

Kaukauna, WI  
December 20, 2017

The regular meeting of Kaukauna Utilities Commission was called to order at 12:00 p.m. by President Lee Meyerhofer. Commission Members present were Greg Lenz, John Moore, Sue Hennes, Tom Driessen, Lee Meyerhofer, Tom McGinnis, and Gene Rosin. Also present were Jeff Feldt, Denise Vanderloop, Mike Pedersen, Don Krause, Eric Miller, Clara Pickett, Jill Friebe, Lonnie Pichler, Dave Pahl, and Amy Brick from KU, Karen Brooks, Diana Driessen, Attorney Kevin Davidson, Steve Engebos and Mike Peters from WPPI Energy, Marty DeCoster, David Roloff, and Tony Penterman.

It was moved by John Moore, seconded by Gene Rosin to approve the minutes of the November 15, 2017 Commission meetings as written.

All members voted aye.

Motion Carried

Dave Roloff, representing Roloff manufacturing made a public comment. Mr. Roloff stated "Just a few public comments, again, when it comes, sometimes I like to maybe give suggestions or pointers but #1 whether you as the Commission does it or not, I think we should recognize Jeff for the great job he is doing. His hands are tied because of a lot of the rules and regulations and this whole big mess with Appleton Coated and he's walking through it good. With that, Jeff great job. I really appreciate when I call, he gives me answers, he helps and works with me, but now as we realize as times going on, Facebook is the electronic media and it's just whacked out out there. I personally have been trying to correct some of the posts saying "no you're wrong, it's this or this", "watch out for this or this", with positive input rather than the negative saying that you need to look at these things. With that, I'm thinking, is there any way, because when you put newsletters and stuff in the bill, people just grab the bill and throw it away, we have to find a way to make them understand the bill. I had one person say "mine went up 14%", I said, "mine did, but you have to look, it was the purchase cost adjustment", "what's that"? All these people look at is the bottom dollar. They don't look at anything else on the bill. Maybe we have to just reeducate them again. "Hey, the purchase cost, you notice sometimes it goes up it goes down, that's going to be a change". When we're talking rate hearing, we're just talking the rates, we're not talking about all this other stuff and how it fluctuates and the people don't understand that. So I'm saying if there is way we can educate them, that would help. This is electric, on the water side of it, you know you're gonna all of a sudden being seeing the new, I forget the term, but the run off I think it's going from 72 to 84, that's gonna be an increase on all of your bills, you're gonna have other little hidden fees in the bills and they are just gonna look again at the bottom dollar. It should be explained to them. This is going up why, because of this. Do they look at the budget? They aren't gonna look at the budget, they look at the dollar on the bottom. So, as a suggestion, maybe there is something we can do, how can we get it out there to better educate the Community so they understand how difficult your jobs really are and what you're trying to do to make the City run better. Working with you, fabulous. Last year we did a \$50,000 project, changed it all over to LED lighting, we are saving well over \$1,000 a month. We cut out, it was projected over 120,000 kilowatts less we are using. We just purchased a brand new core machine, that's gonna run us about \$40,000, it's in place, we are testing it now, that's gonna eliminate three electric ovens. I was baking cores for 4-5 hours in these ovens, the core is made with a 3 part resin, and in 3-5 minutes, the core is done. I'm gonna be saving, the estimate is 175,000+ kW when we get this done because I can eliminate those core ovens. A lot of these projects aren't done without the help of Kaukauna. So I'm here to say, with them, working with me, Steve and some of the other ones, focus on energy, there is things that can happen, but the bottom line is we need to educate. People, if they can be educated, I think half of these problems would be gone. That's all. Thank You. Keep up the good work".

Mike Peters, CEO of WPPI Energy gave an industry update presentation to the Commission.

The Commission reviewed the monthly reports.

Staff reports:

Manager of Information Technology Don Krause informed the Commission staff is completing the fiber installation for the AMI project. Don stated staff is continuing work at the Fire Station and also at the Police Department, connecting the PSLO's (located at the schools) directly to the Police Department allowing them to comply with the Criminal Justice Information System (CJIS) requirements. Don also stated the KU website design is moving forward, and in 2018, IT will be offering a technology store.

Manager of Engineering & Electric Distribution Eric Miller stated crews have been working on the Delanglade and OO Substation rebuild projects. Eric stated the Elm Street project rebuild is also

moving forward. Commissioner John Moore questioned Eric about the Outage Report and whether or not KU has a system in place to prevent frequent outages. Eric informed John the issue is primarily with the age of the underground cable, and with the use of our GIS system, we are able to identify the location and age of the underground cable identifying areas that might be high risk. Jeff stated this is an issue that utilities are facing, including KU, that some of our underground cable is approximately 50 yrs. old that is going to need to be replaced. Jeff stated Eric and his staff will put together a budget that includes the projects that we know will need to complete over the next 4-5 years.

