

Kaukauna, WI
August 19, 2014

The regular meeting of Kaukauna Utilities Commission was called to order at 5:00 p.m. by President Lee Meyerhofer. Commission Members present were Bill Vanderloop, Gene Rosin, Tom McGinnis, Lee Meyerhofer, John Moore, Cindy Fallona and Tom Driessen. Also present were Jeff Feldt, Mike Kawula, Mike Pedersen, Kevin Obiala, Don Krause, Eric Miller and Amy Brick from KU, Attorney Kevin Davidson, Attorney Greg Vanevenhoven, Paul Thompson, Rory McCallum, Nicola Riggelman, Karen Brooks, Diana Dreissen, Dave Pahl and Brian Roebke.

It was moved by Tom McGinnis, seconded by John Moore to approve the minutes of the July 16, 2014 regular Commission meeting as written.

Motion Carried.

All members voted aye.

There was no public comment.

General Manager Jeff Feldt introduced Nicole Riggelman and Rory McCallum from The Dieringer Research Group, Inc. Nicole presented to the Commission the results of the Customer Satisfaction Study.

Manager of Finance and Administration Mike Kawula discussed the 2014 Water Revenue Bonds. Mike informed the Commission that during the 2014 budget process, it was determined that KU would need to issue bonds to finance a portion of 2014 and 2015 capital projects. These projects include main relays and a water meter conversion program. Mike stated that the water capital budgets for 2014 and 2015 are \$1,780,000 and \$906,000, respectively. Mike introduced Paul Thompson from Hutchinson, Shockey, Erley & Co. Paul discussed the Debt Service Schedule.

It was moved by John Moore, seconded by Tom McGinnis that the Commission authorize the General Manager to proceed with issuance of the 2014 Water Revenue Bonds (\$2,500,000).

Roll Call Vote:

Lee Meyerhofer	aye
Tom Driessen	aye
Cindy Fallona	aye
Gene Rosin	aye
Bill Vanderloop	aye
Tom McGinnis	aye
John Moore	aye

Water Superintendent Kevin Obiala discussed the 2014 Water Main Replacement Project on Delanglade Street, Hwy OO, Ducharme and Gertrude Street. Kevin informed the Commission that the replacement is necessary due to deterioration of the water main and also because of the Hwy 55 reconstruction project slated for 2018. Kevin stated that the project will be completed in conjunction with the City of Kaukauna's sewer replacement project. Four bids were received with Carl Bowers Construction being the lowest evaluated bid at \$898,060.

It was moved by Gene Rosin, seconded by John Moore to authorize the General Manager to approve the bid submitted by Carl Bowers Construction in the amount of \$898,060 for the 2014 Water Main Replacement Project along Delanglade Street, Hwy OO, Ducharme and Gertrude Street.

Roll Call Vote:

Cindy Fallona	aye
John Moore	aye
Tom McGinnis	aye
Tom Driessen	aye
Lee Meyerhofer	aye
Gene Rosin	aye
Bill Vanderloop	aye

Water Superintendent Kevin Obiala discussed replacement of the chassis on vehicle #52. Kevin stated that \$50,000 is included in the 2014 water capital budget to replace the chassis of this vehicle which is a 2006 Ford F-450. Kevin informed the Commission that this is the main water department service vehicle that is powered by a diesel engine and is used extensively on a daily basis with a lot of idle time. Kevin stated that idle time on today's diesel engines is not recommended; therefore the new vehicle will have a gasoline engine. Two (2) bids were received with Dorsch Ford being the lowest evaluated bid at \$30,011.

It was moved by Tom McGinnis, seconded by John Moore that the Commission approve the bid from Dorsch Ford in the amount of \$30,011 for the purchase of a 2015 F-450 series 4X2 truck chassis.

Roll Call Vote:

Bill Vanderloop	aye
Tom McGinnis	aye
Tom Driessen	aye
Lee Meyerhofer	aye
John Moore	aye
Cindy Fallona	aye
Gene Rosin	aye

The Commission reviewed the monthly reports.

Staff reports:

Manager of Electric Distribution Eric Miller informed the Commission that crews have finished their work on the Hwy GG project for the year. Eric stated that crews will be doing underground inspections as required by the Public Service Commission (PSC). Eric also stated that engineering work is being done on the Hwy Z project.

Manager of Generation and Operations Mike Pedersen stated that C.R. Meyer completed the work at John Street and the plant is back online. C.R. Meyer also completed the dam facing work at Combined Locks and will also complete the scour on gates five and six. Mike informed the Commission that due to low water, crews replaced missing boards and pins on the dams. Mike also stated that there is a bad bearing in engine A at Island Street Peaking Plant and crews will be pulling the engine on August 25 and sending to Pratt Whitney for repair. Mike informed the Commission that crews are working with Voith on mechanical and electrical issues at Badger Plant.

