

## Customer Connection

"We are so excited to have Waverly Utilities offer Internet service. The high speed allows us to view streaming services without delay and usage limits. Even though we've never needed customer support, it's reassuring that a local number is available!"



Carol Bruxvoort  
Service: 100 mb Internet  
Customer since Sept. '16

## Add a "PS" TO HELP A NEIGHBOR



"PS" is Project Share – a program that assists needy households in paying their winter energy bills. You can help this effort by adding a regular Project Share contribution to your utility payment, or by making a direct donation to Project Share. These funds are distributed to your neighbors in need.

Northeast Iowa Community Action carefully identifies those residents who qualify, and a local committee oversees Project Share to guarantee that all contributions are handled equitably and efficiently.

Adding a "PS" – a Project Share contribution to your utility payment each month is a simple way to share some warmth with those who need it.

**PS** Project Share

Mail this form to:  
Project Share  
P.O. Box 616  
Waverly, IA 50677

Yes, I'd like to help a neighbor with a tax-deductible contribution to Project Share.

Name \_\_\_\_\_

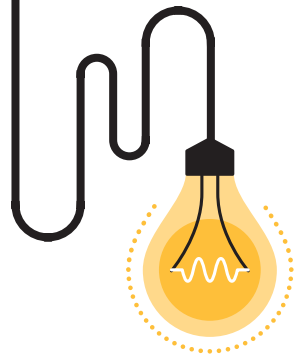
Address \_\_\_\_\_

City \_\_\_\_\_ Phone \_\_\_\_\_

I will contribute \$ \_\_\_\_\_ per month to Project Share. I understand this amount will be billed to my monthly.

I have enclosed \$ \_\_\_\_\_ donation to Project Share.

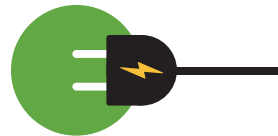
319-559-2000  
waverlyutilities.com



## NOTICE OF PROCEDURE FOR REQUESTING INFORMATION FROM OR REGISTERING COMPLAINTS WITH WAVERLY UTILITIES CONCERNING ELECTRIC SERVICE

Persons desiring to request information from or register complaints with Waverly Utilities **CONCERNING ELECTRIC SERVICE** may do so by contacting:

**Waverly Utilities**  
**1002 Adams Parkway**  
**Waverly, IA 50677**  
**319.559.2000**



If the utility has not been able to help you with your problem concerning electric services, you may contact the Iowa Utilities Board toll free at 1.877.565.4450. You may also write the Iowa Utilities Board at 1375 E. Court Ave., Room 69, Des Moines, IA 50319-0069, or by e-mail at [customer@iub.iowa.gov](mailto:customer@iub.iowa.gov).



**Safe, Reliable Power**  
Waverly Utilities is committed to offering reliable, safe delivery of power to our community.

**DIAMOND STATUS**



### Board of Trustees

Chairman, Jere Vyverberg  
Vice Chair, Emily Neuendorf  
Trustee, Ann Seggerman  
Trustee, Bob Buckingham  
Trustee, Bob Brunkhorst

Board meetings are held the second Tuesday of each month at 1:00 p.m. at Waverly Utilities, but may be subject to change. Please call ahead to verify schedules. They are open to the public and all are welcome.



1002 Adams Parkway  
Waverly, Iowa 50677  
319.559.2000  
[www.waverlyutilities.com](http://www.waverlyutilities.com)

## Billing Upgrade On Its Way

Beginning July 1<sup>st</sup>, your electric bill will switch from the City of Waverly to Waverly Utilities. This process began three years ago when Waverly Utilities launched telecom and realized the savings potential of combining systems. WU gave the City notice of this change in 2015.

"The goal is to bring billing in-house and utilize the same platform we have for telecom," said Lewis. "This new system allows us to modernize and provide better customer service. You can receive your bill online, pay online, pay via credit card – bringing things up-to-date and creating more of a one-stop shop."

"It also gives us the ability to customize bills. If customers prefer, we can combine telecom and electric utilities onto one bill," stated Lewis. "If it doesn't work in their finances to pay them all at once, we can separate them into two bills and have them due at different times of the month."

Waverly Utilities will be one of the first municipal electric utilities to offer the two-bill option.

"We pay the City \$240,000 annually to handle our billing," Lewis shared. "There will be some costs here with staff, but it gives us an annual savings of \$100,000."



