent compared to a 39 percent decrease in wholesale PFP charges. Caledonia's wholesale PFP charge will increase 114 percent, while Franklin's wholesale PFP charge will be eliminated.

The general service charges will increase by 25 percent, compared to a 9 percent increase in the annual PFP charge. The larger increase in general service charges results because a greater proportion of the annual operating costs is allocated to general service than was allocated at the time of the Oak Creek's last rate proceeding, based on current ratios of maximum general service demand to available system fire protection capacity. The larger increase in general service charges is reasonable in that it appropriately reflects the cost of providing service.

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Oak Creek has agreed to revise its tariff provisions (operating rules and main extension rules) to be consistent with those of other Wisconsin water utilities. The proposed rules are shown in Appendix D and in Appendix E. The proposed rules are reasonable and just and in accordance with Commission policy and the Wisconsin Administrative Code.

Effective Date

The test year commenced on January 1, 2012. Pursuant to Wis. Stat. §§ 196.19 and 196.21, the changes in rates and tariff provisions that are authorized in this Final Decision take effect no sooner than one day after the date of mailing, provided that these rates and tariff provisions are filed with the Commission and placed in all offices and pay stations of the utility.

Order

1. This Final Decision takes effect one day after the mailing date.
2. The authorized rate increases and tariff provisions shall take effect no sooner than one day after the utility files these rates and tariff provisions with the Commission and places them in all of the utility's offices and pay stations.
3. The rates approved in this docket are to be made effective no later than 90 days from the mailing date of this Final Decision or as directed by the Commission or Commission staff.

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4. Oak Creek Water and Sewer Utility shall inform each customer of the new rates as required by Wis. Admin. Code § PSC 185.33(1).

5. The Commission retains jurisdiction.

Dated at Madison, Wisconsin, 7/20/12

For the Commission:



John J. Schulze, Jr.
Administrator
Division of Water, Compliance, and Consumer Affairs

JJS:dlp:pc:DL4310-WR-104

See attached Notice of Appeal Rights

PUBLIC SERVICE COMMISSION OF WISCONSIN
610 North Whitney Way
P.O. Box 7854
Madison, Wisconsin 53707-7854

**NOTICE OF RIGHTS FOR REHEARING OR JUDICIAL REVIEW, THE
TIMES ALLOWED FOR EACH, AND THE IDENTIFICATION OF THE
PARTY TO BE NAMED AS RESPONDENT**

The following notice is served on you as part of the Commission's written decision. This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

PETITION FOR REHEARING

If this decision is an order following a contested case proceeding as defined in Wis. Stat. § 227.01(3), a person aggrieved by the decision has a right to petition the Commission for rehearing within 20 days of mailing of this decision, as provided in Wis. Stat. § 227.49. The mailing date is shown on the first page. If there is no date on the first page, the date of mailing is shown immediately above the signature line. The petition for rehearing must be filed with the Public Service Commission of Wisconsin and served on the parties. An appeal of this decision may also be taken directly to circuit court through the filing of a petition for judicial review. It is not necessary to first petition for rehearing.

PETITION FOR JUDICIAL REVIEW

A person aggrieved by this decision has a right to petition for judicial review as provided in Wis. Stat. § 227.53. In a contested case, the petition must be filed in circuit court and served upon the Public Service Commission of Wisconsin within 30 days of mailing of this decision if there has been no petition for rehearing. If a timely petition for rehearing has been filed, the petition for judicial review must be filed within 30 days of mailing of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition of the petition for rehearing by operation of law pursuant to Wis. Stat. § 227.49(5), whichever is sooner. If an *untimely* petition for rehearing is filed, the 30-day period to petition for judicial review commences the date the Commission mailed its original decision.³ The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

If this decision is an order denying rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not permitted.

Revised: December 17, 2008

³ See *State v. Carrier*, 2006 WI App 12, 288 Wis. 2d 693, 709 N.W.2d 520.

APPEARANCES

In order to comply with Wis. Stat. § 227.47, the following parties who appeared before the agency are considered parties for purposes of review under Wis. Stat. § 227.53.

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PUBLIC SERVICE COMMISSION OF WISCONSIN

(Not a party, but must be served)

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

Please file documents using the Electronic Regulatory Filing (ERF) system which may be accessed through the PSC website: <https://psc.wi.gov>.

OAK CREEK WATER AND SEWER UTILITY**Authorized Final Cost of Service Study**

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OAK CREEK WATER AND SEWER UTILITY
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COMPARATIVE INCOME STATEMENT

ACCT NO.	OPERATING REVENUES	TEST YEAR				
		2008	2009	2010	2011	2012
460	Unmetered Sales to General Customers					
	Residential	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	Commercial	10,163	9,943	15,216	20,266	10,900
	Industrial	0	0	0	0	0
	Public Authority	0	0	0	0	0
461	Metered Sales to General Customers					
	Residential	1,871,379	1,927,094	1,856,209	1,955,162	1,932,689
	Commercial	1,761,840	1,805,371	1,741,586	1,503,344	1,313,406
	Industrial	504,039	472,612	387,729	676,527	890,162
	Public Authority	85,784	85,682	77,984	76,038	77,937
	Total general sales	\$ 4,233,205	\$ 4,300,702	\$ 4,078,724	\$ 4,231,337	\$ 4,225,094
462	Private fire protection service	141,204	146,199	149,983	152,296	147,264
463	Public fire protection service	938,202	955,668	956,350	978,365	1,004,474
465	Other water sales	0	0	0	0	0
466	Sales for resale	2,351,011	2,710,371	2,511,134	2,707,244	2,610,104
467	Interdepartmental sales	0	0	0	0	0
470	Forfeited discounts	46,346	53,636	57,189	56,635	50,200
472	Rents from water property	130,244	147,341	153,367	166,726	166,000
473	Interdepartmental rents	0	0	0	0	0
474	Other water revenues	33,808	34,557	44,254	37,118	34,100
	TOTAL OPERATING REVENUES	\$ 7,874,020	\$ 8,348,474	\$ 7,951,001	\$ 8,329,721	\$ 8,237,236

OPERATING EXPENSES

SOURCE OF SUPPLY

600	Operation labor	\$ 5,902	\$ 6,271	\$ 5,996	\$ 6,035	\$ 6,150
601	Operation labor and expenses	28,078	33,371	32,279	31,515	33,150
602	Purchased water	0	0	0	0	0
603	Miscellaneous expenses	134,640	63,935	3,075	1,903	57,186
604	Rents	0	0	0	0	0
610	Maintenance supervision and engineering	0	0	0	0	0
611	Maintenance of structures and improvements	0	0	0	0	0
612	Maint. of collecting and impounding reservoirs	0	0	0	0	0
613	Maintenance of lake, river, and other intakes	6,243	6,243	6,657	0	6,500
614	Maintenance of wells and springs	758	0	0	0	1,150
616	Maintenance of supply mains	0	0	0	0	350
617	Maintenance of misc. water source plant	0	0	0	0	0

PUMPING EXPENSES

620	Operation supervision and engineering	50,328	52,687	50,790	51,121	52,150
621	Fuel for power production	0	0	0	0	0
622	Power production labor and expenses	0	0	0	0	0
623	Fuel or power purchased for production	351,506	340,089	334,491	409,039	374,650
624	Pumping labor and expenses	98,111	115,283	113,351	111,229	107,400
625	Expenses transferred--credit	0	0	0	0	0
626	Miscellaneous expenses	126,379	105,775	120,456	121,260	127,740
627	Rents	0	0	0	0	0
630	Maintenance supervision and engineering	5,902	6,271	6,063	6,035	6,200
631	Maintenance of structures and improvements	5,274	7,062	6,652	9,763	6,300
632	Maintenance of power production equipment	24,642	8,152	6,366	7,516	12,700
633	Maintenance of pumping equipment	80,798	141,098	113,617	88,285	111,950

COMPARATIVE INCOME STATEMENT
(continued)

ACCT NO.	OPERATING EXPENSES	TEST YEAR				
		2008	2009	2010	2011	2012
WATER TREATMENT EXPENSES						
640	Operation supervision and engineering	\$ 78,653	\$ 89,937	\$ 96,004	\$ 82,136	\$ 98,600
641	Chemicals	222,120	259,225	222,359	185,784	231,250
642	Operation labor and expenses	280,669	326,233	359,823	343,683	369,500
643	Miscellaneous expenses	127,527	124,115	129,554	129,894	140,589
644	Rents	0	0	0	0	0
650	Maintenance supervision and engineering	11,803	12,504	11,992	11,956	12,300
651	Maintenance of structures and improvements	4,146	5,589	18,281	6,084	8,850
652	Maintenance of water treatment equipment	176,594	170,474	155,697	160,299	172,450
TRANS & DISTRIBUTION EXPENSES						
660	Operation supervision and engineering	179,565	194,518	184,922	185,064	189,900
661	Storage facilities expenses	4,682	3,059	3,458	5,900	4,150
662	Transmission and distribution expenses	145,169	161,132	159,594	162,515	160,000
663	Meter expenses	31,943	16,189	17,440	30,223	23,900
664	Customer installations expenses	25,854	53,158	47,603	43,016	33,500
665	Miscellaneous expenses	15,222	16,676	15,221	14,199	24,960
666	Rents	0	0	0	0	0
670	Maintenance supervision and engineering	36,469	38,356	38,579	40,424	39,650
671	Maintenance of structures and improvements	0	0	0	0	0
672	Maintenance of distr.reservoirs and standpipes	50,182	41,759	38,252	39,392	34,700
673	Maintenance of transmission and distr. mains	145,663	82,023	84,672	61,540	108,050
675	Maintenance of services	21,911	18,036	33,236	25,820	22,000
676	Maintenance of meters	24,732	26,283	16,120	26,404	21,250
677	Maintenance of hydrants	43,232	25,947	33,441	36,274	43,100
678	Maintenance of miscellaneous plant	936	12,740	113	620	3,850
CUSTOMER ACCOUNTS EXPENSES						
901	Supervision	0	0	0	0	0
902	Meter reading labor	8,827	6,303	5,309	6,024	5,450
903	Customer records and collection expenses	86,958	99,374	95,401	100,698	96,050
904	Uncollectible accounts	0	0	0	0	0
905	Miscellaneous customer accounts expenses	0	0	0	0	0
906	Customer service and Information Expenses	0	0	0	0	0
SALES EXPENSES						
910	Sales Expenses	0	0	0	0	0
ADMIN. & GENERAL EXPENSES						
920	Administrative and general salaries	102,853	115,597	113,655	112,576	114,127
921	Office supplies and expenses	60,200	47,279	53,240	46,232	53,800
922	Administrative expenses transferred -- credit	0	0	0	0	0
923	Outside services employed	189,522	134,670	122,859	107,909	129,700
924	Property insurance	12,249	12,411	4,814	13,696	4,900
925	Injuries and damages	62,070	53,956	54,305	46,663	59,450
926	Employee pensions and benefits	584,355	588,534	877,741	932,422	884,121
928	Regulatory commission expenses	0	0	0	38,408	25,000
929	Duplicate charges -- credit	0	0	0	0	0
930	Miscellaneous general expenses	276,267	38,413	46,450	42,267	64,025
931	Rents	0	0	0	0	0
932	Maintenance of general plant	0	0	0	0	0
TOTAL OPER. & MAINT. EXPENSES		\$ 3,928,934	\$ 3,660,727	\$ 3,839,928	\$ 3,881,823	\$ 4,082,748
403	DEPRECIATION EXPENSE	1,250,924	1,203,690	1,442,903	1,669,127	1,861,290
404-407	AMORTIZATION EXPENSE	0	0	0	0	0
408	TAXES AND TAX EQUIVALENT	1,231,603	1,330,684	1,570,586	1,628,424	1,714,753
TOTAL OPERATING EXPENSES		\$ 6,411,461	\$ 6,195,101	\$ 6,853,417	\$ 7,179,374	\$ 7,658,791
NET OPERATING INCOME		\$ 1,462,559	\$ 2,153,373	\$ 1,097,584	\$ 1,150,347	\$ 578,445

