

Utilities Committee

Wednesday, September 8, 2021

1

1 The Meeting of the Utilities Committee was called to order at 6:45 p.m. on Wednesday,
2 September 8, 2021. It was noted that the meeting had been announced and a notice posted at
3 City Hall.

4
5 Roll call was taken, with the following members present (either in person or remotely): Ald.
6 Tom Smith, Ald. Jim Olson, Ald. Diane Wulf, Village of Holmen Trustee Micah Wyss

7
8 Also Present (either in person or remotely): City Administrator Eric Rindfleisch, City Attorney
9 Amanda Jackson, Financial Services Director/Treasurer Sabrina Steger, City Engineer Jarrod
10 Holter, Human Resources Manager Amy Frandsen, Paul Woodward of Running, Inc.

11
12 A quorum of the City of Onalaska's Board of Public Works and Finance & Personnel Committee
13 were present for this meeting.

14 15 **Item 2 – Consideration and action on minutes from the previous meeting**

16
17 Motion by Ald. Olson, second by Ald. Wulf, to approve the minutes from the previous meeting
18 as printed and on file in the City Clerk's Office.

19
20 On voice vote, motion carried.

21 22 **Item 3 – Public Input (limited to 3 minutes/individual)**

23
24 Ald. T. Smith called three times for anyone wishing to provide public input and closed that
25 portion of the meeting.

26 27 **Consideration and possible action on the following items:**

28 29 **MASS TRANSIT**

30 31 **Item 4 – Shared Ride Transit**

32
33 A. July Financials (Justin Running or Paul Woodward)

34
35 Paul reported the July 2021 statistics:

- 36
37
- 38 • **West Salem Trips:** 704 (an increase of 284 from July 2020)
 - 39 • **Holmen Trips:** 845 (an increase of 199 from July 2020)
 - 40 • **Onalaska Trips:** 2,063 (an increase of 470 from July 2020)
 - 41 • **Total Trips:** 3,612 (an increase of 953, or 35.84 percent, from July 2020)
 - **MTU Passes:** 359 (an increase of 85 from July 2020)

Utilities Committee

Wednesday, September 8, 2021

2

- 42 • **Agency Trips:** 761 (an increase of 144 from July 2020)
- 43 • **Year-to-Date Trips:** 24,054 (an increase of 1,847 from July 2020)
- 44 • **Revenue:** \$99,212 (an increase of \$2,863, or 2.97 percent, from July 2020)

45
46 Motion by Ald. Wulf, second by Ald. Olson, to accept and place on file the July 2021 Shared
47 Ride Transit Financials.

48
49 On voice vote, motion carried.

50 B. Federal Transit Authority 2022 Triennial Review

- 51 1. Disadvantage Business Enterprise (DBE) requirements/modifications to goals and
52 plan
53

54
55 Sabrina noted a copy of the three-year DBE goal-setting methodology was included in
56 committee members' packets, and she said she had established a DBE goal of 0.19, which
57 worked out to be the same percentage the city had in 2018. Sabrina said she had worked with the
58 city's contacts at the Federal Transit Administration (FTA) to reach this goal methodology
59 strategy. Sabrina said, "Part of the methodology and part of the DBE requirements is that we
60 have to review the plan, and then we have to talk to individuals in the community about our plan,
61 as well as have a public hearing for input from the public."

62
63 Sabrina directed committee members to page 8 of the DBE packet and noted it contains an
64 analysis that compares the city's bidder list. Based on the city's bidder list, the city would be at
65 an overall goal of 3.94 percent. However, the city would be looking at a 9-percent goal based on
66 historical numbers. Sabrina said she had selected 0.19 as it was the best option based on the state
67 DBE goal, La Crosse County's DBE goal, and the City of La Crosse's DBE goal. Sabrina
68 explained that the city must do the DBE goal because "this has to be done every three years, or
69 before the end of your contract before you go out for RFP [Requests for Proposals]." Sabrina
70 noted the city is at the end of its contract with Running, Inc. at the conclusion of 2021.
71 Therefore, the DBE goal must be approved before the city may go out for bid. Sabrina also
72 noted pages 19 through 28 list all the parties who provide transit within the state.