Manager of Generation & Operations Mike Pedersen stated the Federal Energy Regulatory Commission (FERC) required Potential Failure Mode Analysis (PFMA) for Kaukauna City Plant has been submitted. Mike informed the Commission the work is nearing completion on Lock 5 and the fishing pier at 1000 Islands, stating this completes our compliance issues with the Badger Hydro Plant FERC license. Mike stated crews replaced the trunion seal on Combined Locks Plant Unit #2. Mike also informed the Commission crews have been dealing with icing issues at the plants due to the cold weather.

Manager of Human Resources Denise Vanderloop stated she is completing year end benefit changes for 2018 and the revised employee handbooks were distributed to the employees with the changes the Commission approved in November.

General Manager Jeff Feldt reported for Water Superintendent Kevin Obiala in his absence. Jeff stated the new tank has been installed at Well #8, the piping will be installed this week, and the filter media will start to be put back in the first of the year, stating it should be back online by the end of January. Jeff also stated crews were doing regular maintenance work.

Manager of Finance & Administration Clara Pickett stated accounting staff has been working on processing year end and continuing to work on the electric rate case.

General Manager Jeff Feldt updated the Commission on the electric rate case stating the public and technical hearing is currently scheduled on January 18, 2018 at 10:00 a.m. in Madison and also via phone conference in the KU Commission Chambers. He is working with the Public Service Commission (PSC) to hold the Public Hearing in Kaukauna due to the significant amount of interest from customers. Jeff stated he has received multiple phone calls and e-mails from customers regarding the electric rate case, and he is more than happy to discuss with them. He stated the Wisconsin Paper Council and Citizens Utility Board (CUB) have formally intervened. He also discussed Industrial Assets/Appleton Coated stating Appleton Coated filed for receivership on August 16, 2017, and on October 10, the mill was sold to IA and is currently being operated under an LLC which is Appleton Property Ventures. He has had people asking him why we cannot disconnect Appleton Property Ventures because Appleton Coated owes us money. Legally, we cannot do that as Appleton Property Ventures is a new customer not responsible for Appleton Coated's debt. From August 17 until October 10, 2017, the receiver, was paying KU weekly and paid for all of their usage up until the mill was sold. KU had an agreement with the receiver that if they defaulted, they would pay the money; however, they never defaulted, the bills were always paid in full. After October 10, 2017, when the mill was sold to Industrial Assets, as a brand new customer, they have rights under PSC regulation and are treated as a new customer.

General Manager Jeff Feldt reviewed the 2016 Average Revenue per kWh Report. He discussed customer's comments about electric rates stating we have done four relicensing in the last 15 yrs., built a new hydro, added infrastructure, and made more investment over the last 15 years improving our distribution system. In 2008, KU had the 3<sup>rd</sup> lowest overall average rate in the state, in 2016 we were the 7<sup>th</sup> lowest out of 121 utilities. He stated KU employees, through their Random Act of Kindness program, raised over \$3,000 of which, a portion was donated to eleven local families presenting them with gift cards, \$150 was donated to Loaves and Fishes, and \$1,252 worth of toys was donated to the Children's Hospital. Also donated to the Children's Hospital was three huge boxes of toys that were donated from KU customers.

Manager of Generation & Operations Mike Pedersen explained the FERC Order Approving Suspension of Water Quality Monitoring for the Little Chute Hydro Plant and also the FERC Notice of Application Accepted for Filing. Soliciting Motions to Intervene and Protests, Ready for Environmental Analysis, and Soliciting Comments, Recommendations, Terms and Conditions, and Prescriptions for the Kaukauna City Plant.

General Manager Jeff Feldt reminded the Commission the KU Holiday Party is January 19, 2018 at J.J. Maloneys, and the APPA Legislative Rally is February 26-28, 2018 in Washington D.C.

The Commission chose not to adjourn to closed session pursuant to Wis. State Statute 19.85(f) for review of data Kaukauna Utilities is prohibited from making public under Wis. Stat. 196.37, including Kaukauna Utilities Write Off Journal details, Check Register details and Customer Usage and Billing.

It was moved by John Moore, seconded by Greg Lenz to approve the accounts receivable write-offs.

Roll Call Vote:

|                |     |
|----------------|-----|
| Tom Driessen   | aye |
| Lee Meyerhofer | aye |
| Greg Lenz      | aye |
| Gene Rosin     | aye |
| John Moore     | aye |
| Sue Hennes     | aye |
| Tom McGinnis   | aye |

Motion Carried

It was moved by Tom McGinnis, seconded by John Moore that check number 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, and checks numbered 66406 through 66606 in the amount of \$4,529,320.88 be approved for payment.

Roll Call Vote:

|                |     |
|----------------|-----|
| Lee Meyerhofer | aye |
| Tom Driessen   | aye |
| Greg Lenz      | aye |
| Sue Hennes     | aye |
| Gene Rosin     | aye |
| John Moore     | aye |
| Tom McGinnis   | aye |

Motion Carried

It was moved by Tom McGinnis, seconded by Tom Driessen to adjourn.

All members voted aye.

Motion Carried

The meeting ended at 1:12 p.m.

  
Thomas J. McGinnis  
Secretary

Minutes taken by Amy Brick