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NET INVESTMENT RATE BASE

UTILITY FINANCED PLANT IN SERVICE	\$	70,872,192
Less: ACCUMULATED PROVISION FOR DEPRECIATION		<u>19,201,194</u>
NET INVESTMENT	\$	51,670,998
Plus: MATERIALS AND SUPPLIES		62,081
Less: REGULATORY LIABILITY		<u>2,231,933</u>
NET INVESTMENT RATE BASE	\$	<u>49,501,146</u>
RATE OF RETURN ON RATE BASE		4.85%

ESTIMATED INCOME STATEMENT FOR THE 2012 TEST YEAR
AND
REVENUE REQUIREMENT TO YIELD A 4.85% RETURN ON NET INVESTMENT RATE BASE

	Present Rates	Increase	After Rate Increase
TOTAL OPERATING REVENUES	\$ <u>8,237,236</u>	\$ <u>1,822,361</u>	\$ <u>10,059,597</u>
OPERATING EXPENSES:			
OPERATION & MAINTENANCE EXPENSES	\$ 4,082,748		\$ 4,082,748
DEPRECIATION EXPENSE	1,861,290		1,861,290
AMORTIZATION EXPENSE	0		0
TAXES AND TAX EQUIVALENT	<u>1,714,753</u>		<u>1,714,753</u>
TOTAL OPERATING EXPENSES	\$ <u>7,658,791</u>		\$ <u>7,658,791</u>
NET OPERATING INCOME (LOSS)	\$ <u>578,445</u>		\$ <u>2,400,806</u>
RATE OF RETURN ON RATE BASE	1.17%		4.85%

UTILITY FINANCED PLANT IN SERVICE AND DEPRECIATION EXPENSE
TEST YEAR 2012

ACCT NO.	ACCOUNT DESCRIPTION	Balance	Major	Normal	Retirements	Balance	Test Year	Depreciation	
		12/31/2011	Additions	Additions	(\$)	12/31/2012	Rate Base	Rate	Expense
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(%)	(\$)
INTANGIBLE PLANT									
301	Organization	0	0	0	0	0	0	N/A	0
302	Franchises and consents	0	0	0	0	0	0	N/A	0
303	Miscellaneous intangible plant	0	0	0	0	0	0	N/A	0
SOURCE OF SUPPLY									
310	Land and land rights	21,060	0	0	0	21,060	21,060	N/A	0
311	Structures and improvements	0	0	0	0	0	0	3.20%	0
312	Collecting and impounding reservoirs	0	0	0	0	0	0	1.70%	0
313	Lake, river, and other intakes	5,672,464	0	0	0	5,672,464	5,672,464	1.70%	96,432
314	Wells and springs	200,459	0	0	0	200,459	200,459	2.90%	5,813
316	Supply mains	382,344	0	0	0	382,344	382,344	1.80%	6,882
317	Other water source plant	0	0	0	0	0	0	4.50%	0
PUMPING PLANT									
320	Land and land rights	18,610	0	0	0	18,610	18,610	N/A	0
321	Structures and improvements	1,981,008	0	0	0	1,981,008	1,981,008	3.20%	63,392
323	Other power production equipment	165,506	3,446,630	0	0	3,612,136	3,612,136	4.40%	158,934
325	Electric pumping equipment	3,045,149	(5,000)	0	0	3,040,149	3,040,149	4.40%	133,767
326	Diesel pumping equipment	0	0	0	0	0	0	4.40%	0
328	Other pumping equipment	44,613	0	0	0	44,613	44,613	4.40%	1,963
WATER TREATMENT PLANT									
330	Land and land rights	31,500	0	0	0	31,500	31,500	N/A	0
331	Structures and improvements	12,245,484	(21,446)	0	0	12,224,038	12,224,038	3.20%	391,169
332	Sand or Other Media Filtration Equip	12,879,556	(46,874)	0	0	12,832,681	12,832,681	3.30%	423,478
333	Membrane Filtration Equipment	0	0	0	0	0	0	6.00%	0
334	Other Water Treatment Equipment	0	0	0	0	0	0	6.00%	0

UTILITY FINANCED PLANT IN SERVICE AND DEPRECIATION EXPENSE
TEST YEAR 2012
(continued)

ACCT NO.	ACCOUNT DESCRIPTION	TEST YEAR 2012			Retirements (\$)	Normal Additions (\$)	Major Additions (\$)	Balance 12/31/2012 (\$)	TEST YEAR RATE BASE BALANCE (\$)	DEPRECIATION RATE (%)	EXPENSE (\$)
		Balance 12/31/2011 (\$)	Major Additions (\$)	Normal Additions (\$)							
TRANSMISSION & DISTRIBUTION PLANT											
340	Land and land rights	27,556	0	0	0	0	27,556	27,556	N/A	0	
341	Structures and improvements	0	0	0	0	0	0	0	3.20%	0	
342	Distribution reservoirs and standpipes	2,710,774	0	0	0	0	2,710,774	2,710,774	1.90%	51,505	
343	Transmission and distribution mains	18,129,862	0	120,000	0	0	18,249,862	18,189,862	1.30%	236,468	
345	Services	1,717,328	0	0	0	0	1,717,328	1,717,328	2.90%	49,803	
346	Meters	1,704,234	0	35,000	17,220	0	1,722,014	1,713,124	5.50%	47,111	
348	Hydrants	1,424,856	0	5,000	0	0	1,429,856	1,427,356	2.20%	31,402	
349	Other transmission and distr. plant	0	0	0	0	0	0	0	5.00%	0	
GENERAL PLANT											
389	Land and land rights	19,717	0	0	0	0	19,717	19,717	N/A	0	
390	Structures and improvements	2,303,832	0	0	0	0	2,303,832	2,303,832	2.90%	66,811	
391	Office furniture and equipment	137,830	0	0	0	0	137,830	137,830	5.80%	7,994	
391	Office furniture & equip - Computers	198,620	0	0	0	0	198,620	198,620	26.70%*	9,124	
392	Transportation equipment	434,642	0	50,000	15,000	0	469,642	452,142	13.30%*	31,681	
393	Stores equipment	0	0	0	0	0	0	0	5.80%	0	
394	Tools, shop and garage equipment	83,938	0	3,500	0	0	87,438	85,688	5.80%*	1,963	
395	Laboratory equipment	7,189	0	0	0	0	7,189	7,189	5.80%	417	
396	Power operated equipment	154,649	0	0	0	0	154,649	154,649	7.50%*	5,817	
397	Communication equipment	239,632	0	0	0	0	239,632	239,632	15.00%*	17,552	
397	SCADA equipment	1,329,069	0	0	0	0	1,329,069	1,329,069	9.20%*	16,200	
398	Miscellaneous equipment	96,761	0	0	0	0	96,761	96,761	5.80%	5,612	
TOTAL UTILITY FINANCED PLANT IN SERVICE		67,408,242	3,373,310	213,500	32,220	0	70,962,832	70,872,192		1,861,290	

*Fully depreciated

OAK CREEK WATER AND SEWER UTILITY

SYSTEM DEMAND RATIOS

MAXIMUM DAY SYSTEM DEMAND

TOTAL ANNUAL PUMPAGE	2,656,307,650 Gallons
AVERAGE DAILY PUMPAGE	7,277,555 Gallons
MAXIMUM DAY PUMPAGE	12,066,187 Gallons
FIRE FLOW:	
GAL/MIN	5,000
DURATION (HOURS)	5
TOTAL FLOW	1,500,000 Gallons
AVERAGE DAY PLUS FIRE FLOW	8,777,555 Gallons

RATIO:	BASE =	$\frac{7,277,555}{12,066,187}$	60.31%
	MAX DAY =	100-BASE	39.69%

MAXIMUM HOUR SYSTEM DEMAND

AVERAGE HOUR ON MAX DAY	502,758 Gallons
MAXIMUM HOUR PUMPAGE	735,336 Gallons
AVERAGE HOUR PLUS ONE HOUR FIRE FLOW	603,231 Gallons

RATIO:	BASE =	$\frac{7,277,555}{17,648,071}$	41.24%	Use	41.24%
	MAX HOUR =	100-BASE	58.76%	Use	58.76%

ALLOCATION OF UTILITY FINANCED PLANT
TO SERVICE COST FUNCTIONS

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY										Fire Protection (\$)		
		BASE COSTS		MAX DAY		MAX HOUR		CUSTOMER COSTS						
		System (\$)	Distribution (\$)	Billing (\$)	Equivalent Meter (\$)		Equivalent Service (\$)							
TOTAL (\$)	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	Billing (\$)	Equivalent Meter (\$)	Equivalent Service (\$)	Fire Protection (\$)		
INTANGIBLE PLANT														
301	Organization	0	0	0	0	0	0	0	0	0	0	0	0	0
302	Franchises and consents	0	0	0	0	0	0	0	0	0	0	0	0	0
303	Miscellaneous intangible plant	0	0	0	0	0	0	0	0	0	0	0	0	0
SOURCE OF SUPPLY														
310	Land and land rights	21,060	12,702	8,358										
311	Structures and improvements	0	0	0										
312	Collecting and impounding reservoirs	0	0	0										
313	Lake, river, and other intakes	5,672,464	3,421,269	2,251,195										
314	Wells and springs	200,459	120,904	79,555										
316	Supply mains	382,344	230,606	151,738										
317	Other water source plant	0	0	0										
PUMPING PLANT														
320	Land and land rights	18,610	11,224	7,386										
321	Structures and improvements	1,981,008	1,194,818	786,190										
323	Other power production equipment	3,612,156	2,178,610	1,433,526										
325	Electric pumping equipment	3,040,149	1,833,624	1,206,525										
326	Diesel pumping equipment	0	0	0										
328	Other pumping equipment	44,613	26,908	17,705										
WATER TREATMENT PLANT														
330	Land and land rights	31,500	18,999	12,501										
331	Structures and improvements	12,224,038	7,372,761	4,851,277										
332	Sand or Other Media Filtration Equip	12,832,681	7,739,856	5,092,825										
333	Membrane Filtration Equipment	0	0	0										
334	Other Water Treatment Equipment	0	0	0										

