

VILLAGE OF WINDSOR – UTILITY COMMISSION MEETING
Tuesday, May 17, 2016 at 8 a.m.
Windsor Municipal Building / Meeting Room, 4084 Mueller Rd, DeForest, WI

MINUTES

1) Call Meeting to Order and Roll Call

Meeting convened by Chairperson Buchner at 8:00 a.m. Commissioners present: Nicholas Loomis, Kitty Repas, Dave Bomkamp and Alan Buchner.

Others present: Village Attorney Connie Anderson, Utility Engineer Jerry Groth, Baxter & Woodman; Village Engineer Kevin Richardson, Village Accountant Kevin Krysinski, Johnson Block; Utility District Staff: Jeff Bartosiak and Jon Claas, Village Director of Finance Tina Butteris, and Village President Bob Wipperfurth.

2) Recitation of the Pledge of Allegiance

Commissioner Repas led the Pledge of Allegiance.

3) Announcements:

Chair Buchner welcomed new Commissioner Bomkamp.

4) Approve Minutes:

- a. April 19, 2016

Commissioner Repas moved to approve the April 19, 2016 minutes, seconded by Commissioner Loomis. Motion carried with a 4-0 vote.

5) Finance Report

- a. Invoices

Finance Director Butteris gave the Finance Report. Commissioner Bomkamp moved to approve the Finance Report and Invoices as presented, seconded by Commissioner Repas. Motion carried with a 4 – 0 vote.

6) Collection of Fire Protection Charge

Kristy Rogers, Assistant Administrator of the Division of Water, Telecommunications and Consumer Affairs of the Public Service Commission provided the following information when Windsor inquired as to direct charging the Public Fire Protection (PFP) charge beginning the summer of 2016:

Both the Morrisonville Sanitary District (MSD) and the Windsor Sanitary District (WSD) may apply to direct bill the PFP charge to the water customers outside of a full rate case.

The MSD has always used a municipal PFP charge. It is currently \$28,515 collected annually through property taxes collected by the MSD (Schedule F-1). It can switch to a direct PFP charge without a hearing since the direct PFP charges will be initial rates.

The WSD is more complicated. WSD was approved in 2010 to have two different PFP charges.

One is the standard municipal charge of \$93,870 collected annually through property taxes by the WSD (Schedule F-1).

The other is the "Outside Services Charge to DeForest Customers" in Schedule OSC-1. This is essentially a direct PFP charge to WSD's water customers that are located in DeForest (big commercial customers). This is a very unusual situation. The DeForest customers should have been billed a 25% surcharge based on Mg-2. But based on staff notes it appears that DeForest requested a direct PFP charge for these customers. So these DeForest customers have been directly billed a PFP charge based on property values (equalized value).

Going forward, it is recommended that WSD direct bill all of its water customers the PFP charge. It is recommended that the Village of Windsor coordinate with DeForest to agree on one method for billing all the water customers the PFP charge. This agreement should be included with their application. If the new direct PFP rates increase for the water customers located in DeForest, then a hearing will be required.

It will take about 6 weeks to process these two direct PFP requests once we receive the letter/email request per step 3 below.

Here are the steps for requesting a change in the PFP billing method outside of a full rate case:

- a) Windsor Board must pass a resolution directing the MSD and the WSD to use direct charges to collect (all or a portion) the public fire protection cost.
- b) Resolution should also state whether you want the sanitary district to charge non-customers as well. Keep in mind that if you want to direct charge non-customers then you must direct charge all non-customers that are within the municipal limits and that the utility has an obligation to provide public fire protection service. This includes all vacant lots that are "buildable" as well as developed properties with their own wells.
- c) Village then sends the PSC a letter or email request with a copy of the resolution.
- d) The Utilities decide which method to use to calculate the direct charges. See website for list of preapproved methods:
<http://psc.wi.gov/utilityInfo/water/utilityTraining/fireProtection/calculatingMethods.htm>
- e) PSC designs the direct charges for public fire protection.
- f) The Utilities prepare public notice for newspaper publication (I will provide them with a sample public notice).

