

**REGULAR MEETING OF THE JEFFERSON UTILITIES COMMISSION, HELD  
MARCH 9, 2020**

On call of the roll, commissioners present were: Adams, Brandel, Horn, Pieters and Oppermann. Also present: Utility Manager Adler, Office Manager Statz, City Attorney Rogers, City Administrator Freitag, Wastewater Superintendent Clark and Energy Services Representative Greg Hoffmann. Absent were: Comm. Ganser and Comm. Bristol. The meeting began at 5:31 p.m.

**PUBLIC PARTICIPATION**

Utility Manager Adler shared that WPPI staff has created a children's book called, "If I Were a Lineworker." Jefferson has purchased 200 of the books to hand out at events.

Utility Manager Adler spoke about the trip to Washington D.C. by explaining him, Mayor Oppermann and WPPI staff met with Senator Baldwin, Senator Johnson and Congressman Sensenbrenner's aide. He felt the elected officials seemed very receptive to the needs to municipal utilities.

**MINUTES**

It was moved by Comm. Brandel and seconded by Comm. Horn to approve the minutes from the February 10, 2020 meeting. Motion carried on a voice vote.

**EXPENDITURES**

It was moved by Comm. Brandel and seconded by Comm. Pieters to approve the payment of February's bills totaling \$1,074,406.96. On call of the roll, motion carried. (Oppermann – Aye, Adams - Aye, Pieters – Aye, Brandel – Aye, Horn – Aye)

**DISCUSSION AND POSSIBLE ACTION – JOINT METERING ALLOCATION**

Utility Manager Adler explained that Wastewater Superintendent Todd Clark asked to discuss the joint metering allocation because his new tiered billing system does not rely on 12 months of water usage data, but rather only four months. Utility Manager Adler explained that Jefferson Utilities facilitates the monthly billing for the sewer, refuse and stormwater fees on behalf of those utilities. The Public Service Commission requires utility staff to bill those three utilities a portion of the costs to generate the bills.

Office Manager Statz explained that the water utility does not collect all billing costs in its rates. Because the three other utilities are benefiting from the operations of the electric and water utility, the Public Service Commission (PSC) requires that they share in the costs. She gave an example that if it costs \$1.00 to do billing, the PSC will only allow for rate recovery of \$0.70 and the other \$0.30 has to be collected from the other utilities. (These figures are not accurate, but only an example). If the utility does not bill the refuse, stormwater and sewer utilities, it loses money. She explained that the PSC does allow the utility/city to determine the allocation for accounts #902, #903, #932-00-0388 and #926, but the PSC will have final approval. She explained that Jodi Dobson of Baker Tilly came up with a 71% water and 29% sewer split for account #902 (Meter Reading). This has been accepted by the PSC, so the accounts being looked at now are #903, #926 and #932-00-0388.

Office Manager Statz explained that this process has made it apparent that the electric utility is paying for over half of the billing costs. The PSC gave staff the direction that if all utilities are on the same bill and are being billed just as often, they should have like costs. She explained that because of this, she calculated a cost split based on the percentage of customers for each utility. City Administrator Freitag would like the electric utility to continue to pay the 55% of costs and to split the remaining costs among the other four utilities at 11.25% each.

Comm. Pieters questioned why this was being discussed.

Utility Manager Adler explained that Wastewater Superintendent Clark asked to review the allocation.

Comm. Horn questioned why the electric costs shouldn't remain at 55% if there are two meters being read.

Office Manager Statz emphasized that the account #903 and #932-00-0388 have nothing to do with meter reading. These accounts only bear costs to get the bills out the door and to collect the revenue.

City Administrator Freitag stated he was not comfortable with the Statz proposal as there was a very large increase for the refuse and stormwater utilities. He explained both utilities would likely need rate increases to cover the costs. He did not feel there was a lot of time involved in billing the refuse, stormwater or sewer because they were fixed rates.

Office Manager Statz explained the PSC's approach is that if each utility would have to bill on its own, they would each have these costs. Because there is a sharing of resources by billing together, each utility should share fairly in the costs.

