

Utilities Committee

Wednesday, October 7, 2020

1

1 The Meeting of the Utilities Committee was called to order at 6:45 p.m. on Wednesday, October
2 7, 2020. It was noted that the meeting had been announced and a notice posted at City Hall.

3
4 Roll call was taken, with the following members present: Ald. Jim Olson, Ald. Dan Stevens,
5 Ald. Diane Wulf, Village of Holmen Trustee Brandon Cain, Village of West Salem Trustee
6 Leroy Brown

7
8 Also Present: City Administrator Eric Rindfleisch, Financial Services Director/Treasurer Fred
9 Buehler, City Engineer Jarrod Holter, Paul Woodward of Running, Inc.

10 11 **Item 2 – Approval of minutes from the previous meeting**

12
13 Motion by Ald. Wulf, second by Ald. Stevens, to approve the minutes from the previous meeting
14 as printed and on file in the City Clerk's Office.

15
16 On voice vote, motion carried.

17 18 **Item 3 – Public Input (limited to 3 minutes/individual)**

19
20 Ald. Olson called three times for anyone wishing to provide public input and closed that portion
21 of the meeting.

22 23 **Consideration and possible action on the following items:**

24 25 **Item 4 – MASS TRANSIT**

26 27 A. Shared Ride Transit:

28 29 1. Financials (Justin Running or Paul Woodward/Fred Buehler)

30
31 Fred reported the August 2020 statistics:

- 32
- 33 • **West Salem Trips:** 479 (a decrease of 37 from August 2019)
- 34 • **Holmen Trips:** 656 (a decrease of 511 from August 2019)
- 35 • **Onalaska Trips:** 1,550 (a decrease of 1,089 from August 2019)
- 36 • **Total Trips:** 2,685 (a decrease of 1,637, or 37.88 percent, from August 2019)
- 37 • **MTU Passes:** 276 (a decrease of 280 from August 2019)
- 38 • **Agency Trips:** 591 (a decrease of 545 from August 2019)
- 39 • **Year-to-Date Trips:** 24,892 (a decrease of 11,012 from August 2019)
- 40 • **Revenue:** \$107,418 (a decrease of \$38,105, or 26.19 percent, from August 2019)
- 41

Utilities Committee

Wednesday, October 7, 2020

2

42 Paul said that while ridership has begun to slowly increase again, there has not been a return to
43 normalcy. Paul said he hopes to see the ridership statistics return to where they were in years
44 past once the pandemic subsides.

45
46 Fred told committee members he thought he had been in a position 1½ months ago to order two
47 vehicles under the CARES Act from FTA funding, and two vehicles under STP Urban Funding.
48 However, Fred said the process stopped because the State of Wisconsin did not have a
49 procurement for the vehicles the city wished to purchase. Fred told committee members he was
50 forced to wait as state representatives informed him that they would have the procurement
51 completed in early autumn. Fred said, “It should be shortly. As soon as I get that in place, then I
52 can get these Shared Ride vehicles ordered.”

53
54 Paul told Fred he has three vehicles for which they can create a plan for decommissioning.

55
56 Motion by Ald. Olson, second by Ald. Wulf, to accept the Shared Ride Transit Financials and
57 place them on file.

58
59 On voice vote, motion carried.

60
61 2. Set a Public Hearing date & time to discuss proposed fare increase and agency fare
62 rate (November 4, 2020 at 6:46 p.m.)

63
64 Motion by Leroy, second by Brandon, to set a Public Hearing date & time to discuss proposed
65 fare increase and agency fare rate for November 4, 2020 at 6:46 p.m.

66
67 Fred noted that during the budget process the committee had discussed increasing the rate 25
68 cents, which, he also noted, the city has historically done every two years. Fred told committee
69 members he had spoken with Justin Running, who told him he was comfortable increasing the
70 agency fare rate from \$6 to \$7.

71
72 On voice vote, motion carried.

73
74 3. Approval of the Transit Asset Management Plan

75
76 Fred told committee members that earlier this year both the Utilities Committee and the
77 Common Council had approved and passed on to the State of Wisconsin the “Public
78 Transportation Agency Safety Plan.” Fred said the federal government has taken a position that
79 each participant that receives federal funding must have a plan in place as it relates to its assets.
80 The City of Onalaska has taken the position to join the State of Wisconsin’s Transit Agency and
81 Safety Plan. Fred noted committee members have copies of the Wisconsin Department of
82 Transportation Transit Asset Management Plan in their packets. Fred said this needs to be
83 adopted and forwarded prior to December 31. Fred told committee members he had received

Utilities Committee

Wednesday, October 7, 2020

3

84 notice October 1 that the City of Onalaska is in compliance as a participant for the Wisconsin
85 State Group Plan. Fred said an accountable executive position must be assigned locally. This
86 individual will be responsible for the Onalaska Transit Asset Management reporting. Fred said
87 the committee should go on record approving the Financial Services Director to ensure that all
88 the necessary reporting for Onalaska's Transit Asset Management is completed in a timely
89 manner.