- g) The Utilities provide an affidavit from the newspaper that public notice was published.
- h) Telephonic hearing will be required to establish the record for the WSD.
- i) PSC Administrator issues final decision.
- j) PSC sends letter to the utility with new F-1 rate schedule and instructions when new rates may be implemented.

Commissioner Bomkamp moved to authorize proceeding with the fire protection charge being collected via direct charge based on meter size, second by Commissioner Repas. Motion carried with a 4 – 0 vote.

7) Under Collection of Fire Protection Charges

On April 27, 2016, representatives of the Village of Windsor met with staff at the PSC. For the Village, Bob W., Tim F. and Kevin attended. For the PSC, Kristy, Kathy, Steve, Jeff and Drew attended.

As to the under collection of Public Fire Protection charges by WSD it was clear that this would have to be collected. However, there was a question as to the exact amount of the under collection. The PSC would investigate and get back to Windsor. It was tentatively indicated that (i) there was no under collection as to DeForest customers and (ii) the under collection amount would be restricted to two years. Discussion was also had as to whether or not the municipality (i.e. Village) could simply transfer funds to the water utility to satisfy the amount. No opposition was expressed.

The under charge is as follows:

	2014	2015	TOTALS
PER PSC	91,136	93,870	\$185,006
WSD COLLECTION	<u>28,760</u>	<u>28,760</u>	<u>57,520</u>
UNDER COLLECTED	62,376	65,110	127,486

The figures are computed based on the PSC rate sheets for the years in question. The actual collection is per WSD records shown as collected through the tax roll. The suburban rates are not included as they were in addition to the public fire protection charge and cannot and do not reduce the PFP charge.

8) Debt Refinancing

Director of Finance Butteris noted that the Village Board is working with Ehlers to refund a series of 10 State Trust Fund Loans issued in 2009 and 2010 that are from Windsor Sanitary District along with a refunding and small borrowing for the Village.

Interest rates on the obligations proposed to be refunded are 3.1 % to 5.5%. The refunding is expected to reduce interest expense by approximately \$194,000 over the next 13 years.

The Net Present Value Benefit of the refunding is estimated to be \$218,000, equal to 11.2% of the refunded principal.

The amortization of the refundings is structured to maintain the existing debt payment structure, while maximizing the annual savings due to interest rate savings.

The Bonds are being issued for a 13-year term. Principal on the Bonds will be due on March 1 in the years 2017 through 2029. Interest is payable every six months beginning March 1, 2017. The Bonds maturing on and after March 1, 2025 will be subject to prepayment at the discretion of the Village on March 1, 2024 or any date thereafter.

No action was taken.

9) Timeline for Public Service Commission (PSC) on Transition

Accountant Krynski reviewed a proposed timeline for transition:

By May 31, 2016 – Village will file amended annual reports for Morrisonville and Windsor Sanitary Districts.

By July 1, 2016 – Windsor Sanitary District and Morrisonville Sanitary District to file an application with the PSC to change the fire protection charge to a direct charge with a desired implementation date no later than January 1, 2017. Will the PSC be in a position to render a decision such that a rate change could be implemented by January 1, 2017?

By July 1, 2016 – The Village will provide a plan for resolving the potential undercharging of public fire protection charges for Windsor Sanitary District #1.

By October 31, 2016 – Village to approve operating budgets for the utilities for 2017

By January 1, 2017 – Village to file a conventional rate case application for the consolidated Morrisonville and Windsor Sanitary District. As part of the process the Village will do the following:

- Village will file a notice abandoning the Windsor and Morrisonville Sanitary Districts
- Village will file a construction authorization for new Village of Windsor water utility

The anticipated effective date for the new rates will be sometime in 2017 and dependent on the PSC rate review process.

Chair Buchner moved to authorize providing the timeline discussed to the PSC, second by Commissioner Repas. Motion carried with a 4 – 0 vote.

10) Accounting Issues – Transition Decisions

There were no accounting issues/transition decisions.

11) Utility Engineer Report

a. Booster Station/Interconnection to Village of DeForest

Contact was made with the Village of DeForest to discuss the project, finalizing design criteria for booster station and interconnect, requesting a quote for radio path survey from LW Allen, and integration of Morrisonville SCADA information into WSD#1's system from LW Allen.

