

Kaukauna, WI  
July 16, 2014

The regular meeting of Kaukauna Utilities Commission was called to order at 4:00 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, Denise Vanderloop, Mike Pedersen, Kevin Obiala, Don Krause, Eric Miller, Lonnie Pichler, Randy Vercauteren, Amy Brick and Mandy Marks from KU, Attorney Kevin Davidson, Karen Brooks, Dave Pahl, Brian Roebke, Bob Jakel and Jim Resick from Outagamie County UW-Extension.

It was moved by John Moore, seconded by Gene Rosin to approve the minutes of the June 11, 2014 regular Commission meeting as written.

All members voted aye. Motion Carried.

There was no public comment.

Manager of Finance and Administration Mike Kawula discussed the 2014 Water Rate Study. He informed the Commission during the 2014 budget process and at the monthly commission meetings, that KU staff has been preparing a water rate study to determine whether existing water rates will adequately cover current operating and maintenance expenses and capital additions. Mike stated that due to a decrease in water sales and an increase in estimated operating expenses, KU is projecting a declining rate of return which required preparation of a full rate study in 2014. The impact of the rate study results in an estimated overall rate increase of 13%.

It was moved by John Moore, seconded by Tom Driessen that the Commission authorize finalization and submittal of the 2014 Water Rate Study to the Public Service Commission.

Roll Call Vote:

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

Manager of Generation & Operations Mike Pedersen discussed the Memo of Agreement with the Wisconsin Department of Natural Resources (WDNR) concerning the Rapide Croche boat landing. Mike stated that in accordance with the Federal Energy Regulatory Commission (FERC) license and WDNR Chapter 10 Water Quality Article for the Badger-Rapide Croche hydro facilities, KU is required to construct a boat launch on the Rapide Croche impoundment by May 2015. The original location along Cth ZZ at the Rapide Croche property was investigated and with the significant grade change from the roadway to the river, numerous switchbacks and retaining walls that would need to be constructed, the estimated cost was approximately \$900,000. Due to cost, KU pursued an alternate site across the river just upstream of the current lock and reached a preliminary agreement with the (United States Army Corp of Engineers) USACE and the Fox Locks Navigational Authority (FLNA). The estimated cost at this alternate location was approximately \$300,000. Initially, the WDNR was receptive to locating the boat launch upstream of Rapide Croche Hydro; however due to the potential of transportation of invasive species from below the Rapide Croche Dam to above it, they had second thoughts. After numerous meetings, it was determined the best alternative would be to not install the boat launch, but rather investigate and provide alternative water based recreation improvements for the impoundment. Therefore, the WDNR and KU developed a MOA where KU would provide up to \$300,000 of funding within five (5) years of execution of the agreement to assist in the development of alternative water based recreation facilities. The Fox River System Navigational Authority will be removed from the Memorandum of Agreement.

It was moved by Tom McGinnis, seconded by Gene Rosin that the Commission authorize the General Manager to enter into a Memorandum of Agreement (MOA) with the Wisconsin Department of Natural Resources (WDNR) to provide alternative recreation activities at the Rapide Croche impoundment for a total not to exceed \$300,000 within five (5) years of execution of the MOA.

Roll Call Vote:

Cindy Fallona	aye
John Moore	aye
Tom McGinnis	aye
Tom Driessen	aye
Lee Meyerhofer	aye

Gene Rosin aye  
 Bill Vanderloop aye

Manager of Generation & Operations Mike Pedersen discussed the plow truck bids. Mike stated that \$40,000 was budgeted in 2014 to replace a 2002 Chevy ¾ ton pickup with a plow. Three (3) bids were received with Les Stumpf Ford being the lowest evaluated bid at \$31,143.

It was moved by Tom McGinnis, seconded by Bill Vanderloop that the Commission approve the bid from Les Stumpf Ford in the amount of \$31,143 for the purchase of a ¾ ton 4X4 pickup truck with plow.

Roll Call Vote:

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

Manager of Generation & Operations Mike Pedersen discussed the main office building garage floor coating bids. Mike informed the Commission that \$50,000 is included in this year's O & M budget to scarify the main office building garage floor, patch holes in the concrete and apply a two coat epoxy coating. Three (3) firms were invited to bid the work with two bids being received with Wisconsin Industrial Coatings being the lowest evaluated bid at \$80,940. The short fall from the budget of \$30,940 will be taken from Operating cash reserves as necessary.

It was moved by John Moore, seconded by Tom Driessen that the Commission approve the bid of Wisconsin Industrial Coatings in the amount of \$80,940 for the main office building garage floor coating project.

Roll Call Vote:

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

Manager of Electric Distribution Eric Miller discussed the electric distribution department position upgrade. Eric stated that KU currently has a vacancy in the GIS Supervisor position due to a recent resignation. Staff has taken the opportunity to evaluate this position and staffing needs of the Electric Distribution Department and recommends that this position be replaced with a Systems Engineer position. The Systems Engineer position would be responsible to supervise and oversee KU's GIS and CAD functions as well as provide technical expertise and knowledge that an electrical engineer skilled in substations, controls, communication systems, relaying and electric distribution protective schemes can offer. The qualifications for this position include a Bachelor's Degree in Electrical Engineering and a minimum of five years experience in electrical distribution systems, substations, control systems and relaying.