73
74 Motion by Ald. T. Smith, second by Ald. Olson, to approve the Disadvantage Business
75 Enterprise (DBE) requirements/modifications to goals and plan.

76
77 On voice vote, motion carried.

- 78 2. Set public hearing date/time for DBE goal/plan
79

80
81 Sabrina noted this public hearing typically has been held at the October Utilities Committee
82 meeting.

83
Reviewed 9/13/2021 by Sabrina Steger

Utilities Committee

Wednesday, September 8, 2021

3

84 Motion by Ald. Wulf, second by Ald. Olson, to set the public hearing for the DBE goal/plan for
85 6:45 p.m. on Wednesday, October 6, 2021.

86

87 On voice vote, motion carried.

88

89 C. 2022 Budget for Onalaska-Holmen-West Salem Shared Ride Program

90

91 Sabrina noted committee members' packets include a budget worksheet and funding distribution
92 the State of Wisconsin had provided for funding for fiscal 2022. Sabrina noted she had slightly
93 increased the contractual service to \$780,000 (\$743,367 was budgeted for 2021), and she said the
94 numbers will be more definitive once the city selects a contracted service.

95

96 Micah asked for confirmation that there are no vehicle purchases planned for 2022.

97

98 Sabrina said she does not believe there are new vehicle purchases. Sabrina also said there is
99 some funding available for vehicle purchases. However, the grant goes through the end of 2023.

100

101 Micah asked, "So it would not show up in the budget on that vehicle line?"

102

103 Sabrina told Micah that is correct and said, "If we were budgeting for vehicles, it would show up
104 on that budget line for vehicle outlay. We did just purchase four new vehicles in 2021."

105

106 Motion by Ald. Olson, second by Ald. Wulf, to approve the 2022 Budget for Onalaska-Holmen-
107 West Salem Shared Ride Program.

108

109 On voice vote, motion carried.

110

111 **Item 5 – MTU:**

112

113 A. Transit Financials (Adam Lorentz)

114

115 No report.

116

117 B. 2022 Agreement

118

119 City Administrator Rindfleisch told committee members the agreement is effectively the same as
120 it was in years past, noting it would need to be signed and executed prior to January 1, 2022 for
121 the bus service to continue. City Administrator Rindfleisch said he does not believe the
122 agreement contains any other substantial changes.

123

124 Ald. Wulf's question for City Administrator Rindfleisch was inaudible on the recording.

125

Utilities Committee

Wednesday, September 8, 2021

4

126 City Administrator Rindfleisch told Ald. Wulf he does not see anything different in the contract
127 for MTU service, noting the routes that go through the city appear to be substantially the same.
128 City Administrator Rindfleisch also noted the rate was held, and he said the city's share estimate
129 is \$65,860. City Administrator Rindfleisch noted MTU will be utilizing some CARES Grant
130 funds. Doing so will hold the city's rate to \$52,564 through the year. City Administrator
131 Rindfleisch said, "There is no rate change for us in the next year," and he recommended approval
132 of the agreement so that the city may pass it on to MTU.

133

134 Motion by Ald. Wulf, second by Ald. Olson, to approve the 2022 Agreement with MTU.

135

136 On voice vote, motion carried.

137

138 **Item 6 – Holmen Transit Input (Holmen Rep.)**

139

140 Micah said it is his understanding there are two different types of vehicles: side-loader and rear-
141 loader. Micah said it is his understanding that most of the new vehicles that have been purchased
142 in the last few years have been the rear-loading style. Micah said he had heard from one of the
143 drivers that perhaps it would be wise to consider purchasing more of the side-loading vehicles
144 the next time vehicles are purchased as the current side-loading vehicles are approaching high
145 mileage. Micah said, "It would be good to keep a good balance between the different vehicle
146 types in our fleet."