**Waverly**  
Utilities

# theConnection

Powering the color of life

2018 | Q1

### At a Glance

- 2018 Rates
- Meet Kasey
- What's Ahead
- Telecom Update
- On The Lines
- Customer Connection
- Billing Upgrade



## Utility Rates Hold Steady for 2018

The recent announcement of no electric rate increase for 2018 has made Waverly Utilities' Finance Director Kasey Lewis pretty popular at the moment.

Electric rates are set through a process of financial modeling that reviews costs versus consumption each year. The Board of Trustees reviews the budget in September and October before voting on a final budget in November.

"Every two or three years, WU completes a cost of service study, completed by an independent third party, to determine if our costs and rates are reasonable and appropriately set by rate class," said Lewis. "The next cost of service study is scheduled for later this year. The study will review WU's current rate structure to determine if revenues are being collected in the most economical fashion compared to the way WU is billed by their wholesale provider. Ensuring we use the most appropriate rate structure certifies rates are fair and equitable to everyone."

As a not-for-profit organization, Waverly Utilities does not pay taxes. In lieu of taxes, WU transfers a payment every year to the City. The amount is based on kilowatt hour sales. For 2018, \$744,000 will be given to the city, which is about on par with the average annual amount given by Waverly Utilities.

"As a Finance Director, my priorities are to make sure we're doing things right and being compliant," Lewis said. "There's some hype right now about

our rates. As a company, we're always looking for what's better - how can we improve and be more competitive? You've got a different hat you have to wear here. We don't have private investors, so the public is our investor. You always have to be thinking 'Would our customers be okay with it? Does it serve the citizens and the electric rate payers of Waverly? What can we do to make it better?'

"On our side, we make every effort to be transparent. Our customers are welcome to come in and see whatever they want at any time. Our Board Meetings are always open to the public and we're happy to answer any questions," stated Lewis.

While the electric utility rates will remain steady, the video services of the telecom utility will see a slight increase due to programming cost increases.

"There will not be an increase for Internet or telephone services, however, there will be a 7% increase on July 1<sup>st</sup> for video customers," Lewis said. "Since launching video services in July of 2016, programming costs have escalated by almost 12%. Unfortunately, we need to pass some of these programming increases on to subscribers. The 7% increase will equate to approximately \$5 per month. The positive is that our Expanded Basic video package will still be approximately 10% less than WU competitor's comparable package."

## Behind the Scenes



**Meet Kasey Lewis, the new Director of Finance with Waverly Utilities**

**Where's your hometown?** Plainfield

**Where did you attend college?** Hawkeye Community College and Upper Iowa University

**When did you start at WU?** I began March of 2017 as an Accountant and moved into the Director position in October.

**Where did you previously work?** Previously I worked for Airgas and Terex Cranes, both of which closed down the locations I worked at. So I began looking for something stable and long-term.

**Tell us a little about you:** I am married and have a two-year-old son. We enjoy spending time with family and friends, biking and gardening.

**What's one unexpected fact about you?** I ran a half-marathon a few years ago and am thinking about doing it again. It's been just long enough to forget all the training required!



**Waverly**  
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# ALWAYS CALL BEFORE YOU DIG



What's Ahead for 2018 - Waverly Utilities CEO Darrel Wenzel sits down and discusses the strategic plans on deck for 2018

**Rate Design Review:** Twelve years ago, the Board of Trustees at Waverly Utilities set into place a forward-thinking residential rate design called inclining block rates. In a nutshell, it's a design created to encourage consumers to be more energy-efficient with their usage.

- For 8 months of the year, prices are held steady at an average amount - currently \$0.1132 per kilowatt hour.
- During the summer months – defined as June through September – consumers pay on an ascending pay scale. The more you use, the more you pay. For instance: during the peak summer months, low-end users may be charged \$0.11 per kilowatt hour while the highest users are charged \$0.186. It penalizes high users and rewards lower end users.

That design was contrary to the norm of the time and was implemented to encourage people to use energy-efficient windows, appliances, insulation, LED light bulbs, etc. It also mirrored the charges Waverly Utilities saw from its wholesale market purchases.

However, as directed through their 2016 strategic plan, Waverly Utilities is now reviewing alternate rate plans to replace that design. WU has been investigating the possibility of a fixed cost design that would hold prices at a steadier rate for all users. The key to this design will be creating something that is fair for all customers, without raising rates on the lower-end users.

