



Legislation Text

File #: 77587, Version: 1

Fiscal Note

The proposed resolution authorizes the purchase of backup generation service with Madison Gas and Electric (MGE) for an 11th standby generator. MGE and Madison Water Utility have entered into similar lease agreements for 10 standby electric generators which are subject to Public Service Commission oversight. Operating costs for generators are variable and monthly based on energy usage and fuel costs. Funding is available in the Water Utility's operating budget for purchased services. No additional appropriation is required.

Title

Authorizing an electric service agreement for the purchase of backup generation service with Madison Gas & Electric Company, including the installation of a standby generator on a Madison Water Utility well site.

Background

Madison Water Utility (MWU) and Madison Gas and Electric (MGE) have a 20+ year arrangement in place that provides standby generators to be leased at 10 utility wells. MGE has offered to provide an 11th generator to be leased to the utility, at a mutually beneficial well site to be determined.

MWU's water supply runs primarily on its pumps, which run on electricity, and reliability is significantly improved with on-site standby generation where possible.

Body

WHEREAS, Madison Gas & Electric Company (MGE) and Madison Water Utility (MWU) have entered into lease arrangements that provide for 10 standby electric generators at various MWU well sites, a program which is subject to Public Service Commission oversight; AND,

WHEREAS, MGE has offered to lease an 11th standby generator to MWU for backup power and additional reliability; AND,

WHEREAS, standby generators at MWU well sites offer improved system reliability; AND,

WHEREAS, these lease agreements are considerably less expensive than the costs that MWU would otherwise need to account for to outright own, operate, and maintain their own generator on any given well site; AND,

WHEREAS, APM 1-1 requires Common Council approval before the City indemnifies another party in a contract.

NOW, THEREFORE BE IT RESOLVED, that MWU is authorized to enter into an electric service agreement for the purchase of backup generation service with MGE, including the installation of a standby generator on a MWU well site.

BE IT FURTHER RESOLVED, that the well site subject to this agreement will be determined by MWU staff and presented to the Common Council as part of the site layout approval process.

BE IT FURTHER RESOLVED, that the Common Council authorizes the indemnification of MGE related to the lease of the standby generator at the well site to be determined.

BE IT FINALLY RESOLVED, that the Common Council authorizes the Mayor and City Clerk to amend or execute any other agreements that are deemed necessary to accomplish the goals of this Resolution.