Comm. Pieters again questioned why this was being discussed.

Wastewater Superintendent Clark stated he is looking to cut his costs any way he can. He stated he pays about \$100,000 a year for billing services when he is now only using four months of the data. He is asked to cut his costs by the Common Council and he is looking to do that any way he can.

City Administrator Freitag stated he could no longer agree to the splits being proposed, as it was not in the best interest of the refuse and stormwater utilities. He did not feel the proposal marked "Freitag Proposed" was reflective of his opinion. He didn't feel it was productive for staff to be spending any more time on this allocation. He asked if the Utilities Commission has seen the proposal drafted by Jodi Dobson at Baker Tilly.

Office Manager Statz stated she agreed that a lot of staff time has been spent talking and working on this. She stated it has been discussed for years. She was sympathetic to the affects her proposed allocation would have on the refuse and stormwater utilities, but also could not recommend anything to the Utilities Commission that would have a negative impact on the electric and water utilities. She explained that Ms. Dobson's proposal has not been shared with

the commission because it was deemed unacceptable by the PSC, so as far as she was concerned it was off the table.

Comm. Brandel stated he did not understand why the refuse and stormwater utilities should have similar costs to the electric and water utilities as a portion of those charges are based off of usage and need more attention.

City Administrator Freitag stated the Finance Committee should discuss the issue so they are aware of the possible affects to the refuse and stormwater utilities.

Comm. Brandel and Comm. Oppermann agreed that the Finance Committee will need to discuss this matter as well.

No action was taken.

City Administrator Freitag and Wastewater Superintendent Clark left the meeting at 6:16 p.m.

### **DISCUSSION AND POSSIBLE ACTION – APPROVE RESEARCH FOR NEW POSSIBLE ELECTRIC VEHICLE CHARGING STATION AT JEFFERSON PUBLIC LIBRARY**

Energy Services Rresentative Greg Hoffmann shared cost estimates with the commission for a level two and a level three electric vehicle (EV) charging stations. He stated a level three charging station would charge an electric vehicle in one hour and would cost \$50,000. A level two charging station would charge an electric vehicle in four to six hours and would cost \$10,515. He stated the simple payback for a level three charger was 123 years and the level two charger would pay for itself after 16 years. He explained that Oconomowoc has an EV charging station and it does not see much use, even though it is in a busy part of the downtown.

Comm. Horn stated he wasn't sure if an EV charging station would be used in Jefferson. He felt that Oconomowoc was different than Jefferson.

Mr. Hoffmann stated he researched funding for the charger and did not find any incentives for the utility to take advantage of. He stated that WPPI does have a program that will pay 50% up to \$5,000 of the cost of an EV charger. He stated that commission did not have to act quickly to take advantage of that program, as he didn't believe there were plans for it to go away.

Comm. Adams stated there was an EV charger at Kwik Trip.

Mr. Hoffmann acknowledged there was, and he thought it was a level one charger.

Utility Manager Adler questioned how the customer pays for the electricity when they use the charger.

Mr. Hoffmann stated it was with a credit card, just like a gas pump. He was not aware of many EV's in Jefferson.

Utility Manager Adler asked if a customer would need to fill out a customer service application for an EV charging station at their home.

Mr. Hoffmann stated they probably would need to do so.

City Attorney Rogers questioned if a special outlet was needed for the chargers.

Mr. Hoffmann stated the level one charger is a regular outlet, but the level two and three chargers are a special outlet.

Comm. Horn questioned if the customer would pay the same electric rate if they charged their vehicle at home.

Mr. Hoffmann stated he wasn't sure, as a customer could set up their EV charger on a separate meter at the RG2 rate, which could be cheaper off-peak than the RG1 rate.

Comm. Pieters questioned if the utility has received requests for EV charging stations.

Utility Manager Adler stated a local electrician told him they installed a couple in town, but not many. The utility has not received requests for any standalone charging stations.

Mr. Hoffmann stated the company that quoted the level two charger at \$10,515 was only offering the deal until May 1, 2020.

No action was taken.

