

REGULAR MEETING OF THE JEFFERSON UTILITIES COMMISSION, HELD NOVEMBER 12, 2019

On call of the roll, commissioners present were: Adams, Ganser, Bristol (arrived at 5:32 p.m.), Brandel, Horn, Pieters and Oppermann. Also present: Utility Manager Adler, Office Manager Statz and City Attorney Rogers. The meeting began at 5:28 p.m.

PUBLIC PARTICIPATION

None

MINUTES

It was moved by Comm. Brandel and seconded by Comm. Ganser to approve the minutes from the October 14, 2019 meeting. Motion carried on a voice vote.

EXPENDITURES

It was moved by Comm. Horn and seconded by Comm. Pieters to approve the payment of October's bills totaling \$1,110,905.14. On call of the roll, motion carried. (Oppermann – Aye, Adams - Aye, Ganser – Aye, Pieters – Aye, Brandel – Aye, Horn - Aye)

DISCUSSION AND POSSIBLE ACTION TO APPROVE REPAIRS TO WELL #5 – MUNICIPAL WELL AND PUMP FOR \$98,670

Utility Manager Adler informed the commission that well #5 is offline due to the shaft breaking again. After speaking with consultants, Andy Jacques and Pat Planton, it has been suggested that we eliminate the pump at the top and move forward with a submersible pump.

Comm. Bristol arrived at 5:32 p.m.

Utility Manager Adler explained that the previous fix may have made the problem worse. The submersible pump proposed is high speed. While the pump is being replaced, we would like to do a thorough cleaning since the well is down. This may increase our pumping capacity. The cost to drill a new shaft is \$1 million to \$1.5 million.

Comm. Horn asked at what depth the kink is located.

Utility Manager Adler stated it was around 200-250 feet down and the water level was at about 200 feet down.

City Attorney Rogers questioned if we would be bidding out the work.

Utility Manager Adler stated he would recommend we forgo the bidding process due to the emergent need to get the well back online.

Comm. Ganser asked if there was any guarantee that this would work and/or fix the problem.

Utility Manager Adler stated there was no guarantee.

Comm. Horn asked for a recap on what was done previously.

Utility Manager Adler explained a new casing and chemical pump was put in about six months ago. In addition, we added more chemicals to fix the bacteria growth.

Comm. Horn asked if the company that performed the work was liable at all, since the casing was not successful.

Utility Manager Adler stated they were not. The consultant believes the installation failed because the casing was difficult to install due to the severe kink.

Comm. Pieters questioned if this same issue had happened before at the well.

Utility Manager Adler explained it had and was fixed about six months ago. Since the shaft has broken again, it is being proposed that the shaft be eliminated. By adding the submersible pump and doing a thorough cleaning, we are hoping to get our pumping capacity up to 1000 gallons per minute. Currently, we are at 700 gallons per minute.

Comm. Pieters asked how long the pump has been there.

Utility Manager Adler explained it is the original pump, so since the mid-1990's.

Comm. Horn asked what the timeframe would be to get bids out for the work.

City Attorney Rogers explained it is at least a two month process by the time you give notice, send it out to bidders and get all documents returned.

Comm. Brandel and City Attorney Rogers clarified that there was no guarantee in writing of the work performed to fix the problem originally.

Utility Manager Adler explained it was just like putting in watermain. There is no guarantee of that work either.

Comm. Ganser asked how quick the work could be completed.

Utility Manager Adler stated Municipal Well and Pump felt that could get it fixed by Christmas.

It was moved by Comm. Brandel and seconded by Comm. Ganser to approve the repairs to well #5 for an amount of \$98,670 with Municipal Well and Pump. Due to this being an emergency, the bidding process will be forgone. On call of the roll, motion carried. (Oppermann – Aye, Adams - Aye, Ganser – Aye, Pieters – Aye, Brandel – Aye, Bristol – Aye, Horn - Aye)

DISCUSSION AND POSSIBLE ACTION TO APPROVE LINE EXTENSION POLICY FOR CONTRIBUTION IN AID ADVANCE OF CONSTRUCTION

Utility Manager Adler stated he had reviewed the policy drafted by City Attorney Rogers and was in agreement with the language proposed.

Comm. Horn clarified the purpose of the policy was to require money up front by developers to protect the utility against material purchased if the development does not go through.

Utility Manager Adler stated that was correct.

It was moved by Comm. Pieters and seconded by Comm. Bristol to approve the line extension policy for contribution in aid advance of construction. On call of the roll, motion carried. (Oppermann – Aye, Adams - Aye, Ganser – Aye, Pieters – Aye, Brandel – Aye, Bristol – Aye, Horn - Aye)

DISCUSSION AND POSSIBLE ACTION TO APPROVE PURCHASE OF LINE FAULT INDICATORS FOR \$11,400

Utility Manager Adler asked for approval to purchase smart line fault indicators. He explained this was the first step to automating the feeders at the substation. He was not looking for a full blown SCADA system yet, but this would have a SCADA at the office to see the status of the feeders and the status at the substation.

