

REGULAR MEETING OF THE JEFFERSON UTILITIES COMMISSION, HELD SEPTEMBER 14, 2020

On call of the roll, commissioners present were: Adams, Brandel, Neils, Pieters, Ganser, Bristol and Oppermann. Also present were: Utility Manager Adler, Office Manager Statz, City Attorney Rogers and City Administrator Freitag. The meeting began at 5:26 p.m.

PUBLIC PARTICIPATION

None

MINUTES

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

EXPENDITURES

It was moved by Comm. Brandel and seconded by Comm. Ganser to approve the payment of August's bills totaling \$1,380,313.64. On call of the roll, motion carried. (Pieters – Aye, Brandel – Aye, Neils – Aye, Ganser – Aye, Bristol – Aye, Oppermann – Aye, Adams - Aye)

DISCUSSION AND POSSIBLE ACTION – TAX ROLL FOR DELINQUENT ACCOUNTS

Utility Manager Adler reviewed the PSC's actions on disconnection procedures this past year. This has tied the utility's hands in being able to shut off customers for non-payment. He explained the PSC will meet again on September 17 to determine if utilities will be able to pursue disconnection before the winter moratorium. He went on to explain that staff would like direction from the commission about whether or not we should pursue use of the tax roll to collect delinquent accounts like we normally do.

Office Manager Statz reviewed the current tax roll process where we send all final bills and any active account balance that is delinquent over \$250.00. She explained that the utility could do a variety of things this year, but she had narrowed it down to three options. She explained that her job is to look out for the best interest of the utility financially, and therefore, she has to recommend the utility move forward as it typically would and place the delinquencies on the tax roll for collection. She did understand that circumstances are different this year, and that is why they have brought this issue before the Utilities Commission for direction.

Office Manager Statz explained that the PSC has allowed for unpaid balances, during this time, to be written off and collected in future rates. She stated they have asked City Administrator Freitag to attend the meeting because a decision made tonight could affect the storm water, sewer and refuse utilities. The Utilities Commission does not have authority over those dollars, as those are set by the Common Council. She went on to say that only the electric and water delinquencies could be recovered in future rates. The sewer, refuse and storm water utilities would be out those funds.

Lastly, if the commission wanted an in between option, she stated the utility could send all final account balances and not the active accounts. Office staff would then spend the winter months trying to collect the unpaid balances through the Wisconsin Department of Revenue's TRIP (tax refund intercept program) and hopefully in the spring through disconnection practices. She stressed there is no guarantee to collect funds through this method and it could cause for even larger balances on the tax roll next year.

Comm. Pieters stated he understood the utility could legally pursue the tax roll, but in light of the pandemic and our hands being tied with disconnections, he did not feel that was the fair course of action this year. He would like to see the commission take a path of compromise. He stated he felt the tax roll is meant to be used in conjunction with our ability to disconnect to collect unpaid balances. He stated that since disconnections were not able to take place this year, there should be some consideration given.

Office Manager Statz asked City Administrator Freitag for his input on the use of tax roll this fall.

City Administrator Freitag stated the refuse, storm water and sewer utilities do not operate in a fashion to not collect revenue. He stated they would still want to pursue collection of those three utilities via the tax roll. He was concerned that if accommodations were made this year, it would set a precedent moving forward. He cautioned the commission moving in that direction. He went on to say that the Common Council has had requests to waive fees, like room tax, and it has taken the stance that there will be no adjustments made. He recommended the Utilities Commission follow that lead.

Utility Manager Adler stated landlords have the ability to take their tenants to court to recover the unpaid charges that are placed on their bill. He asked City Attorney Rogers for the approximate cost to do this.

City Attorney Rogers stated it would cost about a \$135 filing fee. He questioned if the utility could still pursue the use of TRIP even if it is placed on the tax roll.

Office Manager Statz stated the utility could not do so. The delinquent balance would be removed from the customer's account. Therefore, the balance would no longer exist.