ALLOCATION OF UTILITY FINANCED PLANT
TO SERVICE COST FUNCTIONS
(continued)

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY										CUSTOMER COSTS										
		BASE COSTS		MAX DAY		MAX HOUR		Billing (\$)	Equivalent Meter (\$)	Equivalent Service (\$)	Fire Protection (\$)	TOTAL										
		System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)					Storage (\$)	(\$)	(\$)								
TRANSMISSION & DISTRIBUTION PLANT																						
340	Land and land rights	9,780	1,151	3,559	0	4,525	1,640	1,704	0	1,833	1,837	1,527										
341	Structures and improvements	0	0	0	0	0	0	0	0	0	0	0										
342	Distribution reservoirs and standpipes	1,117,845																				
343	Transmission mains	8,024,064		3,326,726		4,229,756		1,592,929														
344	Distribution mains		1,076,007				1,533,310															
345	Services	1,717,328																				
346	Meters	1,713,124																				
348	Hydrants	1,427,356																				
349	Other transmission and distr. plant	0	0	0	0	0	0	0	0	0	0	0										
GENERAL PLANT																						
389	Land and land rights	9,975	323	5,758	0	1,268	460	477	0	514	515	428										
390	Structures and improvements	1,165,577	37,687	672,779	0	148,147	53,704	55,792	0	60,002	60,149	49,993										
391	Office furniture and equipment	69,732	2,255	40,250	0	8,863	3,213	3,338	0	3,590	3,599	2,991										
391	Office furniture & equip - Computers	100,488	3,249	58,002	0	12,772	4,630	4,810	0	5,173	5,186	4,310										
392	Transportation equipment	228,752	7,396	132,037	0	29,075	10,540	10,950	0	11,776	11,805	9,811										
393	Stores equipment	0	0	0	0	0	0	0	0	0	0	0										
394	Tools, shop and garage equipment	43,352	1,402	25,023	0	5,510	1,997	2,075	0	2,232	2,237	1,859										
395	Laboratory equipment	3,637	118	2,099	0	462	168	174	0	187	188	156										
396	Power operated equipment	78,241	2,530	45,162	0	9,945	3,605	3,745	0	4,028	4,038	3,356										
397	Communication equipment	121,237	3,920	69,979	0	15,409	5,586	5,803	0	6,241	6,256	5,200										
397	SCADA equipment	672,415	21,742	388,123	0	85,465	30,982	32,186	0	34,615	34,700	28,841										
398	Miscellaneous equipment	48,954	1,583	28,257	0	6,222	2,256	2,343	0	2,520	2,526	2,100										
TOTAL		70,872,192	35,856,331	1,159,361	0	4,557,420	1,652,090	1,716,328	0	1,845,834	1,850,364	1,537,928										

ALLOCATION OF TOTAL PLANT
TO SERVICE COST FUNCTIONS

ACCT NO.	ACCOUNT DESCRIPTION	TOTAL (\$)	EXTRA-CAPACITY						CUSTOMER COSTS				
			BASE COSTS		MAX DAY		MAX HOUR		Billing (\$)	Equivalent Meter (\$)	Equivalent Service (\$)	Fire Protection (\$)	
			System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)					Storage (\$)
INTANGIBLE PLANT													
301	Organization	0	0	0	0	0	0	0	0	0	0	0	0
302	Franchises and consents	0	0	0	0	0	0	0	0	0	0	0	0
303	Miscellaneous intangible plant	0	0	0	0	0	0	0	0	0	0	0	0
SOURCE OF SUPPLY													
310	Land and land rights	21,060	12,702	8,358	0	0	0	0	0	0	0	0	0
311	Structures and improvements	0	0	0	0	0	0	0	0	0	0	0	0
312	Collecting and impounding reservoirs	0	0	0	0	0	0	0	0	0	0	0	0
313	Lake, river, and other intakes	5,672,464	3,421,269	2,251,195	0	0	0	0	0	0	0	0	0
314	Wells and springs	200,459	120,904	79,555	0	0	0	0	0	0	0	0	0
316	Supply mains	382,344	230,606	151,738	0	0	0	0	0	0	0	0	0
317	Other water source plant	0	0	0	0	0	0	0	0	0	0	0	0
PUMPING PLANT													
320	Land and land rights	18,610	11,224	7,386	0	0	0	0	0	0	0	0	0
321	Structures and improvements	2,638,173	1,591,178	1,046,995	0	0	0	0	0	0	0	0	0
323	Other power production equipment	3,612,136	2,178,610	1,433,526	0	0	0	0	0	0	0	0	0
325	Electric pumping equipment	3,334,590	2,011,212	1,323,378	0	0	0	0	0	0	0	0	0
326	Diesel pumping equipment	0	0	0	0	0	0	0	0	0	0	0	0
328	Other pumping equipment	44,613	26,908	17,705	0	0	0	0	0	0	0	0	0
WATER TREATMENT PLANT													
330	Land and land rights	31,500	18,999	12,501	0	0	0	0	0	0	0	0	0
331	Structures and improvements	12,224,038	7,372,761	4,851,277	0	0	0	0	0	0	0	0	0
332	Sand or Other Media Filtration Equip	12,832,681	7,739,856	5,092,825	0	0	0	0	0	0	0	0	0
333	Membrane Filtration Equipment	0	0	0	0	0	0	0	0	0	0	0	0
334	Other Water Treatment Equipment	0	0	0	0	0	0	0	0	0	0	0	0

ALLOCATION OF TOTAL PLANT
TO SERVICE COST FUNCTIONS
(continued)

ACCT. NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY											
		BASE COSTS		MAX. DAY		MAX. HOUR		CUSTOMER COSTS					
		System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	Storage (\$)	Billing (\$)	Equivalent Meter (\$)	Equivalent Service (\$)	Fire Protection (\$)	
TOTAL (\$)													
TRANSMISSION & DISTRIBUTION PLANT													
340	Land and land rights	27,556	3,947	2,380	0	3,026	5,624	759	0	816	2,729	2,004	0
341	Structures and improvements	0	0	0	0	0	0	0	0	0	0	0	0
342	Distribution reservoirs and standpipes	2,710,774	1,117,845	0	0	0	0	1,592,929	0	0	0	0	0
343	Transmission mains	23,407,348	12,054,909	4,997,889	6,354,550	11,811,140	0	0	0	0	0	0	0
344	Distribution mains	20,099,659	8,288,519	0	0	0	0	0	0	0	0	0	0
345	Services	5,730,298	0	0	0	0	0	0	0	0	0	0	0
346	Meters	1,713,124	0	0	0	0	0	0	0	1,713,124	0	0	0
348	Hydrants	4,208,593	0	0	0	0	0	0	0	0	0	4,208,593	0
349	Other transmission and distr. plant	0	0	0	0	0	0	0	0	0	0	0	0
GENERAL PLANT													
389	Land and land rights	19,717	1,653	4,241	0	1,267	2,356	318	0	342	1,143	839	0
390	Structures and improvements	2,303,832	193,150	495,581	0	148,082	275,238	37,120	0	39,921	133,535	98,074	0
391	Office furniture and equipment	137,830	11,555	29,649	0	8,859	16,467	2,221	0	2,388	7,989	5,867	0
391	Office furniture & equip - Computers	198,620	16,652	42,725	0	12,767	23,729	3,200	0	3,442	11,512	8,455	0
392	Transportation equipment	452,142	37,907	97,261	0	29,062	54,017	7,285	0	7,835	26,207	19,248	0
393	Stores equipment	0	0	0	0	0	0	0	0	0	0	0	0
394	Tools, shop and garage equipment	85,688	7,184	18,432	0	5,508	10,237	1,381	0	1,485	4,967	3,648	0
395	Laboratory equipment	7,189	603	1,546	0	462	859	116	0	125	417	306	0
396	Power operated equipment	154,649	59,282	33,267	0	9,940	18,476	2,492	0	2,680	8,964	6,583	0
397	Communication equipment	239,632	20,090	51,548	0	15,403	28,629	3,861	0	4,152	13,890	10,201	0
397	SCADA equipment	1,363,304	522,596	293,263	0	87,628	162,874	21,966	0	23,624	79,020	58,036	0
398	Miscellaneous equipment	96,761	37,091	20,814	0	6,219	11,560	1,559	0	1,677	5,608	4,119	0
TOTAL		103,969,384	39,854,666	8,716,635	22,365,036	6,682,774	12,421,206	1,675,207	0	1,801,610	6,026,278	4,425,974	0

ALLOCATION OF DEPRECIATION EXPENSE
TO SERVICE COST FUNCTIONS

ACCT. NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY										
		BASE COSTS		MAX DAY		MAX HOUR		CUSTOMER COSTS				
		System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	Storage (\$)	Billing (\$)	Equivalent Meter (\$)	Service (\$)	Fire Protection (\$)
TOTAL (\$)	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	Storage (\$)	Billing (\$)	Equivalent Meter (\$)	Service (\$)	Fire Protection (\$)	
INTANGIBLE PLANT												
301	Organization	0	0	0	0	0	0	0	0	0	0	0
302	Franchises and consents	0	0	0	0	0	0	0	0	0	0	0
303	Miscellaneous intangible plant	0	0	0	0	0	0	0	0	0	0	0
SOURCE OF SUPPLY												
310	Land and land rights	0	0	0	0	0	0	0	0	0	0	0
311	Structures and improvements	0	0	0	0	0	0	0	0	0	0	0
312	Collecting and impounding reservoirs	0	0	0	0	0	0	0	0	0	0	0
313	Lake, river, and other intakes	96,432	58,162	38,270	38,270	0	0	0	0	0	0	0
314	Wells and springs	5,813	3,506	2,307	2,307	0	0	0	0	0	0	0
316	Supply mains	6,882	4,151	2,731	2,731	0	0	0	0	0	0	0
317	Other water source plant	0	0	0	0	0	0	0	0	0	0	0
PUMPING PLANT												
320	Land and land rights	0	0	0	0	0	0	0	0	0	0	0
321	Structures and improvements	63,392	38,234	25,158	25,158	0	0	0	0	0	0	0
323	Other power production equipment	158,934	95,859	63,075	63,075	0	0	0	0	0	0	0
325	Electric pumping equipment	133,767	80,680	53,087	53,087	0	0	0	0	0	0	0
326	Diesel pumping equipment	0	0	0	0	0	0	0	0	0	0	0
328	Other pumping equipment	1,963	1,184	779	779	0	0	0	0	0	0	0
WATER TREATMENT PLANT												
330	Land and land rights	0	0	0	0	0	0	0	0	0	0	0
331	Structures and improvements	391,169	235,928	155,241	155,241	0	0	0	0	0	0	0
332	Sand or Other Media Filtration Equip	423,478	255,415	168,063	168,063	0	0	0	0	0	0	0
333	Membrane Filtration Equipment	0	0	0	0	0	0	0	0	0	0	0
334	Other Water Treatment Equipment	0	0	0	0	0	0	0	0	0	0	0

