

CEDARBURG LIGHT & WATER COMMISSION

February 18, 2019

The regular monthly meeting of the Light & Water Commission was held on Monday, February 18, 2019 at 6:00 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, David Pagel, and City Council Member Patricia Thome

Excused – Andy Moss

Also Present – General Manager Dale Lythjohan, Electric Superintendent Karsten Huse, and Financial Manager Lynda Lalley

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 January 21, 2019 were read and approved on a motion by Pat Thome, seconded by Tim Larson. Motion carried.

VOUCHER SUMMARY FOR JAN

Accounts Payable	\$ 507,799.96
ACH & Wire Transfers	659,150.34
Payroll	<u>74,887.81</u>
Total Vouchers	\$1,241,838.11

BANK BALANCE FOR JAN

1/1/19 Balance Available	\$ 324,287.81
+ Deposits	1,361,619.95
- Checks and Other Debits	<u>1,467,648.39</u>
1/31/19 Available Balance	\$ 218,259.37

REVENUE ITEMS FOR JAN

Light & Power Sold – 8,853,835 kWh	\$ 884,037.42
Street Lighting Revenue 86,030 kWh	23,088.93
Water Sold – 25,595,547 Gallons	117,627.13
Water Pumped 33,143,880 Gallons; Power Used 97,732 kWh	<u>8,722.59</u>
	\$1,033,476.07

NEW BUSINESS

APPROVE 2018 ELECTRIC & WATER PHYSICAL INVENTORY ADJUSTMENTS; AND ACTION THEREON

The Financial Manager discussed the need for the commission to approve the annual adjustments to physical inventory as part of the annual audit prep. Once again, inventory for both utilities went smoothly for 2018.

Each year the utility takes a physical count of inventory products. These counts are compared to the count in the computerized inventory system. Differences are reviewed each year by the Electric Superintendent, Water Superintendent, and General Manager. Any variances that have a large quantity and/or dollar difference or that may have a material effect on the utility's property record units are researched to determine if errors made during the year are identifiable, and such errors are corrected. If errors in procedure are identified, they are discussed with the employees, and corrections are made.

A motion was made by Joe Dorr, seconded by Tim Larson, to approve annual adjustments to balance the value of physical inventory in stock with the accounting records in the amount of \$1,151 for the electric utility and <\$93> for the water utility. Motion carried.

ELECTRIC DEPARTMENT ANNUAL UPDATE

Electric Superintendent Karsten Huse attended to provide the State of the Electric Department presentation. Karsten's presentation was intended to review key activities from the last year or so, the present, and the future outlook for the electric department. The presentation is available electronically.

Karsten discussed the new hybrid bucket truck and the new directional boring machine. The hybrid truck is working well, supplying the equivalent of an 8-hour day of operation. The boring machine allows the crew to better serve customers, increases efficiencies and work flow and is less expensive than contracting. He also reviewed the new practice of installing underground conduit for the primary distribution system, and the use of the aged infrastructure study to prioritize underground equipment replacement schedules.

Staff continues to identify new ways to use the Automated Meter Infrastructure (AMI). It not only allows utility staff and customers to retrieve a variety of data, but in addition staff utilizes the outage management data, load management data, remote disconnect features, and reverse power flow detection to allow for enhanced customer service and operations planning.

Electric Department staffing was also discussed. It is anticipated that two of our line staff will retire sometime in the next six months to four years. Management intends to advertise this spring for either a journey level or apprentice line candidate and will then evaluate staffing needs in anticipation of the retirements.

Other areas of discussion included; Economic development, the downtown rebuild, new GIS implementation, service territory growth, distribution automation, electric vehicle charging, peak shaving considerations, and 5G small cell agreements.

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.

Ongoing Review of 457 Plan Provider and HSA Account Options

Management has continued our review of our current providers as well as other options.

L&W and the City currently offer 457 Plans from ICMA, and Northshore Bank. Management has met with each company, and with Wisconsin Deferred Comp (WDC) which is the sole provider of 457 plans for the State of Wisconsin. Each provider has strengths/weaknesses. The review has indicated that we desire to also offer WDC to our employees, which would require the City to also offer WDC. The manager will meet with the City in the coming weeks to see if they would be interested in also offering WDC. After a final decision is made, management will develop a summary of each plan (expenses, key features etc.) that employees can use as a reference.

CL&W originally set up Health Savings Accounts (HSA) with Ozaukee Bank for employees many years ago. The employee HSA accounts currently reside at BMO, and are interest bearing, but at very low levels. As employees have continued saving through deposits to their HSA's, their individual balances have grown to a point where they may desire to "invest" a portion of their balance in mutual funds etc. to possibly help fund future health costs. As we have started reviewing the local options for HSA accounts, it does not appear that local providers offer an option for investing outside of the normal "bank rate." We have identified several regional/national providers of HSA accounts that do offer mutual fund investment options. We will continue to pursue options that are good for employees, without burdening our current payroll and AP processes.

The current Cedarburg "Branding Steering Committee" has met several times to begin the "rollout" of the branding initiative with discussions of who the "Brand Ambassador" would be, and the need for other people/organizations etc. to be involved on a going forward process to drive the brand. The consensus of the group was to designate Mary Sheffield the City's Economic Development Coordinator as the Brand Ambassador. Mikko Hilvo from the City, Maggie Dobson the new Chamber Executive Director and others will assist in the brand role out. Mari Lauer will assist with ongoing efforts on an "implementation committee." There is currently about \$12,000 left over from the original funding to assist in kicking off the brand. The Steering Committee is also discussing the concept of licensing and general use of the brand.

Electric service outages totals:

- 2019 Year to date: 4
- 2018 Year end total: 11
- 2017 Year end total: 21

- 2016 Year end total: 18
- 2015 Year end total: 13

The ongoing unaccountable water percentage continues to be a challenge. The management team has met, and options are being investigated in the billing system and on the operations side with hopes of finding possible answers.

Total water pumpage for the month of January:

- 2019 = 33,143,880
- 2018 = 36,412,420
- 2017 = 33,537,170

The water crew is working hard on AMI meter installations. 80 percent of AMI water meters are complete.

Earlier this month, staff helped the First Immanuel Girl Scout troop earn their conservation badge by creating buttons with conservation slogans that they will distribute during a basketball game.

Staff is working with a local heating and cooling contractor to develop a residential smart thermostat installation program that complements the \$75 incentive offered through Focus on Energy. Thermostats are a popular component of the connected home concept that is penetrating the consumer goods market. Other products like smart lighting, wireless security systems and smart appliances are a growing convenience trend that has the potential to save energy as well. These tools can be used to complement grid optimization efforts in the future.

APPROVAL OF BILLS

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

ADJOURN

A motion was made by Pat Thome, seconded by Tim Larson, to adjourn at 7:34. Motion carried.