

STOUGHTON UTILITIES COMMITTEE REGULAR MEETING MINUTES

Monday, February 20, 2023 – 5:30 p.m.

Stoughton, WI

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Location: Edmund T. Malinowski Board Room, Stoughton Utilities Administration Office
600 South Fourth Street, Stoughton, Wisconsin
Optional Virtual Participation: GoToMeeting ID 518-956-325

Members Present: Citizen Member David Erdman (Chair), Alderperson Regina Hirsch, Mayor Tim Swadley, Citizen Member Dustin Thoren (Vice-Chair), Alderperson Joyce Tikalsky

Excused: None

Absent: Alderperson Fred Hundt

Others Present: WPPI Energy Rate Analyst II Nicole Guld, Stoughton Utilities Finance Manager Shannon Statz, Stoughton Utilities Assistant Director Brian Hoops

Call to Order: Chairperson Erdman called the regular Stoughton Utilities Committee Meeting to order at 5:31 p.m. Erdman, Hirsch, Swadley, and Thoren were present in person. Tikalsky was present by webinar.

Verification of Quorum: The chair verified that a quorum of the committee membership was present.

Certification of Compliance with Open Meetings Law: The chair asked if the meeting had been properly noticed in compliance with open meetings law. Hoops certified that it had.

Public Comments: None

Utilities Committee Consent Agenda: Stoughton Utilities staff presented and discussed the Stoughton Utilities Committee consent agenda items, highlighting the recent holiday donation drive that had collected over 1,700 pounds of non-perishable food donations for the Stoughton Food Pantry, a note from a customer in the rural service territory thanking Stoughton Utilities for reliable service during the recent winter storms, and recent billing statement inserts that are available in the packet of committee materials.

Motion by Thoren, the motion seconded by Hirsch, to approve the following consent agenda items as presented:

- a. Draft Minutes of the November 21, 2022 Regular Utilities Committee Meeting
- b. Stoughton Utilities Payments Due List Report
- c. Stoughton Utilities Financial Summary – October and November
- d. Stoughton Utilities Statistical Report
- e. Stoughton Utilities Activities Report
- f. Communications

The motion carried unanimously 5 to 0.

Presentation of the Proposed Electric Rate Application Filing: Stoughton Utilities staff introduced Ms. Nicole Guld of WPPI Energy who presented and discussed the proposed electric rate application filing planned to be submitted to the Public Service Commission of Wisconsin (PSCW) for their review. The rate application filing proposes an overall 4.82% increase to electric rates, with the average residential customer seeing an increase of 5.6%, or \$5.00 per month. Staff informed the committee that the 2023 electric budget that was presented to

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the committee and common council in November 2022 included a projected rate increase of 5%. It was noted that changes were being made to the energy demand thresholds for the CP-1 rate classification, and potential customer impacts were discussed including proactive customer outreach. The revised streetlight rates were also noted and discussed.

Stoughton Utilities and City staff informed the committee that the next steps in the regulatory rate review process include finalizing the rate application and submittal to the PSCW, providing a public notice to all customers of the active application and proposed rate impact, providing additional documentation to the WPSC upon request during their application and rate design review, and holding a public hearing and comment period at a date and time to be scheduled by the WPSC. Discussion followed.

Motion by Tikalsky, the motion seconded by Hirsch, to direct staff to file an application with the Public Service Commission of Wisconsin for a regulatory rate review and adjustment. The motion carried unanimously 5 to 0.

Guld left the meeting at 5:52 p.m.

Authorization to Execute Equipment Purchase Agreement with the Village of Mount Horeb for the Sale of a Used Virginia Substation Transformer: Stoughton Utilities staff provided the committee with a history of the south bay transformer at the East Substation, which experienced a catastrophic failure in November 2021. The transformer has since been replaced, and transported to the manufacturer's facility in Roanoke, Virginia for failure assessment and testing.

Prior to transporting the failed transformer back to the manufacturer, proposals to sell the transformer for scrap were received, with the high proposal being \$12,772.00, including shipping from Stoughton to the scrap facility. The Village of Mt. Horeb, WI offered to pay an amount equal to the scrap proposal, pay for transport to the manufacturer, and pay for costs not covered by the manufacturer associated with the root cause failure analysis including the tear down of the original coils. The Village intends to proceed with the manufacture of a new core and coil which will be built in the original tank of the failed transformer.

Staff explained that the transformer manufacturer requires that a bill of sale be provided showing that Stoughton has sold or otherwise transferred title of the transformer to the Village of Mt. Horeb. An equipment purchase agreement has been drafted for the as-is, where-is sale of the transformer for a total amount of \$12,772.00. A 2005 policy requires that the Stoughton Utilities Committee approve the sale of any item with a value exceeding \$500.00. The policy further requires that the utility issue a notice of intent to dispose of the item and run a classified ad in local newspapers soliciting sealed bids.

Motion by Hirsch, the motion seconded by Thoren, to authorize the execution of the equipment purchase agreement in the amount of \$12,772.00 with the Village of Mount Horeb for the as-is, where-is sale of a used Virginia substation transformer. The motion carried unanimously 5 to 0.