ALLOCATION OF DEPRECIATION EXPENSE
TO SERVICE COST FUNCTIONS
(continued)

ACCT. NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY												
		BASE COSTS		MAX DAY		MAX HOUR		CUSTOMER COSTS						
		System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	Storage (\$)	Billing (\$)	Equivalent Meter (\$)	Equivalent Service (\$)	Fire Protection (\$)		
TOTAL (\$)														
TRANSMISSION & DISTRIBUTION PLANT														
340	Land and land rights	0	0	0	0	0	0	0	0	0	0	0	0	0
341	Structures and improvements	0	0	0	0	0	0	0	0	0	0	0	0	0
342	Distribution reservoirs and standpipes	51,505	21,239											
343	Transmission mains	202,547	104,313	43,247	54,987									
344	Distribution mains	33,921	13,988			19,933								
345	Services	49,803											49,803	
346	Meters	47,111							47,111					
348	Hydrants	31,402												31,402
349	Other transmission and distr. plant	0	0	0	0	0	0	0	0	0	0	0	0	0
GENERAL PLANT														
389	Land and land rights	0	0	0	0	0	0	0	0	0	0	0	0	0
390	Structures and improvements	66,811	35,357	21,716	2,163	784	1,191	1,191	0	1,854	1,959	1,235	1,235	1,235
391	Office furniture and equipment	7,994	4,231	2,598	259	94	142	142	0	222	234	148	148	148
391	Office furniture & equip - Computers	9,124	4,829	2,966	295	107	163	163	0	253	268	169	169	169
392	Transportation equipment	31,681	16,766	10,298	1,026	372	565	565	0	879	929	586	586	586
393	Stores equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
394	Tools, shop and garage equipment	1,963	1,039	638	64	23	35	35	0	54	58	36	36	36
395	Laboratory equipment	417	221	136	14	5	7	7	0	12	12	8	8	8
396	Power operated equipment	5,817	3,078	1,891	188	68	104	104	0	161	171	108	108	108
397	Communication equipment	17,552	9,289	5,705	568	206	313	313	0	487	515	325	325	325
397	SCADA equipment	16,200	8,373	5,266	525	190	289	289	0	449	475	300	300	300
398	Miscellaneous equipment	5,612	2,970	1,824	182	66	100	100	0	156	165	104	104	104
TOTAL		1,861,290	985,023	604,997	60,270	21,848	33,174	33,174	0	51,638	54,589	34,419	34,419	34,419

ALLOCATION OF OPERATION AND MAINTENANCE EXPENSES
TO SERVICE COST FUNCTIONS

ACCT. NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY											
		BASE COSTS					CUSTOMER COSTS						
		TOTAL (\$)	System (\$)	Distribution (\$)	MAX DAY System (\$)	MAX DAY Distribution (\$)	MAX HOUR System (\$)	MAX HOUR Distribution (\$)	Storage (\$)	Billing (\$)	Equivalent Meter (\$)	Equivalent Service (\$)	Fire Protection (\$)
SOURCE OF SUPPLY													
600	Operation labor	6,150	3,709		2,441								
601	Operation labor and expenses	33,150	19,994		13,156								
602	Purchased water	0	0										
603	Miscellaneous expenses	57,186	34,491		22,695								0
604	Rents	0	0		0								
610	Maintenance supervision and engineering	0	0		0								
611	Maintenance of structures and improvements	0	0		0								
612	Maint. of collecting and impounding reservoirs	0	0		0								
613	Maintenance of lake, river, and other intakes	6,500	3,920		2,580								
614	Maintenance of wells and springs	1,150	694		456								
616	Maintenance of supply mains	350	211		139								
617	Maintenance of misc. water source plant	0	0		0								
PUMPING EXPENSES													
620	Operation supervision and engineering	52,150	31,454		20,696								
621	Fuel for power production	0	0		0								
622	Power production labor and expenses	0	0		0								
623	Fuel or power purchased for production	374,650	374,650		42,623								
624	Pumping labor and expenses	107,400	64,777		0								
625	Expenses transferred-credit	0	0		0								
626	Miscellaneous expenses	127,740	77,045		50,695								
627	Rents	0	0		0								
630	Maintenance supervision and engineering	6,200	3,739		2,461								
631	Maintenance of structures and improvements	6,300	3,800		2,500								
632	Maintenance of power production equipment	12,700	7,660		5,040								
633	Maintenance of pumping equipment	111,950	67,521		44,429								
WATER TREATMENT EXPENSES													
640	Operation supervision and engineering	98,600	59,469		39,131								
641	Chemicals	231,250	231,250		146,641								
642	Operation labor and expenses	369,500	222,859		55,795								
643	Miscellaneous expenses	140,589	84,794		0								
644	Rents	0	0		0								
650	Maintenance supervision and engineering	12,300	7,419		4,881								
651	Maintenance of structures and improvements	8,850	5,338		3,512								
652	Maintenance of water treatment equipment	172,450	104,011		68,439								

ALLOCATION OF OPERATION AND MAINTENANCE EXPENSES
TO SERVICE COST FUNCTIONS
(continued)

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY										
		BASE COSTS		MAX DAY		MAX HOUR		CUSTOMER COSTS				
		System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	Storage (\$)	Billing (\$)	Equivalent Meter (\$)	Service (\$)	Fire Protection (\$)
TRANSMISSION & DISTRIBUTION EXPENSES												
660	Operation supervision and engineering	27,617	29,872	8,651	0	10,999	42,567	9,620	0	19,026	23,387	18,162
661	Storage facilities expenses	4,150	1,711					2,439				
662	Transmission lines expenses	57,390	29,556	12,254		15,580	60,296					
663	Distribution lines expenses	102,610	42,313									
664	Meter expenses	23,900								23,900		
665	Customer installations expenses	33,500									33,500	
666	Miscellaneous expenses	24,960									3,074	2,387
670	Customer supervision and engineering	0	3,926	1,137	0	1,446	5,595	1,264	0	2,501	0	0
671	Maintenance of structures and improvements	0	0	0	0	0	0	0	0	0	0	0
672	Maintenance of distr reservoirs and standpipes	0	6,237	1,806	0	2,297	8,888	2,009	0	3,972	4,883	3,792
673	Maintenance of transmission mains	0	0	0	0	0	0	0	0	0	0	0
674	Maintenance of distribution mains	34,700				10,521	40,719				22,000	
675	Maintenance of services	38,756										
676	Maintenance of meters	69,294								21,250		
677	Maintenance of hydrants	21,250										
678	Maintenance of miscellaneous plant	43,100										43,100
		3,850	606	175	0	223	863	195	0	386	474	368
CUSTOMER ACCOUNTS EXPENSES												
901	Supervision	0										
902	Meter reading labor	5,450							5,450			
903	Customer records and collection expenses	96,050							96,050			
904	Uncollectible accounts	0							0			
905	Miscellaneous customer accounts expenses	0							0			
906	Customer service and information Expenses	0							0			
SALES EXPENSES												
910	Sales Expenses	0							0			
ADMINISTRATIVE & GENERAL EXPENSES												
920	Administrative and general salaries	114,127	5,943	29,873	0	2,188	8,469	1,914	5,409	3,785	4,653	3,613
921	Office supplies and expenses	53,800	2,802	14,082	0	1,052	3,992	902	2,550	1,784	2,193	1,703
922	Administrative expenses transferred -- credit	0	0	0	0	0	0	0	0	0	0	0
923	Outside services employed	129,700	6,754	33,950	0	2,487	9,624	2,175	6,147	4,302	5,288	4,106
924	Property insurance	4,900	1,878	411	0	315	585	79	85	85	284	209
925	Injuries and damages	59,450	25,149	15,561	0	1,140	4,412	997	2,817	1,972	2,424	1,882
926	Employee pensions and benefits	884,121	374,010	231,424	0	16,952	65,607	14,827	41,900	29,324	36,046	27,992
928	Regulatory commission expenses	25,000	10,576	6,544	0	479	1,855	419	1,185	829	1,019	792
929	Duplicate charges -- credit	0	0	0	0	0	0	0	0	0	0	0
930	Miscellaneous general expenses	64,025	3,334	16,759	0	1,228	4,751	1,074	3,034	2,124	2,610	2,027
931	Rents	0	0	0	0	0	0	0	0	0	0	0
932	Maintenance of general plant	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATION & MAINTENANCE EXPENSES		4,082,748	2,076,516	181,209	909,857	66,887	258,223	58,305	164,542	115,239	141,836	110,134

SUMMARY OF ALLOCATION OF OPERATING COSTS TO SERVICE COST FUNCTIONS

OPERATING COST	EXTRA-CAPACITY											
	BASE COSTS		MAX DAY				MAX HOUR				CUSTOMER COSTS	
	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	Storage (\$)	Billing (\$)	Equivalent Meter (\$)	Equivalent Service (\$)
TOTAL (\$)	4,082,748	2,076,516	181,209	909,857	0	66,887	258,223	58,305	164,542	115,239	141,836	110,134
OPERATION AND MAINTENANCE	1,861,290	985,023	15,332	604,997	0	60,270	21,848	33,174	0	51,638	54,589	34,419
DEPRECIATION EXPENSE	0	0	0	0	0	0	0	0	0	0	0	0
AMORTIZATION EXPENSE	1,714,753	657,318	143,762	368,864	0	110,218	204,861	27,629	0	29,714	99,391	72,997
TAXES AND TAX EQUIVALENT	2,400,806	1,264,566	34,059	697,109	0	151,079	48,534	50,421	0	55,380	54,480	45,180
RETURN ON NET INVESTMENT RATE BASE	10,059,597	4,983,422	374,362	2,580,827	0	388,454	533,466	169,529	164,542	251,970	350,295	262,731
TOTAL												