Manager of Generation and Operations Mike Pedersen gave the Commission an update on Badger Hydro Unit #2. Mike stated that the speed increaser was reinstalled and has been aligned. Mike stated that a crane is scheduled to pull the stop gates on Friday morning. Engineers from Voith will be doing dry testing Friday and will place the unit back into service on Saturday. They are going to let the unit run for a week to make sure everything is working as designed before starting on design modifications to Unit #1.

Water Superintendent Kevin Obiala informed the Commission that crews are working with Bowers Construction on the water main reconstruction project on 14th and Oakridge. Kevin stated that crews have been repairing hydrants, working on distribution valves, meter change outs, cross connection surveys and any maintenance issues that arise.

Manager of Information Technology Don Krause stated he has been working on changing out the handheld radios. Don stated he received ten new handheld radios and will exchange those with the old radios. Don will then send those radios back to the manufacturer to get tested and tuned up.

Manager of Finance & Administration Mike Kawula informed the Commission that the Accounting Staff is working on the 2015 budget work papers. Mike stated the draft of the 2015 Budget will be presented to the Commission in October. Mike also stated that the Customer Service Department has been registering for some seminars, such as "Dealing with Difficult People". Mike also informed the Commission that the rate study is progressing and that the PSC stated we need to file a Certificate of Authority prior to the PSC authorizing any meter conversion project we want to initiate.

General Manager Jeff Feldt reported for Manager of Human Resources Denise Vanderloop in her absence. Jeff informed the Commission that with the resignation of a System Operator, Jim Roberts was promoted to a System Operator. That leaves an opening for a Relief System Operator position. The position has been posted internally and the deadline to apply is Monday, August 25.

Manager of Generation & Operations Mike Pedersen updated the Commission regarding Hydro Park. Mike stated that contractors started pouring concrete. Contractors have also started work at Elm Street. Mike stated that contractors have been fabricating platforms for the Hwy 55 and Oak Street access and by September the concrete columns will be in the water for the access points. Mike informed the Commission that the anticipated completion date for Hydro Park is the end of September.

General Manager Jeff Feldt proposed that a Distributed Generation Evaluation Ad-Hoc Committee be formed to discuss potential opportunities for the Utility in the future.

It was moved by John Moore, seconded by Gene Rosin to direct the General Manager to put together a team to evaluate distributed generation consisting of staff and two Commissioners.

All members voted aye. Motion Carried.

General Manager Jeff Feldt informed the Commission that the WPPI Annual Meeting will be held September 11-12 in Wisconsin Dells and also the MEUW Regional Dinner Meeting is October 2 in Two Rivers. If the Commissioners would like to attend they are to let Amy know.

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 Tom Driessen to approve the accounts receivable write-offs.

Roll Call Vote:

John Moore aye
Gene Rosin aye
Bill Vanderloop aye
Tom Driessen aye
Cindy Fallona aye
Lee Meyerhofer aye
Tom McGinnis aye

Motion Carried

It was moved by Tom McGinnis, seconded by Cindy Fallona, that check number 39 and checks numbered 57382 through 57706 in the amount of \$5,652,636.00 be approved for payment.

Roll Call Vote:

Tom McGinnis aye
Gene Rosin aye
Bill Vanderloop aye
John Moore aye
Cindy Fallona aye
Lee Meyerhofer aye
Tom Driessen aye

Motion Carried

It was moved by Tom McGinnis, seconded by Cindy Fallona to adjourn to Closed Session pursuant to Wis. State Statute 19.85(1)(g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy with respect to litigation in which it is or is likely to become involved: Fox Energy Center Auxiliary Power, at 6:10 p.m.

Roll Call Vote

Gene Rosin aye
Tom Driessen aye
Cindy Fallona aye
John Moore aye
Bill Vanderloop aye
Tom McGinnis aye
Lee Meyerhofer aye

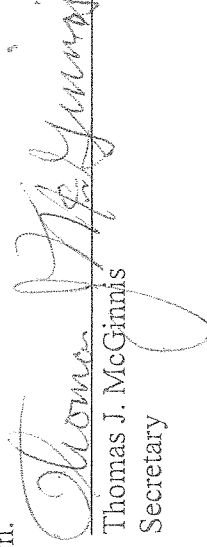
It was moved by Tom McGinnis, seconded by Bill Vanderloop to return to open session at 6:19 p.m.

All members voted aye Motion Carried

It was moved by Tom McGinnis, seconded by Cindy Fallona to adjourn.

All members voted aye. Motion Carried

The meeting ended at 6:21 p.m.


Thomas J. McGinnis
Secretary