

## CEDARBURG LIGHT & WATER COMMISSION

May 16, 2022

The regular monthly meeting of the Light & Water Commission was held on Monday, May 16, 2022 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, Paul Radtke, City Council Member Patricia Thome

Also Present – General Manager Dale Lythjohan, 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 April 18, 2022 were read and approved on a motion by Patricia Thome, seconded by Tim Larson. Motion carried.

### VOUCHER SUMMARY FOR APRIL

Accounts Payable, ACH, & Wire Transfers	\$1,329,300.00
Payroll	<u>76,934.00</u>
Total Vouchers	\$ 1,406,234.00

### BANK BALANCE FOR APRIL

4/1/22 Balance Available	\$ 434,361.53
+ Deposits	1,440,883.56
- Checks and Other Debits	<u>1,803,239.63</u>
4/30/22 Available Balance	\$ 72,005.46

### REVENUE ITEMS FOR APRIL

kWh Sold – 7,834,615	\$ 832,563.69
Water Sold 24,648,132 Gallons	<u>128,901.29</u>
	\$ 961,464.98

Water Pumped 34,887,070 Gallons  
Power Purchased – 8,073,676 kWh

## NEW BUSINESS

### REVIEW AND CONSIDER FINAL 2022 ELECTRIC AND WATER BUDGETS; AND ACTION THEREON

The 2022 projected expenses are higher than 2021's actual expenses which is the primary reason for the lower net income and lower ROR for both utilities. 5% was used for inflation rates for O&M expenses for 2022.

The projected rate of return for electric is 1.36% (authorized 5.0%), and the rate of return for water is 2.70% (authorized 4.5%).

The cash flow model will be updated and presented at the June 2022 meeting.

A motion was made by David Pagel, seconded by Tim Larson, to approve the final 2022 electric and water capital and extraordinary O&M budgets as presented. Motion carried.

### CONSIDER LAND LEASE REQUEST FROM NORTSHORE SOCCER CLUB; AND ACTION THEREON

Northshore Soccer Club approached the City of Cedarburg with interest in leasing the Layton Substation (located along Layton Ave) land site for tournament parking. Northshore proposes to lease this site for five years at \$5,000 per year, and Northshore will be responsible to fund any improvements on the site, fund maintenance, as well as all obtaining necessary approvals from the City.

The lease agreement will be entered into by the City of Cedarburg and Northshore Soccer Club since CL&W cannot hold title to property, but all lease proceeds will be directed to CL&W.

A motion was made by Joe Dorr, seconded by Tim Larson, to approve the lease request from Northshore Soccer Club, and to direct the general manager to work with the City of Cedarburg as needed. Motion carried.

### GENERAL MANAGER SEARCH COMMITTEE UPDATE

The Search Committee gave an update on the recent activities related to the general manager position. The Search Consultant is continuing to develop candidates, and there is a meeting scheduled the week of June 6<sup>th</sup> to discuss a potential list of candidates.

### 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.

**General Manager Update:**

- Electric Rate Case: PSC staff recently offered their proposed rate design that would have decreased CL&W fixed customer charge from \$14/month down to \$13/month. CL&W management had proposed increasing the customer charge to \$15/month. The PSC seemed resistant and after consulting with WPPI, management authorized WPPI to inform the PSC that CL&W would withdraw the case if they were firm on lowering the fixed charge. It did not come to that, and the PSC is recommending that CL&W stay at the current \$14/month fixed charge.
- Health Insurance for 2023: Administrative Manager, Mari Lauer has continued to work hard on researching and compiling information that the City (and CL&W) need to make a decision to move to the State Health Insurance Plan for 2023. The City will need to apply this summer to allow the process to proceed. The City Personnel Committee will be meeting soon to finalize their recommendation to the full City Council.
- Water Department Hiring (Delayed): The General Manager and Water Superintendent have had several discussions in regards to hiring an additional water operator. They agreed to delay the hiring until 2023.

**Electric Update:**

- Outages
  - 2022 Electric Service Outages to date: 4
  - 2021 year-end total → 14
  - 2020 year-end total → 12
  - 2019 year-end total → 20
  - 2018 year-end total → 11

**Water Update:**

- Lead Service Replacement Program: Staff has been working with City staff and RA Smith to work through the financial end of this project and how the funds will flow and how/when to apply for reimbursement from the Department of Natural Resources. CL&W hosted the pre-construction meeting with the contractor and engineer. Customer inspections are being scheduled and performed daily. Supply chain issues will delay the start date to possibly July, with an anticipated completion in two to three months.
- Crews have completed the annual full system hydrant flushing. The new water tower in the High Level Pressure Zone responded well. The areas that normally would see significant water pressure drops, remained stable throughout the flushing process.
- April Water Pumpage
  - 2022 = 34,887,070
  - 2021 = 36,604,810
  - 2020 = 37,221,640

**Office Update:**

- The winter moratorium ended on April 15, allowing for disconnections to resume. CL&W uses the disconnection tool as a last resort to encourage customers to take action on past due amounts. 109 10-day disconnection notices were issued, and staff disconnected 11 customers who didn't pay their past due balance or set up a deferred payment arrangement.
- Customer Survey: WPPI has engaged E-Source to conduct market research for member utilities to help measure satisfaction and awareness of local utility services. This year's focus is on small and midsize business customers. The objectives of this survey are to identify and measure overall satisfaction with CL&W and our offerings, communication preferences, ease of completing utility interactions, and to gather actionable insights and information from our business customers. The initial email survey was sent on April 26.
- Recycling Event: The first recycling event of 2022 was well attended with 750 cars during the three-hour event. We diverted 390 appliances and 25,375 pounds of e-waste including TVs, monitors, computers and peripherals from the landfill. A special thank you to the Cedarburg Fire Department for co-hosting and the CFD Explorers for maintaining order.

**ESR Update:**

- Focus on Energy Results YTD: Customers of CL&W who have applied for incentives through Focus On Energy have received in total over \$58,000 since the beginning of the year. All customers of the utility will contribute a total of approximately \$53,000 into the fund by year's end.

**REVIEW AND CERTIFY CODE OF ETHICS; AND ACTION THEREON**

A motion was made by Joe Dorr, seconded by Paul Radtke to certify adherence to the city of Cedarburg Code of Ethics, Ordinance No. 2004-08. 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 Paul Radtke, to approve the bills for payment. Motion carried.

**ADJOURN**

A motion was made by Paul Radtke, seconded by Tim Larson, to adjourn at 7:15 p.m. Motion carried.