

PADDOCK LAKE WATER UTILITY DISTRICT

WATER SUPPLY IMPROVEMENT PROJECT

Frequently Asked Questions (FAQ) - This following FAQ is comprised of questions from water system customers and utility district answers to those questions.

What is the Paddock Lake Water Utility District?

The Paddock Lake Water Utility District (Utility) is a small utility providing drinking water to 290 customers and located on the east side of Paddock Lake

What is the Water Supply Improvement Project?

The proposed improvement project includes replacement of the majority of the original 1950's equipment and buildings; the addition of service pumps and storage to provide fire protection and an increased quantity of water to existing customers and those areas depicted on the attached map; and a water main extension on State Road 50.

For nearly six decades, the Utility has reliably supplied clean and safe drinking water to its customers. The existing facilities and equipment are past their useful life. The Utility needs the majority of the proposed project even if the proposed water main is not placed in State Road 50; the benefit of the main is to spread the cost of the project out to more customers.

What are the specific details of the project?

The planned improvements include a new building for Wells No. 1 and No. 2, new well pumps, service pumps and water storage for fire protection, new chemical feed facilities, a 12-inch water main connecting the west side water system to the east side water system, standby power, fire hydrants along the route, and fire protection to the existing customers.

If I'm currently not on the municipal water system and served by my own well will I be required to connect to the municipal water system?

NO ONLY PROPERTIES CURRENTLY SERVED BY THE EAST SIDE MUNICIPAL WATER SYSTEM, PROPERTIES LOCATED WITHIN THE HWY 50 BUSINESS CORRIDOR AND NEWLY DEVELOPING PROPERTIES WITHIN THE WEST SIDE GROWTH AREA WILL BE SERVED BY MUNICIPAL WATER.

Is a water tower part of this project?

No. The Utility is not planning to install a water tower. Based on physics and our Wisconsin winters, a water tower would not work with the size of this system. The customers will not use enough water to keep the water circulating in the tower and the water quality will degrade, as it becomes older, leading to water quality complaints. The Utility will provide the flow and pressure with a service pump and storage tank at the existing location of Well 1 and Well 2.

Why is this project necessary at this time?

The existing system is on borrowed time; the equipment is more than 60 years old and the Wisconsin Department of Natural Resources (WDNR) has written orders to correct deficiencies with the existing system. The Village finds that now is the appropriate time to make the necessary improvements, especially with development occurring.

Why is the east side water system being connected to the west side water system?

We discuss this in detail below. A simple answer is economy of scale. By connecting the two systems the utility instantly adds 107 existing commercial customers along with 88 residential customers that will assist with funding the improvements.

Does this project include providing municipal water to existing residents not currently served by municipal water?

No. This project does not include providing water service to existing residents throughout the Village, only existing customers, businesses and homes located along Hwy 50 and at STH 50/ 83 will be served with the this project. **See attached map.**

What is the overall cost of this project?

The overall projected cost of construction is \$4,803,500. Of this amount, \$1,800,000 is attributed to the construction of the water main; the remaining\$3,003,500 is attributed to replacing the existing facilities at Well 1 and Well 2. **See attached map.**

Who will be paying for the water main that connects the two systems?

The businesses, school, and property owners with lands abutting STH 50 will fund the water main project by special assessment. The Village will take out the loan; the customers will repay the loan and the interest with annual payments over 10 to 15 years.

Who will be paying for the system improvements?

The users of the water system will be paying the debt service associated with the improvements along with operational costs.

Did the utility and or Village explore alternatives to this project?

Yes. The initial study process considered four improvement options ranging from purchasing water from the City of Kenosha, interconnection of Paddock Lake’s utility with Village of Bristol, improving the existing east side system and not interconnecting with the west side system and the present proposed project of interconnection. The following shows the costs associated with the four options explored:

Option No.1 – Purchase water from Kenosha	\$5,000,000 to \$6,000,000
Option No. 2- Connecting system to Bristol	\$5,200,000
Option No. 3- Improve east side system as standalone	\$4,950,000
Option No. 4- Interconnect the two system together	\$4,300,000

The selected option has the additional benefit of replacing the 1950’s supply facilities; this will need to be done at a later date with the remaining options.

If the Village does nothing what will happen?

Ultimately, the Utility will need to replace the existing supply facilities, as planned, with only 290 customers paying for it. Experience has shown that this will include boil water notices and

a consent order from the WDNR. The existing system is more than 60 years old, lacks redundancy, and is at risk of failure at any time.

Beginning as early as 2020, the Village will be required by the Wisconsin Department of Natural Resources (WDNR) to inspect and make necessary repairs to the existing noncompliant hydro-pneumatic tank, this will likely include providing temporary storage facilities for several days.

Did the utility and or Village explore obtaining State or Federal grants to supplement these improvements?

Yes. The United States Department of Agriculture (USDA) denied the grant because the existing Low to Moderate Income (LMI) rating. The Village resident's household income exceeds Federal Governments income limits for qualifying for grant assistance. The Village did however qualify for a 40-year USDA Rural Development Loan with an interest rate locked at 2.375%.

Will the water user rates increase as a result of this project?

Yes, but they need to increase without this proposed project also. The current rates are presently lower than they should be to fund the existing utility operations.

How will the new water utility rates affect my water bill?

