

CEDARBURG LIGHT & WATER COMMISSION

April 21, 2025

The regular monthly meeting of the Light & Water Commission was held on Monday, April 21, 2025 at 6:00 p.m. at the utility office.

Call to order by President Andy Moss

Roll Call: Present – Michael Bradburn, Tim Larson, Andy Moss, David Pagel, Paul Radtke, and City Council Member Jim Fitzpatrick

Also Present – General Manager Karsten Huse, Financial Manager Erin Jaeger, Staff 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 March 17, 2025 were read and approved on a motion by Tim Larson, seconded by Paul Radtke. Motion carried.

VOUCHER SUMMARY FOR MARCH

Accounts Payable, ACH, & Wire Transfers	\$ 1,395,799.40
Payroll	<u>92,692.76</u>
Total Vouchers	\$ 1,488,492.16

BANK BALANCE FOR MARCH

3/1/25 Balance Available	\$ 1,675,007.39
+ Deposits	1,676,361.14
- Checks and Other Debits	<u>-2,328,872.94</u>
3/31/25 Available Balance	\$ 1,022,495.59

REVENUE ITEMS FOR MARCH

kWh Sold 8,403,511	\$ 952,432.00
Water Sold 25,497,067 Gallons	<u>217,427.05</u>
	\$ 1,169,859.05

Water Pumped 34,770,940 Gallons
Power Purchased – 8,648,426 kWh

NEW BUSINESS

PRESENTATION OF 2024 FINANCIAL AUDIT REPORT BY BAKER TILLY; AND ACTION THEREON

The Management Report and 2024 Audit Report were presented by Jodi Dobson of Baker Tilly. Both reports were distributed to the commission in advance of the meeting. Jodi focused primarily on the Management Report, summarizing key findings and financial information from the 2024 audit.

The full audit report and management report can be reviewed in the electronic commission packet.

A motion was made by David Pagel, seconded by Tim Larson, to approve the 2024 Financial Audit Report as prepared and reported by Jodi Dobson at Baker Tilly. Motion carried.

2024 BUDGET TO ACTUAL PRESENTATION

The 2024 Budget to Actual Report was provided to commissioners in advance of the meeting. The report summarizes how actual costs compared to budgeted costs for 2024. When costs differed substantially from budget to actual, notations were made on the report identifying the reasons.

In addition, projects during the year that were to exceed the budget were explained in more detail through the department reports.

The full Budget to Actual Report can be reviewed in the electronic commission packet.

WATER UTILITY CASH FLOW UPDATE; AND ACTION THEREON

Jess Cotter updated the Water Forecasting Summary for the Commission to review whether a rate case would be needed. Karsten Huse presented two scenarios, one using 2025 as the test year and the second with using 2026 as the test year. 2025 would result in an estimated rate increase of 13.88% and 2026 would result in an estimated rate increase of 16.24%. In both scenarios, the days of cash projected were significantly above the 250 minimum days of cash recommended for the upcoming 5-year forecast.

The commission requested for the May Commission meeting that staff provide the following to help with the decision on whether a water rate case is needed:

1. Would CLW be able to lower the Authorized Rate of Return from 5.50% to a lower rate?
2. List of historical large cost items that occurred that were not budgeted for.
3. Updated Water Forecasting Summary showing a few options and what happens to days of cash.

4. Break down what drives the rate of return percentage and days of cash.

SMOKING POLICY; AND ACTION THEREON

As part of the Policy Modernization project, the Smoking Policy has been updated to the Smoke Vape Free Workplace Policy to align with Wisconsin state law and local ordinances.

A motion was made by Jim Fitzpatrick, seconded by Tim Larson, to approve the policy changes with the addition of "Smoking or vaping of any products" under the first two bullet points under the guidelines. Motion carried.

REHIRING RETIREES POLICY; AND ACTION THEREON

As part of the Policy Modernization project, the Rehiring Retirees Policy has been updated to align with Wisconsin state law and local ordinances.

A motion was made by Jim Fitzpatrick, seconded by Paul Radtke, to approve the policy changes as provided. Motion carried.

REVIEW AND APPROVE OPERATIONS SUPERINTENDENT AND UTILITY ENGINEER JOB DESCRIPTIONS; AND ACTION THEREON

A motion was made by Paul Radtke, seconded by Tim Larson, to approve the new job descriptions as presented. 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.

The Electric Department reorganization plan is in place. Roles and responsibilities have been accepted. The Billing Specialist applications are being reviewed, and the search methods will be expanded.

The Winter Moratorium ended April 15. Ten customers were disconnected due to non-payment of utility bills.

The lead water service replacement project continues. 45 services have been completed so far in 2025.

APPROVAL OF BILLS

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

ADJOURNMENT

A motion was made by Paul Radtke, seconded by Jim Fitzpatrick, to adjourn at 8:23 pm