

VILLAGE OF MCFARLAND
Public Works & Utilities Committee Minutes

Monday, August 28, 2023 - 6:00 PM

1. CALL TO ORDER, ROLL CALL.

Trustee Wreh called the regular meeting of the Public Works & Utilities Committee to order at 6:00 PM in the Community Room of the Municipal Center. This meeting was also held via Zoom webinar.

Members present: Edward Wreh, Hilary Brandt, Marc Nielsen, Chris Fredrick, Eric Kindschi, Matthew Coan

Members not present: Pauline Boness

Staff Present: Public Works Director Lee Igl, Assistant to the Public Works Director Aimee Irwin, Town & Country staff Brian Berquist, and Baker Tilly staff Jodi Dobson.

2. PUBLIC APPEARANCES.

- a. *This is an opportunity for members of the public to address the Public Works and Utilities Committee for items that are not on the agenda. Please remember this is a hybrid meeting conducted in person and through the Zoom online meeting platform. Meeting attendees wishing to address the Committee about items not on the agenda may do so at this time. Zoom attendees should type their name and address in the Question and Answer feature within the Zoom online meeting platform at this time. Members of the public who are present in person and wish to address the Committee should fill out a public comment form and turn into the meeting chairperson. When you are called upon to speak, state your name, address, and provide your comments to the Committee for their consideration. Please adhere to the 3-minute time limit. Additionally, you may send your public comments to public.works@mcfarland.wi.us to be included as part of the meeting.*

Members of the public may also speak during their selected agenda item as they designate on the public comment form or in the Question and Answer feature on Zoom.
None.

3. APPROVAL OF MINUTES.

- a. *Motion to approve the minutes of the July 24, 2023 Public Works & Utilities Committee meeting.*
Motion by Trustee Wreh, seconded by Kindschi, to approve the minutes of the July 24, 2023 Public Works & Utilities Committee meeting. Motion carries 4 - 0 - 2, with Brandt and Nielsen abstaining.

4. BUSINESS.

- a. *Discussion regarding the conventional rate case for test year 2024.*
Jodi Dobson of Baker Tilly reviewed the enclosed Water Rate Application Summary document. The document provided a comparison between the previously filed rate case in 2021 to the current rate case for test year 2024. Based on calculations, Dobson estimated that an increase of \$11.00 per bi-monthly bill is required for the average

customer. Dobson stated her team needs direction on the methodology for collecting the Public Fire Protection, as well as if it's the desire to change from a declining rate block to either a flat rate or an inclining rate block.

- Nielsen asked if the federal funding associated with the Exchange Street project was included in the rate case calculations. Fredrick explained that there are portions of the Exchange Street project that are funded by the village, such as water and sewer work which would be included in the calculations.
- Fredrick and Trustee Wreh asked for additional data regarding the utility customer base in order to make a decision regarding the rate structure.
- Fredrick expressed his concern related to the amount of debt service compared to the revenue brought in each year for future project years.

Nielsen presented his recommendations regarding the water rate case as stated in his email sent on August 25, 2023. His comments and recommendations include: concern about the economic inequity of including the cost of paving, curb and gutters in the utility plant rate base when streets are reconstructed and the annual payment made by the water utility to the village general fund exacerbates this economic inequity. Nielsen recommends that the auditor recalculate the water revenue requirement with the street, curb and gutter plant depreciated values removed and recalculate after removing the annual transfer of funds from the utility to the general fund.

Igl provided comments regarding non-profit entities that would not pay, explained the adjustments previously made regarding the allocation percentage, and the changes recommended by Nielsen would impact the tax levy.

Dobson explained that there is a value in the books for such items as water mains, services, and hydrants, which may include allocated overhead costs such as paving. As this value is set for the historical data, it is not able to be zeroed out.

Trustee Wreh recommended that data be brought back to the committee regarding what other municipalities do for their allocation process.

5. SCHEDULE NEXT MEETING DATE.

a. Wednesday, September 27, 2023 at 6:00 p.m.

6. ADJOURNMENT.

Motion by Trustee Brandt, seconded by Fredrick, to adjourn at 6:50 p.m.

Pursuant to law, written notice of this meeting was given to the public and posted on the public bulletin board in accordance with Open Meetings Law.

Respectfully submitted,
Aimee Irwin
Assistant to the Public Works Director