

CEDARBURG LIGHT & WATER COMMISSION

May 15, 2023

The regular monthly meeting of the Light & Water Commission was held on Monday, May 15, 2023 at 6:00 p.m. at the utility office.

Call to order by Blaine Hilgendorf

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

Excused – Joseph Dorr, Paul Radtke

Also Present – General Manager Ben Collins, Administrative Manager Mari Lauer, 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 April 18, 2023 were read and approved on a motion by Patricia Thome, seconded by Andy Moss. Motion carried.

VOUCHER SUMMARY FOR APRIL

Accounts Payable, ACH, & Wire Transfers	\$ 1,591,518.00
Payroll	<u>90,028.00</u>
Total Vouchers	\$ 1,681,546.00

BANK BALANCE FOR APRIL

4/1/23 Balance Available	\$ 198,643.83
+ Deposits	1,502,088.06
- Checks and Other Debits	<u>1,074,435.27</u>
4/30/23 Available Balance	\$ 626,296.62

REVENUE ITEMS FOR APRIL

kWh Sold 7,674,796	\$ 800,600.48
Water Sold 25,369,923 Gallons	<u>155,746.10</u>
	\$ 956,346.58

Power Purchased: 7,900,916 kWh

Water Pumped: 33,712,270 Gallons

NEW BUSINESS

WPPI ENERGY UPDATE BY MIKE PETERS, CEO

Mike Peters, President and CEO of WPPI Energy gave a presentation to the commission which provided key business updates and overall electric utility industry issues. The presentation is available online.

WPPI Energy is a public power joint action agency that was formed in 1980, and has 51 members in 3 states. WPPI is governed by a Board of Directors.

Mike briefly reviewed the business plan, primary power supply resources (location and fuel), environmental response, power costs, and investment portfolio.

Mike addressed questions from the commission. He discussed the power supply resource mix, and the changes from 2010 to 2022. Diversity is key with suppliers and staggered contract lengths. No single unit of fuel provides more than 10% capacity, and dependence on coal has been largely decreasing since 2010.

The commission also asked questions regarding the future of electric vehicles (EV), and the government mandates. Mike expressed difficulty in predicting the future. Upgrading electrical infrastructure is at the forefront; and the supply shortage will most likely continue to be an issue in the upcoming years. The production of EVs is also not on target with car dealerships. Less than 1% of vehicles in Wisconsin are EVs.

REVIEW AND CONSIDER FINAL 2023 ELECTRIC AND WATER BUDGETS; AND ACTION THEREON

The full final budget can be viewed electronically.

Associate Accountant Jessica Cotter opened the discussion regarding the final budgets. Jessica discussed changes to the electric and water capital and O&M expense budgets, along with projected changes to the office and building expenses. Any changes are indicated in the final budget.

ELECTRIC:

- The projected rate of return for electric is -0.33%.
 - WPPI provided estimated power costs for the remainder of 2023 which resulted in a projected increase in purchased power.
 - Miscellaneous expenses are also projected to increase 6.30% for inflation.
- Electric sales are projected to be \$12,826,536; an increase of \$105,335 from 2022, due to the rate change that went into effect October 2022.

WATER:

- The projected rate of return for water is 4.30%.

- Expenses are expected to increase due to a new water operator, and 6.30% for inflation.
- Water sales are projected to be \$2,614,704; an increase of \$331,660 from 2022.

The cash flow model will be updated and presented at the June or July meeting.

A motion to approve the 2023 Final Electric and Water Capital and Extraordinary O&M budget as presented was made by David Pagel, seconded by Tim Larson. Motion carried.

REVIEW AND CERTIFY CODE OF ETHICS; AND ACTION THEREON

A motion was made by Patricia Thome, seconded by Tim Larson, to certify adherence to the City of Cedarburg Code of Ethics, Ordinance No. 2004-08. Motion carried.

CONSIDER RESOLUTION 2023-01, COMMENDING BILL KRUEGER ON 23 YEARS OF SERVICE; AND ACTION THEREON

A motion to approve Resolution 2023-01, recognizing Bill Krueger for 23 years of service was made by Patricia Thome, seconded by Tim Larson. 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.

City Council Member Patricia Thome gave a brief update on the development of the former AmCast property. The EPA has targeted \$37 million for the remaining clean-up of the property (and surrounding areas), and they will be holding a public hearing on May 31 at the Community Gym.

Ben Collins recently attended the WPPI Board of Directors' Meeting. Border States gave a presentation at the meeting. They are a large distributor, and they project that costs will not decrease, and inventory will continue to have long lead times. Transformers, underground cable, overhead cable, and other supplies are all affected by these lead times.

Ben also gave an overview of the APPA Engineering and Operations Conference and the MEUW Annual Conference. The Wage and Benefits Study is in process, and could be completed by MRA by early September.

APPROVAL OF BILLS

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

ADJOURN

A motion was made by Tim Larson, seconded by Patricia Thome, to adjourn at 7:58 p.m. Motion carried.