#### **DISCUSSION AND POSSIBLE ACTION TO APPROVE HVAC AGREEMENT WITH TRANE**

Utility Manager Adler stated that during the recent boiler rebuild, the Trane technician recommended the utility and police department have a preventative maintenance agreement. Currently there is not an agreement in place. There are two proposed agreements, one for the chiller and one for the boiler. The agreements cover annual inspections and cleanings of the two units. The cost is split 50/50 with the Police Department.

It was moved by Comm. Oppermann and seconded by Comm. Horn to approve the HVAC agreements with Trane for maintenance of the boiler and chiller, subject to approval by the Finance Committee. On call of the roll, motion carried. (Oppermann – Aye, Adams - Aye, Pieters – Aye, Brandel – Aye, Horn – Aye)

#### **DISCUSSION AND POSSIBLE ACTION TO APPROVE SOUTH MARSHALL AVENUE WATER MAIN RELAY – RR WALTON FOR \$93,347.00**

Utility Manager Adler stated the water utility budgeted to replace the water main on North Elizabeth Avenue and South Marshall Avenue in 2020. The City has decided not to replace the street on North Elizabeth Avenue, which will push off the watermain replacement. He was

recommending approval for RR Walton to replace the watermain on South Marshall Avenue for \$93,347.00.

Comm. Horn clarified that the project was budgeted.

Utility Manager Adler stated it was budgeted for in 2020.

It was moved by Comm. Horn and seconded by Comm. Pieters to approve RR Walton as the contractor for the water main relay on South Marshall Avenue in the amount of \$93,347.00. On call of the roll, motion carried. (Oppermann – Aye, Adams - Aye, Pieters – Aye, Brandel – Aye, Horn – Aye)

**DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE BIDDING FOR 2020 WATER MAIN REPLACEMENT ENGINEERING – LITTLE RIVER COURT**

Utility Manager Adler reiterated that the North Elizabeth Avenue project has been removed from the 2020 project list. He explained that Little River Court has a history of many watermain breaks. He would like to use the money budgeted for the Elizabeth Avenue to replace the watermain on Little River Court. He explained that this project will be more expensive than normal, as the utility will need to pay for blacktop, which is typically covered in the streets projects.

Comm. Horn asked about the condition of the street.

Utility Manager Adler explained that the street is in good shape, outside of the patches the utility has had to make due to watermain breaks.

Comm. Brandel explained that Little River Court is not on the city's street replacement list for a number of years.

Utility Manager Adler explained that he was looking for an approval tonight to proceed with engineering bids to do the work.

Comm. Horn stated the city and utility has used Town and Country Engineering in the past because they have the specs for our projects.

Utility Manager Adler explained we could provide our specs to any engineering company.

Comm. Horn clarified that this project would replace the North Elizabeth Avenue project.

Utility Manager Adler believed the project would be in the \$160,000 - \$170,000 range.

Comm. Horn stated he was in favor of the project since there is money available and there is a history of breaks.

Comm. Brandel questioned if Utility Manager Adler has discussed this project with City Engineer Pinnow.

Utility Manager Adler reached out to City Engineer Pinnow via email, but had not yet received a response. He did have a meeting schedule with him the following day. He went on to say that the engineering costs already spent on the Elizabeth Avenue project will be reserved until the project resumes.

It was moved by Comm. Horn and seconded by Comm. Pieters to get a cost estimate from Town and Country Engineering for water main replacement on Little River Court. On call of the roll, motion carried. (Oppermann – Aye, Adams - Aye, Pieters – Aye, Brandel – Aye, Horn – Aye)

### **DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE THE CREATION OF A NEW APPRENTICE LINE WORKER TUITION REIMBURSEMENT POLICY**

Utility Manager Adler explained that he had already received 10-15 applications for the apprentice lineman position. He has heard from other utilities that they have a policy stating that if an apprentice leaves employment within one year, the apprentice has to pay the utility back for the cost of schooling. The hope is that we can prevent apprentices from using us as a stepping stone. He was asking to move forward with City Attorney Rogers and Labor Attorney Susan Love on creating the policy.