CUSTOMER CLASS DEMAND RATIOS

CUSTOMER CLASS	BASE COSTS					EXTRA-CAPACITY MAX DAY DEMAND					EXTRA-CAPACITY MAX HOUR DEMAND					
	Annual Volume 1,000 Gallons	Average Day Volume Gallons	Percent (%)	System Adjusted Percent (%)	Distribution Adjusted Percent (%)	Extra Capacity Ratio	Volume Rate Gallons Per Day	Percent (%)	System Adjusted Percent (%)	Distribution Adjusted Percent (%)	Extra Capacity Ratio	Volume Rate Gallons Per Hour	Percent (%)	System Adjusted Percent (%)	Distribution Adjusted Percent (%)	Storage Adjusted Percent (%)
Residential	463,461	1,269,756	18.21%	18.21%	34.25%	1.500	1,904,634	22.89%	22.89%	34.81%	2.730	145,483	16.65%	16.65%	23.79%	23.79%
Commercial	409,123	1,120,885	16.07%	16.07%	30.24%	1.250	1,401,106	16.84%	16.84%	25.61%	2.375	110,921	12.69%	12.69%	18.14%	18.14%
Industrial	434,188	1,189,556	17.06%	17.06%	32.09%	0.500	594,778	7.15%	7.15%	10.87%	1.000	49,565	5.67%	5.67%	8.10%	8.10%
Public Authority	20,768	56,899	0.82%	0.82%	1.53%	1.250	71,123	0.85%	0.85%	1.30%	2.375	5,631	0.64%	0.64%	0.92%	0.92%
Caledonia (Wholesale)	181,527	497,334	7.13%	7.13%	0.00%	0.872	433,675	5.21%	5.21%	0.00%	1.926	39,911	4.57%	4.57%	0.00%	0.00%
Franklin (Wholesale)	1,011,233	2,770,501	39.72%	39.72%	0.00%	0.872	2,415,877	29.03%	29.03%	0.00%	1.926	222,333	25.44%	25.44%	0.00%	0.00%
Public Fire Protection	25,458	69,747	1.00%	1.00%	1.88%	1.500	1,500,000	18.03%	18.03%	27.41%		300,000	34.33%	34.33%	49.05%	49.05%
TOTALS	2,545,758	6,974,678	100%	100%	100%	8,321,194	100%	100%	100%	100%	873,853	100%	100%	100%	100%	100%

50% ← Public Fire % Limits → 50% 50% 80%

SUM OF GENERAL SERVICE AVERAGE AND MAXIMUM DAY EXTRA CAPACITY DEMAND

SUM OF GENERAL SERVICE AVERAGE AND MAXIMUM HOUR EXTRA CAPACITY DEMAND

1.14 = NON-COINCIDENT / COINCIDENT RATIO FOR MAX DAY

1.17 = NON-COINCIDENT / COINCIDENT RATIO FOR MAX HOUR

CUSTOMER CLASS ALLOCATION FACTORS

Meter size (inches):	NUMBER OF METERS												TOTAL		
	5/8	3/4	1	1-1/4	1-1/2	2	2-1/2	3	4	6	8	10	12	METERS	PERCENT
Residential	7,795	8	7	0	1	1	0	0	0	0	0	0	0	7,812	88%
Commercial	220	30	310	0	166	199	0	17	7	1	0	0	0	950	11%
Industrial	2	0	4	0	2	5	0	5	2	1	2	0	0	23	0%
Public Authority	8	3	7	0	12	16	0	4	3	2	0	0	0	55	1%
Caledonia (Wholesale)	0	0	0	0	0	0	0	0	0	2	1	0	0	3	0%
Franklin (Wholesale)	0	0	0	0	0	0	0	0	0	0	0	4	0	4	0%
TOTALS	8,025	41	328	0	181	221	0	26	12	6	3	4	0	8,847	100%

EQUIVALENT METERS

ALLOCATION FACTOR: Meter size (inches): Equiv. meters ratio:	EQUIVALENT METERS												TOTAL EQUIV. METERS		PERCENT		
	5/8	3/4	1	1-1/4	1-1/2	2	2-1/2	3	4	6	8	10	12	160.0		7.834	
Residential	7,795	8	18	0	5	8	0	0	0	0	0	0	0	0	0	7,834	59%
Commercial	220	30	775	0	830	1,592	0	255	175	50	0	0	0	0	0	3,927	30%
Industrial	2	0	10	0	10	40	0	75	50	50	160	0	0	0	0	397	3%
Public Authority	8	3	18	0	60	128	0	60	75	100	0	0	0	0	0	452	3%
Caledonia (Wholesale)	0	0	0	0	0	0	0	0	0	100	80	0	0	0	0	180	1%
Franklin (Wholesale)	0	0	0	0	0	0	0	0	0	0	0	480	0	0	0	480	4%
TOTALS	8,025	41	820	0	905	1,768	0	390	300	300	240	480	0	13,269	100%		

EQUIVALENT SERVICES

ALLOCATION FACTOR: Meter size (inches): Equiv. services ratio:	EQUIVALENT SERVICES												TOTAL EQUIV. SERVICES		PERCENT		
	5/8	3/4	1	1-1/4	1-1/2	2	2-1/2	3	4	6	8	10	12	9.0		7,817	
Residential	7,795	8	9	0	2	3	0	0	0	0	0	0	0	0	0	7,817	80%
Commercial	220	30	403	0	332	597	0	68	35	6	0	0	0	0	0	1,691	17%
Industrial	2	0	5	0	4	15	0	20	10	6	14	0	0	0	0	76	1%
Public Authority	8	3	9	0	24	48	0	16	15	12	0	0	0	0	0	135	1%
Caledonia (Wholesale)	0	0	0	0	0	0	0	0	0	12	7	0	0	0	0	19	0%
Franklin (Wholesale)	0	0	0	0	0	0	0	0	0	0	0	32	0	0	0	32	0%
TOTALS	8,025	41	426	0	362	663	0	104	60	36	21	32	0	9,770	100%		

ALLOCATION OF SERVICE COST FUNCTIONS TO CUSTOMER CLASSES

	TOTAL (\$)	Residential (\$)	Commercial (\$)	Industrial (\$)	Public Authority (\$)	Caledonia (Wholesale) (\$)	Franklin (Wholesale) (\$)	Public Fire Protection (\$)
BASE COSTS:								
SYSTEM DISTRIBUTION	4,983,422	868,792	766,932	813,918	38,931	372,430	2,074,697	47,722
	374,362	128,236	113,201	120,136	5,746	0	0	7,044
EXTRA-CAPACITY COSTS:								
MAXIMUM-DAY SYSTEM	2,580,827	570,329	419,551	178,102	21,297	143,422	798,961	449,164
MAXIMUM-DAY DISTRIBUTION	0	0	0	0	0	0	0	0
MAXIMUM-HOUR SYSTEM	388,454	61,813	47,125	21,058	2,392	19,573	109,037	127,456
MAXIMUM-HOUR DISTRIBUTION	533,466	126,904	96,749	43,232	4,911	0	0	261,670
MAXIMUM-HOUR STORAGE	169,529	40,328	30,746	13,739	1,561	0	0	83,155
CUSTOMER COSTS:								
BILLING	164,542	145,292	17,669	428	1,023	56	74	
EQUIVALENT METERS	251,970	148,072	74,230	7,504	8,534	3,717	9,915	
EQUIVALENT SERVICES	350,295	280,167	60,606	2,731	4,842	726	1,223	
FIRE PROTECTION	262,731							262,731
TOTAL COST	10,059,597	2,369,933	1,626,807	1,200,847	89,238	539,924	2,993,905	1,238,943
LESS OTHER REVENUE	408,464	112,202	87,920	56,853	4,225	0	0	147,264
COST OF SERVICE	9,651,133	2,257,730	1,538,888	1,143,994	85,013	539,924	2,993,905	1,091,679
REVENUE AT PRESENT RATES	7,828,772	1,932,689	1,313,406	890,162	77,937	404,582	2,205,522	1,004,474
DIFFERENCE	1,822,361	325,041	225,482	253,832	7,076	135,343	788,382	87,205
PERCENT INCREASE/DECREASE	23.28%	16.82%	17.17%	28.52%	9.08%	33.45%	35.75%	8.68%

ALLOCATION OF PUBLIC FIRE PROTECTION TO CUSTOMER CLASSES

	Oak Creek Retail (\$)	Calcutonia (Wholesale) (\$)	Franklin (Wholesale) (\$)
ESTIMATED FIRE FLOW	13,543	3,302	11,575
BASE COSTS:			
SYSTEM	42,177	5,545	0
DISTRIBUTION	7,044	0	0
EXTRA-CAPACITY COSTS:			
MAXIMUM-DAY SYSTEM	396,978	52,187	0
MAXIMUM-DAY DISTRIBUTION	0	0	0
MAXIMUM-HOUR SYSTEM	112,647	14,809	0
MAXIMUM-HOUR DISTRIBUTION	261,670	0	0
MAXIMUM-HOUR STORAGE	83,155	0	0
CUSTOMER COSTS:			
BILLING	262,731		
EQUIVALENT METERS	1,166,403	72,540	0
EQUIVALENT SERVICES	147,264	0	0
FIRE PROTECTION			
TOTAL COST	1,238,943	72,540	0
LESS OTHER REVENUE	147,264	0	0
COST OF SERVICE	1,091,679	72,540	0
REVENUE AT PRESENT RATES	1,004,474	33,866	85,099
DIFFERENCE	87,205	38,674	(85,099)
PERCENT INCREASE/DECREASE	8.68%	114.20%	-100.00%

**Comparison of Revenue
at
Present Rates, Cost of Service and Authorized Rates**

Customer Class	Revenue at Present Rates	Cost of Service		Authorized Rates		
		Revenue Required	Increase over Present Rates	Revenue	Increase over Present Rates	Percent of Cost of Service
General Service - Retail						
Residential	\$1,932,689	\$2,257,730	17%	\$2,291,801	19%	102%
Commercial	\$1,313,406	\$1,538,888	17%	\$1,544,434	18%	100%
Industrial	\$890,162	\$1,143,994	29%	\$1,098,105	23%	96%
Public Authority	\$77,937	\$85,013	9%	\$91,266	17%	107%
Retail Total	\$4,214,194	\$5,025,626	19%	\$5,025,606	19%	100%
General Service - Wholesale						
Caledonia	\$404,582	\$539,924	33%	\$542,657	34%	101%
Franklin	\$2,205,522	\$2,993,905	36%	\$2,996,625	36%	100%
Wholesale Total	\$2,610,104	\$3,533,829	35%	\$3,539,282	36%	100%
Public Fire Protection						
Oak Creek	\$885,509	\$1,019,139	15%	\$1,019,504	15%	100%
Caledonia	\$33,866	\$72,540	114%	\$72,540	114%	100%
Franklin	\$85,099	\$0	-100%	\$0	-100%	
PPF Total	\$1,004,474	\$1,091,679	9%	\$1,092,043	9%	100%
Total	7,828,772	9,651,133	23%	9,656,932	23%	100%
Total - General Service and Public Fire Protection						
Oak Creek	\$5,099,703	\$6,044,765	19%	\$6,045,109	19%	100%
Caledonia	\$438,448	\$612,464	40%	\$615,197	40%	100%
Franklin	\$2,290,621	\$2,993,905	31%	\$2,996,625	31%	100%
Total	\$7,828,772	\$9,651,133	23%	\$9,656,932	23%	100%

OAK CREEK WATER AND SEWER UTILITY**Authorized Water Rates and Rules**Public Fire Protection Service - - - F-1

Public fire protection service includes the use of hydrants for fire protection service only and such quantities of water as may be demanded for the purpose of extinguishing fires within the service area. This service shall also include water used for testing equipment and training personnel. For all other purposes, the metered or other rates set forth, or as may be filed with the Public Service Commission, shall apply.

