

CEDARBURG LIGHT & WATER COMMISSION

August 21, 2017

The regular monthly meeting of the Light & Water Commission was held on Monday, August 21, 2017 at 6:30 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, and David

Pagel

Excused – Andy Moss and Patricia Thome

Also Present – General Manager Dale Lythjohan, Electric Superintendent Karsten Huse, Administrative Manager Mari Lauer, Financial Manager Lynda Lalley, and Collections Clerk Denise Victor

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 June 19, 2017 were read and approved (with a light modification) on a motion by Joe Dorr, seconded by David Pagel. Motion carried.

VOUCHER SUMMARY FOR JUNE

Accounts Payable	\$ 813,549.14
ACH & Wire Transfers	649,863.77
Payroll	<u>77,845.08</u>
Total Vouchers	\$1,541,257.99

BANK BALANCE FOR JUNE

6/1/17	Balance Available	\$ 283,722.16
	+ Deposits	1,232,526.60
	- Checks and Other Debits	<u>1,280,860.83</u>
6/30/17	Available Balance	\$ 235,387.93

REVENUE ITEMS FOR JUNE

Light & Power Sold – 8,493,805 kWh	\$ 908,852.51
Street Lighting Revenue 63,901 kWh	22,959.64
Water Sold – 32,393,700 Gallons	135,915.34
Water Pumped 39,008,250 Gallons; Power Used 98,252 kWh	<u>9,234.95</u>
	\$ 1,076,962.44

VOUCHER SUMMARY FOR JULY

Accounts Payable	\$ 481,829.05
ACH & Wire Transfers	809,720.52
Payroll	<u>75,591.55</u>
Total Vouchers	\$1,367,141.12

BANK BALANCE FOR JULY

7/1/17	Balance Available	\$ 235,387.93
	+ Deposits	1,457,730.76
	- Checks and Other Debits	<u>1,245,693.16</u>
7/31/17	Available Balance	\$ 447,425.53

REVENUE ITEMS FOR JULY

Light & Power Sold – 9,123,312 kWh	\$1,073,259.80
Street Lighting Revenue 60,632 kWh	23,488.38
Water Sold – 32,104,300 Gallons	134,859.94
Water Pumped 42,006,770 Gallons; Power Used 94,118 kWh	<u>10,141.67</u>
	\$1,241,749.41

NEW BUSINESS

TOUR OF THE CEDARBURG SOUTH SUBSTATION

General Manager Lythjohan, Electric Superintendent Karsten Huse and the Commission toured the Cedarburg South Substation. The tour reviewed the key components that serve the community, as well as backup systems to provide reliable service. The tour concluded with a review of the recent outage caused by wildlife, and steps under consideration to minimize wildlife related outages.

APPROVE/ADOPT THE 2017 APPA SAFETY MANUAL; AND ACTION THEREON

The safety training manual used in training and operations for the electric utility is the APPA/MEUW Safety Manual, which is created by APPA on a national level. For enforcement and training purposes, MEUW asks each member to re-adopt the manual after each revision. The APPA/MEUW 2017 Safety Manual has been distributed to electric utility employees.

A motion was made by David Pagel, seconded by Jim Coutts, to adopt and endorse the APPA/MEUW Safety Manual as the governing set of safety rules for the electric utility employees. Motion carried.

REVIEW OF THE ANNUAL COLLECTIONS BENCHMARK

Collections Administrator, Denise Victor provided an overview of the utility's collections. Each year staff looks at collections efforts to benchmark against prior years. This allows

staff to gauge the effectiveness of efforts and recognize any areas for improvement. Following are highlights from the collections benchmark.

- The number of late fees assessed in August 2016 was 442.
- The number of services disconnected in 2016 was a 10-year low of 16. Effectiveness of CL&W collections process and health of the economy were likely contributors. Of the utilities benchmarked, Cedarburg is the only utility that sends a past due notice prior to sending out a disconnection notice.
- As part of Act 274, letters are being sent to the landlord within 14 days of the first payment the tenant has missed.
- Customers seeking convenience continue to sign up for Auto Pay, EBP, and PSN payment methods. All of these payment methods increased in 2016. US Mail has decreased.

2016 proved to be a successful year for collections, with disconnect and inactive accounts at the lowest levels in years. No significant changes in process were implemented in 2016.

As part of Act 274, additional tools were given to utilities for collection efforts in regards to setting up deferred payment arrangements (DPA). These tools are at the discretion of the utility, and must be approved by the PSC. CL&W recently filed to have one of the rules enacted, and the PSC approved the rule that will allow CL&W to not offer setting up a DPA for a *residential tenant that has a balance that accrued during the winter moratorium that is more than 80 days past due.*

AMI UPDATE

The General Manager and Administrative Manager presented a short review of the AMI metering project that is currently in process. As of mid-August, approximately 42% of all electric meters have been converted. This number could have been higher, except for delivery problems from the manufacturer. It is still anticipated that the electric portion of the project can be completed by the end of 2017, if we can receive the meters.

Staff has communicated with 10-12 customers so far with questions regarding the option of opting out, and to date three customers have made that choice.

The water portion of the project is set to start up in late September. Since this portion of the project will normally require appointments to get inside properties, this portion of the AMI project is expected to run through the end of 2019.

The “Construction Authorization” has been filed with the PSC, and staff has met to begin the project planning. The utility is currently planning to hire a contractor to coordinate the installation of water communicating modules in homes that already have an “AMI Ready” water meter (approx. 1600 locations). The water utility staff will concentrate on the remaining customers that still need a new water meter (approx. 2200).

WPPI staff and Elster/Honeywell trainers will be on site on mid-September for setup and training.

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. View the electronic packet for the complete reports.

The city health insurance committee met with the consultant to discuss 2018 plans. The group plans to work with WCA to create two different health plans for 2018 providing choice, with the more comprehensive option including employee contributions toward the premiums. These should be available in September. In addition, AFG will begin to review market options, in the event that the plans need to be bid out for 2018.

Electric Service Outages:

- 2017 (end of month Aug): 14
- 2016 Year end total: 18
- 2015 Year end total: 13
- 2014 Year end total: 13
- 2013 Year end total: 19

The High Level Pressure Zone enhancement project is progressing. The water main on Wauwatosa Rd from Redeemer Lutheran Church to the Western Rd round a bout has been installed, along with two bypasses on Ridgeview Rd. The contractor is now working at the Well #6 site installing water main, valves, and the check valves. Staff will get back to installing AMI capable meters at the end of August. Staff is waiting for the handheld unit to be able to program the communication modules during the training session. In addition, an opt-out program is been developed for residential customers.

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| • Active AMI Meters | Electric: 2582 | Water: 0 |
| • Installation Hours | Electric: 201 | Water: 0 |
| • Routes Completed | Electric: 13 | Water: 0 |
| • Total Completed | Electric: 41% | Water: 0% |

Total water pumpage for the month of April:

- 2015 = 42,392,030
- 2016 = 44,957,180
- 2017 = 42,006,770

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 Larsen, to approve the bills for payment. Motion carried.

ADJOURNMENT

On a motion by Joe Dorr seconded by Tim Larsen, the meeting adjourned at 8:16 p.m. Motion carried.