To date, no meeting has been set up. Next steps could include trying again or simply proceeding as planned per our IGA. Baxter & Woodman would ask for official quotes from two major suppliers of the booster station and interconnect station for next month.

To date we have not had a response from LW Allen on radio path or SCADA integration.

Chair Buchner moved to proceed per the intergovernmental agreement and to provide an outline of expectations to the Village of DeForest, second by Commissioner Bomkamp. Motion carried with a 4 – 0 vote.

Commissioner Repas moved to proceed to obtain quotes from LW Allen on the radio path, second by Commissioner Loomis. Motion carried with a 4 – 0 vote.

b. Chloride Mitigation

MMSD has requested that Windsor contact large water users to look at means to reduce overall chloride discharge to the sanitary sewer, with over 50% of the chlorides coming from water softeners.

Request permission to send letters to users over 2" to look at means to reduce chlorides and help develop a web page posting with Tina.

Commissioner Bomkamp moved to approve the mailing of letters, to reduce chlorides, to users over 2" meter, second by Commissioner Repas. Motion carried with a 4 – 0 vote.

c. Geographic Information Systems (GIS) for Sanitary Sewer Mapping

Birrenkott surveying has not started work yet on the GIS for Sanitary Sewer Mapping, but will perform this work this summer.

d. Prairie Creek Phase 3A and Pleasant Hill Phase 1

Rain has delayed start of the Prairie Creek Phase 3A and Pleasant Hill Phase 1 projects. Work is expected to start soon with sanitary sewer work expected around May 16, 2016.

13) E-Bills

Finance Director Butteris discussed the option available with the utility software to email bills. Chair Buchner moved to proceed with offering e-bills; second by Commissioner Repas. Motion carried with a 4 – 0 vote.

14) Bill Mailing Service

Finance Director Butteris discussed the option available with the utility software to email bills to a bill mailing service (MailCom) for processing.

MailCom provides an efficient, cost-effective way to outsource bill mailings. They eliminate the hassle of bill printing, inserting and mailing of your bills.

Outsourcing of the bill processing enables us to avoid the bill printing, detaching your postcards or folding/inserting your bills and allows us to use staff time for effectively. Bills are typically mailed the next day after submitted to Mailcom.

Below is a summary of the services provided along with the cost.

Services Provided:

- Process Workhorse Excel data file emailed to MailCom
- Provide #10 Window envelope along with perforated bill stock
- Multiple bills to same customer are mailed in same envelope
- Laser print 8 ½ x 11 bill stock, fold, insert and mail 1st Class mail
- Provide a PDF file of each bill for your archive

Cost:

\$0.62 plus \$20 per run setup

Includes:

- #10 Envelope and bill stock
- All printing and inserting
- All First Class postage
- Options Available:
 - #9 Return Envelope- \$40/M
 - Printing on back of bill stock- Pricing provided on request
 - Inserting of newsletter/flyer along with bill- Pricing provided on request

Benefits:

- Laser bill provides detailed itemization of charges
- Remittance stub with bar code makes payment processing easier
- No materials to purchase and store
- Eliminates printing and hassle of mailing your current bills

Current Clients Include:

- Village of Pewaukee
- Village of Marshall
- City of Mineral Point
- Village of Eagle
- Village of Reedsville
- Village of Lake Delton

- City of Abbotsford

Chair Buchner moved to proceed with having Mailcom provide bill processing and mailing; second by Commissioner Repas. Motion carried with a 4 – 0 vote.

15) Pool Filling

Discussion only; no action was taken.

16) Staff Report

Staff is beginning to flush hydrants; first new meter install in Morrisonville; stopped fluoride in Morrisonville with notification placed in the Posts Office and to the DNR. Disconnects will be mailed.

17) Facility Tours

The June meeting will be held at the Windsor Utility Office with a facility tour to end the meeting. The July meeting will be held at the Morrisonville Utility Office with a facility tour to end the meeting.

18) Adjournment

Commissioner Bomkamp moved to adjourn at 9:58 a.m., second by Commissioner Loomis. Motion carried with a 4 – 0 vote.

Respectfully submitted,



Tina Butteris
Director of Finance/HR Manager