Comm. Pieters asked what kind of a system we have now.

Utility Manager Adler explained we do not have any kind of system right now. If there is an outage, crews have to report to the substation to gather more information. His goal was that this system would help crews diagnose the cause of an outage quicker.

Comm. Pieters asked how much of the system would be covered.

Utility Manager Adler stated if the indicators were placed in the right places, the whole system would be covered.

Comm. Bristol explained these products were standard across the industry and were beneficial to the system. He went on to say that the price given was very good for the SEL models.

It was moved by Comm. Oppermann and seconded by Comm. Bristol to approve the purchase of line fault indicators for \$11,400. On call of the roll, motion carried. (Oppermann – Aye, Adams - Aye, Ganser – Aye, Pieters – Aye, Brandel – Aye, Bristol – Aye, Horn - Aye)

It was moved by Comm. Brandel and seconded by Comm. Horn to adjourn to closed session pursuant to section 19.85(1)(c) considering employee compensation and performance evaluation data of Utility Manager, including overtime pay. On call of the roll, motion carried. (Oppermann – Aye, Adams - Aye, Ganser – Aye, Pieters – Aye, Brandel – Aye, Bristol – Aye, Horn - Aye)

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

DISCUSSION AND POSSIBLE ACTION ON RECOMMENDATIONS FROM CLOSED SESSION CONCERNING EMPLOYEES AND UTILITY MANAGER COMPENSATION

It was moved by Comm. Horn and seconded by Comm. Pieters to approve a 3% adjustment to the wage matrix for 2020. Employees in the steps will remain at the same step as 2019 and employees in the merit section will receive a 2.5% increase, effective January 1, 2020. On call of the roll, motion carried. (Oppermann – Aye, Adams - Aye, Ganser – Aye, Pieters – Aye, Brandel – Aye, Bristol – Aye, Horn - Aye)

DISCUSSION AND POSSIBLE ACTION ON 2020 ELECTRIC AND WATER BUDGET

Utility Manager Adler reviewed the 2020 capital projects. He noted that on the water side a watermain replacement was added for North Elizabeth Avenue. In addition, he provided the commission with a list of proposed projects for 2020 to 2024. He explained that the Public Works Department has an aggressive replacement schedule ahead. This will mean an aggressive water main replacement schedule, as the street replacements are the best time to replace the watermain. He also pointed out that the Riverside Alley project has been postponed. It sounds as if the City will be looking for the utility to cover the cost of placing the infrastructure underground.

Comm. Oppermann stated the funding sources for the Riverside Alley project have not been put in stone yet. At this time, the TID and utility contributions needed are unknown.

Office Manager Statz reviewed the proposed 2020 electric and water budgets. She explained the electric budget is presented with a 5% increase in all expenses. Given the 2.5% approved wage increase for the Lineman and Utility Manager positions, she recommended reducing those increases to 3%.

Comm. Brandel asked if the utility was headed for a rate increase as the rates of return for both the electric and water utility were projected to be low.

Office Manager Statz stated she is anticipating the need for a Simplified Rate Case on the water side in 2020. This will be pending the 2019 audit results, so the budget does not reflect an increase in rates. She stated her thought is to move forward with a Simplified Rate Case (3% across the board adjustment) on the water side in 2020 and a full electric rate case in 2021. She stated the full electric rate case in 2021 would align well with the 2022 project, as those dollars could be recovered right away. However, she reiterated that it will depend on how 2019 officially ends.

Utility Manager Adler stressed that our revenues are based largely on the weather patterns.

City Attorney Rogers asked if there is a requirement for the utility budget to be published.

Office Manager Statz stated she is aware that the City budget needs to be published and the utility budget should be included in that. She indicated that she does send the budget to City Hall each year, but was unsure if the City publishes it. She does not publish anything independently.

It was moved by Comm. Horn and seconded by Comm. Brandel to approve the 2020 electric and water budgets, with an increase in the electric expense accounts of 3%, instead of 5%. The Lineman and Utility Manager positions will receive a 2.5% increase in wages, instead of the 5% proposed. On call of the roll, motion carried. (Oppermann – Aye, Adams - Aye, Ganser – Aye, Pieters – Aye, Brandel – Aye, Bristol – Aye, Horn - Aye)

It was moved by Comm. Horn and seconded by Comm. Ganser to adjourn. Motion carried on a voice vote. The meeting adjourned at 6:40 p.m.