

STOUGHTON UTILITIES COMMITTEE REGULAR MEETING MINUTES

Monday, June 18, 2018 – 5:00 p.m.

Stoughton, WI

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Location: Edmund T. Malinowski Board Room
Stoughton Utilities Administration Office
600 South Fourth Street
Stoughton, Wisconsin, 53589

Members Present: Citizen Member Kym Ackerman, Citizen Member David Erdman, Alderperson Regina Hirsch, Citizen Member John Kallas, Mayor Tim Swadley, Alderperson Nicole Wiessinger

Excused: Alderperson Pat O'Connor

Absent: None

Others Present: Stoughton Utilities Finance Manager Jamin Friedl, CPA, Stoughton Utilities Assistant Director Brian Hoops, Stoughton Utilities Director Robert Kardasz, P.E.

Call to Order: Citizen Member David Erdman called the regular Stoughton Utilities Committee Meeting to order at 5:11 p.m.

Utilities Committee Consent Agenda: Stoughton Utilities staff presented and discussed the Stoughton Utilities Committee consent agenda items. Discussion followed.

Citizen Member David Erdman was presented with the "Charlie Bradburn Pillar of Public Power" award that was given to him by the Municipal Electric Utilities of Wisconsin at their recent annual conference in honor of his ten years of service to the public power industry.

Motion by Alderperson Regina Hirsch, the motion seconded by Citizen Member John Kallas, to approve the following consent agenda items as presented: Stoughton Utilities Payments Due List Report, Draft Minutes of the May 14, 2018 Regular Utilities Committee Meeting, Stoughton Utilities April 2018 Financial Summary, Stoughton Utilities April 2018 Statistical Report, Stoughton Utilities May 2018 Activities Report, Utilities Committee Annual Calendar, Communications. The motion carried unanimously 5 to 0.

Status of the Utilities Committee recommendation(s) to the Stoughton Common Council: Stoughton Utilities staff presented and discussed the following items from the Stoughton Utilities Committee that were approved and/or placed on file by the Stoughton Common Council:

- Stoughton Utilities Payments Due List Report
- Stoughton Utilities Committee April 16, 2018 Meeting Minutes
- Stoughton Utilities March 2018 Financial Summary
- Stoughton Utilities March 2018 Statistical Report
- Presentation of the electric and water tax-stabilization dividends

Mayor Tim Swadley joined the meeting at 5:20 p.m.

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Cost analysis of an overhead to underground electric system conversion: Stoughton Utilities staff provided an educational presentation on the potential costs and rate impacts associated with an overhead to underground electric system conversion within the City of Stoughton. The benefits and challenges associated with underground distribution systems were discussed.

A summary of studies conducted by other utilities and states was provided, including findings by the states of North Carolina and Florida that found system conversions would require rate increases of 80% to 125%, finding by the City of Anaheim that a conversion would require a 4% monthly surcharge for the next fifty years, and findings from other states that conversions would cost each customer several thousand dollars.

An estimate of the potential cost impact to Stoughton Utilities customers if a system conversion were to be occur was provided, including:

- A construction-only estimate of \$131,000,000 for a conversion of the system within the City of Stoughton, which does not include engineering, legal, and obtaining easements, and excludes the entire rural distribution system;
- A potential rate impact of a 27% increase within the first ten years, with continued annual increases of approximately 3% for the following 30 years;
- A potential annual increase of \$355 for residential customers, \$10,270 for commercial CP-1 customers, and \$157,760 for industrial customers;
- The rate impact on rural customers, who constitute over 25% of Stoughton Utilities customer base yet are excluded from the project scope, may result in a special rate;
- Regulatory considerations, including Wisconsin Public Service Commission PSC 130.03 prohibiting municipal regulations requiring ratepayer-funded underground facilities for aesthetic reasons, and PSC 112.05 requiring PSC approval of the construction of electric utility facilities.

Discussion followed. Alderperson Regina Hirsch requested that the information presented to the committee also be presented to the Stoughton Common Council at a future meeting.

Stoughton Utilities personnel status update: Stoughton Utilities staff presented and discussed recent personnel changes effective May 27, 2018, including the promotion of Kent Thompson to the position of Water System Supervisor, the promotion of Bryce Sime to the position of Electric System Supervisor, and the promotion of Tony Wiczorek to the position of Lead Journeyman Lineman. Discussion followed.

Wastewater treatment facility and sanitary sewer collection system 2017 Compliance Maintenance Annual Report (CMAR): Stoughton Utilities staff presented and discussed the 2017 CMAR. Annual submittal of an electronic CMAR form (eCMAR) is required to be completed no later than June 30. Discussion followed. Motion by Alderperson Regina Hirsch, the motion seconded by Citizen Member Kym Ackerman, to approve the 2017 Compliance Maintenance Annual Report and recommend the approval and the adoption of the corresponding resolution to the Stoughton Common Council on June 26, 2018. The motion carried unanimously 6 to 0.

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Utilities Committee future agenda items: Staff informed the committee that upcoming topics include governance, employee succession planning, and a presentation from WPPI Energy Senior Vice President of Member Services and Business Strategy Tom Paque. Committee members requested future items include a discussion on lead service replacements, and a discussion about a partnership with the RDA to create a renewable energy showcase in the riverfront redevelopment project.

Tour of the Stoughton Utilities Administration Building: Stoughton Utilities staff invited the committee members to participate in a tour of the Stoughton Utilities Administration Building immediately following the meeting. Discussion followed.

Adjournment: Motion by Citizen Member John Kallas, the motion seconded by Citizen Member Kym Ackerman, to adjourn the regular Stoughton Utilities Committee Meeting at 6:27 p.m. The motion carried unanimously 6 to 0.

The tour of the Stoughton Utilities Administration Building did not occur due to committee members having other commitments.

Respectfully submitted

Brian R. Hoops
Stoughton Utilities Assistant Director