

MINUTES OF A MEETING OF THE WATER UTILITY COMMISSION OF THE CITY OF CUDAHY, WISCONSIN HELD AT CITY HALL 5050 S. LAKE DRIVE ON THURSDAY AUGUST 22, 2013

The meeting was called to order at 4:00 P.M. by Chairman Miller with the following members in attendance: Mr. Kober and Mr. O'Connell. Mr. Hanson and Mr. Kramer absent and excused. Superintendent Miller and Director of Public Works Lange also present.

APPROVE MINUTES OF THE JUNE 20, 2013 MEETING

Moved by Mr. O'Connell second by Mr. Kober, to approve the minutes of the June 20, 2013 meeting.
All voting in favor.

DISCUSSION AND ACTION REGARDING WATER RATES

The Commission discussed the current rates and the WIPSC authorized rates. Superintendent Miller explained that the current utility rates should produce a 4.3% Rate of Return. The Public Service Commission is currently authorizing increases up to 5.5%. After discussing this with Vicki Hellenbrand from Baker Tilly it is recommended that the Utility apply for a Simplified Rate Case again in 2014 as soon as possible, which should be March 2014 after the 2013 Annual Report is filed. This increase would be in the range of 2.5% to 3% and would keep the Rate of Return near the maximum while avoiding the time and expense of a full rate case which will not yield much more revenue.

Moved by Mr. O'Connell, second by Mr. Kober to direct Utility staff to file a Simplified Rate Case in 2014 as soon as the PSC Regulations allow. All voting in favor.

SUPERINTENDENT UPDATES

Superintendent Miller gave a quick overview of operations:

- Utility revenue and pumpage through August 1. While the summer has been dry it has also been cool so pumpage lags 2012 levels. However revenue is currently meeting target levels.
- Raw Water Pump #3 is losing output and appears to need replacement. The concern is that this is the emergency pump that runs during a power outage so it is important to schedule the replacement for minimal downtime. Estimated cost will be \$25,000. Budget items can be moved around to cover this expense.
- Several area utilities are discussing a joint research study looking the viability of using directional flushing to reduce lead levels in the distribution system, which will allow the utility to feed lower amounts of phosphorus for corrosion control. The Superintendent and Director Lange will be attending an informational meeting this month and will keep the Commission informed.

ADJOURNMENT

There being no further business, it was moved by Mr. O'Connell, second by Mr. Kober r to adjourn.
All voting in favor (4:29 PM)

Pat Kober, Acting Secretary

Attest: Bill Miller