

REGULAR MEETING OF THE JEFFERSON UTILITIES COMMISSION, HELD NOVEMBER 13, 2017

On call of the roll, commissioners present were: Adams, Beyer, Brandel, Michaelis, Tinberg, Ristow and Oppermann. Also present were: Utility Manager Adler and Office Manager Statz.

PUBLIC PARTICIPATION

None

MINUTES

Comm. Ristow suggested the following changes:

*“City Administrator Freitag also talked to the commission about offering an opt-out insurance program to its employees. He stated that there are three people on the city plan that have opted-out of the city’s insurance plan because they can get insurance elsewhere. He said somewhere down the line the utilities made it mandatory for all employees to sign up for insurance through the city’s plan and removed the opt-out option. **He made a number of comments about the history of the opt-out program.**”*

*“It was moved by Comm. Ristow and seconded by Comm. Brandel to award the asphalt paving bid to PLM Paving for the amount of \$11,789.00, **pending expiration of the publication period.**”*

It was moved by Comm. Ristow and seconded by Comm. Tinberg to approve the regular session minutes from the October 9, 2017 meeting with the noted corrections. Motion carried on a voice vote.

EXPENDITURES

It was moved by Comm. Brandel and seconded by Comm. Ristow to approve the payment of October’s bills totaling \$1,201,269.21. On call of the roll, motion carried unanimously. (Brandel – Aye, Oppermann – Aye, Beyer – Aye, Ristow – Aye, Adams – Aye, Tinberg – Aye, Michaelis – Aye).

CHANGES TO THE LEAD REPLACEMENT PROGRAM

Utility Manager Adler explained that, to date, the lead replacement program has had very poor participation. He stated that the utility has three years to spend the funds that have been awarded. In addition to the \$300,000 in 2017, the utility was awarded another \$150,000 for 2018. Because of the poor participation in the program and the funds awarded in 2018, Utility Manager Adler requested that the utility cover 100% of the replacement cost and make it retroactive to include customers that have already received partial payment from the utility.

Comm. Ristow questioned if we could move those customers that were given second and third consideration up on the list of priority.

Utility Manager Adler stated that the Public Service Commission has made partial replacements a priority for all utilities.

Comm. Ristow asked how many partial replacements are in Jefferson.

Utility Manager Adler stated that there are probably around 200 and, of those, 127 have responded that they would like to participate in the program.

Comm. Ristow asked if there was anything else the utility could do to spark interest in the program.

Utility Manager Adler stated that he hopes that by covering all of the costs, more customers would want to participate. In addition, he was hoping to find more qualified contractors. Part of the problem is that the contractors on our qualified list are not returning calls to customers; therefore customers are unable to get quotes for the work.

Comm. Ristow stated that at 100% funding reimbursement we may have the opposite problem where there are too many participants and not enough money.

It was moved by Comm. Brandel and seconded by Comm. Michaelis to recommend to the common council an amended ordinance for the lead replacement program stating that the grant funds can be used to cover 100% of the cost to replace a lead service, as long as funds are available. In addition, the ordinance should be retroactive for customers that have already made a partial payment. Motion carried on a voice vote.

APPROVAL OF 2018 BUDGET

Utility Manager Adler reviewed the 2018 capital expenditures for the electric and water departments. A big unknown is how much the building will cost to repair and how that will be funded. At this time it is believed that a debt issuance will take place in 2018.

Comm. Ristow stated that it may be a good idea to make note of that in the budget, even though we will not make a debt payment until likely 2019.

Utility Manager Adler provided a calculation of how a debt issuance will affect our rates, as drafted by Baker Tilly partner Jodi Dobson.

Comm. Brandel stated that he liked the information provided by Ms. Dobson and was pleased to see that a large debt issuance like this will have a minimum effect on our rates.

Utility Manager Adler stated that there are funds in the budget for some conversion of electric meters to AMI in 2018. However, if the commission did not wish to go that route yet, he could use those funds to complete more boring work.

Comm. Ristow questioned if it would be beneficial to do a financial analysis on whether or not AMI is cost effective versus the part-time meter readers that we have now.

Comm. Brandel stated that it looks like AMI is very expensive and may not be the most cost-effective.

Utility Manager Adler stated that he will, instead, use \$10,000 of the budgeted AMI funds for a financial analysis looking into the cost effectiveness of AMI and use some of the remaining funds allocated for AMI for additional boring work in 2018.

Office Manager Statz reviewed the financials for both the 2018 electric and water budgets. Both utilities are forecasted to do well in 2017 and 2018. She stated that the 2018 budget is conservative, forecasting a 1% decrease on electric and water usage and a 2.5% increase in expenses. Office Manager Statz continued to say that the 2018 budget reflects the same health and dental coverage as 2017.

Utility Manager Adler stated that in 2018 we are budgeting a 5% wage increase for the Lineman and Meter Technician positions. All other staff outside of the steps would receive a 2% wage increase. Because the electric and water utilities cannot recover bonuses or payouts in our rates, he was recommending a 2% wage increase to the base pay. He stated that this was similar to the city, in that they are paying a 1% wage increase to the base pay and a 1% payout.

Comm. Oppermann stated that he did not feel that was comparable to the city.

Comm. Brandel stated that since the utilities could not recover bonuses in its rates, the utility staff would never be eligible for the merit bonus like city staff.

It was moved by Comm. Oppermann and seconded by Comm. Ristow to approve a 1.5% increase on the base and a 5% increase on the base for the Lineman and Meter Technician positions. On call of the roll, motion carried unanimously. (Brandel – Aye, Oppermann – Aye, Beyer – Aye, Ristow – Aye, Adams – Aye, Tinberg – Aye, Michaelis – Aye).

Comm. Beyer, seconded by Comm. Oppermann to approve the 2018 budget with noted amendments. On call of the roll, motion carried unanimously. (Brandel – Aye, Oppermann – Aye, Beyer – Aye, Ristow – Aye, Adams – Aye, Tinberg – Aye, Michaelis – Aye).

WATER MAIN RELAY CONSULTANT PROPOSAL

Comm. Brandel, seconded by Comm. Ristow to approve Baxter and Woodman for consulting work on the 2018 water main projects. On call of the roll, motion carried unanimously. (Brandel – Aye, Oppermann – Aye, Beyer – Aye, Ristow – Aye, Adams – Aye, Tinberg – Aye, Michaelis – Aye).

It was moved by Comm. Oppermann and seconded by Comm. Michaelis to adjourn. Motion carried on a voice vote.