Under Wis. Stat. § 196.03(3)(b), the municipality has chosen to have the utility bill the retail general service customers for public fire protection service.

Quarterly Public Fire Protection Service Charges:

5/8 -inch meter - \$	20.22	3 -inch meter - \$	303.00
3/4 -inch meter - \$	20.22	4 -inch meter - \$	505.20
1 -inch meter - \$	50.40	6 -inch meter - \$	1,010.40
1 1/4 -inch meter - \$	74.70	8 -inch meter - \$	1,616.70
1 1/2 -inch meter - \$	101.10	10 -inch meter - \$	2,424.90
2 -inch meter - \$	161.70	12 -inch meter - \$	3,233.10

Customers who are provided service under Schedules Mg-1, Ug-1, or Sg-1 shall be subject to the charges in this schedule according to the size of their primary meter. Customers who are provided service under Schedule Am-1 are exempt from these charges for any additional meters.

Billing: Same as Schedule Mg-1.

Public Fire Protection Service - - - Fd-1

Delete.

Private Fire Protection Service - Unmetered - - - Upf-1

This service shall consist of permanent or continuous unmetered connections to the main for the purpose of supplying water to private fire protection systems such as automatic sprinkler systems, standpipes, and private hydrants. This service shall also include reasonable quantities of water used for testing check valves and other backflow prevention devices.

Quarterly Private Fire Protection Service Demand Charges:

2 - inch or smaller connection - \$	12.00
3 - inch connection - \$	21.00
4 - inch connection - \$	39.00
6 - inch connection - \$	72.00
8 - inch connection - \$	102.00
10 - inch connection - \$	150.00
12 - inch connection - \$	192.00
14 - inch connection - \$	246.00
16 - inch connection - \$	300.00

Billing: Same as Schedule Mg-1.

General Service - Metered - - - Mg-1

Quarterly Service Charges:

5/8 -inch meter - \$	26.00	3 -inch meter - \$	196.00
3/4 -inch meter - \$	26.00	4 -inch meter - \$	317.00
1 -inch meter - \$	39.00	6 -inch meter - \$	622.00
1 1/4 -inch meter - \$	51.00	8 -inch meter - \$	998.00
1 1/2 -inch meter - \$	77.00	10 -inch meter - \$	1,475.00
2 -inch meter - \$	112.00	12 -inch meter - \$	1,952.00

Plus Volume Charges:

First	6,000,000	gallons used quarterly - \$3.19 per 1,000 gallons
Next	18,000,000	gallons used quarterly - \$2.46 per 1,000 gallons
Over	24,000,000	gallons used quarterly - \$1.97 per 1,000 gallons

Billing: Bills for water service are rendered quarterly and become due and payable upon issuance following the period for which service is rendered. A late payment charge of 1 percent per month will be added to bills not paid within 20 days of issuance. This late payment charge shall be applied to the total unpaid balance for utility service, including unpaid late payment charges. This late payment charge is applicable to all customers. The utility customer may be given a written notice that the bill is overdue no sooner than 20 days after the bill is issued. Unless payment or satisfactory arrangement for payment is made within the next 10 days, service may be disconnected pursuant to Wis. Admin. Code ch. PSC 185.

Monthly Billing: At utility discretion, large-volume customers may be billed monthly.

Combined Metering: Volumetric readings may be combined for billing if the utility for its own convenience places more than one meter on a single water service lateral. Multiple meters placed for the purpose of identifying water not discharged into the sanitary sewer are not considered for utility convenience and may not be combined for billing. This requirement does not preclude the utility from combining readings where metering configurations support such an approach. Volumetric readings from individually metered separate service laterals may not be combined for billing purposes.

Wholesale Water Service - - - W-1

Wholesale water service to the City of Franklin shall be provided at the following rates:

General Service

Service Charge: \$5,900.00 per quarter
Volume Charge: \$2.94 per 1,000 gallons

Wholesale water service to the Village of Caledonia shall be provided at the following rates:

Public Fire Protection Service

Service Charge: \$18,135.00 per quarter

General Service

Service Charge: \$2,242.00 per quarter
Volume Charge: \$2.94 per 1,000 gallons

Billing: Same as Schedule Mg-1.

Additional Meter Rental Charge - - - Am-1

Upon request, the utility shall furnish and install additional meters to:

- A. Water service customers for the purpose of measuring the volume of water used that is not discharged into the sanitary sewer system; and

- B. Sewerage service customers who are not customers of the water utility for the purpose of determining the volume of sewage that is discharged into the sanitary sewer system.

The utility shall charge a meter installation charge of \$50.00 and a quarterly rental fee for the use of this additional meter.

Quarterly Additional Meter Rental Charges:

5/8 -inch meter - \$	7.80
3/4 -inch meter - \$	7.80
1 -inch meter - \$	11.70
1 1/4 -inch meter - \$	15.60
1 1/2 -inch meter - \$	21.00
2 -inch meter - \$	30.00
3 -inch meter - \$	48.00
4 -inch meter - \$	72.00
6 -inch meter - \$	135.00

This schedule applies only if the additional meter is installed on the same service lateral as the primary meter and either:

- A. The additional meter is 3/4-inch or smaller if the metering configuration is the Addition Method; or
- B. The additional meter is 2-inch or smaller for all other metering configurations.

If the additional meter is larger than 2-inch or larger than 3/4-inch and installed in the Addition Method, each meter shall be treated as a separate account and Schedule Mg-1 rates shall apply.

Billing: Same as Schedule Mg-1.

Other Charges - - - OC-1

Non-Sufficient Funds Charge: The utility shall assess a \$25.00 charge when a payment rendered for utility service is returned for non-sufficient funds. This charge may not be in addition to, but may be inclusive of, other non-sufficient funds charges when the payment was for multiple services.

Billing: Same as Schedule Mg-1.

Non-Sufficient Funds Charge - - - NSF-1

Delete.

Public Service - - - Mpa-1

Metered Service

Water used by the City of Oak Creek on an intermittent basis for flushing sewers, street washing, flooding skating rinks, drinking fountains, etc., shall be metered and billed according to the rates set forth in Schedule Mg-1.

Unmetered Service

Where it is impossible to meter the service, the utility shall estimate the volume of water used based on the pressure, size of opening, and the period of time the water is used. The estimated quantity shall be billed at the volumetric rates set forth in Schedule Mg-1, excluding any service charges.

Billing: Same as Schedule Mg-1.

General Water Service - Unmetered - - - Ug-1

Service may be supplied temporarily on an unmetered basis where the utility cannot immediately install a water meter, including water used for construction. Unmetered service shall be billed the amount that would be charged to a metered residential customer using 15,000 gallons of water per quarter under Schedule Mg-1, including the service charge for a 5/8-inch meter. If the utility determines that actual usage exceeds 15,000 gallons of water per quarter, an additional charge for the estimated excess usage shall be made according to the rates under Schedule Mg-1.

This schedule applies only to customers with a 1-inch or smaller service connection. For customers with a larger service connection, the utility shall install a temporary meter and charges shall be based on the rates set forth under Schedule Mg-1.

Billing: Same as Schedule Mg-1.

Seasonal, Emergency, or Temporary Service - - - Mgt-1

Delete.

Seasonal Service - - - Sg-1

Seasonal customers are general service customers who voluntarily request disconnection of water service and who resume service at the same location within 12 months of the disconnection, unless service has been provided to another customer at that location in the intervening period. The utility shall bill seasonal customers the applicable service charges under Schedule Mg-1 year-round, including the period of temporary disconnection.

Seasonal service shall include customers taking service under Schedule Mg-1, Schedule Ug-1, or Schedule Am-1.

Upon reconnection, the utility shall apply a charge under Schedule R-1 and require payment of any unpaid charges under this schedule.

Billing: Same as Schedule Mg-1, unless the utility and customer agree to an alternative payment schedule for the period of voluntary disconnection.

Building and Construction Water Service - - - Mz-1

Delete.

Bulk Water - - - BW-1

All bulk water supplied from the water system through hydrants or other connections shall be metered or estimated by the utility. Utility personnel or a party approved by the utility shall supervise the delivery of water.

Bulk water sales are:

- A. Water supplied by tank trucks or from hydrants for the purpose of extinguishing fires outside the utility's service area;
- B. Water supplied by tank trucks or from hydrants for purposes other than extinguishing fires, such as water used for irrigation or filling swimming pools; or,
- C. Water supplied from hydrants or other temporary connections for general service type applications, except that Schedule Ug-1 applies for water supplied for construction purposes.

A service charge of \$50.00 and a charge for the volume of water used shall be billed to the party using the water. The volumetric charge shall be calculated using the highest volumetric rate for residential customers under Schedule Mg-1. In addition, for meters that are assigned to bulk

water customers for more than 7 days, the applicable service charge in Schedule Mg-1 will apply after the first 7 days.

The water utility may require a reasonable deposit for the temporary use of its equipment under this and other rate schedules. The deposit(s) collected shall be refunded upon return of the utility's equipment. Damaged or lost equipment shall be repaired or replaced at the customer's expense.

Billing: Same as Schedule Mg-1.

Reconnection Charges - - - R-1

The utility shall assess a charge to reconnect a customer, which includes reinstalling a meter and turning on the valve at the curb stop, if necessary. A utility may not assess a charge for disconnecting a customer.

During normal business hours:	\$50.00
After normal business hours:	\$80.00

Billing: Same as Schedule Mg-1.

Water Lateral Installation Charge - - - Cz-1

The utility shall charge a customer for the actual cost of installing a water service lateral from the main through curb stop and box if these costs are not contributed as part of a subdivision development or otherwise recovered under Wis. Stats. Chapter 66.

Billing: Same as Schedule Mg-1.

Rules and Regulations - - - X-1

Delete Schedule X-1. Incorporate the operating rules for municipal water utilities as provided in Appendix E.

Water Main Extension Rule - - - X-2

Water mains will be extended for new customers on the following basis:

- A. Where the cost of the extension is to immediately be collected through assessment by the municipality against the abutting property, the procedure set forth under Wis. Stat.

§ 66.0703 will apply, and no additional customer contribution to the utility will be required.

- B. Where the municipality is unwilling or unable to make a special assessment, the extension will be made on a customer-financed basis as follows:
1. The applicant(s) will advance as a contribution in aid of construction the total amount equivalent to that which would have been assessed for all property under paragraph A.
 2. Part of the contribution required in paragraph B.1. will be refundable. When additional customers are connected to the extended main within 10 years of the date of completion, contributions in aid of construction will be collected equal to the amount which would have been assessed under paragraph A. for the abutting property being served. This amount will be refunded to the original contributor(s). In no case will the contributions received from additional customers exceed the proportionate amount which would have been required under paragraph A., nor will it exceed the total assessable cost of the original extension.
- C. When a customer connects to a transmission main or connecting loop installed at utility expense within 10 years of the date of completion, there will be a contribution required of an amount equivalent to that which would have been assessed under paragraph A.

