
To: Chairman Board and members of the Public Works Commission
From: Peter Hartz – Water Systems Manager

July 16, 2024

Re: July 23, 2024, Public Works Commission meeting agenda item

Water Systems:

- 1.) Review and take possible action - approve license agreement between City of Watertown and T-Mobile for equipment located on the O'Connell Water Tower (Cellular Site ML82089A)

T-Mobile is currently operating its equipment at the above site as a holdover Tenant under the Option and Lease Agreement between Watertown Water Commission and Sprint Spectrum, L.P. (the "Original Lease"). T-Mobile and the City's representatives have negotiated a replacement Watertown License Agreement (the "Agreement") between the two parties. Included in the Agreement are construction drawings that have been approved, the project commencement date was pending the agreement to the new lease and terms which has been in negotiations for over 2-years.

I recommend approval of the new agreement which includes a new lease term and the new equipment upgrades.

- 2.) Review and take possible action – approve entering into an agreement with Ehlers Public Finance Advisors to provide a study of the current water rates.

I would like to update you on our plans for the city-wide private and public lead service replacements (~1,500). The water department has submitted all the necessary application materials to the Wisconsin Department of Natural Resources. As part of this process the Public Service Commission of Wisconsin will require a conventional rate case review to authorize Watertown's city-wide replacement project. Typically, the rate case review process takes approximately 6 – 9 months. Our goal is to commence the project in the second quarter of 2025. The estimated lead service replacement is approximately \$14.5 million, although the loan amount and debt service payment is still pending with the State. Some of the loan may qualify for principle forgiveness, but it will not be 100% as it has been in the past few years.

To ensure we stay on schedule, I recommend initiating the water rate study and review promptly.

Thank you for your attention to this matter. Should you have any questions, or need further clarification please don't hesitate to reach out to me.

Best regards,

Peter Hartz
Water Systems Manager