

## CEDARBURG LIGHT & WATER COMMISSION

June 17, 2019

The regular monthly meeting of the Light & Water Commission was held on Monday, June 17, 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, Andy Moss, David Pagel, and 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 May 20, 2019 were read. A discrepancy was noted regarding the Revenue Items for April total. The total will be adjusted to reflect the correct balance of \$935,164.19. The minutes were approved with corrections on a motion by Pat Thome, seconded by Tim Larson. Motion carried.

### VOUCHER SUMMARY FOR MAY

Accounts Payable	\$ 500,406.38
ACH & Wire Transfers	580,701.75
Payroll	<u>75,093.11</u>
Total Vouchers	\$1,156,201.24

### BANK BALANCE FOR MAY

5/1/19 Balance Available	\$ 138,763.44
+ Deposits	1,319,482.63
- Checks and Other Debits	<u>1,411,144.49</u>
5/31/19 Available Balance	\$ 47,101.58

### REVENUE ITEMS FOR MAY

Light & Power Sold – 7,742,669 kWh	\$ 757,393.46
Street Lighting Revenue 48,746 kWh	21,224.47
Water Sold 25,542,281 Gallons	117,012.41
Water Pumped 38,869,100 Gallons; Power Used 88,730 kWh	<u>7,449.13</u>
	\$ 903,079.47

## NEW BUSINESS

### INTRODUCTION OF 2019 CL&W/ WPPI SCHOLARSHIP RECIPIENT; GRACE BOROWIAK

General Manager Lythjohan introduced this year's scholarship recipient, Grace Borowiak. Each year, Cedarburg Light & Water along with WPPI Energy, offers a \$1,000 college scholarship to a graduate of Cedarburg High School.

The scholarships are administered by the Cedarburg Community Scholarship Fund and the Cedarburg High School Scholarship Program. Grace plans to study Speech Pathology at the University of Minnesota.

### REVIEW ELECTRIC & WATER UTILITY LONG-TERM CASHFLOW MODEL AND RATE ADEQUACY; AND ACTION THEREON

The Manager and Financial Manager presented the updated cash-flow model information for each utility. The summary details from the model are as follows:

#### Electric

- Last Rate Change, May 2016
- Current Authorized ROR 5.0%
- Normalized 2019 Expected ROR = 3.69% then slow decrease each year during planning period
- Cash Position grows slightly during the planning period without a rate change

#### Water

- Last Rate Change, early 2015
- Current Authorized ROR 5.5%
- Normalized 2019 Expected ROR = 3.57% then drops further mainly as a result of large capital projects in period
- Cash Position drops below ideal levels during the planning period due to the new water tower construction and booster/transfer station

#### Other Considerations (Electric)

- The electric utility would like to adjust the "U" factor in purchased power to reflect current lower power costs
- CTC rates should be updated
- PGS-1 tariff changes regarding distributed generation
- They also communicated that the current maximum PSC authorized Rate of Return is 5% for both utilities

There was a considerable discussion about the appropriate ROR for each of the two utilities as well as discussion regarding long-term cash needs, and capital projects. The manager recommended that staff go back and review additional information, and that the commission

delay action on this topic until the August meeting or beyond. The manager commented that the ability to work with the PSC to try and have a rate decision by the end of the year is currently not possible, so the normal plan to file in early August is no longer a priority. The commission agreed, so no action was taken.

### 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.*

Health Savings Accounts (HSA) rollover to Associated Bank is in process, and going well. Payroll deductions will start with the June 21<sup>st</sup> pay checks.

Management will start working on the 2020-2022 Business Plan in August. The plan will be presented in October 2019.

Electric service outages totals:

- 2019 Year to date: 7
- 2018 Year end total: 11
- 2017 Year end total: 21
- 2016 Year end total: 18
- 2015 Year end total: 13

The Well #4 rehab project is progressing. The well pumping equipment is being installed and should be test pumping by the week of June 17.

The first High Level Pressure Zone water tower project meeting is scheduled for June 19.

May water pumpage:

- 2017 = 37,763,390
- 2018 = 39,269,100
- 2019 = 38,869,100

The transition to Open Point, the new work order management and mapping software, is going smoothly. Clean up of historical inventory purchase orders is being done so that the data being converted matches the accounting system. Then an overall review of the new software will be done, and staff can start using the new software for purchase orders and inventory transactions. The map and current year work order drawings, etc. will not be ready for a month or two.

The required biannual report to the PSC regarding water AMI has been sent. Staff will continue to report until the PSC staff acknowledges that Cedarburg has achieved the proposed benefits of the AMI system.

Office staff recently volunteered to help with the Willowbrook Playground build at the end of May as part of Public Power Day of Giving.

The recycling event on May 18 was well attended. 408 cars came through the event, recycling 239 appliances and two dumpsters of e-scrap and TVs. The next event is August 17.

WPPI has set up secure remote access to the NorthStar billing software for Dale, Lynda, and Mari. This will allow the utility to complete the after-hours reconnections process from home.

Mike Gentry met with John Koster of Cedarburg High School to discuss the planned high school addition project. John invited CL&W and Focus on Energy to the July 17 school board meeting so the board could thank the organizations for providing assistance and financial incentives which contributed to the success of the 2017-2019 district-wide LED lighting conversion projects.

In late 2018, CL&W assisted with the Focus on Energy benchmarking program by providing customer energy use information which was loaded into a specialized energy used tracking software product. The software provides an in-depth analysis of electric usage. The information is then compared to other Wisconsin schools.

Mike Gentry has been working with several residential customers interested in installing home solar PV systems. There is currently one commercial and two residential systems in operation.

#### APPROVAL OF BILLS

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

#### ADJOURN

A motion was made by Blaine Hilgendorf, seconded by Tim Larson, to adjourn at 8:07 pm. Motion carried.