147

148 Ald. Wulf's question was inaudible on the recording.

149

150 Jarrod noted the vehicles are purchased on state bid, and he said he would need to conduct
151 research on if the state is bidding out rear-loading or side-loading vehicles. Jarrod noted former
152 Financial Services Director/Treasurer Fred Buehler had spearheaded the purchase of the vans,
153 and that he (Jarrod) was not involved in the process. Jarrod said he will have to see if the state is
154 currently bidding out side-loading vehicles, and what the cost differential might be.

155

156 Paul told committee members he believes side-loading vehicles are available for purchase.
157 However, the lead times might be slightly longer.

158

159 **Item 7 – West Salem Transit Input (West Salem Rep.)**

160

161 No report.

162

163 **Item 8 – Onalaska Transit Input (Onalaska Rep.)**

164

165 No report.

166

167 **UTILITIES**

Reviewed 9/13/2021 by Sabrina Steger

Utilities Committee

Wednesday, September 8, 2021

5

168

169 **Item 9 – City of Onalaska Stormwater**

170

171 A. 2022 Storm Water Budget

172

173 Jarrod directed committee members to page 64 in their packets, which is a graph that shows the
174 ERU rate starting in 2010. The ERU rate for 2021 was \$86.44, and Jarrod said staff is proposing
175 an ERU rate of \$90.32 for 2022. Jarrod told committee members the majority of that cost they
176 see as an increase is for debt service for projects that were performed in the previous year, as
177 well as employee costs due to the natural progression of insurance and wages.

178

179 Ald. Wulf asked when the ERU rate would go into effect.

180

181 Jarrod said January 1, 2022.

182

183 Ald. Wulf asked if we would go over budget for salaries and wages.

184

185 Jarrod said, “We will be fairly close with that number because of what we had budgeted in 2021.
186 We have expended approximately nine months in now because the wages have been paid. We’re
187 going to be fairly close in that number. I think we’re going to be over a little bit in the 120
188 “Wages” column, but under in the “Salaries” column just from the changes in the Public Works
189 Department reorganization. That is also what you’re seeing in the 2022 proposed budget in this
190 area. With the reorganization, we went from a manager and an assistant manager to an Assistant
191 Director of Public Works Operations and two superintendents. We’ve actually put more dollars
192 into the Storm Water Budget for wages due to the fact that we reappropriated where things were
193 at. We feel we have a better handle. We’ve actually done that through the Water, Sewer, and
194 Storm Water with the split. You’re going to see a few differences in the Water and Sewer when
195 you’re going forward. That’s going to be a recurring theme as you go forward. Some of the
196 numbers you’re going to see in the financials are going to look a little bit different because we’re
197 in flux right now because of the reorganization.”

198

199 Sabrina referred to the Wages – Regular account, noting an employee had retired and the city
200 had paid out approximately \$10,000 in sick leave.

201

202 Ald. Wulf asked why the account number 620 interest had increased for this budget year.

203

204 Sabrina said, “That’s based on our bonding, so that’s how much interest we are expected to pay
205 in 2022.”

206

207 Jarrod directed committee members to Account No. 620 (“Interest”) and Account No. 621
208 (“Interest – Mortgage Revenue Bonds”) on page 44 of their packets, and he said if the two
209 numbers are added together, they will be very close to what the total interest is in the proposed

Utilities Committee

Wednesday, September 8, 2021

6

210 budget.

211

212 Ald. Wulf's comments were inaudible on the recording.

213

214 Ald. T. Smith noted the ERU rate had increased from \$68.96 in 2019 to \$86.44 in 2021 to a
215 proposed rate of \$90.32 in 2022, and he asked, "Is that part of our increases, that significant
216 increase we had in the Water, Storm Water Utility? It just seemed like that's awful big jump."

217

218 Jarrod said, "The main thing is we're starting to ... Our debt service payments from the
219 mortgage revenue bonds from a few years back are starting to kick in, so that's part of the reason
220 why that ERU rate is going up."

221

222 Ald. Wulf's question was inaudible on the recording.

223

224 Jarrod said, "In the Storm Sewer account, one of the main projects was the new storm sewer that
225 was put down Troy Street. We had approximately \$2 million worth of mortgage revenue bonds
226 in the Storm Water area. The Troy Street project was about \$800,000 of that alone. The rest was
227 split up between a variety of smaller projects that were accomplished over the course of that time
228 in the Utility projects, [such as] putting a new storm sewer in. Those projects and things like that
229 were the main items, but the Troy Street project was the largest storm water project that was
230 included in the Storm Water Budget."