“We started by installing smart meters in certain homes so residents could see their usage and hopefully be motivated to drop their usage levels during those peak times,” Wenzel said. “However, in addition to the high cost of the meters, we realized this requires our customers to understand demand (kW) and utility distribution methods – which is a level of education that, frankly, most people aren't interested in. So we came back to the drawing board to see if we can change the design without requiring our customers to learn a new industry.”

Waverly Utilities is currently studying new rate design options with the goal of presenting a recommendation to the Board of Trustees by this fall for possible implementation in 2019.

**Harnessing the Power of Solar:** A potential community solar garden is also on the list of priorities for 2018. Waverly Utilities is in the works to install and maintain a community solar garden in one centralized location, offering residents the chance to purchase an array and receive solar credits on their bill.

“If it makes sense, and we can do it without impacting those who don't want to participate, then we'd love to bring a solar garden to Waverly,” Wenzel said.

After months of researching other solar gardens around the state and country, Waverly Utilities has

created a plan combining components of them all into something that could work well in Waverly. A \$20,000 grant from MEAN, Waverly's wholesale energy supplier, covered the initial research and consulting costs.

“What we've seen is that solar gardens are not money-makers,” Wenzel shared. “On average, you may see a \$1-\$4 credit per panel each month on your bill. It may take up to 20 years to get a return on your investment. But at the end of the day, it's about making a difference to the future of our world and our community. Choosing renewable energy over fossil fuels is a win for everyone.”

Currently, WU produces renewable energy through wind turbines and hydro generators. In 2016, enough kilowatt hours were produced to power almost 900 homes for a year.

Stay tuned for more information as Waverly Utilities explores the potential of a community solar garden here in Waverly.

**Cybersecurity:** While hackers and cybersecurity are common news headlines around the country, they're not usually top concerns locally. Yet as utility systems move to networked controls, the potential escalates for hackers to cause damage.

“We use SCADA (supervisory control and data acquisition) programming to provide remote control of our systems, which is ideal to minimize staff time, provide real-time data gathering and allow us to respond to needs faster,” Wenzel shared. “However, it also means there is the potential for hackers to theoretically disrupt our energy supply. Knowing that, we budgeted \$25,000 in 2017 for a cybersecurity audit and upgrades to minimize any possible issues.”

Before investing in the audit, Waverly Utilities reached out to American Public Power Association (APPA). APPA agreed to provide a grant covering all the costs on the utility side, using Waverly Utilities as a baseline test for other members.

“We're on the front end of this,” Wenzel said. “There are not a lot of municipal utilities who are

this advanced. So it works to both our benefit and APPA to see the differences a cybersecurity audit can make.”

The audit provided a list of recommendations to increase security and minimize potential disruption not only through cyberspace but also physical threats.

“Those included better fencing and locks at some sub-stations, server updates, cameras in certain locations, among other upgrades,” Wenzel shared. “We will finish completing the recommendations from the audit throughout 2018.”

The best part? In addition to ensuring the ongoing security of Waverly's power, WU was also able to save more than \$17,000. The APPA grant covered the entire cost of the utility audit, while the telecommunications side paid \$7,800 for their share.



About the CEO:

Darrel Wenzel began as a telecommunications installer in Nebraska, working his way up through the ranks. He moved into the electric industry with Independence Light and Power in 2003 and came to Waverly Utilities in 2014.

His favorite thing about working at WU: “I like that it's not profit-driven. In my previous telecommunication job, there was pressure to raise profits 10% every year, no matter what. At a municipal, it truly is about customer service. Keep rates as low as you can, no profit motive, and serve the customers. That's what I truly live by. We care when someone calls and says it's not working. We want to make it right.”

Questions or comments? Email Darrel Wenzel directly at [dwenzel@waverlyutilities.com](mailto:dwenzel@waverlyutilities.com)

### HOME ENERGY AUDIT and WEATHERIZATION

- Initial audit
- Caulking, sealing, and adjusting doors, windows, outlets, rim joist, attic access, ducts and water pipes
- Installation of CFL bulbs, low flow sink and shower aerators
- Evaluation and education

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Services Provided by:

## It's a fact!

LED bulbs are 7x more energy efficient and last 25x longer than traditional lights.