Motion by Hirsch, the motion seconded by Tikalsky, to approve a waiver of the requirements to issue a notice of intent to dispose and the solicitation of sealed bids for the as-is, where-is sale of a used Virginia substation transformer as required by policy, and recommend approval to the Stoughton Common Council. The motion carried unanimously 5 to 0.

Bad Debt Account Write-Offs through December 31, 2022: Stoughton Utilities staff presented and discussed the Bad Debt Account Write-Offs through December 31, 2022. Customer account balances totaling \$1,027.96 were proposed to be written off as uncollectible and recorded as a 2022 operating expense. Discussion followed.

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Motion by Tikalsky, the motion seconded by Thoren, to approve the Bad Debt Account Write-offs through December 31, 2022 and recommend the approval and the adoption of the corresponding resolution to the Stoughton Common Council. The motion carried unanimously 5 to 0.

Stoughton Utilities Round-Up Program: Stoughton Utilities staff presented and discussed the Stoughton Utilities Round-Up Program. A brief description and history of staff's efforts to recruit new organizations to apply for funding was provided to the committee. This is the second of two donations to be made using 2022 program funding, with an applicant pool of 15 local non-profit organizations. Discussion followed.

Motion by Tikalsky, the motion seconded by Hirsch, to donate \$500 from the Stoughton Utilities Round-Up Program fund to the Affordable Transportation Program and \$500 to the Stoughton Village Players. The motion carried unanimously 5 to 0.

Swadley left the meeting at 6:15 p.m.

Status Update: Customer Collections: Stoughton Utilities staff presented and discussed an update on the current status of customer collections during the annual cold weather electric disconnection moratorium. Total delinquencies rose in the late-summer and autumn months of 2022 as the impact of increased wholesale power costs was reflected on customer's bills, and although the utility entered the moratorium with delinquencies higher than experienced in 2017-19 the amounts were still comparable with balances seen in 2013-16. Winter delinquencies remain higher than last winter, however staff does not see any reason for concern as balances remain comparable with those seen prior to the COVID-19 pandemic. The number of delinquent customers remains below average despite an increase in the amounts owned.

Staff presented various energy assistance funding programs that are available to customers and ongoing and upcoming collection activity. Discussion followed.

Community Outreach News Coverage: Stoughton Utilities staff presented and discussed recent television and social media coverage received by SU in response to a tour that was provided to a local autistic teenager who has an interest in power poles. Staff provided the teen with tours of our facilities and system and attached a name tag to his favorite pole. Following the teen's visit, pictures and notes of thanks were shared by the family on social media, which resulted in a short segment being aired on a regional newscast. The news segment was rebroadcast on local affiliates in Pennsylvania and Nebraska, and was briefly featured on the CNN website. The social media posts were shared by a popular aggregator, which resulted in over 48,000 reactions and comments. Erdman mentioned that the news segment had recently been re-aired locally following a viewer delivering a gift for the family to the station. Discussion followed.

2022 – Year in Review: Stoughton Utilities staff presented and discussed the Stoughton Utilities 2022 Year In Review publication, which discussed the utility's efforts and activities in the community, including energy efficiency, renewable energy, system reliability, economic development, community outreach, and more. Discussion followed.

Wisconsin Department of Natural Resources Sanitary Survey Report: Stoughton Utilities staff presented and discussed the findings of the Wisconsin Department of Natural Resources during their routine Sanitary Survey Report of the Stoughton Waterworks. This survey is conducted every three years. No significant deficiencies and no deficiencies were noted for the waterworks. Three non-conforming features at the well houses were noted in the survey. These features do not require immediate correction but shall be corrected

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when major work is completed at the well facilities. The committee discussed the cyber security section of the survey report and staff explained that the language is boilerplate and included in all system surveys, and briefly discussed SU security practices. Discussion followed.

Staff informed the committee that the next sanitary survey of the system is scheduled to take place in 2026. Discussion followed.

Utilities Committee Citizen Member Update: Stoughton Utilities staff informed the committee that Citizen Member John Kallas submitted his resignation from the Stoughton Utilities Committee, having previously served on the committee for more than 12 years. A replacement will be appointed by the mayor during the annual common council and committee reorganization in April. Discussion followed.

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 recently approved and/or placed on file by the Stoughton Common Council:

Consent Agenda:

1. Minutes of the October 17, 2022 Regular Utilities Committee Meeting
2. Stoughton Utilities Payments Due List Report
3. Stoughton Utilities Financial Summary
4. Stoughton Utilities Statistical Report

Business:

1. None

Discussion followed.

Utilities Committee Future Agenda Items: Stoughton Utilities staff informed the committee that a staffing and reorganization update is planned for either the March or April meeting, and the annual financial audit report will be presented in April or May. The committee requested that the WPPI Energy Services Manager attend a meeting to discuss current programs at Stoughton Utilities and WPPI Energy including any program changes resulting from recent changes to federal law and potential sustainable building recommendations. It was suggested that a joint meeting with the Stoughton Sustainability Committee could be held in April.

Adjournment: Being no further business before the committee, the Chair adjourned the meeting at 6:43 p.m.

Respectfully submitted,

Brian R. Hoops

Stoughton Utilities Assistant Director