# **Q&A** with Waukesha Water Utility's Dan Duchniak

General manager outlines costs associated with transition to Lake Michigan water



Courtesy of Waukesha Water Utility

The final pipe in the connection to the Milwaukee water system that will bring Lake Michigan water to Waukesha was placed on August 9. All of the pipes for both the supply and return flow are in the ground.

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WAUKESHA — Waukesha's upcoming transition from groundwater to Lake Michigan water has raised some questions among residents, especially



Duchniak

when it comes to the cost. Ahead of the mid-September switch, The Freeman reached out to Dan Duchniak, general manager of the Waukesha Water Utility, with some of those common queries. Below is the first

installment in a series with Duchniak featuring all the need-to-know info regarding your home's H2O.

The Freeman: Can you break down why the water rates have increased?

Duchniak: As in other communities, the water utility must cover the ongoing costs of operations (obtaining, treating, and delivering high-quality drinking water) and also for construction, maintenance and replacement of existing pipes and other infrastructure. In Waukesha, water bills also include similar costs for the wastewater utility. (In many

nearby communities, some wastewater charges also appear on property tax bills.)

In addition,
Waukesha needed a
new water supply.
The current supply
is severely drawn
down and is contaminated with naturally occurring
radium that is
above the federal
limits. City leaders
concluded that the

most affordable option for a longterm, reliable supply was to obtain Lake Michigan water, requiring years of planning, permitting and construction. State officials agreed with that conclusion. This large infrastructure project is being funded through longterm, low-interest loans that also requires increases in rates. Rate increases are in line with projections at the start of the project.

Freeman: How much was the average water bill for a single-family home prior to the switch to Lake Michigan water?

Duchniak: The average residential customer uses 4,000 gallons of water

per month. In 2017, the water and wastewater bill averaged \$55 per month. With a rate increase expected this fall, the total bill will average \$117 per month. By 2027, when the costs of the project will be fully reflected in rates, the total bill is projected to be \$154 per month, which is in line with projections at the start of the water supply project.

Freeman: How does the average Waukesha water bill compare to that of other Wisconsin communities using Lake Michigan water?

Duchniak: That is difficult to say, since utility bills in different communities include charges that other com-munities include on their utility bills. The Public Service Commission of Wisconsin regulates water utilities, but not wastewater utilities, so the information available on its website only compares the water portion of bills. Waukesha water bills include costs for wastewater and return flow. Other communities may include refuse collection fees, stormwater fees. etc. And, in communities in the Milwaukee Metropolitan Sewerage District (MMSD) service area, residents may pay a tax on their annual property tax bill. While direct comparisons

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are not easy to make, the cost of the infrastructure needed to bring a new water supply to Waukesha may make costs somewhat higher than in other communities. However, the new water supply is critical to ensure the health and economic well-being of the community.

Freeman: How is a resident's monthly water bill determined?

Duchniak: A resident's total monthly bill includes water, return flow and wastewater charges. The water portion of the monthly bill includes a fixed charge, based on the size of the water meter; a public fire protection charge, also based on the size of the water meter; and then an amount for the water used at the property. Residential water rates have an inclining rate structure to promote conservation. The return flow portion of the monthly bill is based on the water usage, and the wastewater charges include a fixed rate as well as an amount based on water consumption.

#### Freeman: What factors will affect a resident's monthly water bill?

Duchniak: While there are fixed charges that do not change month to

month, the amount of water that is used by the resident has the primary impact on the total cost of the monthly bill. Water rates have an inclining rate structure to promote conservation, so the more water that is used per month, the higher the bill will be

#### Freeman: How can a resident lower their monthly water bill?

Duchniak: A resident can minimize the impact of rate increases on their total monthly bill by conserving water, including finding and fixing leaks in toilets or other fixtures. The utility has several residential conservation programs, including rebates for WaterSense high efficiency toilets and shower heads, and a rain barrel rebate program. To learn more about these programs, please see the conservation section of our website at www.waukeshawater.com or call us at 262-521-5272.

Customers can also save money by reducing or eliminating their use of water softeners. Lake Michigan water will be at least 60 percent softer than our current water supply. Most users of Milwaukee water — including those who have switched from groundwater - choose not to use water softeners.

If you currently have a water softener, we recommend that you bypass your

water softener during the transition and for a month or two once the transition is complete to determine your satisfaction with unsoftened water. You may also want to ask friends in the 16 communities that use Milwaukee water about their experience with softening

#### Freeman: Will monthly water bills decrease once the pipeline has been paid for?

Duchniak: As with most public works projects, the new infrastructure is financed with long-term loans. This helps ensure that future users share in the costs of the project. The city secured a low-interest federal loan, with the assistance of our federal delegation (Senators Baldwin and Johnson and Representative Fitzgerald), for the water supply portion of the project at 1.16 percent. This loan will need to be paid back over the next 38 years. Other long-term, low-interest loans are financing wastewater and return flow projects. In addition, of course, the utility will continue to have the ongoing costs of operating and maintaining the utility.

# Freeman: How much

did the pipeline cost?

Duchniak: The total cost of the entire project, including supply pipeline, return flow pipeline, booster pumping stations, two reservoirs, and a tower had been estimated at \$286 million. We are confident that we will be within or below that budget when the project is complete and all invoices have been

#### Freeman: How long will it take until the pipeline is paid for?

Duchniak: The water supply pipeline will be paid for in 38 years. With the assistance of our federal delegation, Waukesha secured a low-interest federal loan for the project at an average interest rate of 1.16 percent.

### Freeman: Where can residents go to find more information about the transition to Lake Michigan water?

Duchniak: Residents should visit the utility's website or go to www.GreatWaterAllliance.com for more information about the project. They can also follow the city of Waukesha on social media or sign up for the city's weekly email newsletter by going to the Connect link at www.waukesha-wi.gov. Of course, they can also contact utility staff at 262-521-5272 with questions.