231

232 Motion by Ald. Wulf, second by Ald. Olson, to approve the 2022 Storm Water Budget.

233

234 On voice vote, motion carried.

235

236 B. Establish 2022 ERU Rate

237

238 Motion by Ald. Olson, second by Ald. Wulf, to establish a 2022 ERU rate of \$90.32.

239

240 On voice vote, motion carried.

241

242 C. 2021 Storm Water Financials

243

244 Revenues as of August 31 totaled \$538,040.93 (\$1,051,400 was budgeted). Expenditures
245 through August 31 totaled \$381,319.31 (\$1,215,079 was budgeted). Sabrina noted there had
246 been an increase in the "Wages – Regular" category (Account No. 660-53440-120) (\$76,635.52
247 through August 31). Sabrina said a large portion of that was due to the retirement of an
248 employee and a sick leave payout.

249

250 Motion by Ald. Olson, second by Ald. Wulf, to approve the 2021 Storm Water Financials.

251

Reviewed 9/13/2021 by Sabrina Steger

Utilities Committee

Wednesday, September 8, 2021

7

252 On voice vote, motion carried.

253

254 **Item 10 – City of Onalaska Sewer**

255

256 A. 2022 Sewer Budget

257

258 Jarrod said that while the Sewer Budget remains approximately where it has been in previous
259 years, one of the biggest differences is the City of La Crosse charges. Jarrod directed committee
260 members to page 70 and noted the city had budgeted \$1,083,500 under “La Crosse Contractual
261 Charges” (Account No. 620-58100-290) for 2021. The city will budget \$1,465,750 for 2022.
262 Jarrod said, “That is the major increase in the Sewer Budget that you see before you tonight. The
263 rest of the numbers are very equivalent to what you’ve seen in previous years.”

264

265 Ald. Wulf’s comments were inaudible on the recording.

266

267 Jarrod said, “If in 2023 what is proposed, the next rate increase will increase another 40 percent,
268 approximately.”

269

270 Ald. Wulf’s comments were inaudible on the recording.

271

272 Jarrod said, “Mainly for the transmission that we’re receiving. We’ve increased our treatment
273 for two things. We’ve increased our treatment rate to cover the La Crosse charges, and also –
274 Sabrina can talk about the financial health of our Sanitary Sewer Utility – if you remember, the
275 auditor back in 2018 gave us a report during their March audit results that the Sanitary Sewer
276 Utility was not bringing in enough revenue. At that time, we were charging for our transmission
277 rate, which our city’s rate to recoup costs for our pipes within our city, our lift stations, our staff,
278 billing – things like that. We were charging \$1.40 per 100 cubic feet. The recommendation
279 from the auditor was that we went to \$1.90 and then \$2.40, which we have implemented. As part
280 of that, we’re just bringing in more revenue because it was needed for the utility.”

281

282 Sabrina told committee members the Sewer Utility has had a constant net deficit, and she said,
283 “The recommendation for the auditor to increase, and you’re going to see ... Next, we are
284 recommending an additional increase for this year as well just to get the Sewer Utility in a better
285 position financially.” Sabrina told committee members she had been conservative in her
286 budgeting of revenues because she did not know what would be decided regarding the
287 methodology, and regarding the changes in the treatment and transmission rates. Sabrina said,
288 “If we do increase those and it is approved, I would increase the revenues.”

289

290 Jarrod said, “As we go along here with the methodology and the rates, I will go through what I
291 think, in talking to [Sabrina], what we’re proposing what we really should do to clear that gap to
292 get it closer to a net zero.”

293

Utilities Committee

Wednesday, September 8, 2021

8

294 Ald. T. Smith asked, “So these numbers don’t include any of these increases yet?”

295

296 Jarrod told Ald. T. Smith that is correct, and he noted the expense tool for 2021 was
297 approximately \$2,960,000, and the total for 2022 is \$3,281,000. Jarrod noted the city is
298 increasing the La Crosse charges by more than \$300,000, and he said, “If you take that and put
299 that into the 21, we’re really operating at where we’ve been before.”

