

COMMISSION FILE NO: 20-058-4 **DATE INTRODUCED:** April 15, 2020

INTRODUCED BY: Executive Director (Signature on File in the Office of the Commission)

REFERRED BY COMMISSION CHAIRPERSON TO: Policy, Finance, and Personnel Committee

RELATING TO: Revision of Resolution 17-022-2, the 2010-2020 Private Property Inflow and Infiltration Reduction Program Policy

SUMMARY:

The Commission is requested to revise Commission Resolution 17-022-2, the 2010-2020 Private Property Inflow and Infiltration (PPII) Reduction Program Policy.

On February 28, 2011, the Commission approved the policy establishing the 2010-2020 PPII Reduction Program. The policy describes the eligible work and provides the procedures by which participating municipalities may plan, complete, and fund work that reduces infiltration and inflow to public sanitary sewer systems from private property sources. The Commission approved previous revisions to the policy on July 23, 2012, through Resolution 12-105-7, on December 16, 2013, through Resolution 13-119-12, and on February 27, 2017, through Resolution 17-022-2.

Further recommended policy revisions include:

- Removing the program term limits and revise the program title establishing the program as a long-term strategy for meeting proactive District goals.
- Establishing a standard annual cycle for program milestone dates providing municipalities with a consistent schedule for work and budget planning, incentivizing timely completion of work, and providing the District with a predictable program cash flow.
- Establishing a process to enable ambitious municipalities to acquire additional funding to complete PPII projects.
- Creating a second element of the program that facilitates participation by individual property owners while protecting program integrity.

ATTACHMENTS: **BACKGROUND** ☐ **KEY ISSUES** ☐ **RESOLUTION** ☒

FISCAL NOTE ☐ **S/W/MBE** ☐ **OTHER** ☒ Statement of Policy

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COMMITTEE ACTION: _____ **DATE:** _____

COMMISSION ACTION: _____ **DATE:** _____

SUMMARY (Cont'd)

Revision of Resolution 17-022-2, the 2010-2020 Private Property Inflow and Infiltration Reduction Program Policy

- Revising program administrative processes to facilitate increased public outreach/education, contractor opportunity, small, women, and minority business enterprise contractor capacity, and local workforce opportunities.

The attached Statement of Policy revision for the Milwaukee Metropolitan Sewerage District's PPII Reduction Program incorporates lessons learned over the initial 10-year term of the program that is currently designated to expire on December 31, 2020. The revised policy also reflects the peripheral trends – changes and developments that have influenced the program and stakeholders through the past 10 years of the program. The following are the greatest influences on the program not directly related to the terms within the policy:

- Levy limits on municipal funding
- Restrictions on point-of-sale transactions
- Restrictions on municipal self-performed work
- District 2050 Facilities Planning
- Knowledge and awareness of precipitation pattern trends
- Development of the District green infrastructure (GI) goals and programs

The primary objectives of the revised Statement of Policy are to improve the efficiency and effectiveness of the program in consideration of this list of influential factors and to more precisely align the program with other related District programs such as the GI programs and the Wet Weather Peak Flow Management Program (WWPFMP).

There are five primary changes to the program. They include:

- Schedule and title change
- Workflow
- Incentives and flexibility
- Increased opportunity for property owners
- Program consistency and increased opportunity for contractors

Schedule and title change: The program term limit, as defined by the start and expiration dates, has been removed. Studies on work completed through the current program support previous industry research concluding that the primary source of clear water in sanitary sewers is from private property sources. Appreciable clear water reduction in the sewers will require a long-term commitment by the District to fund PPII reduction. The program title has been revised to reflect the removal of dates and to address minor inconsistencies with standard industry terminology.

SUMMARY (Cont'd)

Revision of Resolution 17-022-2, the 2010-2020 Private Property Inflow and Infiltration Reduction Program Policy

Workflow: Within the existing program component that focuses on municipality-contracted work with District reimbursement, a standard workflow has been established that sets consistent and predictable steps through the planning and implementation phases of a project proposed by a municipality. The workflow cycles through milestone dates starting with approval of the annual District budget and continues through execution of the project funding agreement. This cycle repeats on an annual basis aligned with the District budget process. The annual workflow cycle will also provide stability and predictability to the District program cash flow.

Incentives and flexibility: The program will now include a competitive application process whereby municipalities that have expended all allocated funding and desire to complete additional program-eligible work can request additional funds from a pool of unclaimed and unused program funds.

Increased opportunity for property owners: The revised Statement of Policy outlines a new component to the program whereby individual property owners can complete remediation work that reduces PPII through District-screened contractors. Individual property owners will have the opportunity for cost relief on expensive repairs, such as lateral replacement/rehabilitation and foundation drain disconnection, while the District will retain the core objective of the program (cost effective PPII reduction) through a flat rate District reimbursement based on similar successfully implemented programs.

Program consistency and increased opportunity for contractors: The revised program will include a contractor evaluation process (CEP) and a product evaluation process (PEP). The CEP will be a preapproval process administered through the District to evaluate contractors interested in bidding on District-funded projects (either District contracted, or municipality contracted) according to industry standards (e.g. insurance, bonding, safety, experience, skills, licenses, certifications, capacity, contract performance, etc.). The PEP will provide similar prebid evaluation of proprietary products and/or methods that are proposed to be used for PPII reduction work funded by the District. In consideration of lessons learned, District staff will create the CEP and PEP with criteria similar to processes used by similar agencies. The CEP and PEP are intended to provide equal opportunity for all contractors interested in bidding on District-funded projects, establish uniform criteria for evaluation and acceptance of contractors and products, and universally communicate the expectations of the District to contractors and suppliers for program work funded by the District.

SUMMARY (Cont'd)

Revision of Resolution 17-022-2, the 2010-2020 Private Property Inflow and Infiltration Reduction Program Policy

The Statement of Policy as presented establishes the program as a long-term strategy for use in achieving the proactive goals of the District for delivery of sanitary collection and water reclamation services and meeting the regulatory requirements of the District. The revised program more closely aligns with and complements the objectives of GI and the WWPFPMP in achieving District goals near-term and long-term.

The current policy authorizes the District to reallocate any remaining program funds that have not been disbursed as of January 1, 2021, (expiration of the current Statement of Policy) to other District capital expenditures. As authorized by the Commission through this action, as of January 1, 2021, the District will roll all remaining program funds into the revised PPII program as defined by the attached revised Statement of Policy with respect to the individual municipal account balances as of January 1, 2021.

RESOLUTION

Revision of Resolution 17-022-2, the 2010-2020 Private Property Inflow and Infiltration Reduction Program Policy

RESOLVED, by the Milwaukee Metropolitan Sewerage Commission, that the revised Statement of Policy, Private Property Infiltration and Inflow Reduction Program, as attached, is adopted.