90
91 Motion by Ald. Olson, second by Ald. Wulf, to approve the Transit Asset Management Plan
92 (TAM), and approval of the Finance Director to oversee the Cities requirement for TAM and
93 Public Transportation Agency Safety Plan (PTASP).

94
95 On voice vote, motion carried.

- 96
97 B. MTU:
98 1. Transit Financials/2021 Budget (Adam Lorentz)

99
100 Fred told committee members MTU has taken the position to have the same cost for 2021 as it
101 did in 2020 for running its fixed route.

- 102
103 C. Holmen Transit Input (Holmen Rep.)

104
105 No report.

- 106
107 D. West Salem Transit Input (West Salem Rep.)

108
109 No report.

- 110
111 E. Onalaska Transit Input (Onalaska Rep.)

112
113 No report.

114
115 Jarrod told Brandon, Leroy, and Paul they could leave for the evening as the transit portion of the
116 meeting had been completed.

117
118 **Item 5 – UTILITIES**

- 119
120 A. City of Onalaska Water Utility:
121 1. Discussion and possible action regarding the Public Service Commission
122 recommendation on the water rate increases

123
124 Monica Hauser of Hawkins Ash CPAs noted the City of Onalaska has applied for a two-step
125 increase in its water rates. A virtual public hearing has been scheduled for 10 a.m. on Friday,

Reviewed 10/09/2020 by Fred Buehler

Utilities Committee

Wednesday, October 7, 2020

4

126 October 16. The public hearing has been properly posted, and all the necessary information has
127 been updated to the Public Service Commission website. Monica told committee members the
128 process began in January and February of this year, noting the PSC has a lengthy Excel
129 application that must be completed. The application was submitted to the PSC on February 24.
130 Monica said the application included cost projections, all the new debt the city has incurred since
131 its previous rate increase, and the projects the city has completed. Monica said, “When we’re
132 looking at expenses, we’re looking at a five-year average – what are we budgeting for the next
133 year or two? There is a lot of work that goes into making sure that we’re not just shooting from
134 the hip on these cost projections. Obviously we’d like to say that costs are all going to go up 2
135 percent across the board, but we know that that doesn’t happen. We have to do quite a bit of
136 work to make sure we get those projections to be accurate.” The PSC reviewed the application
137 and requested data from the city. The PSC then presents a proposed rate.
138

139 Monica addressed the Step One increase, which is 32.48 percent, and said the city hopes it goes
140 into effect by the end of 2020. Monica noted the city had completed the following projects:
141

- 142 • Watermain replacement projects
 - 143 • Street reconstruction, which included redoing the watermains beneath the streets.
 - 144 • Public Works Facility addition
 - 145 • Crestwood Lane/French Road project
 - 146 • SCADA upgrades
- 147

148 Monica next addressed the Step Two increase, noting that the Crestwood booster station and the
149 Green Coulee reservoir projects still must be completed. The city will inform the PSC after the
150 projects have been completed and then proceed with Step Two. Monica said there will be an
151 overall average increase of 39.65 percent once both Step One and Step Two have been
152 completed. Monica said, “The Water Utility has to be able to support itself. We cannot transfer
153 from the General Fund or other funds to fund a water utility. It’s PSC regulated. We also have
154 to keep in mind that we’ve borrowed using Revenue Bonds, and these Revenue Bonds have
155 requirements that you have to have so much revenue in order to meet their debt covenants.
156 That’s why we are doing this process, and it’s why we’re at the point we’re at today.”
157

158 Jarrod told committee members staff had hoped that the Crestwood booster station would have
159 been completed by this time, but a fire had occurred at that location earlier this year. Jarrod said
160 the general contractor has begun reconstructing portions of the booster station, and he expressed
161 hope the booster station will be back online within five to six months. Jarrod next addressed the
162 Green Coulee reservoir, noting excavation had occurred for the site. The contractor is expected
163 to begin putting concrete in the ground within the next few weeks. Jarrod said both projects will
164 be complete by mid-2021.
165