Water Main Installations in Platted Subdivisions - - - X-3

Application for installation of water mains in regularly platted real estate development subdivisions shall be filed with the utility.

If the developer, or a contractor employed by the developer, is to install the water mains (with the approval of the utility), the developer shall be responsible for the total cost of construction.

If the utility or its contractor is to install the water mains, the developer shall be required to advance to the utility, prior to the beginning of the construction, the total estimated cost of the extension. If the final costs exceed estimated costs, an additional billing will be made for the balance of the cost due. This balance is to be paid within 30 days. If final costs are less than estimated, a refund of the overpayment will be made by the water utility.

WATER UTILITY OPERATING RULES

Compliance with Rules

All persons now receiving water service from this water utility, or who may request service in the future, shall be considered as having agreed to be bound by the rules and regulations as filed with the Public Service Commission of Wisconsin.

Establishment of Service

Application for water service may be made in writing on a form furnished by the water utility. The application will contain the legal description of the property to be served, the name of the owner, the exact use to be made of the service, and the size of the service lateral and meter desired. Note particularly any special refrigeration, fire protection, or water-consuming air-conditioning equipment.

Service will be furnished only if (1) the premises have a frontage on a properly platted street or public strip in which a cast iron or other long-life water main has been laid, or where the property owner has agreed to and complied with the provisions of the water utility's filed main extension rule, (2) the property owner has installed or agrees to install a service lateral from the curb stop to the point of use that is not less than 6 feet below the surface of an established or proposed grade and meets the water utility's specifications, and (3) the premises have adequate piping beyond the metering point.

The owner of a multi-unit dwelling has the option of being served by individual metered water service to each unit. The owner, by selecting this option, is required to provide interior plumbing and meter settings to enable individual metered service to each unit and individual disconnection without affecting service to other units. Each meter and meter connection will be treated as a separate water utility account for the purpose of the filed rules and regulations.

No division of the water service lateral to any lot or parcel of land shall be made for the extension and independent metering of the supply to an adjoining lot or parcel of land. Except for duplexes, no division of a water service lateral shall be made at the curb for separate supplies for two or more separate premises having frontage on any street or public service strip, whether owned by the same or different parties. Duplexes may be served by one lateral provided (1) individual metered service and disconnection is provided and (2) it is permitted by local ordinance.

Buildings used in the same business, located on the same parcel, and served by a single lateral may have the customer's water supply piping installed to a central point so that volume can be metered in one place.

The water utility may withhold approval of any application where full information of the purpose of such supply is not clearly indicated and set forth by the applicant property owner.

WATER UTILITY OPERATING RULES

Reconnection of Service

Where the water utility has disconnected service at the customer's request, a reconnection charge shall be made when the customer requests reconnection of service. See Schedule R-1 for the applicable rate.

A reconnection charge shall also be required from customers whose services are disconnected (shut off at curb stop box) because of nonpayment of bills when due. See Schedule R-1 for the applicable rate.

If reconnection is requested for the same location by any member of the same household, or, if a place of business, by any partner of the same business, it shall be considered as the same customer.

Temporary Metered Service, Meter, and Deposits

An applicant for temporary water service on a metered basis shall make and maintain a monetary deposit for each meter installed as security for payment for use of water and for such other charges which may arise from the use of the supply. A charge shall be made for setting the valve and furnishing and setting the meter. See Schedule BW-1 for the applicable rate.

Water for Construction

When water is requested for construction purposes or for filling tanks or other such uses, an application shall be made to the water utility, in writing, giving a statement of the amount of construction work to be done or the size of the tank to be filled, etc. Payment for the water for construction may be required in advance at the scheduled rates. The service lateral must be installed into the building before water can be used. No connection with the service lateral at the curb shall be made without special permission from the water utility. In no case will any employee of the water utility turn on water for construction work unless the contractor has obtained permission from the water utility.

Customers shall not allow contractors, masons, or other persons to take unmetered water from their premises without permission from the water utility. Any customer failing to comply with this provision may have water service discontinued and will be responsible for the cost of the estimated volume of water used.

WATER UTILITY OPERATING RULES

Use of Hydrants

In cases where no other supply is available, permission may be granted by the water utility to use a hydrant. No hydrant shall be used until the proper meter, valve, and backflow preventer are installed. In no case shall any valve be installed or moved except by an employee of the water utility.

Before a valve is set, payment must be made for its setting and for the water to be used at the scheduled rates. Where applicable, see Schedule BW-1 for deposits and charges. Upon completing the use of the hydrant, the customer must notify the water utility to that effect.

Operation of Valves and Hydrants and Unauthorized Use of Water - Penalty

Any person who shall, without authority of the water utility, allow contractors, masons, or other unauthorized persons to take water from their premises, operate any valve connected with the street or supply mains, or open any fire hydrant connected with the distribution system, except for the purpose of extinguishing fire, or who shall wantonly damage or impair the same, shall be subject to a fine as provided by municipal ordinance. Utility permission for the use of hydrants applies only to such hydrants that are designated for the specific use.

Refunds of Monetary Deposits

All money deposited as security for payment of charges arising from the use of temporary water service on a metered basis, or for the return of a hydrant valve and fixtures if the water is used on an unmetered basis, will be refunded to the depositor on the termination of the use of water, the payment of all charges levied against the depositor, and the return of the water utility's equipment.

Service Laterals

No water service lateral shall be laid through any trench having cinders, rubbish, rock or gravel fill, or any other material which may cause injury to or disintegration of the service lateral, unless adequate means of protection are provided by sand filling or such other insulation as may be approved by the water utility. Service laterals passing through curb or retaining walls shall be adequately safeguarded by provision of a channel space or pipe casing not less than twice the diameter of the service connection. The space between the service lateral and the channel or pipe casing shall be filled and lightly caulked with an oakum, mastic cement, or other resilient material and made impervious to moisture.

In backfilling the pipe trench, the service lateral must be protected against injury by carefully hand tamping the ground filling around the pipe. There should be at least 6 inches of ground filling over the pipe, and it should be free from hard lumps, rocks, stones, or other injurious material.

WATER UTILITY OPERATING RULES

Service Laterals (continued)

All water service laterals shall be of undiminished size from the street main into the point of meter placement. Beyond the meter outlet valve, the piping shall be sized and proportioned to provide, on all floors, at all times, an equitable distribution of the water supply for the greatest probable number of fixtures or appliances operating simultaneously.

Replacement and Repair of Service Laterals

The service lateral from the main to and through the curb stop will be maintained and kept in repair and, when worn out, replaced at the expense of the water utility. The property owner shall maintain the service lateral from the curb stop to the point of use.

If an owner fails to repair a leaking or broken service lateral from the curb to the point of metering or use within such time as may appear reasonable to the water utility after notification has been served on the owner by the water utility, the water will be shut off and will not be turned on again until the repairs have been completed.

Abandonment of Service

If a property owner changes the use of a property currently receiving water service such that water service will no longer be needed in the future, the water utility may require the abandonment of the water service at the water main. In such case, the property owner may be responsible for all removal and/or repair costs, including the water main and the utility portion of the water service lateral.

Charges for Water Wasted Due to Leaks

See Wis. Admin. Code § PSC 185.35.

Thawing Frozen Service Laterals

See Wis. Admin. Code § PSC 185.88.

Curb Stop Boxes

The curb stop box is the property of the water utility. The water utility is responsible for its repair and maintenance. This includes maintaining, through adjustment, the curb stop box at an appropriate grade level where no direct action by the property owner or occupant has contributed to an elevation problem. The property owner is responsible for protecting the curb stop box from situations that could obstruct access to it or unduly expose it to harm. The water utility shall not be liable for failure to locate the curb stop box and shut off the water in case of a leak on the owner's premises.

WATER UTILITY OPERATING RULES

Installation of Meters

Meters will be owned, furnished, and installed by the water utility or a utility-approved contractor and are not to be disconnected or tampered with by the customer. All meters shall be so located that they shall be protected from obstructions and permit ready access for reading, inspection, and servicing, such location to be designated or approved by the water utility. All piping within the building must be supplied by the owner. Where additional meters are desired by the owner, the owner shall pay for all piping. Where applicable, see Schedule Am-1 for rates.

Repairs to Meters

Meters will be repaired by the water utility, and the cost of such repairs caused by ordinary wear and tear will be borne by the water utility.

Repair of any damage to a meter resulting from the carelessness of the owner of the premises, owner's agent, or tenant, or from the negligence of any one of them to properly secure and protect same, including any damage that may result from allowing a water meter to become frozen or to be damaged from the presence of hot water or steam in the meter, shall be paid for by the customer or the owner of the premises.

Service Piping for Meter Settings

Where the original service piping is installed for a new metered customer, where existing service piping is changed for the customer's convenience, or where a new meter is installed for an existing unmetered customer, the owner of the premises at his/her expense shall provide a suitable location and the proper connections for the meter. The meter setting and associated plumbing shall comply with the water utility's standards. The water utility should be consulted as to the type and size of the meter setting.

Turning on Water

The water may only be turned on for a customer by an authorized employee of the water utility. Plumbers may turn the water on to test their work, but upon completion must leave the water turned off.

Sprinkling Restrictions and Emergency Water Conditions

Where the municipality has a policy regarding sprinkling restrictions and/or emergency water conditions, failure to comply with such may result in disconnection of service.

See Wis. Admin. Code § PSC 185.37.

WATER UTILITY OPERATING RULES

Failure to Read Meters

Where the water utility is unable to read a meter, the fact will be plainly indicated on the bill, and either an estimated bill will be computed or the minimum charge applied. The difference shall be adjusted when the meter is again read, that is, the bill for the succeeding billing period will be computed with the gallons or cubic feet in each block of the rate schedule doubled, and credit will be given on that bill for the amount of the bill paid the preceding period. Only in unusual cases shall more than three consecutive estimated or minimum bills be rendered.

If the meter is damaged (see Surreptitious Use of Water) or fails to operate, the bill will be based on the average use during the past year, unless there is some reason why the use is not normal. If the average use cannot be properly determined, the bill will be estimated by some equitable method.

See Wis. Admin. Code § PSC 185.33.

Complaint Meter Tests

See Wis. Admin. Code § PSC 185.77.

Inspection of Premises

During reasonable hours, any officer or authorized employee of the water utility shall have the right of access to the premises supplied with service for the purpose of inspection or for the enforcement of the water utility's rules and regulations. Whenever appropriate, the water utility will make a systematic inspection of all unmetered water taps for the purpose of checking waste and unnecessary use of water.

See Wis. Stat. § 196.171.