Telecommunications Proves Popular

After only 18 months, Waverly Utilities is excited to announce close to 50% of business and residential customers in Waverly have selected WU as their telecommunications service provider of choice!

“We started out in July 2016 and it's pretty incredible that we're already here,” shared Jeff Magsamen, director of telecom at WU. The telecommunications utility includes telephone, video and Internet services.

The impetus for adding telecommunications to WU dates back to 2000 when voters passed a referendum with an 85% vote in favor of forming a municipal telecommunications utility. A second vote showed 80% of customers agreed Waverly Utilities should manage it.

Over the years, interest and market opportunities fluctuated. It wasn't until 2013 when the WU Board of Trustees decided it was time to explore the options with a feasibility study. After a positive response, the Board approved moving ahead in 2014 and one year later, WU began laying fiber.

“We installed more than 80 miles of fiber optics in a year, putting the basic distribution network in place,” Magsamen said. “By now, we have approximately 80 miles of fiber installed leading to customers' homes.”

To be as cost-efficient as possible, Waverly partnered with Cedar Falls Utilities to share technology and services on the video side, creating a synergy benefiting both organizations.

So far, the response has been very positive. “The ‘catch up restart’ with our video service is definitely

a customer favorite,” he said. “It allows customers to watch anything airing the last 3 days without using the DVR option. So even if there's nothing of interest on at the moment, customers have three days' worth of programming on most channels to go back and watch.”

In addition to the bells and whistles customers enjoy on the front end, WU also hasn't skimped on the back end technology.

“The fiber optic technology makes WU very reliable,” Magsamen shared. “While your Internet service is not a life-sustaining utility, such as water or power, we do see it as critical. We have two separate data centers with redundant paths to Waverly Utilities service providers to ensure the highest level of reliability.”

Customer service also features prominently in the telecom strategic plan. As a local provider, customers are often friends and neighbors.

“When you call in with a problem, we're not going to let it sit,” he said. “We're not telling you to wait until next week, or saying we need a variety of other people to have the same problem before we spend time on it. We take our customers' issues seriously.”

Local control also means WU does not sell or share customer data with other companies, taking privacy and security seriously. And whatever happens with net neutrality nationally, WU has no plans to ever classify traffic or set different plans for different speeds.

“Beyond serving our friends and neighbors, we see Internet services as a strong economic development tool for Waverly as well,” Magsamen said. “It sets Waverly apart. I think in the future, you'll see communities who haven't gone down this path at an economic disadvantage.”



How much power could a solar garden in Waverly produce?

About 737,000 kilowatt hours\*

Which could offset:

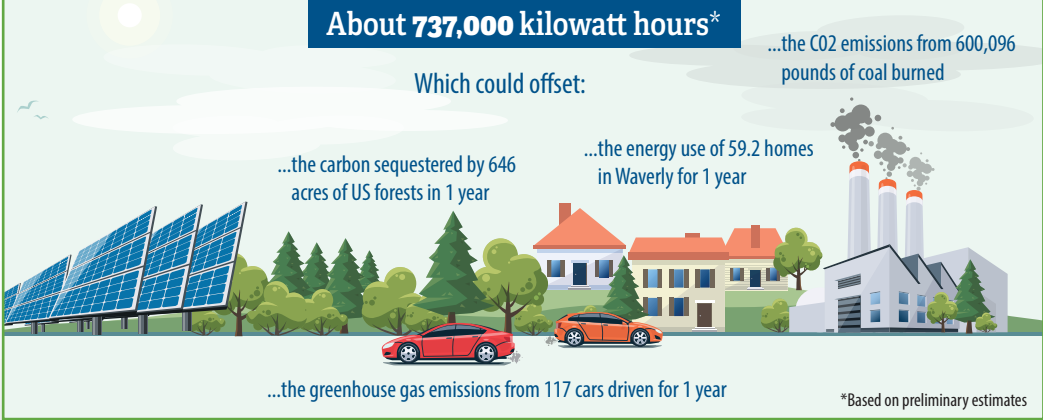
...the CO2 emissions from 600,096 pounds of coal burned

...the carbon sequestered by 646 acres of US forests in 1 year

...the energy use of 59.2 homes in Waverly for 1 year

...the greenhouse gas emissions from 117 cars driven for 1 year

\*Based on preliminary estimates



On The Lines



Waverly Utilities journey lineman, Jim Baumgartner, performs the annual pole top rescue training.