

CEDARBURG LIGHT & WATER COMMISSION

July 17, 2023

The regular monthly meeting of the Light & Water Commission was held on Monday, July 17, 2023 at 6:00 p.m. at the utility office.

Call to order by Andy Moss

Roll Call: Present: Joseph Dorr, Tim Larson, Andy Moss, David Pagel, Paul Radtke, and City Council Member Patricia Thome
Excused: Blaine Hilgendorf
Also Present – General Manager Ben Collins, Administrative Manager Mari Lauer, Staff Accountant Keri Guidinger, Associate Accountant Jessica Cotter

STATEMENT OF PUBLIC NOTICE

The Statement of Public Notice was read, and it was acknowledged that the agenda for this meeting was posted and distributed in compliance with the Wisconsin Open Meetings Law.

APPROVAL OF MINUTES

The minutes of the Regular Meeting held on June 19, 2023 were read and approved on a motion by Patricia Thome, seconded by Paul Radtke. Motion carried.

VOUCHER SUMMARY FOR JUNE

Accounts Payable, ACH, & Wire Transfers	\$ 1,570,213.00
Payroll	<u>143,101.00</u>
Total Vouchers	\$ 1,713,314.00

BANK BALANCE FOR JUNE

6/1/23 Balance Available	\$ 932,846.85
+ Deposits	1,543,883.09
- Checks and Other Debits	<u>1,907,394.66</u>
6/30/23 Available Balance	\$ 569,335.28

REVENUE ITEMS FOR JUNE

kWh Sold 8,818,077	\$ 1,016,708.15
Water Sold 42,178,299 Gallons	<u>224,145.41</u>
	\$ 1,240,853.56
Water Pumped 49,603,800 Gallons	
Power Purchased – 9,053,048 kWh	

NEW BUSINESS

MID-YEAR EMPLOYEE PROMOTION; AND ACTION THEREON

The Personnel Committee discussed a mid-year job title and compensation change for Jessica Cotter. This compensation adjustment will affect the current budget.

A motion was made by Patricia Thome, seconded by Tim Larson, to amend the current budget in the amount commensurate of the position of Staff Accountant for the remainder of the year with a wage increase implemented for the next full payroll cycle for Jessica Cotter. Motion carried.

PRESENTATION AND REVIEW OF THE LONG-TERM CASH FLOW MODEL AND RATE ADEQUACY; AND ACTION THEREON

Water Utility

- Current rates were implemented spring of 2023 from a rate case application of September of 2022
- Authorized ROR was established at 5.5%. In the original application a ROR of 4.5% was targeted, however the PSC recommended a ROR much higher. Staff prepared an updated cash flow model fall of 2022 that incorporated actual 2022 costs and modified budgets and projections to more accurately represent the current and projected economic conditions. This cash flow model supported a 5.5% ROR that would add to the reserve by approximately \$400k/year over the planning period. This additional reserve has been allocated to support lead service projects as the sustainability, and future availability of state and federal funding sources is unknown.
- August 2023 cash flow model is tracking as expected over the planning period. No action is recommended at that time.

Electric Utility

- Current rates were developed to reduce the utility's cash and investment balance using assumptions pre-extraordinary inflationary pressures, abnormally high-power supply costs, extended equipment delivery and lead-time issues, and significant additions to utility-owned plant taking place in one year rather than spread across several.
- Duration between application to the implementation of new rates for the last rate case was 14 months, current projections for rate cases submitted in 2023 is 14-16 months.

Ben discussed the findings of the cash flow model, and the projected results affecting the consumption of cash, and "days of cash." Staff recommends a targeted electric ROR of between 5.5% and 6.0% that would support a return to 200 days of cash reserve for the utility.

A motion was made by Joe Dorr, seconded by Patricia Thome, to direct staff to file an electric utility rate case with the Wisconsin PSC requesting a targeted rate of return that will accomplish the utility's goal to maintain a cash and investment balance that supports a return to 200-day cash reserve before the end of the planning period. Motion carried.

CITY COUNCIL, MANAGER AND DEPARTMENT REPORTS

The Manager & Department Reports were provided to the commissioners in advance of the meeting. The full reports can be reviewed in the electronic commission packet.

Patricia Thome reported that the City of Cedarburg is working through the city budget with a focus on the Fire and EMS departments and street projects.

Ben reported that the total utility compensation study is progressing as planned. The wage portion of the study is also progressing.

The next commission meeting is scheduled for September 18, 2023.

APPROVAL OF BILLS

The bills, as listed on the Check Register were audited, and a motion was made by Patricia Thome, seconded by Tim Larson, to approve the bills for payment. Motion carried.

ADJOURNMENT

A motion was made by Paul Radtke, seconded by Tim Larson, to adjourn at 6:37 pm. Motion carried.