It was moved by John Moore, seconded by Cindy Fallona that the Commission approve the Systems Engineer position to replace the GIS Supervisor position.

Roll Call Vote:

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

It was moved by Tom McGinnis, seconded by Tom Driessen to adjourn to Closed Session pursuant to Wis. State Statute 19.85(1)(e) for discussion of disposition of public lands where competitive or bargaining reasons require closed session at 4:48 p.m.

All members voted aye.

Motion Carried

It was moved by Tom McGinnis, seconded by Gene Rosin to return to open session at 5:08 p.m.

All members voted aye.

Motion Carried

It was moved by Gene Rosin, seconded by Bill Vanderloop to change the order of the agenda to hear the Generations and Operations staff report next.

All members voted aye.

Motion Carried

#### Staff reports:

Manager of Generation and Operations Mike Pedersen informed the Commission that an invasive species study was complete at Rapide Croche. Crews installed a new gate at the end of Maple Street to give trucks exit only access. Mike also informed the Commission that a Potential Failure Mode Analysis (PFMA) was conducted on Badger Hydro. Mike stated that Hydro Park construction started and also that OSHA required crane inspections were completed at all the sites. Mike also stated that C.R. Meyer has started work on the deck at John Street Hydro. While doing a flume inspection at John Street, crews found and repaired a broken wicket gate on Unit #2. Crews also repaired a breach alarm at Badger Plant.

Manager of Generation & Operations Mike Pedersen gave the Commission an update on Badger Hydro Unit #2. Mike stated that Voith completed a Root Cause Investigation report stating the cause of failure. The thermal growth of the turbine shaft results in a misalignment of the turbine and gearbox. This misalignment causes the flexible half of the coupling to lock up. When this happens, this prevents the rigid flexible coupling from sliding to accommodate the growth of the turbine shaft due to increasing river water temperatures.

General Manager Jeff Feldt informed the Commission that the Badger Hydro Project work order has been closed.

The Commission reviewed the monthly reports.

Manager of Electric Distribution Eric Miller introduced Lonnie Pichler, the new Distribution Superintendent. Eric stated that crews have nearly finished their work on this portion of the Hwy GG project. Eric also stated that Ann Street Substation is complete and fully functional and that crews completed a scheduled outage at Nestle Pizza. Eric stated that he has been working with City Engineering regarding the relocation of underground lines in the city hall area.

Water Superintendent Kevin Obiala informed the Commission that crews are working with Bowers Construction on the water main reconstruction project on 14<sup>th</sup> and Oakridge. Kevin stated that he will be doing his own inspection of the water main reconstruction project. Crews have finished listening for leaks; however during that process, crews found leaks that have since been fixed. 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 informed the Commission that he recently completed an upgrade to the phone system. Don also stated that he received the parts for a long range card reader that will be installed on the garage for additional security measures. Don also informed the Commission that he will be installing a SharePoint Server.

Manager of Finance & Administration Mike Kawula stated the accounting department is working on the annual bond disclosure reports. Mike stated that the Internal Revenue Service recently audited our Build America Bonds. Mike stated the billing department has been updating billing reports due to using a new report writer in the billing system. Mike informed the Commission that the Stores department is inputting inventory levels into the accounting system to maintain adequate inventory levels.

Manager of Human Resources Denise Vanderloop stated she met with the Loss Control Specialist from United Heartland to discuss ways to reduce our ratio on Workers Comp rates. Denise stated the Employee Committee continues to meet to discuss issues with the Employee Handbook policies and procedures.

General Manager Jeff Feldt introduced Energy Service Representative; Jenny Brinker to discuss the potential community solar garden project pilot KU has the opportunity to participate in. A community solar garden is a solar electric system that provides financial benefit from the power generated to multiple people or business owners. Jenny informed the Commission that she has been

working with Bob Jakel from the City of Kaukauna and Jim Resick from Outagamie County UW-Extension, regarding potential sites for the solar garden. The Commission showed interest in participating in this project; therefore Jenny will complete the application and send to WPPL. If KU is chosen as a site for the project, the details will be brought back to the Commission for review.

General Manager Jeff Feldt updated the Commission on the 2014 Work Plan for the 2<sup>nd</sup> Quarter. If the Commission has questions, they are to let Jeff know. Jeff also discussed the Commission meeting date conflicts for the August and September Commission meetings. Amy will send an email to the Commissioners with possible dates.

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 Cindy Fallona to approve the accounts receivable write-offs.

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 John Moore, that check number 38 and checks numbered 56962 through 57381 in the amount of \$4,921,426.61 be approved for payment.

Roll Call Vote:

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

Motion Carried


Commission President Lee Meyerhofer gave recognition to KU employee Jason Wegand for his work at Legion Park in the Village of Little Chute.

It was moved by Gene Rosin, seconded by John Moore to adjourn.

All members voted aye.

Motion Carried

The meeting ended at 5:52 p.m.

  
 Thomas J. McGinnis  
 Secretary