Comm. Brandel, Comm. Pieters and Comm. Horn felt it was a good idea to have such a policy.

It was moved by Comm. Brandel and seconded by Comm. Oppermann to authorize the creation of a new apprentice line worker tuition reimbursement policy. Motion carried on a voice vote.

### **DISCUSSION AND POSSIBLE ACTION TO APPROVE ADDRESSING DNR 2020 INSPECTION ISSUES**

Utility Manager Adler explained the water utility is audited by the Wisconsin Department of Natural Resources (DNR) every three years. They review our procedures, hydrants, valves etc. He explained that three years ago, the DNR noted four deficiencies with our water distribution system. This year, there are four pages of corrections to be made. He stated lots of the issues are minor, but there are some large things that need to be corrected. His plan is to address the concerns this summer. The water utility will need to spend some money to make the corrections. For instance, each well needs a new scale and the scales are \$2,500.00 each.

Comm. Oppermann questioned if the water utility will make/has made the deadlines noted in the report, as he noticed one deadline was February 29, 2020.

Utility Manager Adler stated the utility will make the deadlines and the February 29, 2020 deadline was a misprint and has been updated by the DNR.

No action was taken.

### **DISCUSSION AND POSSIBLE ACTION TO EMPLOY HIGH SCHOOL COOP STUDENT THROUGH THE SUMMER MONTHS FOR LINE CREW SUMMER HELP**

Utility Manager Adler explained the electric department's COOP student has requested to work through the summer months. In the fall, he will attend line distribution school in Fennimore.

It was moved by Comm. Brandel and seconded by Comm. Pieters to approve the hire of Austin Rechlin as summer help for the line crew, not to exceed 1040 hours for the year. On call of the roll, motion carried. (Oppermann – Aye, Adams - Aye, Pieters – Aye, Brandel – Aye, Horn – Aye)

#### **DISCUSSION ON LED STREET LIGHT RATE TARIFF WITH PSC**

Utility Manager Adler explained that the electric tariff requires a pole charge for each LED light that is installed. This pole charge negatively impacts the city's street light costs, making it a deterrent to putting in LED lights. He explained that he has been working with WPPI to recreate a new street light tariff that will eliminate this charge. This is subject to PSC approval.

He explained that if the utility changes out all street lights to LED lights, it will save the city about \$15,000-\$20,000 a year. It would cost the electric utility \$160,000 to change out all of the fixtures to LED.

Comm. Horn left the meeting at 7:06 p.m.

It was moved by Comm. Oppermann and seconded by Comm. Brandel to adjourn to closed session pursuant to section 19.85(1)(c) of the Wisconsin State Statutes considering employment, promotion, compensation or performance evaluation of any public employee. On call of the roll, motion carried. (Oppermann – Aye, Adams - Aye, Pieters – Aye, Brandel – Aye)

It was moved by Comm. Pieters and seconded by Comm. Oppermann to reconvene to open session. On call of the roll, motion carried. (Oppermann – Aye, Adams - Aye, Pieters – Aye, Brandel – Aye)

#### **DISCUSSION AND POSSIBLE ACTION TO APPROVE CURT HEBBE TO LEAD WATER OPERATOR**

It was moved by Comm. Brandel and seconded by Comm. Pieters to approve the promotion of Curt Hebbe to Lead Water Operator at a wage of \$32.35, retroactive to when he took over the duties. On call of the roll, motion carried. (Oppermann – Aye, Adams - Aye, Pieters – Aye, Brandel – Aye)

#### **DISCUSSION AND POSSIBLE ACTION TO APPROVE THE ADVERTISEMENT FOR A NEW WATER OPERATOR**

It was moved by Comm. Brandel and seconded by Comm. Pieters to approve the advertisement of a Water Operator. On call of the roll, motion carried. (Oppermann – Nay, Adams - Aye, Pieters – Aye, Brandel – Aye)

It was moved by Comm. Brandel and seconded by Comm. Oppermann to adjourn. Motion carried on a voice vote. The meeting adjourned at 7:24 p.m.