Vacation of Premises

When premises are to be vacated, the water utility shall be notified, in writing, at once, so that it may remove the meter and shut off the water supply at the curb stop. The owner of the premises shall be liable for prosecution for any damage to the water utility's property. See "Abandonment of Service" in Schedule X-1 for further information.

Deposits for Residential Service

See Wis. Admin. Code § PSC 185.36.

WATER UTILITY OPERATING RULES

Deposits for Nonresidential Service

See Wis. Admin. Code § PSC 185.361.

Deferred Payment Agreement

See Wis. Admin. Code § PSC 185.38.

Dispute Procedures

See Wis. Admin. Code § PSC 185.39.

Disconnection and Refusal of Service

See Wis. Admin. Code § PSC 185.37.

The following is an example of a disconnection notice that the utility may use to provide the required notice to customers.

DISCONNECTION NOTICE

Dear Customer:

The bill enclosed with this notice includes your current charge for water utility service and your previous unpaid balance.

You have 10 days to pay the water utility service arrears or your service is subject to disconnection.

If you fail to pay the service arrears or fail to contact us within the 10 days allowed to make reasonable deferred payment arrangement or other suitable arrangement, we will proceed with disconnection action.

To avoid the inconvenience of service interruption and an additional charge of (amount) for reconnection, we urge you to pay the full arrears IMMEDIATELY AT ONE OF OUR OFFICES.

If you have entered into a Deferred Payment Agreement with us and have failed to make the deferred payments you agreed to, your service will be subject to disconnection unless you pay the entire amount due within 10 days.

If you have a reason for delaying the payment, call us and explain the situation.

WATER UTILITY OPERATING RULES

Disconnection and Refusal of Service (continued)

DISCONNECTION NOTICE (continued)

PLEASE CALL THIS TELEPHONE NUMBER, (telephone number), IMMEDIATELY IF:

1. You dispute the notice of delinquent account.
2. You have a question about your water utility service arrears.
3. You are unable to pay the full amount of the bill and are willing to enter into a deferred payment agreement with us.
4. There are any circumstances you think should be taken into consideration before service is discontinued.
5. Any resident is seriously ill.

Illness Provision: If there is an existing medical emergency in your home and you furnish the water utility with a statement signed by either a licensed Wisconsin physician or a public health official, we will delay disconnection of service up to 21 days. The statement must identify the medical emergency and specify the period of time during which disconnection will aggravate the existing emergency.

Deferred Payment Agreements: If you are a residential customer and, for some reason, you are unable to pay the full amount of the water utility service arrears on your bill, you may contact the water utility to discuss arrangements to pay the arrears over an extended period of time.

This time payment agreement will require:

1. Payment of a reasonable amount at the time the agreement is made.
2. Payment of the remainder of the outstanding balance in monthly installments over a reasonable length of time.
3. Payment of all future water utility service bills in full by the due date.

In any situation where you are unable to resolve billing disputes or disputes about the grounds for proposed disconnection through contacts with our water utility, you may make an appeal to the Public Service Commission of Wisconsin by calling (800) 225-7729.

(WATER UTILITY NAME)

WATER UTILITY OPERATING RULES

Collection of Overdue Bills

An amount owed by the customer may be levied as a tax as provided in Wis. Stat. § 66.0809.

Surreptitious Use of Water

When the water utility has reasonable evidence that a person is obtaining water, in whole or in part, by means of devices or methods used to stop or interfere with the proper metering of the water utility service being delivered, the water utility reserves the right to estimate and present immediately a bill for unmetered service as a result of such interference, and such bill shall be payable subject to a 24-hour disconnection of service. If the water utility disconnects the service for any such reason, the water utility will reconnect the service upon the following conditions:

- A. The customer will be required to deposit with the water utility an amount sufficient to guarantee the payment of the bills for water utility service.
- B. The customer will be required to pay the water utility for any and all damages to water utility equipment resulting from such interference with the metering.
- C. The customer must further agree to comply with reasonable requirements to protect the water utility against further losses.

See Wis. Stat. § 943.20.

Repairs to Mains

The water utility reserves the right to shut off the water supply in the mains temporarily to make repairs, alterations, or additions to the plant or system. When the circumstances will permit, the water utility will give notification, by newspaper publication or otherwise, of the discontinuance of the water supply. No credit will be allowed to customers for such temporary suspension of the water supply.

See Wis. Admin. Code § PSC 185.87.

Duty of Water Utility with Respect to Safety of the Public

It shall be the duty of the water utility to see that all open ditches for water mains, hydrants, and service laterals are properly guarded to prevent accident to any person or vehicle, and at night there shall be displayed proper signal lighting to insure the safety of the public.

WATER UTILITY OPERATING RULES

Handling Water Mains and Service Laterals in Excavation Trenches

Contractors must call Digger's Hotline and ensure a location is done to establish the existence and location of all water mains and service laterals as provided in Wis. Stat. § 182.0175. Where water mains or service laterals have been removed, cut, or damaged during trench excavation, the contractors must, at their own expense, cause them to be replaced or repaired at once. Contractors must not shut off the water service laterals to any customer for a period exceeding 6 hours.

Protective Devices

- A. Protective Devices in General: The owner or occupant of every premise receiving water supply shall apply and maintain suitable means of protection of the premise supply and all appliances against damage arising in any manner from the use of the water supply, variation of water pressure, or any interruption of water supply. Particularly, such owner or occupant must protect water-cooled compressors for refrigeration systems by means of high and/or low pressure safety cutout devices. There shall likewise be provided means for the prevention of the transmission of water ram or noise of operation of any valve or appliance through the piping of their own or adjacent premises.
- B. Relief Valves: On all "closed systems" (i.e., systems having a check valve, pressure regulator, reducing valve, water filter, or softener), an effective pressure relief valve shall be installed at or near the top of the hot water tank or at the hot water distribution pipe connection to the tank. No stop valve shall be placed between the hot water tank and the relief valve or on the drain pipe. See applicable plumbing codes.
- C. Air Chambers: An air chamber or approved shock absorber shall be installed at the terminus of each riser, fixture branch, or hydraulic elevator main for the prevention of undue water hammer. The air chamber shall be sized in conformance with local plumbing codes. Where possible, the air chamber should be provided at its base with a valve for water drainage and replenishment of air.

Cross-Connections

Every person owning or occupying a premise receiving municipal water supply shall maintain such municipal water supply free from any connection, either of a direct or of an indirect nature, with a water supply from a foreign source or of any manner of connection with any fixture or appliance whereby water from a foreign supply or the waste from any fixture, appliance, or waste or soil pipe may flow or be siphoned or pumped into the piping of the municipal water system.

See Wis. Admin. Code § NR 811.09.

OAK CREEK WATER AND SEWER UTILITY
Customer Water Bill Comparison at Present and Authorized Rates

Customer Type	Meter Size (Inches)	Volume (1000 Gallons)	Quarterly			Quarterly Including Public Fire Protection		
			Bills at Old Rates	Bills at New Rates	Percent Change	Bills at Old Rates	Bills at New Rates	Percent Change
Small Residential	5/8	8	\$ 43.31	\$ 51.52	19%	\$ 60.92	\$ 71.74	18%
Average Residential	5/8	15	\$ 62.28	\$ 73.85	19%	\$ 79.89	\$ 94.07	18%
Large Residential	5/8	30	\$ 102.93	\$ 121.70	18%	\$ 120.54	\$ 141.92	18%
Commercial	5/8	56	\$ 173.39	\$ 204.64	18%	\$ 191.00	\$ 224.86	18%
Commercial	3/4	75	\$ 224.88	\$ 265.25	18%	\$ 242.49	\$ 285.47	18%
Commercial	1	111	\$ 334.80	\$ 393.09	17%	\$ 378.37	\$ 443.49	17%
Commercial	1	200	\$ 575.99	\$ 677.00	18%	\$ 619.56	\$ 727.40	17%
Public Authority	1 1/2	333	\$ 967.32	\$ 1,139.27	18%	\$ 1,054.77	\$ 1,240.37	18%
Public Authority	1	400	\$ 1,117.99	\$ 1,315.00	18%	\$ 1,161.56	\$ 1,365.40	18%
Commercial	2	600	\$ 1,721.79	\$ 2,026.00	18%	\$ 1,861.46	\$ 2,187.70	18%
Public Authority	6	800	\$ 2,724.20	\$ 3,174.00	17%	\$ 3,598.67	\$ 4,184.40	16%
Public Authority	2	1,000	\$ 2,805.79	\$ 3,302.00	18%	\$ 2,945.46	\$ 3,463.70	18%
Commercial	4	1,500	\$ 4,343.10	\$ 5,102.00	17%	\$ 4,778.79	\$ 5,607.20	17%
Industrial	6	2,000	\$ 5,976.20	\$ 7,002.00	17%	\$ 6,850.67	\$ 8,012.40	17%
Commercial	2	2,500	\$ 6,870.79	\$ 8,087.00	18%	\$ 7,010.46	\$ 8,248.70	18%
Industrial	3	3,500	\$ 9,654.95	\$ 11,361.00	18%	\$ 9,917.60	\$ 11,664.00	18%
Industrial	8	4,000	\$ 11,736.10	\$ 13,758.00	17%	\$ 13,132.78	\$ 15,374.70	17%
Industrial	6	30,000	\$ 61,636.20	\$ 75,862.00	23%	\$ 62,510.67	\$ 76,872.40	23%

OAK CREEK WATER AND SEWER UTILITY

**Schedule of Depreciation Rates
Effective January 1, 2012**

<u>Account Number</u>	<u>Class of Plant</u>	<u>Deprec. Rate</u>
	SOURCE OF SUPPLY PLANT	
313	Lake, River, and Other Intakes	1.7%
314	Wells and Springs	2.9%
316	Supply Mains	1.8%
	PUMPING PLANT	
321	Structures and Improvements	3.2%
323	Other Power Production Equipment	4.4%
325	Electric Pumping Equipment	4.4%
328	Other Pumping Equipment	4.4%
	WATER TREATMENT PLANT	
331	Structures and Improvements	3.2%
332	Sand and Other Media Filtration Equipment	3.3%
334	Other Water Treatment Equipment	6.0%
	TRANSMISSION AND DISTRIBUTION PLANT	
342	Distribution Reservoirs and Standpipes	1.9%
343	Transmission and Distribution Mains	1.3%
345	Services	2.9%
346	Meters	5.5%
348	Hydrants	2.2%
	GENERAL PLANT	
390	Structures and Improvements	2.9%
391	Office Furniture and Equipment	5.8%
391.1	Computer Equipment	26.7%
392	Transportation Equipment	13.3%
393	Stores Equipment	5.8%
394	Tools, Shop and Garage Equipment	5.8%
395	Laboratory Equipment	5.8%
396	Power Operated Equipment	7.5%
397	Communication Equipment	15.0%
397.1	Communication Equipment-SCADA	9.2%
398	Miscellaneous Equipment	5.8%

