

UTILITY COMMITTEE

April 1, 2019

PRESENT: Chairperson Turchi, Members Carroll, Kohler, Hegy

ALSO PRESENT: City Administrator Volkert, Utility Director Rhodes, City Engineer Schall

Call to Order – Chairperson Turchi called the meeting to order at 6:00 p.m. in the Common Council Chambers of Hartford City Hall, 109 North Main Street.

Public Comment Period – None.

Electric Service Interruptions and Water Main Breaks – Utility Director Rhodes provided information on the electric service interruptions and water main breaks.

Pad-Mount Transformer – The new apartment complex located at the intersection of State Street and North Main Street (North Bookend Project) will need a new electric service as part of the system upgrade in that area. The new service will require a 750 KVA three-phase pad-mount transformer. All transformers are competitively bid through WPPI's joint purchasing program and RESCO was awarded the transformer contract for 2019. The cost for the transformer amounts to \$19,549.

MOTION by Alderperson Hegy, and seconded by Alderperson Carroll recommending the purchase of one 750 KVA three-phase pad-mount transformer from RESCO at a cost not to exceed \$19,549. MOTION CARRIED UNANIMOUSLY.

Advanced Meter Replacement Project – The 2019 CIP has approved a water and electric meter replacement program with a new metering system called Advanced Metering Infrastructure (AMI) which provides two-way communication from and to the meter. Utility Director Rhodes provided information on the AMI System, and responded to questions. Elster Solutions has a contract with WPPI allowing them to host the main database and handle the main AMI software licensing. The total cost for equipment, software and training is \$25,036, which will be split evenly between the Water Utility and Sewer Utility.

MOTION by Alderperson Hegy, and seconded by Alderperson Carroll recommending to authorize appropriate City officials to enter into a Purchase, Lease and Maintenance Agreement with Elder Solution which includes the purchase of start-up equipment, software and training for a cost not to exceed \$25,036 for the Hartford Utilities advanced meter replacement project. MOTION CARRIED.

Sanitary Sewer Extensions into the Town of Hartford – The Common Council approved two preliminary resolutions for the extension of sanitary sewer into the Town of Hartford at its 1/8/2019 meeting. One for sewer along Lee Road east of Highway 83 and along Highway 83 north of Lee Road, and the other for sewer in and adjacent to the Hillcrest Subdivision. The resolutions began the process for the sanitary sewer special assessments. Bids received for the installation of the sanitary sewer were all higher than anticipated. When factoring all costs for the sewer extension, the total estimated costs for the property owners is \$33,600 and \$25,700 depending on their location. As a comparison, typical costs for a mound septic system can range from \$14,000.00 to \$25,000.00.

Before proceeding to the public hearing and final special assessment resolution, staff thought it would be beneficial to present this information to the Utility Committee and Common Council with some possible options to reduce the costs for the property owners. With the current estimates for final costs to connect to City sewer, it may be difficult to convince the property owners there is a benefit to City sewer. Here are several options to consider:

Utility Committee (4/1/2019)

1. Special Assessments typically provide an option to pay over a five year period in equal annual installments. The Common Council could extend this payment period to spread the costs over a longer period of time and reduce the annual cost to the property owners.
2. In order to encourage more property owners to connect to the City sewer sooner, the City could offer a grant program for those property owners who connect within the first two years. If connection is made within the first year, a grant of \$5,000 would be provided to the property owner. If connection is made within the second year, a grant of \$2,500 would be provided to the property owner. This provides a benefit to both the City and the property owner. By getting more owners to connect to the sewer sooner, this will reduce the holding costs for the Sewer Utility. Otherwise, there is no timeframe for the owners to connect and it could be many years before the City recovers the cost of the sewer installation.
3. The City can work with the contractor after the contract is executed to try and reduce the cost of the project. There may be some constructability issues that could be managed with a change order to the contract. There is no guarantee this will reduce costs and the City cannot do anything official until the contract is executed. Staff will move forward with this option either way, but there is no estimate of potential costs savings at this time.
4. The City could decide to cover some of the costs of the project through the Sewer Utility. If the City proceeds with this option, the Utility Committee and Common Council will need to determine how much of the cost to cover.
5. The City could move forward to the public hearing and final special assessment resolution with the current estimates of construction cost with no options for the property owners.
6. The City could decide there is no benefit to the project, reject all bids, and not proceed with the sanitary sewer extension.

Staff is requesting feedback from the Utility Committee about how to proceed with this project. City Engineer Schall provided information on the options, and responded to questions. The Committee reviewed and discussed the options, and whether to proceed with the project.

MOTION by Alderperson Hegy, and seconded by Carroll recommending Option #2 except with percentages rather than dollar amounts, and to extend the payback period from 5 to 7 years. "Ayes" 2 (Alderpersons Hegy and Carroll) "Nays" 2 (Alderpersons Turchi and Kohler).

Adjournment – MOTION by Alderperson Carroll, and seconded by Alderperson Kohler for adjournment. MOTION CARRIED.

Respectfully submitted,
Lori Hetzel, City Clerk

LH:pb
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Compiled by Pat Borlen, Deputy Clerk