300

301 Ald. Wulf’s questions were inaudible on the recording.

302

303 Sabrina said, “Those are the actual salaries that I’m putting into the Tyler system. We have to
304 allocate for purposes of PSC. We do it for both the Sewer and the Water. And it’s easier for
305 purposes of the payroll process to have it go to one single account, and then we allocate it.”

306

307 Motion by Ald. Olson, second by Ald. Wulf, to approve the 2022 Sewer Budget.

308

309 On voice vote, motion carried.

310

311 B. Sewer Methodology

312

313 Jarrod said, “This is the third year of implementation of the sewer methodology. Before that,
314 your winter usage – what you used in sewer from December 7 through March 7 – was used for
315 all four quarters of billing. In 2018, which went into effect in 2019, the city chose to implement
316 a methodology that you still were charged your winter quarter during December 7 to March 7, or
317 the first quarter. In the second quarter, you were charged sewer charges on your actual usage. In
318 the third quarter and the fourth quarter, we once again went back to your winter average. At the
319 time, it was anticipated that this would bring in approximately a little over \$100,000 in revenue.
320 Once again, the Sewer Utility was operating in the negative. Instead of a rate increase across the
321 board that was not palatable to some of the elected officials, we went with this methodology
322 where we instituted for the second quarter using the actual consumption.”

323

324 Jarrod noted there had been significant precipitation both in the spring of 2019 and the spring of
325 2020, and thus there was not a significant amount of lawn sprinkling. However, there was
326 minimal precipitation in both April and May of 2021, and Jarrod said, “By the time we got back
327 out to read their meters on June 7, we had some residents who had been using high consumptions
328 of water to water their lawn. As you know, we had this on the Board of Public Works [agenda],
329 and we said we would bring this forward for discussion at the budget meeting, [and that is] to
330 look at methodologies on how to charge and what to charge. ... Basically, with our sewer
331 charges this spring, using the actual consumption, the city Sanitary Sewer Utility brought in
332 \$197,192 over what they would have brought in using the winter average, which was higher than
333 it had been previously. Of that, one of the things I would point out is out of that amount,
334 \$82,100 was residential, so that was 45 percent of it. The other 55 percent came from
335 commercial, industrial, other users, and government users. We are recouping costs from not just

Utilities Committee

Wednesday, September 8, 2021

9

336 lawn sprinkling, we are recouping costs from users that are using the sewer that aren't during the
337 second quarter, using it for their lawn sprinkling. We really feel that we have to maintain this
338 revenue stream in some fashion.”

339

340 Jarrod directed committee members to page 93 and said, “Working with the auditor, we looked
341 at the transmission charges, which we have raised previously. We have not raised the flat
342 charges; that's the flat charge for having sewer service at your house.” Jarrod noted page 93
343 shows the 5 percent, 10 percent, 15 percent, and 20 percent options of increasing the flat charge,
344 and he said, “If we wanted to maintain that revenue stream that we had this spring, at the 15-
345 percent charge it would be \$174,844. [It is] not quite what we brought in, but it would be close.
346 If you look at a 5/8 and 3/4-inch meter, currently we're charging \$6.50 for a flat charge. If we
347 raise that [by] 15 cents, that would be 98 cents, so what you'd propose would be going up one
348 dollar to \$7.50 per quarter. It would be another dollar per hookup.” Jarrod pointed out there is
349 customer count by meter size, and he noted more than 6,000 meters in the city either are 5/8 or
350 3/4. Jarrod noted that is the majority of meters within the city, and he also noted there is a little
351 less than five 1-inch meters that would go from \$860 to \$990. Jarrod said, “That is the option we
352 would bring forward to give to the committee as a possible way of moving forward to change the
353 methodology.

