

## **REGULAR MEETING OF THE JEFFERSON UTILITIES COMMISSION, HELD MARCH 18, 2019**

Commissioners present were: Brandel, Horn (Arrived at 6:03 p.m.), Ganser, Adams, Ristow, and Oppermann. Also present: Utility Manager Adler, Office Manager Statz, City Attorney Rogers, City Administrator Tim Freitag and Forster Electrical Engineering President Bruce Beth. Absent was: Michaelis. The meeting began at 6:02 p.m.

### **PUBLIC PARTICIPATION**

None

### **MINUTES**

Comm. Ristow recommended the following changes:

~~Office Manager made the following changes:~~

~~It was moved by Comm. Brandel and seconded by Comm. Horn to approve the minutes from the December 17, 2018 meeting with the noted corrections. Motion carried on a voice vote. Comm. Ristow abstained.~~

*After speaking with the auditors, this is common practice in the **electric** utility industry.*

Comm. Horn arrived.

It was moved by Comm. Ristow and seconded by Comm. Brandel to approve the minutes from the February 18, 2019 meeting with the noted corrections. Motion carried on a voice vote.

### **EXPENDITURES**

It was moved by Comm. Ristow and seconded by Comm. Brandel to approve the payment of February's bills totaling \$993,983.93. On call of the roll, motion carried. (Oppermann – Aye, Adams – Aye, Ganser – Aye, Horn – Aye, Brandel – Aye, Ristow - Aye)

### **DISCUSSION ON ELECTRIC UPGRADES TO RIVERSIDE ALLEY**

City Administrator Freitag reviewed four upcoming projects that the City is pursuing. He stated some of the projects have long and short impacts to the utility. The projects include Riverside Alley, the former Foremost property, the former Jefferson County Highway Shop property and the former Tyson property. He stated the properties need significant investment from both public and private funds. The City is pursuing \$1,500,000 in state and federal grants for the projects.

Former Jefferson County Highway Shop – The City of Jefferson and Jefferson County are working together to place a park at the old Jefferson County Highway Shop location. The City has been awarded \$500,000 from two grant sources, including a Recreation Boating Grant and a Knowles-Stewardship Grant. Both funds are coming from the State of Wisconsin. Phase one is to put in a boat launch, kayak launch, parking, canoe launch, fishing area and restrooms. Jefferson County owns the land and will match the grant proceeds for the project. The City has agreed to extend Elizabeth Avenue up to Puerner Street. The hope is to enter into a contract with a Design Engineer soon and to start the project by late summer, early fall. The Jefferson County Highway Department staff will assist with the project work. Phase one of the project is expected to be completed by the end of 2020.

Former Foremost Property – The property, which is listed on the historical register, will be converted into loft-style apartments. This is the last of the former Schweiger buildings. The full project is slated to cost \$10,000,000. Gorman & Company wants to close on the property in June. The closing is dependent upon their request for FEMA to remove the property from the floodplain. The City of Jefferson has \$500,000 in housing funds and will be extending a loan to help cover a financing gap. The property sits in the floodplain, so a levee will need to be placed around the property. Engineering work has been completed and submitted to FEMA. The City believes that the plans will be approved. It will take about 18-months to repurpose the property. Work will begin in the summer of 2019 and will go through 2020. If the project is not completed by the end of 2020, Gorman & Company will lose tax credits.

Riverside Alley – The City of Jefferson has the ability to apply for approximately \$700,000 in Community Development Block Grant funds from the State of Wisconsin Department of Administration. Those funds may be

available to redevelop Riverside Alley. The Community Development Block Grant funds need to be used to benefit the low-income population. The first step in the project is to survey citizens in the area to determine the area income. In order to qualify for the grant, 51% of the residents benefiting from the grant funds need to qualify as low or moderate income. There will most likely be title issues with the properties. When the City sold the old Water & Light building under the bridge, there were a lot of title issues, but could be resolved because the City owned the property. Since the City does not own these properties, the process could be much more difficult. The project timeframe is 2020-2022. It will be about 60 days until the City will know if this is a project that it will undertake.

Tyson Property – The property is currently under contract and, per City Administrator Freitag, the closing is imminent. A group of investors are interested in purchasing the property to house three separate businesses. There is a potential for 150-200 jobs. A portion of building is in the floodplain, which means that there are restrictions as to what can be done with the buildings.

Utility Manager Adler stated City Administrator Freitag asked about a cost for the Riverside Alley project. Forster Electrical Engineer President Bruce Beth was present to discuss how to move forward with the project.

City Administrator Freitag left the meeting at 6:24 p.m.

Mr. Beth reviewed the operations of the electrical system with the commission. He explained how the city is served by the substation. The cost of the Riverside Alley project for the electrical utility is about \$1,000,000. He stated he came up with a way to move an electric line, which could cut \$200,000 off the project. He stated that if the utility removes all of its lines from the poles, the communication wires and customer service wires will remain on the poles. It will take a couple of years to convince AT&T and Charter Communications to bury their lines. He provided a handout with a cost estimate of the Riverside Alley project.

