

MINUTES OF UTILITY COMMISSION MEETING

March 3, 2015

The regular meeting of the New London Utility Commission was called to order at 4:00 P.M. by president Steingraber at the Utility Offices at 400 East North Water Street, New London WI.

Members present were Steingraber, Gerhard, Rudie, Schmidt, Mc Clone, Thompson, Barrington (New London City Council liaison). Also present at the meeting was Tom Paque - WPPI Vice President of Member Services.

The agenda was amended to remove the Baker Tilly proposal. It was moved by Gerhard and seconded by Schmidt that the amended agenda be adopted. Motion carried.

It was moved by Schmidt and seconded by Rudie to approve the minutes of the meeting of February 17, 2015 as mailed. Motion carried.

It was moved by Rudie and seconded by Schmidt that vouchers 40630 through 40719 in the amount of \$128,603.23 as listed be paid. Motion carried.

A recent Baker Tilly study showed that New London Utilities would need a modest rate increase in order to recover its cost of doing business while earning a rate of return necessary to maintain the ongoing financial health of the organization. In addition to the modest rate increase, the commission also evaluated a potential, cost neutral, rate design change. Tom Paque reviewed with the commission how the utility industry is changing with advances in four key areas; information systems, communications, metering technology and generation technology. He explained that the current residential and small business rate designs were collecting a large portion of the utility's fixed costs through the variable kWh charge. He also explained how this rate design could result in an undesirable cost shift among customers within these rate classes if significant penetration levels of emerging technologies such as solar and other distributed generation were to occur in the community. It was explained that this cost shift could be avoided through a small restructuring of the fixed and variable components of the small customer rate designs. It was moved by Steingraber and seconded by Mc Clone that the commission authorize the manager to file with the Wisconsin Public Service Commission for an overall rate increase of 3% along with a cost neutral rate design change that would increase the monthly fixed charge from \$7.00 to \$16.00 over a three year period. The fixed charge increases were to be accompanied by offsetting kWh charge decreases. The utility's last rate increase was in 2009. Motion carried.

It was moved by Steingraber and seconded by Schmidt that the commission authorize the Manager to purchase Shoring equipment to replace some existing equipment at a cost of \$2,385.00. Motion carried.

It was moved by Schmidt and seconded by McClone that the Manager proceeds to advertise for a Water Operator position to replace Rick Houk who will be retiring at the end of May. Motion carried.

The Manager reported to the commission that the Utility had been nominated to be a candidate for Water System of the Year at the upcoming WRWA Conference.

The Manager reviewed with the commission the water main breaks and service issues that have occurred over the past two week.

It was moved by Schmidt and seconded by Steingraber that the meeting be adjourned. Motion carried.

Diane Rudie, Secretary.