354

355 In looking at the methodology, it is never perfect for whatever user rate that we have or
356 methodology of gauging consumption. But I think one thing that really stood out to me was the
357 fact that only 45 percent of that revenue from the second quarter was coming from residential
358 customers, and some of those could be using more water because the other thing we found is a
359 lot of the snowbirds who are out of town were really benefitting from being out of town January
360 and February because their usage was really low, and they carried it throughout the whole year.
361 They'd be somewhere at a warmer destination during part of the winter, and they would only use
362 half their usual sewer. They would carry that through the year. ... My recommendation would
363 be to keep the methodology the way it is with our current actual usage in the second quarter, but
364 I would like Sabrina to also add to that.”

365

366 Sabrina told committee members she agrees with the methodology and said, “If we decide to go
367 away from that, I believe we'd have to increase our base by 15 percent. As Jarrod [said], the 5/8-
368 meter would go from \$6.50 to \$7.50 for the flat rate charge.”

369

370 Ald. Wulf commented that she had spoken to the staff at Public Works and spoke to how well
371 they have handled the phone calls regarding the current methodology.

372

373 City Administrator Rindfleisch said he recommends keeping the current methodology, and he
374 stated, “It's a confusing issue because to gather revenue for the sewer system, we use water
375 utility meters and we use usage and water to help collect revenue for sewer. The argument is not
376 all the water being used at this timeframe is going down the sewer systems, so we should get
377 credit for that and we make those appropriate adjustments. ... The issue with one, forgoing that

Utilities Committee

Wednesday, September 8, 2021

10

378 revenue, the utility is already in a shortfall and we can't really do that. We know that we're
379 going to have to make some tough choices with the sewer rates anyway with our relationship
380 with the City of La Crosse. Two, making an adjustment on the base rate will apply to all users
381 regardless of how much water they use even though this is a sewer revenue issue, and therefore
382 eliminating any incentive to conserve or watch the water usage that you're using. In summary, I
383 would recommend keeping the current methodology and not making the change. However, if do
384 decide to make the change based on the concerns of some residents, I would recommend the 18-
385 percent increase to the fixed rate."

386

387 Ald. T. Smith stated he supports keeping the rate in place and noted he had taken several
388 telephone calls. Ald. T. Smith complimented Jarrod and city staff for the way they handled the
389 situation, and he said, "I think a lot of it was a surprise because it just came so quickly. ... Now
390 [citizens] know when they start watering their lawns in the spring. ... Many of us forgot that it
391 was going to be that big of a jump. I think now being proactive, we know that. Hopefully we
392 need to communicate that early in the spring. _____ just from water bills reminding people to
393 be conservative in their water usage."

394

395 C. Changes to the Treatment rate for 2022

396

397 Jarrod directed committee members to pages 94 and 95 of their packets, which is a City of La
398 Crosse resolution regarding Sanitary Sewer Utility fee increases effective January 1, 2022, and
399 January 1, 2023. Jarrod noted page 95 shows the charges for commercial wholesale customers
400 and non-contracted, and he told committee members the City of Onalaska's current charge is
401 \$1,970 per million gallons that goes to the La Crosse treatment plant. Jarrod said, "In 2022,
402 since we do not have a contract with the City of La Crosse, we will have a non-contracted
403 wholesale customer rate, [which] is \$2,650 per million gallons. That is a 35-percent increase
404 over the rates from 2021. The 2020 run rate is actually an increase over the 2019 rate; it went up
405 a few hundred dollars per million gallons already by then. As we know, the City of La Crosse
406 has worked on their La Crosse treatment plant; they're doing a major project to benefit that plant.
407 We have been in communication with that and know that they're doing that, so that is part of the
408 rate. But by city ordinance, we do have to adhere to this non-contract rate."

409

410 Jarrod noted the city's current charge is \$1.76 per 100 cubic feet, and he said, "We will need for
411 treatment – that's the treatment charge on your bill that comes each quarter – the recommended
412 increase was actually incorrect on the sheet that was put into the packet on page 90. A 35-
413 percent increase would actually be 0.62 [and] not 0.25. If you take the 0.62 plus \$1.76, this
414 would put us at \$2.38 per 100 cubic feet. That would be the rate that would be needed and
415 required in order to pay those treatment charges to the City of La Crosse." Jarrod said staff
416 recommends a treatment rate of \$2.38 per 100 cubic feet.

