**BEFORE THE**

**PUBLIC SERVICE COMMISSION OF WISCONSIN**

Application of the Village of Paddock Lake,

Kenosha County, Wisconsin, to Construct Docket 4510-CW-103

Water System Improvements

**DIRECT TESTIMONY OF TIMOTHY ALLAN POPANDA**

**ON BEHALF OF THE VILLAGE OF PADDOCK LAKE**

**Q. Please state your name.**

A. My name is Timothy Allan Popanda.

**Q. By whom are you employed and in what capacity?**

A. I am the Village Administrator and Public Works Utility Director for the Village of Paddock Lake.

**Q. How long have you been employed in this position?**

A. I have been the Village Administrator and Public Works Utility Director for the Village of Paddock Lake since April of 2011.

**Q. What are your professional duties in this position?**

A. As the Village Administrator and Public Works Utility Director, my duties include the following: supervision and management of utilities; projection of revenues and expenditure to ensure compliance with annual budgets; supervision and management of the public works department; recruitment of development and business to the Village; and supervision of public staff.

**Q. What is your prior work history?**

A. I began working with the Village of Paddock Lake as the Zoning Administrator and Commercial Code Official in 1991. I continue to be employed in that position in addition to my position as Village Administrator and Public Works Utility Director.

**Q. What are your professional duties in this position?**

A. My duties as Zoning Administrator and Commercial Code Official include the following: review of building plans; inspection of commercial and residential construction projects; administration of the Village zoning code.

**Q. Do you have any additional professional qualifications?**

A. Yes. I have certification through the Wisconsin Department of Safety for Commercial Construction, Plumbing, Electrical and Residential International Building Code Commercial Inspector and Plan Reviewer; through the National Fire Protection Association as a Safety Inspector and Sprinkler Inspector; and through the American Public Works for public project management. A copy of my resume is attached as Ex.-Paddock Lake-Popanda-1.

**Q. What is the purpose of your testimony?**

A. I am providing testimony in support of the Village of Paddock Lake’s application to construct water system improvements, including expansion and improvements of the existing east side water system to provide additional supply and fire protection to existing customers and to allow for expansion of those services to future customers along the south and west sides of the Village.

**Q. Please provide an overview of the current water utility system.**

A. The Village has two operational wells (Well No. 1 and Well No. 2) that were placed into service in 1958. The wells occupy the same pumphouse and both draw water from the sand and gravel aquifer. They meet the current water supply needs of the existing customers, which totals approximately one third of the Village population on the east side of the lake.

The Village also has two wells (Well No. 3 and Well No. 4) and approximately 2.5 miles of water main that were constructed in 2008 to serve the new West Side Water System at the time. However, these wells were never placed into service due to the downturn in the economy.

**Q. Why is the Village proposing improvements to the water utility system now?**

A. The Village is proposing this project for a few reasons, including that the Village anticipates increased need for service for already established users currently on private wells and population growth on the west side of the Village which requires and will be supported by this project.

**Q. How many future customers currently exist but are unserved by the Utility?**

A. The current phase of the project will provide service to 48 existing buildings consisting of 107 total new customers who are already established users currently being served by private wells when existing buildings are connected to the Hwy 50 water main. Ex.-Popanda-Direct-2; PSC REF#: 344507; PSC REF#: 335544. In addition, there are also currently two new buildings under construction, one multi-family residential building that will accommodate approximately 60 new customers and one commercial retail building that will also be added to the system. Ex.-Popanda-Direct-2.

**Q. What is the customer class break down of these existing buildings?**

A. The customer classes in these existing buildings are broken down as follows: 60 commercial; 6 residential; 38 multifamily residential; and 3 public authority. In addition, as mentioned above, there are 69 multi-family residential units and one commercial retail building under construction. Ex.-Popanda-Direct-3; PSC REF#: 335544.

**Q. What growth projections do you anticipate in the Village?**

A. Population projections provided by the Department of Administration show that most near-term population growth in the Village is expected to occur on the west side of the Village and would be served by the new west side water system. Ex.-Direct-Marchese-5; PSC REF#: 335544.

Over the next five years, the Village anticipates the potential for approximately 225 new customers in the Willow Wood, Whitetail Ridge, and Long Meadow Glenn developments. Over the next ten years, the Village projects 572 new users based on development of residential housing within the existing Village boundaries as well as the newly attached growth area, and the compulsory connections of existing properties within the Village and those areas incorporated into the Village by way of the cooperative boundary agreement. Ex.-Direct-Popanda-4 (PSC REF# 340663). Over the next twenty years, the Village has projected that five large tracts of developable land within the Village’s future growth areas will develop, equaling 1,000 new customers. In addition, the municipal water system will add the remaining dwelling units (910) to the system under the final phase of improvement. Ex.-Direct-Popanda-2; Ex.-Direct-Marchese-5; PSC REF# 340663.

**Q. What commitments does the Village have in place for future development?**

A. The Village currently holds three Developer’s Agreements, one Memorandum of Understanding (MOU), and two variance agreements covering the following:

* Hartnell Chevrolet: Developer’s Agreement and Variance;
* Whitetail Ridge: Developer’s Agreement and MOU;
* Willowwood: Developer’s Agreement;
* Brass Ball Properties: Developer’s Agreement;
* Walgreens: Variance.

These agreements are attached at Ex.-Direct-Popanda-5.

In addition, the Village is currently prepare a new developer’s agreement for a retail building and is working with Westosha Central High School to implement an Intergovernmental Agreement (IGA) that would include water service.

**Q. Will the project benefit any larger users?**

A. Yes. The project will benefit a number of large users within one of two Tax Incentive Districts (TIDs) which have been built and approved by the Village and Department of Revenue to provide a revenue source to the water utility to offset the capital improvement costs of the water system improvements. The Village anticipates that there will be at least four and potentially six large users of the proposed water system in the TID:

* Hartnell Chevrolet;
* Village Plaza Shopping Center;
* Village Plaza Apartments;
* Bear Development WHEDA Housing Development;
* Proposed Kwik Trip;
* Proposed Festival Foods;
* Senior Assisted Living Center;
* Culvers.

In addition to these potential large users in the TID, and as referenced above, the Village anticipates entering into an IGA with the High School to provide water service.

**Q. Are new customers required to hookup to the water system?**

A. Yes. Village of Paddock Lake Ordinance § 7.48 requires buildings/users to connect to the water main within twelve months of water service being available. Ex.-Direct-Popanda-6. Developer’s agreements for west side properties will include requirements that all properties must connect to water and sewer service.

**Q. What are the current Operation and Maintenance costs for the water utility?**

A. The current operation and maintenance costs for the water utility are $73,757 annually.

**Q. What are the projected Operation and Maintenance costs after completion of the project?**

A. The Village anticipates that operation and maintenance costs will increase by approximately $1,118. This is because the Village does not plan to add or reallocate staff after the new facilities are operational. Further, the new facility will include new equipment that does not require the same level of maintenance as the current system, in addition to featuring more automation and remote monitoring. This will allow operators to spend less time at the new well buildings on a regular basis.

**Q. Will the Village be charging a payment in lieu of taxes (PILOT) from the water utility with respect to this project?**

A. The Village, as a matter of practice, has never required a PILOT payment from the water utility. The Village will not be requiring a PILOT payment in the future. Therefore, this cost is not factored into cost calculations for this project.

**Q. Does this conclude your direct testimony?**

A. Yes.

 [END]