

Cumberland, Wisconsin
February 21, 2022

The monthly meeting of the Cumberland Municipal Utility Commission was called to order on Monday, February 21, 2022, at 4:00 p.m. in the Utility Conference Room located at 1265 2nd Avenue, Cumberland, Wisconsin, by Commission President Louis E. Muench. The following commissioners were present: Louis E. Muench, Gerald Thon, Dennis Zappa, Craig Turcott and Tom Goldsmith. Also, in attendance was General Manager Dean Bergstrom, Office Supervisor Lori Nyhus, alderman Dan Shoemaker and Amanda Mboga via phone. There was no public comment.

Commissioners reviewed the meeting minutes from January 17, 2022 that had been provided in advance of the meeting. After discussion, a motion was made by Thon and seconded by Turcott to approve the set of minutes from January 17, 2022 as presented; motion carried.

The commissioners reviewed a voucher listing for approval that had been provided in advance and discussed various entries with the General Manager. After discussion, a motion was made by Goldsmith and seconded by Thon, to approve payment of said vouchers numbered 12379 through 12526, with 12 automatic payment transactions, and voided checks 12478 through 12483 for printing incorrectly, for a total dollar amount of \$891,595.74. Motion carried; vouchers approved.

Next, the 2020 audit was presented by Amanda Mboga from Baker Tilly auditing firm. Amanda had a handout for her report with various graphs for the Electric, Water and Sewer. The actual rate of return for the Electric Department is 5.21% with an authorized return of 5.10%, so the Electric Department is in sound financial position. The Water Department's rate of actual return is 5.40% with an authorized return of 5.25%. The Water Department is also in sound financial condition. There is no rate of return for the Sewer Department, as that is not governed by the PSC. The Water and Electric Utility net assets versus net plant are as follows: the net plant is 91% funded by equity and the percentage of net plant funded by debt is only 9%. On the Sewer side, the net plant funded by equity is 48% and the percentage of net plant funded by debt is 52%. In all departments, we want to see a 50/50 minimum, so the Sewer Utility is right at that level. There were no major concerns as far as any of the insights from the 2020 audit other than the usual internal control environment. Being a small Utility, that is difficult to achieve. CMU does the best they can with the staff that we have. All in all, the audit went very well and everything looks very sound for the Utility. Amanda thanked the staff for all their cooperation with the remote audit. Baker Tilly will be here later in the week to conduct the 2021 audit. After Amanda was finished speaking, President Muench thanked Amanda for calling in and going through the audit with the commissioners and staff. A motion was made by Zappa and seconded by Goldsmith to accept the 2020 audit as presented; motion carried.

Mrs. Nyhus then reviewed the financial position of the Utility with the commissioners on paper materials that were provided in advance and by overhead projection via PowerPoint. The Electric Kilowatt Sales were up in all categories except for Street Lighting for the month of January. Total revenues were up about \$49,000.00 compared to 2021 with the net income down approximately \$5,000.00 from last year. Water Sales were also up in all areas except for Public Authority and Interdepartmental. Our total operating revenues were about the same as last year (within \$500.00) and the net income showed a loss of \$4,200.00 which is almost the same as 2021. In the Sewer Department, the metered sales were up almost 3% compared to 2021. In addition, the RECs were up about 1.3%. The total income for January 2022 was up slightly compared to January 2021 at about \$7,000.00 more. There were no debt payments made in January, but there will be some coming up in February for the Sewer Department. After discussion, a motion was made by Turcott and seconded by Zappa, to approve the financial statements and reports presented; motion carried.

Next, two items on the agenda were to approve two resolutions for the Sewer System and Water System Revenue Bonds. A motion was made by Thon and seconded by Zappa, to approve the resolution of the City of Cumberland Municipal Utility Commission regarding the issuance, sale and delivery of \$6,124,000.00 taxable Sewer System Mortgage Revenue Bonds and related bond anticipation notes of the City of Cumberland. All commissioners voted yes; motion passed. Next, a motion was made by Turcott and seconded by Zappa, to approve the resolution of the City of Cumberland Municipal Utility Commission regarding the issuance, sale and delivery of \$1,598,000.00 taxable Water System Mortgage Revenue Bonds and related bond anticipation notes of the City of Cumberland. All commissioners voted yes; motion carried.

February 21, 2022; Commission Meeting Minutes
Page 2

The General Manager then passed out a tally sheet with some bids for a new UTV for the Sewer Department. There were 4 bids in all. The first bid was from Midwest Machinery out of Turtle Lake for a John Deere Gator at a bid price of \$25,025.00. The next bid was from Tractor Central out of Cameron for the same John Deere Gator at \$23,579.53. The third quote was also from Tractor Central out of Cameron, with a base bid of \$23,275.36. If we add a 4,500 pound winch, it would be an additional \$1,251.00 for a grand total of \$24,526.36. The last bid was from Airtec Sports out of Rice Lake for a Can-Am UTV at a price of \$22,097.00. It was noted that a possible trade-in price on the current machine would be \$5,000.00 and the sell-out price was anywhere from \$5,500.00 to \$7,000.00. There was a motion made by Turcott and seconded by Thon to purchase the Can-Am Defender DPS for a price of \$22,097.00 and that we will sell the current John Deere Gator outright and not trade it in. All commissioners voted yes; motion carried.

The General Manager shared the good news that the Sewer Utility will be receiving a check from the insurance company for the sewer backup that occurred in April of 2021 at the 3M and Cumberland School District property for a total of \$53,834.97. Next, he informed the commissioners that the old 1999 Digger Truck was sold on the auction for a total of \$10,275.00. He also informed the commissioners that the Utility had received a grant from the League of Wisconsin Insurance Company for \$848.00 to use toward a project in a local park. The City also received a grant check from the League of Wisconsin and together, they will use the money to help with changing the lighting system at the Cumberland Tourist Park in the spring.

The new Gehl skid steer was delivered a few weeks ago by Lindstrom Equipment out of Menomonie. The guys really like the new machine and it seems to be much more stable than the machine we had.

Lastly, CBS Squared informed the General Manager that the application for a new well at the site of the Water Tower had been sent in to the PSC and the DNR for review. He will keep the commissioners informed as things move forward.

It was noted that the next commission meeting date will be Monday, March 21, 2022 at 4:00 p.m. in the Utility Offices.

There being no further business, a motion to adjourn the meeting was made by Turcott and seconded by Thon. Motion carried, meeting adjourned.

Respectfully submitted,



Craig M. Turcott, Secretary