Comm. Brandel stated he felt bad for the landlords that may have tenants with large balances, but agreed that any changes to our current practice would be precedent setting. In addition, if the customer sets up a deferred payment agreement it would keep the balance off of tax roll. For those reasons, he believed we should proceed as normal.

Comm. Oppermann stated he agreed with Comm. Brandel.

Comm. Bristol stated he thought the tax roll process was well thought out and is used as a tool for the utility to keep costs down for all customers. He stated if there are not repercussions for customers that do not pay their bill the utility could see other customers stop paying just because they can. He stated he had to pay his bill each month and didn't feel it was fair to all of the other rate payers that do the same, not to hold the delinquent customers accountable.

It was moved by Comm. Bristol and seconded by Comm. Oppermann to place delinquent accounts on the tax roll in 2020, consistent with past practice. On call of the roll, motion carried with a vote of 6-1. (Pieters – Nay, Brandel – Aye, Neils – Aye, Ganser – Aye, Bristol – Aye, Oppermann – Aye, Adams - Aye)

City Administrator Freitag left the meeting at 5:56 p.m.

DISCUSSION AND POSSIBLE ACTION – 2021 BUDGET

Utility Manager Adler reviewed the 2021 large expenses and capital projects. He stated the budget also allows for the filling of the vacant electric and water positions.

Office Manager Statz reviewed the 2020 projected income for both electric and water. She explained that each year the budget is put together, it is planned for a drop in usage and an increase in expenses. She stated this is done on purpose to account for a worst case scenario. She went on to say that because of this practice, the utility should come out okay at year end, in spite of COVID. She reiterated that by not filling the electric and water positions that became vacant in early 2020, the utility saved about \$100,000 in expenses for both utilities.

Office Manager Statz reviewed the 2021 proposed budget. She stated this budget was a little more difficult to put together because of COVID uncertainty. In addition, staff has made accommodations this year to have the electric and water budgets aligned with other city budgets. This will allow for one publication and adoption by the Common Council. For 2021, staff estimated a decrease in usage for both water and electric in the range of 0.50% to 1% depending on the customer class and an increase of 2% in expenses in both utilities. She reviewed the proposed expenses and net income for the two utilities and noted that in 2021, we are projecting a loss in

cash on the water side. This is due to an even lower projection in sales and increased expenses. She noted that in 2020, we anticipate ending the year with a large amount of cash which will offset the negative cash flow in 2021. She reiterated that staff hopes this is a worst case scenario.

Office Manager Statz stated that typically staff follows city proposed wage increases. However, since we are ahead of their budget process this year, that figure has not yet been set. She also explained that insurance figures are also not yet known. For budget purposes, staff has allowed for a 2% wage increase for employees and the maximum health insurance increase possible in 2021. Wages for next year will be determined at a future date when the general fund is closer to adoption by the Common Council.

It was moved by Comm. Brandel and seconded by Comm. Pieters to approve the 2021 budget. On call of the roll, motion carried. (Pieters – Aye, Brandel – Aye, Neils – Aye, Ganser – Aye, Bristol – Aye, Oppermann – Aye, Adams - Aye)

DISCUSSION AND POSSIBLE ACTION – S E H INC 2021 DNR LEAD REPLACEMENT PROGRAM

Utility Manager Adler stated for the last three years, S E H, Inc has administered our private lead replacement program. Typically, these costs are eligible for reimbursement with grant funds however in 2021 they will not be reimbursable. The cost for S E H, Inc will need to be covered in our operating budget.

Comm. Ganser asked how many lead services we were going to replace in 2021.

Utility Manager Adler stated it was hard to tell, but we are estimating high. He stated we do about 20-30 each year. In addition, he was hoping to get more of the utility's lead services replaced in 2022. He explained that the utility also has some lead services, as the utility owns the pipe from the curb stop to the street. Beyond the curb stop, heading towards the home, is the customer's responsibility.

