

## Waunakee Utilities Commission Meeting June 24, 2019

**Members Present:** Paul Endres                      Chris Zellner                      John Roessler  
Roxanne Johnson                      Shirley Nelson                      Steve Kraus  
Gary Herzberg

**Others Present:** Tim Herlitzka                      Mike Peters – WPPI Energy  
Dave Dresen                      Randy Dorn

John Roessler called the regular meeting of the Waunakee Utilities Commission to order at the Waunakee Utilities facility at 322 Moravian Valley Road.

### Minutes

Moved by John Roessler, seconded by Shirley Nelson, to approve the minutes of the May 28, 2019 Utilities Commission meeting. Motion carried.

### Bills

The list of bills was reviewed. Moved by Chris Zellner, seconded by Paul Endres, to approve payment of the following bills:

<u>Total</u>	<u>Vendor</u>	<u>Description</u>
\$ 275.63	4 Control, Inc.	Substation weed spraying
236.09	Ace Hardware	Miscellaneous parts/supplies
270.20	Anderson, Chad & Candace	Refund
4,686.30	Border States	Electric inventory & URD maintenance
147.12	BP *	Gasoline for trucks
272.63	Brown, Steven & Dionne Kilen-Brown	Refund
165.12	Cintas Corporation	Uniforms
1,146.00	Core & Main	Inventory & meter expense
502.00	Coverall North American, Inc.	Cleaning service
762.69	Crescent Electric	URD maintenance
1,724.53	Delta Dental	Monthly dental insurance premiums
25,999.80	EFTPS *	941 taxes
6,911.52	Empower Retirement *	Deferred Compensation & Roth
960.36	Endres Mfg. Company	Transformer maintenance
2,047.47	Exxon Mobil *	Gasoline for trucks
279.60	Fastenal Company	AMI project for water & sewer
172.68	Heinrichs, Michael	Refund
139.20	Karls, Dana	Mileage reimbursement
250.00	Kuhn, Alyssa	Scholarship
21.04	Mahoney, Sarah	Refund
3,348.20	Martelle Water Treatment	Chemicals for wells
36.29	Martin, Paul	Refund
91.43	McKenny, Brian	Refund
1,138.00	MEUW	Watt-Hour workshop, annual conference & management training program registrations
420.30	MG & E	Boosters, wells, service building & lift stations
4,525.00	Midwest Testing LLC	Large meter testing
290.00	Monona Plumbing & Fire Protection	Shop maintenance
100.00	Municipal Wholesale Power Group	2019 member dues
26.46	NAPA Auto Parts	Truck parts/supplies
365.00	North Shore Bank *	Deferred Compensation
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187.85	Office Depot	Office supplies
717.00	Overhead Door Company	Shop maintenance
66,579.79	Payroll*	6/7 & 6/21
35.57	Pellitteri	Data shred
25.13	Piggly Wiggly	Office expenses
265.00	Pinnacle Landscaping, Inc.	URD maintenance
142.95	Pitney Bowes	Equipment rental

100.89	Purcell, Heather & Kevin	Refund	
16,011.42	Quartz *	Monthly health insurance premiums	
93.79	Quest General Contracting LLC	Refund	
21,468.17	Resco	Inventory, URD maintenance & tools	
95.00	Schneider, Adam	EV fast charger rebate	
639.66	Securian Financial Group *	Life insurance premiums	
3,841.55	SEERA c/o Wipfli, LLP	Focus program fee for May	
205.00	Stafford Rosenbaum	Legal: SCADA contract & wetland setback review	
1,650.56	SBank of CP/Credit card payment *	School expenses, truck repair, MEUW meeting expenses, office expenses, safety school exp., shelving for shop, clothing, parking exp., tools & wall clock	
662.56	Strand Associates, Inc.	SCADA system project	
212.70	T.A.S. Communications	Answering service	
915.79	TDS Telecom *	Monthly phone & modem service	
174.58	Trace, Sam	Mileage reimbursement	
35.00	Tri-County Paving	Water maintenance	
315.65	UPS Store	Shipping charges for bill stuffers	
680.90	U.S. Cellular *	Monthly cell phone service	
23,959.64	USIC Locating Services	Locating services	
109.84	Vande Zande, Christopher & Kris	Refund	
143,148.13	Village of Waunakee	Flexplan, refuse/May and electric & water taxes	
675.00	Waunakee Area Chamber	Chamber event sponsorship	
129,340.00	White Construction	TDS fiber/joint utility duct project	
125.00	WI DNR	Annual water use fees	
39,665.70	WI Dept. of Revenue *	State & sales taxes paid	
660,028.47	WPPI Energy	May power bill	
31,464.17	WPPI Energy	Hosted e-mail & financial and accounting software, member network assessment & monitoring, utility billing & customer information software, WPPI WAN , licensing fee from Elster, cyber security, shared meter technician, meter data collection & mgmt., Verizon charges, upgrade to office equipment & energy assistance administration	
14,182.93	WI Retirement System *	Retirement - May	
26.00	WI State Lab of Hygiene	Water samples	
420.05	Yahara Materials, Inc.	Maintenance of services	
250.00	Zwettler, Joseph	EV fast charger rebate	
<i>Bills Received Subsequent to Packet Delivery</i>			
\$	371.00	American Water Works Association	Membership renewal
	276.00	Boardman Clark	Legal: Customer refund & WPL customer acquisition
	380.27	Border States	Inventory
	55.04	Cintas Corporation	Uniforms
	3,933.77	Crescent Electric	Inventory, tools & shop lights
	107.17	Dish Network	Monthly service
	25,174.00	Energis Holdings, LLC	Substation maintenance
	28.00	Herlitzka, Tim	Mileage reimbursement
	529.28	Hometown News	Energy Assistance & graduation ads
	3,000.00	Infrastructure Technologies, LLC	Service agreement for sewer camera system
	500.00	Maly Roofing Company	Roof repair
	600.00	MEUW	Training registrations
	967.53	Minuteman Press	Bill stuffers and business cards
	263.92	Office Depot	Office supplies
	805.30	Resco	Electric maintenance
	712.85	Strand Associates, Inc.	Assistance with I/I matter
	<b>\$ 1,253,831.23</b>		

