

CEDARBURG LIGHT & WATER COMMISSION

August 20, 2018

The regular monthly meeting of the Light & Water Commission was held on Monday, August 20, 2018 at 7:00 p.m. at the Cedarburg Light & Water Utility Building, N30W5926 Lincoln Blvd, Cedarburg, WI 53012.

Call to order by President Blaine Hilgendorf

Roll Call: Present – Jim Coutts, Joseph Dorr, Blaine Hilgendorf, Tim Larson, Andy Moss, and David Pagel
Excused – City Council Member Patricia Thome
Also Present – General Manager Dale Lythjohan, Financial Manager Lynda Lalley and Administrative Manager Mari Lauer

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 July 16, 2018 were read and approved on a motion by Joe Dorr, seconded by Jim Coutts. Motion carried.

VOUCHER SUMMARY FOR JUL

Accounts Payable	\$ 447,079.19
ACH & Wire Transfers	803,505.33
Payroll	<u>83,566.34</u>
Total Vouchers	\$1,334,150.86

BANK BALANCE FOR JUL

7/1/18 Balance Available	\$ 163,112.58
+ Deposits	1,267,650.13
- Checks and Other Debits	<u>1,117,983.77</u>
7/30/18 Available Balance	\$ 312,778.94

REVENUE ITEMS FOR JUL

Light & Power Sold – 8,684,814 kWh	\$1,104,406.75
Street Lighting Revenue 46,181 kWh	22,566.54
Water Sold – 30,486,682 Gallons	130,846.37
Water Pumped 42,837,390 Gallons; Power Used 107,461 kWh	<u>12,102.85</u>
	\$ 1,269,922.51

NEW BUSINESS

REVIEW CASH-FLOW MODELS AND RATE ADEQUACY FOR ELECTRIC AND WATER UTILITIES; AND ACTION THEREON

At the July commission meeting, the commission decided to delay a decision on rates until the August meeting due to the cash-flow model indicating adequate/growing cash for each utility through 2023, but the ROR of each utility steadily trended down below an assumed 5% ROR that would be allowed from the PSC. At that meeting, the manager offered a proposal to modify a requested ROR to 4.5%, but with the projected increases in cash, both utilities would need to study current/future need/use of cash because the model indicated strong growth in cash with a rate change.

The General Manager and Financial Manager studied the issues and sought input from a variety of sources. The result of the research concluded with the recommendation that both utilities keep current rates in place until the next review in June of 2019. Management also recommended that the 2019 budget include an assessment of peak demand reduction opportunities in Cedarburg. The consensus of the commissioners was in support of the recommendations, so no formal action was taken.

See the August Commission Packet for full details outlining the cash-flow model updates.

REVIEW LONG-TERM DISABILITY PLAN OPTIONS; AND ACTION THEREON

The Manager and Administrative Manager have been working with consultant AFG to refine and update possible long-term disability insurance options. The updated quotes, coverages and costs were provided to the commission in the monthly packet.

The Manager recommends that Commissioner Pagel work with management staff to review the proposals, coverages and policies; and provide final input.

A motion was made by Jim Coutts, seconded by Tim Larson, to direct David Pagel and Dale Lythjohan to finalize the plan selection not to exceed \$900/month, and authorize coverage to start as soon as available through the carrier. Motion carried.

CITY COUNCIL UPDATE, GENERAL MANAGER, AND DEPARTMENT REPORTS

The following are highlights of the Manager & Department Reports that were provided in writing to the commissioners in advance of the meeting. Any specific discussions are noted.

Electric Service Outages Totals:

- 2018 year to date: 8
- 2017 Year end total: 21
- 2016 Year end total: 18
- 2015 Year end total: 13

Asplundh started the utility's annual backlot cycle tree trimming, and they will be here approximately 10 weeks.

WPPI Energy was recently onsite performing overhead infrared inspections. The underground inspections will be done at a later date.

Total water pumpage for the month of June:

- 2016 = 44,957,180
- 2017 = 42,006,770
- 2018 = 42,837,390

The Dieringer Research Group (DRG) will be working with WPPI to complete the WPPI System-wide Residential Customer Feedback Survey. Cedarburg has requested "over-sampling" of our customers to allow for statistically significant survey results. Letters will be mailed to randomly selected residential. The cost for the oversampling will be \$7,025.

Electric meter exchanges are near complete, with five meters that require work done by the homeowner prior to the AMI meter installation.

Water meter exchanges are progressing also with the water operators completing the full meter exchanges and Randy Bentley installing the communication modules.

APPROVAL OF BILLS

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

ADJOURN

On a motion by Joe Dorr, seconded by Andy Moss, the meeting adjourned at 7:57 p.m. Motion Carried.