It was moved by Comm. Pieters and seconded by Comm. Ganser to approve S E H Inc. for the 2021 lead service replacement program at a rate of \$75.00 per hour, not to exceed \$18,500. On call of the roll, motion carried. (Pieters – Aye, Brandel – Aye, Neils – Aye, Ganser – Aye, Bristol – Aye, Oppermann – Aye, Adams - Aye)

DISCUSSION AND POSSIBLE ACTION – TOWN AND COUNTRY ENGINEERING – DESIGN FOR PLYMOUTH ST WATER MAIN 2021 PROJECT, FOR \$32,700

Utility Manager Adler stated it is budgeted in 2021 to replace the water main on Plymouth Street. He is recommending a contract with Town and Country Engineering for design work on the project.

It was moved by Comm. Brandel and seconded by Comm. Neils to approve Town and Country Engineering to design Plymouth St Water Main for \$32,700. On call of the roll, motion carried. (Pieters – Aye, Brandel – Aye, Neils – Aye, Ganser – Aye, Bristol – Aye, Oppermann – Aye, Adams - Aye)

DISCUSSION AND POSSIBLE ACTION – APPROVAL OF CAPITAL PROJECTS FOR 2020

Utility Manager Adler stated that since the water main project on N Elizabeth Ave was cancelled in 2020, he would like correct some issues cited by the Wisconsin Department Natural Resources (DNR) at our wells.

In addition, on the electric side, Utility Manager Adler stated he would like to install some fault indicators throughout our system and begin work on a SCADA system yet this fall.

Utility Manager Adler stated he would also like to spend \$10,000-\$15,000 to continue work on gathering water service material data, as it will soon be required by the DNR/EPA.

It was moved by Comm. Oppermann and seconded by Comm. Bristol to approve the proposed capital projects for 2020. On call of the roll, motion carried. (Pieters – Aye, Brandel – Aye, Neils – Aye, Ganser – Aye, Bristol – Aye, Oppermann – Aye, Adams - Aye)

DISCUSSION AND POSSIBLE ACTION – APPROVAL TO HIRE COOP STUDENTS – OFFICE AND ELECTRIC DEPARTMENTS

Utility Manager Adler stated he has a high school student who is interested in going into the electric distribution field after high school and is seeking a position in our electric department to help gain experience. In addition, the office would like to hire a part time high school student to help out with duties. Both students would come from the Jefferson High School COOP programs and would be paid at a rate of \$12.00 per hour.

It was moved by Comm. Oppermann and seconded by Comm. Brandel to approve the part-time hire of two COOP students at an hourly rate of \$12.00 per hour. On call of the roll, motion carried. (Pieters – Aye, Brandel – Aye, Neils – Aye, Ganser – Aye, Bristol – Aye, Oppermann – Aye, Adams - Aye)

DISCUSSION AND POSSIBLE ACTION – COMMUNITY CONTRIBUTIONS: JEFFERSON FIRE DEPARTMENT, COLORING BOOKS

Comm. Oppermann stated he was happy to see the Fire Department is moving forward with the coloring books this year.

It was moved by Comm. Pieters and seconded by Comm. Ganser to approve a community contribution of \$200.00 to the Jefferson Fire Department for coloring books. On call of the roll, motion carried. (Pieters – Aye, Brandel – Aye, Neils – Aye, Ganser – Aye, Bristol – Aye, Oppermann – Aye, Adams - Aye)

DISCUSSION AND POSSIBLE ACTION – PUBLIC POWER WEEK

Office Manager Statz stated that typically the utility hands out light bulbs to honor public power week, but with COVID they did not want to encourage unnecessary interactions with customers this year. She was suggesting we make a contribution to the Jefferson Food Pantry for \$2,500.00. She stated most of this would be covered by reimbursable funds through WPPI.

It was moved by Comm. Oppermann and seconded by Comm. Neils to approve a donation of \$2,500 to the Jefferson Food Pantry in honor of Public Power Week. On call of the roll, motion carried. (Pieters – Aye, Brandel – Aye, Neils – Aye, Ganser – Aye, Bristol – Aye, Oppermann – Aye, Adams - Aye)

It was moved by Comm. Pieters and seconded by Comm. Ganser to adjourn. Motion carried on a voice vote. The meeting adjourned at 6:33 p.m.

PRESIDENT

SECRETARY