417

418 City Administrator Rindfleisch told committee members that per his calculations, there will be a
419 68 percent increase for contracted wholesale customers from 2020 (\$1,970 per million gallons)

Reviewed 9/13/2021 by Sabrina Steger

Utilities Committee

Wednesday, September 8, 2021

11

420 to 2023 (\$3,315 per million gallons). City Administrator Rindfleisch noted that is for the
421 upgrade to the City of La Crosse's plant, of which the City of Onalaska is a partner, and he also
422 noted there will be an 87 percent increase for non-contracted wholesale customers between 2020
423 (\$1,970 per million gallons) and 2023 (\$3,698 per million gallons). City Administrator
424 Rindfleisch said, "In that contract rate, the people who are users will be seeing is based on I think
425 a longstanding _____ of maintenance and lack of investment over time in the wastewater plant in
426 La Crosse. La Crosse is justifiably proud of the low rates because they are very low compared to
427 other municipalities. I would claim they're artificially low, though, because of the fact they have
428 not done investments. Quite frankly, our rates should have been lower over time to pay for those
429 important upgrades. Had we invested more frequently in projects, we would not see the kind of
430 jumps we're seeing right now. While the rates are still low and the trilogy study they present
431 show they're still low in comparison, I would guarantee that 87 percent increases over time are
432 probably some of the largest jumps ever seen in user rates, and that's not something to be proud
433 of when you have to do these rates that, to be frank, their own users will see that as well to pay
434 for their own upgrades too.

435
436 As for the status, I think we had some positive conversations with the new leadership of the City
437 of La Crosse. We do await an updated review of the proposal from 2019, hopefully with some
438 language changes there and with methodology that fixes for the 20 years of the contract how the
439 rates are calculated so we can better adjust our future predictions for rates so we no longer see 87
440 percent increases over three years. I remain optimistic that we will get some language.
441 However, there are some deadlines approaching. The deadlines for La Crosse to get the Clean
442 Water funds is rapidly approaching. We'd have contracts in place by, I would say February. I
443 would not say that we are any closer than we were before to actually negotiating over language
444 on that agreement to get those in place. Barring the ability to get Clean Water funds, they would
445 have to borrow using general funds, which would be at a higher rate. I hate to say these rates
446 would have to be adjusted upwards again if they had to borrow and have higher principal interest
447 payments for that rate. There is incentive for all of us to get our heads together and reach an
448 agreement on the treatment of our sewage so that we can all avoid those higher costs they would
449 also have to bear themselves."

450
451 Ald. Wulf asked if citizens were notified of the change.

452
453 Jarrod said, "We sent a letter in with the water bills for the water rate increase. I'd have to go
454 back and look ... The public notice for those possible rate ... I don't believe we had anything in
455 there about the sanitary sewer."

456
457 Ald. Wulf asked if it was possible to notify citizens of the increases going forward.

458
459 Jarrod said staff can look into a bill insert, adding, "We'll try to keep it like a card."

460
461 Ald. Wulf's comments were inaudible on the recording.

Reviewed 9/13/2021 by Sabrina Steger

Utilities Committee

Wednesday, September 8, 2021

12

462
463 Motion by Ald. Olson, second by Ald. Wulf, to approve the changes to the Treatment rate for
464 2022 to \$2.38 per 100 cubic feet.

465
466 Ald. Wulf's comments were inaudible on the recording.

467
468 On voice vote, motion carried.

469
470 D. Changes to the Transmission rate for 2022

471
472 Jarrod noted the city currently charges \$2.40 per 100 cubic feet, and he said staff recommends a
473 3-percent increase, to \$2.48 per 100 cubic feet. Jarrod said, "We still need to make sure [to]
474 keep up with things. We hadn't raised the transmission rate for so long. We had to do a dollar
475 over the course of a couple years, and it got to be a very large increase at one time."

476
477 Motion by Ald. Wulf, second by Ald. Olson, to approve the changes to the Transmission rate for
478 2022 to \$2.48 per 100 cubic feet.