Mr. Beth cautioned the commission on paying for customer services to be placed underground. He stated that the commission could set a precedent. If a customer complained to the Public Service Commission that the utility was paying for some services to be placed underground, but not others the utility may get into trouble. Mr. Beth felt that the low-income grant funds that the City has received would be a good way to pay for the customer services to be routed underground. He stated the cost estimates listed in his handout came from the Firehouse Alley project. This kind of work is not typically performed by a utility, but rather an electrician. Mr. Beth stated that the Public Service Commission (PSC) could allow this project to be paid for by the utility if there is an argument that the work is in the benefit of the utility. He felt that there was a benefit to the utility. Mr. Beth added that the PSC will need to approve the project before it begins. At that time, how the project will be paid for will be discussed. The revised cost estimate of the project is \$873,100.

Mr. Beth stated the telephone utility will push back on paying for the services to be placed underground. In his experience, the more time they are given to plan and think about the project, the better the outcome will be.

Comm. Horn asked if there was a requirement to have a phone hookup to a residence.

Mr. Beth stated there was not, but the line to the home does not get removed. He stated that AT&T and Charter Communications pay the utility to have their lines on the poles and the utility cannot force them to move.

Utility Manager Adler explained that when new homes are built, AT&T will not drop their lines into the utility's trench. They will come back out once a service request has been put in and bury their wire right next to the utility lines.

Comm. Ristow asked Mr. Beth if the infrastructure in the alley is sufficient for the project.

Mr. Beth clarified that there is no new load being proposed in the project.

Comm. Ristow asked if the facilities were newer in the alley.

Mr. Beth stated that the infrastructure there now was put in during the 1990's.

Comm. Ristow questioned if the utility has the infrastructure there already, is the project just for beautification?

Mr. Beth stated if this was WE Energies territory, they would not agree to pay for the project.

Comm. Ristow asked if the PSC was okay with the utility paying for the project.

Mr. Beth stated as long as the project is not affecting rates, the PSC will probably be okay with it. He added that WE Energies would make the City pay for a project like this. He added that the PSC may say “no” to the utility paying for placing the customer’s services underground.

City Attorney Rogers stated if the City does nothing with the funds, they will lose them.

Comm. Oppermann stated the funds have to be used for low-income purposes.

Comm. Ristow questioned if the City had the resources to pay for the project. In addition, if the grant funds were not available if the project would proceed.

Comm. Oppermann stated the project has been talked about for years. Originally, the thought was to use TID funds to pay for it. That money has since been allocated to the former Jefferson County Highway Shop project. He stated the City and utility will need to discuss cost sharing the project.

Comm. Ristow stated that there was no doubt the work will make the alley look better.

Comm. Brandel stated this project is being pursued because of the former Foremost building project and the former Jefferson County Highway Shop project. The thought is that the three will all be connected and it would make sense to clean up the alley as well.

Comm. Ristow stated that even if the City and utility move forward with the project, we will still need to get the phone lines off of the poles or there will be nothing gained.

Utility Manager Adler stated that within a couple of months the utility will be removing the switchyard.

Utility Manager Adler asked Mr. Beth if when the utility applies for a construction authorization with the PSC, do we need to have all funds locked in as laid out.

Mr. Beth stated that was correct, all costs, including grant funds will have to be reported. He added that the PSC has come down on utilities for breaking up projects to stay under the construction authorization requirements.

Utility Manager Adler asked Mr. Beth for a cost estimate to bury the phone lines.

Mr. Beth did not have an estimate, but could come up with some figures.

Mr. Beth left the meeting at 7:05 p.m.

**COMMUNITY CONTRIBUTIONS: JEFFERSON LIBRARY, UNIVERSE OF STORIES**

Comm. Oppermann questioned if the utility receives any signage to indicate that it has contributed funds to the program.

Comm. Adams stated he would make sure that the utility is recognized.

It was moved by Comm. Brandel and seconded by Comm. Horn to approve a donation of \$500.00 to the Jefferson Public Library, Universe of Stores Program. On call of the roll, motion carried. (Oppermann – Aye, Adams – Aye, Ganser – Aye, Horn – Aye, Brandel – Aye, Ristow - Aye)

It was moved by Comm. Horn and seconded by Comm. Ristow to adjourn to closed session pursuant to section 19.85(1)(c) considering compensation and performance evaluation data of the Utility Manager, including overtime

pay. On call of the roll, motion carried. (Oppermann – Aye, Adams – Aye, Ganser – Aye, Horn – Aye, Brandel – Aye, Ristow - Aye)

It was moved by Comm. Oppermann and seconded by Comm. Brandel to reconvene to open session. Motion carried on a voice vote.

**ACTION CONCERNING UTILITY MANAGER EXEMPT STATUS, OVERTIME PAY AND COMPENSATION**

The commission directed Office Manager Statz to compile information for next month's meeting that will assist in their evaluation.

It was moved by Comm. Horn and seconded by Comm. Oppermann to adjourn. Motion carried on a voice vote. The meeting adjourned at 7:19 p.m.