Motion carried.

### Public Comment

There was no public comment.

## **Presentation from WPPI Energy and Discussion of Electric Rate Comparison**

Mike Peters, the WPPI Energy CEO, made a presentation about membership in WPPI, power supply matters, the services offered by WPPI, and other current topics of interest. The current power supply fuel mix, including carbon dioxide reductions since 2005, was also discussed. The carbon reduction plans for other utilities in the state and region over the next several decades was also addressed.

The latest electric rate comparison was presented. Rates are lower compared to both of the neighboring electric utilities for all customer classes. Annual costs for average residential customers are \$252 lower than Alliant Energy and \$468 lower than Madison Gas and Electric. Annual costs for the average large customers are \$5,712 lower than Alliant Energy and \$37,692 lower than Madison Gas and Electric.

## **Recommendation to Village Board to Approve Payoff of 2010 Mortgage Revenue Bonds on the October 1, 2019 Call Date**

Ehlers, the financial advisor to the utility, periodically reviews the outstanding debt to determine if any opportunities exist to lower interest costs and they recently provided information that the 2010 Water and Electric Mortgage Revenue Bonds could be refinanced at a savings to the utility.

The 2010 bonds have an outstanding balance of \$1,325,000 with a remaining interest rate that averages over 4%. Ehlers has projected these bonds could be refinanced at a savings to the utility as interest rates on a refinanced issue are projected to be approximately 2.3%.

However, after a more detailed review, and considering the estimated \$57,400 costs associated with the refinancing, staff has recommended paying off the 2010 debt on the next call date of October 1, 2019 with existing cash and investments since the interest we're receiving on these amounts averages approximately 2.5%.

Several schedules were presented and discussed summarizing which existing funds would be used for the payoff and the unrestricted cash and investment balances after the payoff. If the payoff is made, the unrestricted cash and investment balances for the water and electric utilities would remain over the 135-day benchmark established by the utility commission. The water utility has lower cash balances compared to the electric utility and potential greater future cash needs and the electric utility could provide an advance to the water utility if cash is needed in the future.

Ehlers has been made aware of this proposed plan and they have indicated support for it.

There are \$3,000 of estimated legal and financial advisor fees associated with the payoff of the debt on the call date.

After a discussion, a motion was made by Roxanne Johnson and seconded by Gary Herzberg to approve a recommendation to the village board that the 2010 Water and Electric Mortgage Revenue Bonds be directly paid off on the October 1<sup>st</sup> call date. Motion carried.

## **Sanitary Sewer System Infiltration and Inflow**

The commission was provided an update on various information discussed at the May meeting.

## **Charter Communications Lease at North Substation Site**

The commission was provided information on the status of a lease with Charter Communications at the North Substation.

## **Advanced Metering Infrastructure Project**

The commission was provided a project update, including proactive calls staff make to customers regarding small water leaks. 3,213 electric meters have been installed and 831 water units are now in service.

## **Village-Wide Construction Projects**

Utility staff provided information about the Arboretum Village and Veridian projects.

## **Operations Report**

The electric superintendent and water/sewer manager provided updates on various projects including new services and the numerous service interruptions caused by incorrectly marked locates and contractor errors.

## **General Manager's Report**

The general manager updated the commission on the status of hiring a new locating company, changing staff email addresses to @waunakeeutilities.com, the 2014 results of water testing for PFAS, and the 25-year anniversary of Dave DesRochers.

## **Financial Statements**

The May financial statements were presented. Operating income is at budget for the month and is over budget for the year to date.

Electric operating revenue is \$436,000 lower than budget for the year. Purchased power expense is \$457,000 lower than budget. Electric operating results trail results from the prior year and will be monitored in the future.

Locating costs are higher than budget due to the large projects going on in the service territory.

A motion was made by Chris Zellner and seconded by Roxanne Johnson to adjourn the meeting. Motion carried.

Respectfully submitted: \_\_\_\_\_  
Commission Secretary