166 Jarrod directed committee members to page 27 in their packets and noted the following:

Utilities Committee

Wednesday, October 7, 2020

5

- 167
- 168
- 169
- 170
- 171
- 172
- 173
- 174
- 175
- 176
- 177
- 178
- 179
- 180
- 181
- The table shows statistics for small residential, average residential, and three large residential categories. An average residential home has a consumption of approximately 2,000 cubic feet. Jarrod noted consumption for his four-person family is approximately 1,600 cubic feet, and he said an average customer's consumption would fall somewhere between 1,600 and 2,000 cubic feet.
 - The previous quarterly rate for 2,000 cubic feet was \$48. This cost will increase to \$64.60 as part of the Step Two increase. The public fire protection rates will increase from \$49.47 to \$72.10. Jarrod noted this would equate to an increase of slightly more than \$7 per month.
 - Jarrod said a homeowner of a large residential home with a consumption of approximately 5,500 cubic feet likely waters the lawn frequently during the summertime. The quarterly rate would increase from \$102.25 to \$146.15. The public fire protection rates would increase from \$103.72 to \$153.65. Jarrod noted the public fire protection is a constant figure regardless of usage.

182

183 Jarrod showed committee members a screenshot from the Public Service Commission Dashboard that showed all the water utilities in the State of Wisconsin. Jarrod referred to the "Bill Comparison" circular graph and pointed out that the City of Onalaska's average rate for a customer who utilizes 12,000 gallons (1,604 cubic feet) is \$33.86, which puts the city near the bottom (rates range from a minimum of \$13 to \$193).

184

185

186

187

188

189 Ald. Stevens asked Jarrod if the rate of \$33.86 is where the city is currently at, or if that will be the rate after an increase.

190

191

192 Jarrod told Ald. Stevens that is the city's current rate.

193

194 Jarrod showed committee members a "Bill Comparison" circular graph that shows with a 46-

195 percent rate increase the rates for a customer who utilizes 12,000 gallons (1,604 cubic feet) will

196 increase to \$49.44, which still would place the City of Onalaska in the bottom third of the state's

197 water utilities. Jarrod said, "I'm trying to show this visual parameter that we are still a value

198 comparative to the state in what our water rates are."

199

200 Jarrod noted staff has received some comments from the public and said he believes the 46-

201 percent increase is throwing off citizens as they are examining their utility bill, which includes

202 sanitary sewer, water, and storm water, and they believe their bill will increase by 46 percent.

203 Jarrod said, "It is deceiving when they look at that."

204

205 Fred noted that in the fall of 2018 staff was putting together a forecast of doing a Water/Sewer

206 Mortgage Revenue Bond and a Storm Water Mortgage Revenue Bond along with the city's

207 normal capital projects. The city retained HABCO's services to evaluate where the city is and

208 where it needs to go to have a proper cash flow for the significant amount of funds. Fred noted

Reviewed 10/09/2020 by Fred Buehler

Utilities Committee

Wednesday, October 7, 2020

6

209 the 2019 Water/Sewer Mortgage Revenue Bond totaled \$8,655,000, and the 2019 Storm Water
210 Mortgage Revenue Bond totaled \$2,215,000. Fred told committee members he is focusing on
211 the Enterprise Funds, noting that Moody's wanted to make sure in mid-September 2020 that the
212 City of Onalaska is doing what it said it would, which is to modify the rates within the Enterprise
213 Funds.

214

215 Fred said he, Jarrod, City Administrator Eric Rindfleisch, and Brad Viegut of Robert W. Baird
216 had met with Moody's representatives and showed them the city's status from the General Fund
217 perspective, as well as the city's status pertaining to the Sewer Utility; specifically, that both the
218 Utilities Committee and the Common Council had voted to increase it half in 2019 for 2020, and
219 the second increase would occur in 2021. Fred noted the city was right at the level of having a
220 draft from the PSC for the Water Utility. Fred said Moody's reaffirmed the City of Onalaska's
221 Aa2 rating for the Water and Sewer Utility, and also reaffirmed the city's Aa3 rating for the
222 Storm Water Utility. Fred said the city has received an Aa3 rating for the Storm Water Utility is
223 new, and the city has not gone into the territory of doing Mortgage Revenue Bonds in the past.
224 Fred also noted Moody's gave the General Fund an Aa2 rating, and he said he believes Moody's
225 wanted to do this to ensure that the city is in good standing during the pandemic.

226

227 Fred noted the next meter reading will occur approximately December 6 or 7 and said that is
228 when the timeframe would start. The rate structure, if the PSC approves it, would be noticeable
229 on the April 1, 2021 billing.

230

231 **Adjournment**

232

233 Motion by Ald. Wulf, second by Ald. Stevens, to adjourn at 7:15 p.m.

234

235 On voice vote, motion carried.

236

237

238 Recorded by:

239

240 Kirk Bey