Beginning in 2021, the individual water rates will change depending on the amount of water you use, the changes on your quarterly bill will increase. Single family residential customers will likely see the following changes, the future rates are dependent on operational costs, debt service and most importantly the number of users to absorb the costs.

290 existing customers, using an average of 4,000 gallons of water per month.

Current monthly costs
\$25.35/month

Future monthly bill with only 290 user's
2021- \$85.00/month

Future costs with 486 customers on the system using an average of 4,000 gallons per month.

Current monthly costs
\$25.35/month

PSC's projected monthly bill with 486 user's
2021- \$66.41/month

Will this project address lead water laterals?

The existing system has been investigated and found not to have any lead laterals.

If I have additional questions, who should I contact?

The Village Administrator is available to meet and answer questions.

Tim Popanda
262-843-3617

tpopanda@paddocklake.net

In addition, the Wisconsin Public Service Commission website can be accessed for additional documents and information. The PSC case number is 4510-CW-103

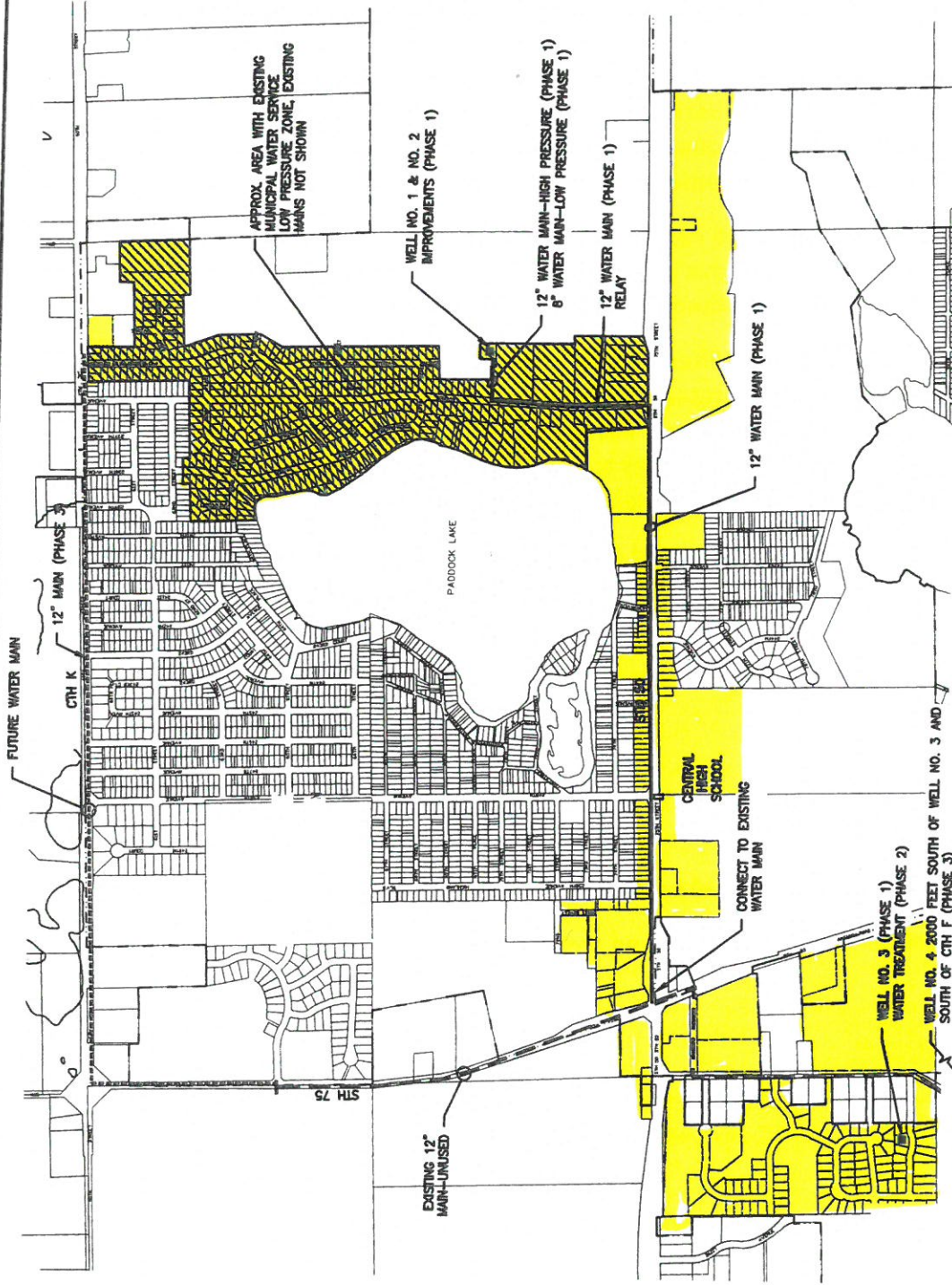
Attached is a map depicting the existing and proposed water utility district?

Water Utility District
Improvement Project
FAQ.



LEGEND

--- CORPORATE BOUNDARY



WATER SYSTEM CONCEPT PLAN
VILLAGE OF PADDOCK LAKE
 P.N. 150496.30
 08-06-15



BAXTER & WOODMAN
 Consulting Engineers