

CEDARBURG LIGHT & WATER COMMISSION

June 15, 2020

The regular monthly meeting of the Light & Water Commission was held on Monday, June 15, 2020 at 6:00 p.m. utilizing the Zoom App.

Call to order by President Blaine Hilgendorf

Roll Call: Present – Jim Coutts, Joseph Dorr, Blaine Hilgendorf, Tim Larson, Andy Moss, David Pagel, City Council Member Patricia Thome
Also Present – General Manager Dale Lythjohan, Administrative Manager Mari Lauer, Financial Manager Lynda Lalley, Associate Accountant Keri Shumway

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 18, 2020 were read and approved on a motion by Patricia Thome, seconded by Joe Dorr. Motion carried.

VOUCHER SUMMARY FOR MAY

Accounts Payable	\$ 623,857.01
ACH & Wire Transfers	565,404.63
Payroll	<u>68,605.41</u>
Total Vouchers	\$1,257,867.05

BANK BALANCE FOR MAY

5/1/20 Balance Available	\$ 268,799.83
+ Deposits	1,148,423.48
- Checks and Other Debits	<u>1,406,084.03</u>
5/31/20 Available Balance	\$ 11,139.28

REVENUE ITEMS FOR MAY

Light & Power Sold – 7,541,263 kWh	\$ 753,505.96
Street Lighting Revenue 43,023 kWh	20,771.37
Water Sold 27,904,164 Gallons	126,333.97
Water Pumped 40,051,630 Gallons; Power Used 94,209 kWh	<u>7,966.51</u>
	\$ 908,577.81

NEW BUSINESS

NEW EMPLOYEE INTRODUCTION

General Manager Lythjohan introduced Jessica Cotter, Associate Accountant. Jessica attended Moraine Park for Accounting. Jessica started at CL&W on June 1, and she has already been exposed to many areas of the accounting position. Welcome Jessica!

REVIEW AND CONSIDER ELECTRIC AND WATER CASH FLOW MODELS AND CASH FLOW ADEQUACY; AND ACTION THEREON

The Manager and Financial Manager presented the updated cash-flow model information. The current water rate case submitted to the PSC in 2019 has not been approved by the PSC. This is due to research still being done on the current water rate case as it relates to impact fees. The Manager also stated that the utility will need to consider a change in water rates for 2022 once the HLPZ water tower is complete in 2021.

The electric cash-flow summary shows a “base case” scenario, assuming no rate changes, no borrowings or interdepartmental loans through the 2025 planning period.

Electric

- Last Rate Change, May 2016
- Current Authorized ROR 5.0%
- Projected Normalized ROR = 3.56%
- Monthly impact on average residential customer (if rates were changed to the current authorized ROR) = \$2.85/month

Even though the normalized electric ROR continues to deteriorate, the cash position of the electric utility remains strong. Staff’s recommendation would be to delay any rate adjustments until 2021 or beyond. No action was taken by the commission.

CITY COUNCIL UPDATE, GENERAL MANAGER, AND DEPARTMENT REPORTS

The following are highlights of the Manager & Department Reports provided in writing to the commissioners in advance of the meeting. Any specific discussions are noted.

The Gift Card Extravaganza that CL&W partnered with the Chamber was a great success. CL&W will assist the Chamber of Commerce with assembling and distributing the gift cards. Funding was made available through the Community Recharge Program for WPPI members.

The lobby has been reopened to customers. Permanent glass panels will be installed in the lobby to provide a health barrier while still providing an inviting experience for our lobby customers. Staff continues to watch for guidance from the experts. Lobby traffic is minimal to date, but that will change when the moratorium ends in mid-July.

The PSC recently voted to end the extended winter moratorium for disconnections. Staff is getting prepared for the July 15 date. We will handle the situation similarly to what we

normally do on April 15. Past due balances are trending higher, so it will be challenging to balance empathy with responsibility.

The Smart Thermostat incentive continues to be offered for 2020. Residential and General Service customers can receive up to a \$75 bill credit for purchasing and installing a new smart thermostat, in addition to the \$50 rebate offered by Focus on Energy. 14 customers have applied for the bill credit this year.

The Personnel Committee plans to meet monthly on the first Thursday of the month @ 4pm starting July 2 through at least the end of the year to discuss plans for succession in various departments culminating with the general manager. Commissioners are all welcome to attend, and the meetings will be posted as a public meeting.

CL&W is celebrating the 20th anniversary of Karsten Huse and Bill Krueger.

2020 Electric Service Outages to date: 6

- 2019 Year end total: 20
- 2018 Year end total: 11
- 2017 Year end total: 21
- 2016 Year end total: 18

The new digger derrick truck is all set up and ready for service. The old one will go on the Wisconsin Surplus Auction site in July for sale.

Several fence posts at the Cedarburg South Substation were found rotted and broken off during inspection. Staff will be looking into why as this seems premature.

May Water Pumpage:

- 2018 = 39,269,100
- 2019 = 38,508,570
- 2020 = 40,051,630

APPROVAL OF BILLS

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

ADJOURN TO CLOSED SESSION

It is anticipated that the Commission will adjourn to closed session pursuant to State Statute 19.85 (1)(g) to confer with legal counsel for the Commission who is rendering oral or written advice concerning strategy to be adopted with respect to litigation in which it is or is likely to become involved, specifically regarding (1) Well #4 and Water Utility Impact Fee. Closed session will begin at approximately 7:00 p.m.

A motion was made by Pat Thome, seconded by Joe Dorr, to adjourn to closed session at 6:36 pm. Motion carried.

RECONVENE TO OPEN SESSION

A motion was made by Pat Thome, seconded by Joe Dorr, to reconvene to open session. Motion carried.

ADJOURN

A motion was made by Joe Dorr, seconded by Pat Thome, to adjourn at 7:30 p.m. Motion carried.