

CEDARBURG LIGHT & WATER COMMISSION

November 15, 2021

The regular monthly meeting of the Light & Water Commission was held on Monday, November 15, 2021 at 6:00 p.m. at the utility office.

Call to order by President Blaine Hilgendorf

Roll Call: Present – Joseph Dorr, Blaine Hilgendorf, Tim Larson, Andy Moss, David Pagel, City Council Member Patricia Thome

Excused – Paul Radtke

Also Present – General Manager Dale Lythjohan, Administrative Manager Mari Lauer, Electric Utility Superintendent Karsten Huse, Water Utility Superintendent Tim Martin, Staff Accountant Keri Shumway, and Associate Accountant Jessica Cotter

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 18, 2021 were read and approved on a motion by Patricia Thome, seconded by Joe Dorr. Motion carried.

VOUCHER SUMMARY FOR OCTOBER

Accounts Payable	\$ 824,152.92
ACH & Wire Transfers	954,001.54
Payroll	<u>78,284.48</u>
Total Vouchers	\$ 1,856,438.94

BANK BALANCE FOR OCTOBER

10/1/21 Balance Available	\$ 301,574.07
+ Deposits	1,835,835.53
- Checks and Other Debits	<u>1,855,193.27</u>
10/31/21 Available Balance	\$ 282,216.33

REVENUE ITEMS FOR OCTOBER

kWh Sold – 8,563,570	\$ 918,217.78
Water Sold 27,954,390 Gallons	<u>139,213.68</u>
	\$ 1,057,431.46

Water Pumped 37,299,120 Gallons
Power Purchased – 8,795,417 kWh

NEW BUSINESS

REVIEW AND CONSIDER ELECTRIC & WATER 2022 CAPITAL AND EXTRAORDINARY O&M BUDGETS; AND ACTION THEREON

The Preliminary 2022 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 2022 Electric Capital Budget is proposed at \$1,240,200. The budget includes costs associated with the Power Plant Site Closure, larger transformer and meter costs (due to supply chain and quantity needed), Willowbrooke rebuild, Fairway Village development Phase 2, Quarry area development, staffing for full year.

O&M Expenses

The 2022 projected O&M Expenses for the electric utility are \$1,739,263.

Water Department

Capital

The 2022 Water Capital Budget is proposed at \$309,300. The budget includes the Well #4 booster rehab, water main replacement to coincide with a larger than normal amount of street and utility projects with the City, preliminary start-up costs for lead service line replacement program, new water operator for half the year.

O&M Expenses

The 2022 projected O&M Expenses for the water utility are \$1,244,298.

A motion was made by Joe Dorr, seconded by Tim Larson, to approve the 2022 preliminary electric and water capital and extraordinary O&M budgets as presented, with an adjustment for 5.0% inflation factor. Motion carried.

CITY COUNCIL, MANAGER AND DEPARTMENT REPORTS

The Manager & Department Reports were provided to the commissioners in advance of the meeting. The full reports can be reviewed in the electronic commission packet.

WPPI Update:

WPPI wholesale rates are projected to increase about 1% compared to 2021 actual costs. 2021 costs are trending approximately 2% higher than 2021 budgeted amounts due to higher market energy prices tied to the upward trend in natural gas prices.

Office Update:

Administrative Manager Mari Lauer gave an update on the recent office activities.

The new accounting software is verified and we are now able to generate financial statements. The 3rd quarter financial statement is included in the packet.

The new Journal Entry Workflow was also implemented, as an internal control, designed to oversee the journal entry process. The Associate Account will “approve” the Staff Account journal entries and vice versa. Administrative Manager will approve in the event of an absence.

A new condensed format of the check register has been created for the Commission.

Office staff continues to meet with CIVIC staff on a weekly basis to learn more about how the accounting software system works. Staff is working to button up accounting processes and add efficiencies where possible.

Electric Department Update:

Electric Superintendent Karsten Huse gave an update on the electric department recent activities.

2021 Electric Service Outages to date: 9

- 2020 year-end total → 12
- 2019 year-end total → 20
- 2018 year-end total → 11
- 2017 year-end total → 21

Lead times and costs continue to rise. Transformer and meter lead times are at a year or more. L&W is in a fairly good position due to proactively placed orders combined with what is already on hand. WPPI’s Distributive Services Advisory Group (DSAG) will be meeting to study the supply chain issue and create solutions and work-a-rounds to meet customer needs. The supply chain issue will likely impact our budget, projected work, and types of jobs tackled in 2022.

Water Department Update:

Water Superintendent Tim Martin gave an update on the water department recent activities.

The newly constructed water tower has been serving the High Level Pressure Zone (HLPZ) for a few weeks and has been working great. There were a couple small modifications that were needed for the existing pumps at well #4 to fill the tower rather than pump directly into the system. Wondra Construction has completed the final grading and seeding of the site, as well as the material storage area west of the sub-station. Only a few punch-list items remain open for this project.

The booster station pumps are now operating as designed. Flow tests were conducted within the business park, both internally and with Design Build Fire Protection. With the new water tower online, there is more than enough water to provide appropriate fire flow in case of a fire event. A final punch list is currently being developed for the rest of the building including any SCADA, HVAC, electrical & paint issues.

October Water Pumpage:

- 2021 = 37,299,120
- 2020 = 36,101,510
- 2019 = 35,729,830

ADJOURN TO CLOSED SESSION

On a motion by Patricia Thome, seconded by Tim Larson, the Commission adjourned to closed session at 6:58 p.m., pursuant to Wis. Stats. 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 possible litigation. Motion carried.

RECONVENE TO OPEN SESSION

On a motion by Joe Dorr, seconded by Tim Larson, the Commission reconvened to open session at 7:28 p.m. Motion carried.

APPROVAL OF BILLS

The bills, as listed on the 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

A motion was made by Joe Dorr, seconded by Patricia Thome, to adjourn at 7:29 p.m. Motion carried.