479
480 On voice vote, motion carried.

481
482 E. 2021 Sewer Financials

483
484 Sabrina noted there is 42 percent remaining of the city's revenue expectation for 2021, and she
485 said the city likely will exceed budget regarding revenues due to the second quarter increase.
486 Sabrina said the city was sitting at 54 percent regarding expenses at the end of August.

487
488 Motion by Ald. Olson, second by Ald. Wulf, to approve the 2021 Sewer Financials.

489
490 On voice vote, motion carried.

491
492 **Item 11 – City of Onalaska Water**

493
494 A. 2022 Water Budget

495
496 Jarrod noted Sabrina has the revenues very close to what they were for 2021. Jarrod noted that
497 the Public Service Commission regulates water rates, and he said, "When we went out for the
498 mortgage revenue to do the water projects such as the Green Coulee reservoir, the booster station
499 [and] the pipes that we replaced under the streets, we had to do a Public Service Commission rate
500 adjustment. That was all gone through a few years ago. The first step of that rate increase was
501 implemented, and you have been seeing it on your utility bills. The second rate adjustment went
502 into effect [Tuesday], and that's because we would have been reading [Tuesday] for this quarter.
503 The bill you will see in October will still be at that rate, but then the first of the year the second

Reviewed 9/13/2021 by Sabrina Steger

Utilities Committee

Wednesday, September 8, 2021

13

504 phase of that rate adjustment will be implemented. That was all laid out on the Public Service
505 Commission docket that they had for this rate adjustment. The second rate adjustment wasn't the
506 percentage the first one was; the first one was much smaller. But they did not want to have the
507 rate adjustment go into effect all at one time because they knew that some of the projects would
508 not be completed.

509
510 We just completed the Green Coulee reservoir, and the Crestwood booster station just went
511 operational this week. That's the reason we implemented those final rate adjustments as part of
512 that. You will be seeing that the first of the year, and that's another great thing to put in our flier
513 for the insert: to remind our users and ratepayers of that, the booster station [and] the reservoir on
514 the actual bill in January 2022. Those revenues have not been shown on here because at the time
515 the budget was put together we didn't know if we were going to implement them or not. We
516 wanted to make sure we did not show them if we had to wait until December or January if
517 something would have happened."

518
519 Jarrod told committee members the 2022 Water Budget is very similar to previous years, noting
520 that while expenses have increased, much of that lies within the interest, the mortgage revenue
521 bond, and the general obligation bonds. There also has been an increase in wages. Jarrod noted
522 some of the wages had been transferred during the reorganization, and he said, "We evaluated
523 what we were charging to each utility, and we did put another half of an individual from Sewer
524 to the Water Utility."

525
526 Sabrina noted there also has been an increase due to depreciation.

527
528 Motion by Ald. Olson, second by Ald. Wulf, to approve the 2022 Water Budget.

529
530 On voice vote, motion carried.

531
532 B. 2021 Water Financials

533
534 Sabrina noted the city is slightly ahead of the 50-percent mark regarding revenues with the third
535 quarter going out at the end of October, and she said the city either will reach or exceed its
536 budgeted revenues. Sabrina noted 61 percent of the budget expenditures were remaining as of
537 August 31.

538
539 Jarrod noted the city sees its highest water usage during the summer third quarter due to citizens
540 sprinkling their lawns. Jarrod said 2021 has been a little different in that the second quarter was
541 dry, and the area experienced significant rainfall during the third quarter. Jarrod said, "It may
542 not be the normal we would usually see in the water revenue, but it will still be higher than what
543 the other quarters would be."

544
545 Motion by Ald. Olson, second by Ald. Wulf, to approve the 2021 Water Financials.

Reviewed 9/13/2021 by Sabrina Steger

Utilities Committee

Wednesday, September 8, 2021

14

546

547 On voice vote, motion carried.

548

549 **Adjournment**

550

551 Motion by Ald. Wulf, second by Ald. Olson, to adjourn.

552

553 Ald. T. Smith adjourned the meeting at 7:52 p.m.

554

555

556 Recorded by:

557

558 Kirk Bey