

**UTILITY COMMISSION COMMITTEE MEETING
JOINT WITH COMMITTEE OF THE WHOLE**

March 17, 2025

Brillion City Center

5:30 PM

CALL TO ORDER by Jeff Wittman at 5:30pm

ROLL CALL

Present: Chairperson Jeff Wittman, Russ Boldt, Dan Farrell, Leonard Kopidlansky, Joe Levash, Mary Jo Krueger

Committee of the Whole: Mayor Mike Smith, Joe Behnke, Kory Davis, Tim Hanson, Kurt Stephany

Absent: Vice Chair Dave Schwahn, TJ Moehr, Ruben Piepenburg

Staff: Heather Gilbertson, Clerk/Deputy Treasurer; Andrew Maertz, Department of Public Work Supervisor; Patty Schreiber, Administrator

Guests: Pete Litersky-MCO, Tony Kappell-McMahon, Paul Much-MCO, Carol Wirth-Wisconsin Public Finance Professionals, LLC

APPROVAL OF AGENDA

Motion: Levash moved to approve the agenda. Second by Krueger. All in favor. Motion carried.

APPROVAL OF MINUTES

Motion: Boldt moved to approve the minutes February 17, 2025. Second by Farrell. All in favor. Motion carried.

APPROVAL OF VOUCHERS

Sickle mower repair. The mower is used to cut the reed beds.

Motion: Krueger moved to approve the Utility Vouchers as listed. Second by Levash. All in favor. Motion carried.

CITIZEN INPUT – None

WASTE WATER TREATMENT PLAN UPGRADE

Timeline Review

Kappell stated that there are two separate contracts out for bid: the force main between main lift station and Wastewater Treatment Plant, and the Wastewater Treatment Plant. Thursday, March 20th the force main bids are due. A mandatory pre-bid meeting and walk through the Wastewater Treatment Facility was on March 4th. The bids are due for that project on April 3rd. Kappell is expecting four bids. McMahon is currently working on filing necessary documentation for closing on the Clean Water Fund Project Funding that is due June 30, 2025. Demonstrating that the utility can generate enough revenue to cover the new annual debt service and replacement fund contributions as well as the ongoing operation and maintenance of the facility. A rate increase prior to June 30 deadline to meet the funding requirements will need to be considered. McMahon did a rate study. Clean Water Fund application was done on an anticipated cost of \$2.3 million with principal forgiveness of \$3.1 million and the rest of the project will be financed through a loan with a 2.5% interest rate over a 30 year period.

Debt Coverage

Annual revenue needs are estimated at \$1.9 million. \$600,000 covers the annual operations cost, \$78,000 would be equipment replacement fund, \$1.1 million for annual debt service. Current average residential sewer service charge is \$260 per quarter, includes a fixed meter charge \$96.35, volume \$7.13/1,000 gallons of water. Based on preliminary numbers, the average sewer charge would increase

about 51% per quarter. The fixed charge would increase to \$149.00 per quarter and volume \$10.60 per 1,000 gallons. Numbers could go up or down based on the bids.

Clean Water Funding Loan

City applied to State of Wisconsin Clean Water Fund Loan Program to fund the wastewater treatment plant upgrade. Approximate dollar amount of funding - \$23,941,968

Principal forgiveness - \$ 3,100,000

30-year loan @ 2.31% \$20,841,968

Estimated annual payment \$ 988,140

Revenue Bond – payable solely from revenues generated by sewer utility rates.

No tax levy support for the debt service.

Sewer Rate Increase

Existing \$1,600,000 Sewer Utility Revenue Bond Anticipation Notes 2023.

Borrowed for wastewater treatment plant upgrade design costs - \$900,000*

2024-2025 sewer utility portion of road projects - \$700,000

*The \$900,000 will be paid off with the Clean Water Fund Loan

The \$700,000 portion is structured to come due on May 1, 2028. The sewer utility is paying \$34,125 of interest annually on this portion.

If the City collects special assessments related to the road projects, these funds can be used to prepay any portion of the \$700,000 by adopting a resolution and providing a 30-day notice to bondholders. Any principal balance remaining can be refinanced with any future borrowing the City may undertake for road projects up to 2028, or refinance the balance into annual payments.

Sewer Ban Review

Coverage – Sewer Utility Revenues Provide for Revenue Bonds and BANs

Debt payments on Revenue Bonds and BANs are not supported by tax levy.

Therefore, the Net Income generated by sewer utility rates must be sufficient to pay the annual debt service by at least 1.1 X

Example: BANs interest - \$ 34,125

CWF Loan Debt Service - \$ 988,140

Total \$1,022,265 X 1.1 = \$1,124,491 Net Income Needed

FOCUS ON ENERGY PRESCRIPTIVE INCENTIVE AGREEMENT

Schreiber stated that this was sent from McMahon and needs to be in signed for the Clean Water Fund. Kappell added that the incentive would be \$26,359. A small portion would go to McMahon for preparing the application, the remaining will be used for what the city desires. The DNR will match this total in principal forgiveness funds.

Motion: Levash moved to accept the Focus on Energy Prescriptive Incentive Agreement. Second by Boldt. All in favor. Motion carried.

PROJECTS (I&I, LSL, General Utility)

Street Projects

Kappell had the bids with him. They were opened on March 6th. Washington Street received four bids – recommending Don Hieptas and Sons as lowest bidder. Valley View, Homewood, Maple Ridger received four bids – recommend Peters concrete as lowest bidder.

Lead Service Line Replacement

Litersky submitted the lead service line inventory, and he received communication back from DNR Regional Representative stating the city is automatically in violation. There are many that are unknown. There would need to be wording added to the CCR due to these unknowns. Litersky states this is only speculation currently. To resolve the unknown lines, we would need to dig down to the curb stop to find out. Litersky will keep the commission posted with updates.

Yearly Sewer Bid Approval

Litersky received four bids. PLC Water Jetting Service was the lowest with \$11,514.68. Aqualis was the highest with \$29,975.97. Litersky recommends going with PLC Water Jetting as the city has been working with them for years.

Motion: Krueger moved to approve the PLC Water Jetting Service for the yearly sewer bid. Second by Kopidlansky. All in favor. Motion carried

MCO REPORT

Monthly Report

Screw Pump is no longer in operation. A couple of weeks ago a chunk of ice fell off the sidewall and crushed the flights. They lost the phosphorus analyzer. The sampler has been moved outside into a shed. The DNR has approved these changes as they know the upgrade for the plant is coming. A new sludge pump was installed. This is pumping 35,000 gallons in seven hours. Resin cleaning project is complete. It was very successful with the pump and circulation. The process took about a week. Commercial Cross Connections started in February are almost complete. Ryan Street Pump 2 was pulled because of rag blockage. Meter changes are going well. 6/130 residential have been changed and 25/63 commercial meters have been changed.

ENGINEERS REPORT

Monthly Report

Nothing additional to report.

CHAIRMAN – None

PSC WATER RATE INCREASE CASE

Public Hearing set for April 16, 2025 at 3:00pm. CLA will be on the call.

CLERK TREASURER

Account Write Off

Schreiber reviewed the memo. Commission agreed to collect on the past due utility bills. Schreiber will reach out.

OLD BUSINESS – None

NEW BUSINESS – None

ADJOURNMENT

The meeting was adjourned at 6:33p.m.

Heather Gilbertson
Clerk/Deputy Treasurer