

CEDARBURG LIGHT & WATER COMMISSION

June 19, 2017

The regular monthly meeting of the Light & Water Commission was held on Monday, June 19, 2017 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 – Joseph Dorr (by phone for the closed session only), Blaine Hilgendorf, Tim Larson, Andy Moss, David Pagel, and Council Representative Patricia Thome
Excused – Jim Coutts
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.

ADJOURN TO CLOSED SESSION

A motion was made by Joe Dorr, seconded by David Pagel, to adjourn to closed session at 7:00 p.m. pursuant to State Statute 19.85 (1)(g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved, specifically regarding Well #4. The meeting will reconvene to open session.

APPROVAL OF MINUTES

The minutes of the Regular Meeting held on May 15, 2017 were read and approved on a motion by David Pagel, seconded by Pat Thome. Motion carried.

VOUCHER SUMMARY FOR MAY

Accounts Payable	\$ 531,061.88
ACH & Wire Transfers	597,279.07
Payroll	<u>75,647.52</u>
Total Vouchers	\$1,203,988.47

BANK BALANCE FOR MAY

5/1/17 Balance Available	\$ 310,620.43
+ Deposits	1,218,412.67
- Checks and Other Debits	<u>1,245,310.94</u>
5/31/17 Available Balance	\$ 283,722.16

REVENUE ITEMS FOR MAY

Light & Power Sold – 7,675,306 kWh	\$ 790,358.55
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Street Lighting Revenue 68,492 kWh	22,775.02
Water Sold – 27,587,200 Gallons	120,886.01
Water Pumped 37,763,390 Gallons; Power Used 96,026 kWh	8,759.87
	<u>\$ 942,779.45</u>

NEW BUSINESS

PRESENTATION OF THE UPDATED LONG-TERM CASHFLOW MODEL, INCLUDING ELECTRIC & WATER RATE ADEQUACY; AND ACTION THEREON

The General Manager and Financial Manager reviewed the results of the recent update to the long-term cash-flow model for both the electric and water utilities.

Electric

The model indicated that the electric utility could increase rates by 2.91% on 1/1/2018 which would maintain a ROR of 5%. If the utility waited until 1/1/2019, the increase would be slightly higher at 3.74%.

Management reviewed the projected cash reserves. Cash reserves stay well within guidelines set by the Commission with anticipated construction schedules if the utility delayed rate action until 2019, but ROR does drop below the authorized 5%.

Water

The model indicated that the water utility could increase rates by 4.89% on 1/1/2018 to achieve a 5% ROR. *(Note that the Water Utility currently is authorized a 5.5% ROR, but the PSC standard currently is 5.0 %.)* If the water utility waited until 1/1/2019, it increases slightly to 5.13%.

Water utility cash reserves stay well within guidelines set by the Commission with anticipated construction schedules if the utility waited until 1/1/2019 to adjust rates, but the ROR does drop below the current authorized rate of 5.5%.

Staff recommendation is to wait and review the model in June 2018 for a possible rate change for 2019.

A motion was made by Joe Dorr, seconded by David Pagel, to approve the staff recommendation to not increase electric or water rates for 2018, and to review the rate status for 2019 in June 2018. Motion carried.

REVIEW OF THE CITY OF CEDARBURG CODE OF ETHICS; AND ACTION THEREON

A motion was made by David Pagel, seconded by Andy Moss, to certify adherence to the City of Cedarburg Code of Ethics, Ordinance No. 2004-08. Motion carried.

CITY COUNCIL UPDATE, GENERAL MANAGER, AND DEPARTMENT REPORTS

We Energies Boundary Agreement was signed by CL&W and is at We Energies for their signatures. As soon as signed copies are received, Anita at Boardman will file them with the PSC.

The High Level Pressure Zone Enhancement project has been awarded to PTS Construction out of Green Bay. The bid opening for this project was a bit disappointing. Seven contractors had interest in bidding on this work, but only one of them submitted a bid. That contractor is currently completing the City street and utility projects. The water superintendent is working with Cedar Corp Engineering to execute the contract. Cost will be in line with the budget. The start will most likely be mid-July.

The new assisted living complex (Hamilton House) located behind Redeemer Lutheran Church has made some strides towards starting construction in 2017. They will be required to extend a water main to their northern property line so they can be connected to the existing water main on the Lasata property in order to create a continuous loop for water distribution. Staff met with the director of the Lasata Campus, and the new Ozaukee County Administrator to discuss the plans and the benefits for Lasata. This subject does have to pass through two different County boards over the next two months before final approval.

Total water pumpage for the month of May

2015 = 37,898,750

2016 = 39,680,540

2017 = 37,763,390

The City/Utility Wellness committee met with Carri LaPlant from Aurora to coordinate programs that focus on the areas of concern identified from the health risk assessments including fitness, weight/nutrition management and financial well-being. Carri provided good ideas, and the committee will consolidate the information and come up with a plan for the remainder of 2017 and set some tentative plans for 2018.

AMI update: Staff is in full meter exchange mode as of May 23. The initial testing has gone well, and staff continues to work a few issues with the software and meter availability. Two gatekeepers were installed to bring the total number of gatekeepers to six (with a target of seven gatekeepers for the AMI project). There has been a slight uptick in the number of customer calls as crews are moving through routes, but there have been no liability issues to date.

	Electric	Water
Active AMI Meters	2025	0
Installation Hours	161	0
Routes Completed	11	0
Total Completed	32%	0%

Fred Jonas has joined the meter reading crew as of June 8th. Fred is a lifelong resident of Cedarburg and comes to us with utility experience at Brown Deer. Fred's primary focus will be the AMI project.

The June recycling event was a huge success! There were 316 cars, 158 appliances and two dumpsters of TVs and assorted electronics.

The website redesign is underway. Wendy Mueller and Mari Lauer attended a half-day training session for webmasters.

There will not be a July commission meeting. The next meeting will be held on August 21, 2017.

APPROVAL OF BILLS

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

ADJOURNMENT

On a motion by David Pagel, seconded by Pat Thome, the meeting adjourned at 8:36 p.m. Motion carried.