

CEDARBURG LIGHT & WATER COMMISSION

November 18, 2019

The regular monthly meeting of the Light & Water Commission was held on Monday, November 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, Andy Moss, David Pagel, and City Council Member Patricia Thome
Also Present – General Manager Dale Lythjohan

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

The minutes of the Joint Meeting with the Cedarburg Common Council held on October 14, 2019 were read and approved on a motion by Tim Larson, seconded by Patricia Thome. Motion carried.

VOUCHER SUMMARY FOR OCT

Accounts Payable	\$ 516,742.36
ACH & Wire Transfers	728,039.60
Payroll	<u>71,135.16</u>
Total Vouchers	\$1,315,917.12

BANK BALANCE FOR OCT

10/1/19 Balance Available	\$ 282,869.40
+ Deposits	1,628,677.11
- Checks and Other Debits	<u>1,627,186.72</u>
10/31/19 Available Balance	\$ 284,372.99

REVENUE ITEMS FOR OCT

Light & Power Sold – 8,675,761 kWh	\$ 915,999.48
Street Lighting Revenue 45,779.72 kWh	20,715.58
Water Sold 28,758,921 Gallons	127,516.29
Water Pumped 35,729,830 Gallons; Power Used 86,313 kWh	<u>8,319.11</u>
	\$1,072,550.46

NEW BUSINESS

PRESENTATION OF PROPOSED 2020-2022 BUSINESS PLAN; AND ACTION THEREON

The 2020-2022 Business Plan was attached to the commission packet that was distributed to the commissioners prior to the meeting. *The complete 2020-2022 Business Plan can be viewed electronically.*

The manager characterized the initiatives in the plan as mainly focused on internal processes, procedures, and staffing needs. This will then allow for appropriate staff succession planning given the number of pending retirements during the period of this business plan.

A motion was made by Patricia Thome, seconded by Tim Larson, to approve the proposed 2020-2022 Business Plan. Motion carried.

PRESENTATION AND CONSIDERATION OF THE ELECTRIC & WATER 2020 PRELIMINARY CAPITAL AND EXTRAORDINARY O&M BUDGETS; AND ACTION THEREON

The Preliminary 2020 Electric and Water Capital, and Extraordinary O&M Budgets were provided to the Commission prior to the meeting. *The complete preliminary budget can be viewed electronically.*

Electric Department

Capital

The 2020 Electric Capital Budget is proposed at \$1,528,000. The budget includes the purchase of a new digger derrick truck (which was included in the 2019 budget, but will not be delivered until 2020). Also included is an increase in transformer and meter costs due to new construction; increased costs for new customer work, more notably for utility work done in conjunction with new services at the new water tower.

O&M Expenses

The 2020 projected O&M Expenses for the electric utility are \$1,579,000. Staff included a mid-year hire of an additional apprentice line worker.

Water Department

Capital

The 2019 Water Capital Budget is proposed at \$2,495,000. \$2 million for construction of the water tower was shifted from 2021 to 2020.

O&M Expenses

The 2020 projected O&M Expenses for the water utility are \$935,000.

A motion to approve the 2020 Preliminary Electric and Water Capital and Extraordinary O&M Budgets as presented was made by Joe Dorr, seconded by Andy Moss. Motion carried.

REVIEW AND CONSIDER 2020 EMPLOYEE BENEFITS RECOMMENDATIONS; AND ACTION THEREON

Health insurance carrier will change to WPS on January 1, 2020, with a 0% increase in premium compared to the 2019 premium with WCA. Coverage is similar in language except for coverage of preventative care.

The general manager discussed the idea of CL&W reimbursing an employee that has costs associated with a preventive procedure that ends up with a diagnosis code (without a code, it has a 1st dollar coverage as preventive). The general manager discussed concern that it's important for employees to obtain preventive care and not fear a diagnosis code for out-of-pocket costs. After additional discussion with the commission, and the concerns with how this would be administered in regards to the \$4,000 deductible, this proposed idea will be looked into further.

CL&W will plan to self-fund wellness initiatives for 2020, and will forego Health Risk Assessments in 2020, with the plan to move to doing HRAs every other year.

Dental insurance carrier will change to Delta Dental starting January 1, 2020. Employer and employee percentages stay the same for 2020.

A motion was made by Jim Coutts, seconded by David Pagel to approve the following as outlined by the general manager:

- The dental plan carrier will be changed to Delta Dental effective January 1, 2020 with the same employer/employee percentage share of the premium.
- The insurance opt-out will continue to be offered to employees with no changes.

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 outage totals:

- 2019 Year to date: 19
- 2018 Year end total: 11
- 2017 Year end total: 21
- 2016 Year end total: 18
- 2015 Year end total: 13

Management met with the engineering team to discuss the final location of the high level pressure zone water tower. The next step includes scheduling soil borings within the construction zone to determine the size of the foundation.

Water truck #8 has been delivered. The used truck #8 will be advertised for sale on the Wisconsin Surplus auction site.

October water pumpage:

- 2019 = 35,729,830
- 2018 = 35,910,590
- 2017 = 36,488,270

Accounting staff has begun the year end processes – updating spreadsheets, reviewing the audit checklist, and keeping up with work order closings. The audit is scheduled with Baker Tilly for March 2-3, 2020.

All electric and water meters have been changed over to AMI with the exception of 12 opt outs, and 9 non-compliant customers. Non-compliant customers have the new AMI capable meter but need a communication module installed and the meter to be programmed for automatic reads. Both groups of customers currently pay the \$11.23 monthly fee for manual meter reading as determined by the PSC. With meter exchanges complete, staff is working on a plan to align usage with power costs. To achieve alignment, customer due dates and reading dates will be changing in 2020.

Per city ordinance and Wisconsin State Statute, nine outstanding account balances were transferred to the tax roll on November 15.

Cedarburg Light & Water, and Focus on Energy attended the October 23rd meeting of the Cedarburg School Board. Buildings and Grounds Manager John Koster spoke to the board about our partnership in helping them complete the district-wide LED conversion project.

CL&W is providing financial assistance to the City for replacing existing holiday lighting with energy efficient LED holiday lighting.

CL&W achieved APPA's "Smart Energy Provider" Award. Earlier this year, CL&W was one of 67 public power utilities from around the nation who achieved the SEP designation from the American Public Power Association. These utilities demonstrated commitment to smart energy program planning, energy efficiency and distributed energy resources, environmental and sustainability programs, and communication and customer experience. This achievement was recognized at the APPA's annual Customer Connection Conference in October. Over 20 recipients of the 67 total were WPPI Member Utilities.

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.

ADJOURN

A motion was made by Tim Larson, seconded by Patricia Thome, to adjourn at 8:11. Motion carried.