

**Public Utilities Committee
Meeting Minutes -- DRAFT
June 21, 2016**

Members present: Mary Pat Lytle, Stephanie Brassington, Marc Nielsen, Ernie Peterson, and Chris Frederick.

Members absent: Craig Weiss

Staff present: Allan Coville, Jim Hessling, Kelsy Boyd, and Phil McDade.

Others present: Village trustee Clair Utter, Rachel Aaroen

1. Call to order: The meeting was called to order at 6 p.m. by Chair Lytle in Conference Room A at the Municipal Center.

2. Public comments: Trustee Utter argued the committee should look into the issue of contracting with Payment Service Network (PSN) in more detail before it is brought to the Village Board for consideration.

3. Review and possible approval of draft Minutes of Public Utilities Meeting of May 17, 2016:

Motion by Peterson, second by Brassington, to approve the draft minutes with one minor change (Item 5. A. Staff reports; second line of second paragraph should read: "The line has to be chlorinated and two safe water tests need to be obtained." Motion carried 4-0-1 with Nielsen abstaining as he was absent at the May meeting.

Lytle asked that agenda item #5 be moved ahead of agenda item #4 for discussion; the committee approved by consent.

5. Discussion and possible action on customer appeal of a water bill:

Village resident Aaroen appeared to express concern about recent increases in her water bill. Lytle asked if there is a system in place to monitor high water usage. Coville said usage since 2014 was typical but was higher than usual in April 2016 billing period. Lytle asked if utility staff could monitor more closely usage increases. Lytle said it was unclear to confirm how increased water usage occurred at Aaroen's residence. Hessling provided background on his visit to the residence to possibly find out how water usage was increasing, but it was inconclusive. Nielsen noted Aaroen had increases in two meter readings in February and April 2016. Lytle asked committee for direction. Fredrick worried about the precedent of refunding part of bill, and that the committee could see other customers appealing bills. Lytle said the committee couldn't set a precedent in reducing a bill when it was unclear how increased water usage occurred.

Motion by Lytle, second by Brassington, to deny the appeal to refund part of the customer's water charges. Nielsen offered a friendly amendment to have utility staff review the system

algorithms used to determine unusually high water usage . Passed 5-0.

4. Review and discussion of the 2015 Compliance Maintenance Annual Report (CMAR) for sanitary sewer system.

Coville reported on CMAR report. The utility received a score of 100 out of 100 and a grade of A.

Motion by Lytle, second by Nielsen, to approve Resolution #PUC 01-2016 accepting the CMAR for 2015. Motion carried 5-0.

6. Discussion and recommendation to Village Board regarding PSN

Village finance director Boyd provided background on the village's discussions to implement Payment Service Network (PSN) for utility bill payments. The PSN system allows for automation in bill payments and provides for quicker processing of payments compared to the village's current Gov Pay credit-card system for paying bills. She also said PSN is the preferred vendor of the Caselle utility software that has also been adopted by the village for financial reporting and accounting. Boyd said the village wants to upgrade automation of utility billing procedures. Most village residents pay bills by a personal check, while small numbers pay in cash through the Gov Pay system. Boyd said all of those payment methods required manual entry by utility staff, and the village wants to move toward automating more of its utility payment processing. PSN also provides information to customers on-line, and bills can be sent on-line. PSN accepts both debit cards as well as credit cards. Boyd estimated savings for processing payments could be approximately \$914/month and \$192/month if 20 percent of customers opt out of paper billing. Boyd said the utility in 2015 upgraded its Caselle software in conjunction with village financial software upgrade. Fredrick asked village staff to pursue some kind of price guarantee to avoid drastic price increases once the payment system was adopted; Boyd said she would pursue that. Brassington noted that PSN is the preferred provider of the Caselle software system so bidding out the processing system to other vendors may not be feasible. Nielsen asked about a long-term contract, and Peterson recommended contacting other municipalities about their contracts with PSN.

Motion by Nielsen, second by Fredrick, to recommend adoption of the PSN payment system to the Village Board and rely on finance director to negotiate terms acceptable to Village Board. Motion carried by 5-0 vote.

7. Staff reports

Coville noted that the city of Madison as of June 1, 2016, will only accept brush debris from city of Madison residents. The city previously had accepted brush drop-off from neighboring

communities for a fee. He said the change may require the village to re-assess its brush debris drop-off site at the public works building. The site is now open from 7 a.m.-7 pm, seven days a week, from April to December. Madison's new restrictions could potentially lead to residents from outside McFarland using the village's brush drop-off site; a few in past years have caught using it, and can be potentially fined for illegal dumping. Village staff may look into options such as: displaying a pass card to drop off brush; check in with public works staff before dropping off brush; vehicles dropping off brush must have a village-issued sticker; the site would be open only during public works office hours during the week; limiting how much the site is open on weekends. The committee members asked Coville to come back with list of proposals for their consideration.

Regarding Broadhead Street, Coville said village residents are now tied into the village's new water main. Most water projects in village are completed. Remaining work on Broadhead Street (County Highway MN) should go quickly; the difficult work on the street is finished. The new lift station – No. 5 – is 99% operational.

Fredrick asked about the impact fee statement. Coville said water system impact fees are collected from new residential building, and are similar to park impact fees and help cover costs of items such as new wells and water towers.

Adjournment: Motion by Lytle, second by Fredrick, to adjourn at 7:14 p.m. Motion approved 5-0.