



Waukesha Water Utility

SERVING WAUKESHA SINCE 1886

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June 17, 2011

Mr. Steve Elmore
Wisconsin Department of Natural Resources
101 Webster Street
P.O. Box 7921
Madison, WI 53707-7921

Subject: June 2, 2011 email regarding the City of Waukesha Application
for Lake Michigan Water Supply

Dear Mr. Elmore:

Thank you for your message requesting clarification about water conservation plan monitoring and water conservation provisions in potential future water service agreements. The following is the City's response.

Monitoring Plan

The City described how monitoring of conservation measures is an integral part of its conservation program in Section 1 of the Water Conservation Plan Supplement. The City provided examples of annual monitoring reports it has prepared to document the effectiveness for implemented conservation measures. These reports fulfill the requirements of the Public Service Commission of Wisconsin and include quantitative data on program participants, measured water savings, and program costs. Further, water conservation public education materials are described.

As the City expands its conservation program, the annual monitoring report will expand to include performance metrics for each implemented conservation measure. The City plans to implement more fixture replacement incentive programs. The monitoring plan for these future conservation measures includes annual reporting of quantifiable results in a manner similar to the current toilet rebate program. In addition to total customer water savings currently reported, the City will submit estimates of water savings by fixture type using water savings factors in the Alliance For Water Efficiency water conservation tracking tool. The City already monitors the number of public school students who receive water conservation education and will report this data in future annual monitoring reports. The City currently estimates numbers of ratepayers in attendance at presentations and discussions about water conservation; these audience counts will be reported in future annual monitoring reports.

In the future, as technologies advance and best practices improve, the City will continue to implement and monitor conservation measures to meet its water savings goals and maintain high quality service for its customers. Monitoring and evaluating the quantitative data associated with each conservation measure is the method by which the City demonstrates actual cost-effectiveness to its ratepayers.

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Water Conservation Provisions in Potential Future Water Service Agreements

Water conservation and water use efficiency is a condition for approval of a new Great Lakes diversion. This condition will be set forth in any future water service agreement with potential new customers. Water service from Waukesha Water Utility will not be provided to new customers until they agree to comply with applicable state and federal public water regulatory requirements. With specific regard to sprinkling restrictions enforced by City of Waukesha ordinance, future customers must adopt comparable sprinkling restrictions by referendum or ordinance prior to obtaining City water service.

Following approval of a Great Lakes diversion, water conservation plan compliance will be enforced by the City by way of the Waukesha Water Utility tariffs approved by the Public Service Commission of Wisconsin (PSC) wherein any customer of the Waukesha Water Utility is required to comply with water conservation restrictions (Section 9 in tariff X-1). Under the Water Utility Operating Rules (Section 1 in tariff X-1) all persons receiving water supply from Waukesha Water Utility are subject to and bound by the tariff rules and regulations. The Waukesha Water Utility may enforce its operating rules and regulations by disconnecting any customer for failure to comply with approved tariff provisions. If new customers, specifically the Town of Genesee or the Town of Waukesha, apply for and receive water service from the Waukesha Water Utility, the towns would be subject to Waukesha Water Utility's rates, rules and regulations. Any possible future water service agreement between the Waukesha Water Utility and new customers will include provisions that abide with current utility tariffs.

If the towns decide to implement a new public water system by becoming wholesale or resale customers of Waukesha Water Utility, the process is subject to review and approval by the PSC under *PSC-184 Construction by Public Water Utilities and Municipal Water and Sewer Utilities Combined under S. 66.0819, Stats.* The source of water supply and necessary water conservation restrictions are considered as part of the PSC approval process.

We appreciate your careful review of the Application and supporting documentation. Please contact us again if further information or clarification is needed to support your work.

Sincerely,
Waukesha Water Utility



Daniel S. Duchniak
General Manager

cc: Jeff Scrima, City of Waukesha Mayor
Cathy Stepp, WDNR Secretary
Eric Ebersberger, DG/5
Jill Jonas, DG/5