

Kaukauna, WI
March 26, 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, Cindy Fallona, Tom Driessen and John Moore. Also present were Jeff Feldt, Mike Kawula, Denise Vanderloop, Mike Pedersen, Don Krause, Eric Miller, Amanda Marks and Mike Bergner from KU, Jenny Brinker, City Attorney Kevin Davidson, Brian Roebke, Diana Driessen and Karen Brooks.

It was moved by John Moore, seconded by Tom Driessen to approve the minutes of the February 19, 2014 regular Commission meeting as written.

All members voted aye. Motion Carried.

There was no public comment. Jeff Feldt introduced Jenny Brinker our new Energy Service Representative replacing Jeff Forbes.

Manager of Electric Distribution Eric Miller discussed the replacement of fleet vehicles V6 (Engineering) and V34 (Maintenance). He informed the Commission that the Utility budgeted in 2014 to replace V6 (a 2002, ½ ton pickup used by our engineering technician) and V34 (a 1994, ¾ ton pickup used by our maintenance technicians). We received quotes for Unit V6 from Gustman Chevrolet, Bergstrom Dodge, Dorsch Ford and Les Stumpf Ford with Les Stumpf Ford being the lowest bid by \$7.00. We also received quotes for Unit V34 from Gustman Chevrolet, Broadway Chevrolet, Bergstrom Dodge, Dorsch Ford and Les Stumpf Ford being the lowest bid. Acquiring both vehicles from Dorsch Ford would result in the total net purchase price for both units being favorable to budget by \$2321.00. John Moore asked if we have ever gone through Dorsch Ford. Mike Pedersen said yes. Lee Meyerhofer also suggested next time we go out for bid of two vehicles or more to put together a power of suggestion as a package as it may provide for a more competitive bid.

It was moved by Tom McGinnis, seconded by Cindy Fallona to authorize the General Manager to purchase a replacement unit for truck V6 from Dorsch Ford in the amount of \$27,527 and a replacement for truck V34 from Dorsch Ford in the amount of \$25,152.

Roll Call Vote:

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

Manager of Electric Distribution Eric Miller discussed the overhead line clearance contract with Makovsky Brush Service, LLC. He stated that the Utility has been working with MBS since 2012 and they have since been doing a good job. They are very responsive to the needs of the Utility during severe weather events and have been professional in their dealings with our staff as well their interaction with the customers that we serve. The intention is to continue to use MBS through 2016; however will reevaluate if there is a substantial price increase. John Moore asked if the crew is just one person as indicated on the rate sheet or includes others that work as a group. Eric Miller indicated that rate indicated was MBS's company hourly rate. John Moore asked about the date of the contract which reflects back to January 1, 2014. Eric Miller stated that he will modify the contract dates to the current date.

It was moved by Gene Rosin, seconded by Tom McGinnis to authorize the General Manager to execute the contract with Makovsky Brush Service, LLC for tree trimming services for 2014.

Roll Call Vote:

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

Manager of Electric Distribution Eric Miller discussed the Master Agreement for Professional Services with Power Systems Engineering, Inc. He informed the Commission that KU has been

utilizing PSE for system modeling, system planning, substation design, and as a general engineering consultant for decades. It is our intention to continue utilizing PSE's services and would like to formalize the terms and responsibilities going forward.

It was moved by John Moore, seconded by Gene Rosin to authorize the General Manager to execute the Master Agreement for Professional Services with Power Systems Engineering, Inc.

Roll Call Vote:

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

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 and Check Register.

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

Roll Call Vote:

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

Motion Carried

It was moved by Tom McGinnis, seconded by John Moore, that check number 33 and checks numbered 56066 through 56166 in the amount of \$1,169,811.71 be approved for payment.

Roll Call Vote:

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

Motion Carried

The Commission reviewed the monthly reports.

Staff reports:

Manager of Electric Distribution Eric Miller reported to the Commission that he is currently working with Jenny Brinker on the power town tabletop demonstration for Park School. Eric also stated that crews have been installing poles on Hwy GG from Hwy ZZ south to Hwy Z. He stated that Ann Street substation has two circuits energized, the gates should be arriving next week and restoration and landscaping will begin this spring. Eric mentioned that he is teaching Park Community Charter School second graders about electricity.

Manager of Generation and Operations Mike Pedersen informed the Commission that they have installed an Osprey nest and Woodpecker birdhouses at Rapide Croche as required by FERC directive. Voith has completed Phase One training for KU employees on Badger Hydro operation. Mike mentioned that Wonderware controls for the Ann Street substation have been installed. Mike also informed the Commission that crews have worked extensively on the Island Street Gas Turbine over the past month due to cold conditions and freezing pipes.

Jeff Feidt reported on Water Superintendent Kevin Obiala's behalf. KU has had thirty water

main breaks since January 1, 2014 compared to nineteen at this time last year. KU has also had fourteen frozen services since January 1, 2014 compared to zero at this time last year. Water main breaks and frozen services have cost KU an additional \$75,000 this year for repairs.

Manager of Information Technology Don Krause reported to the Commission the SCADA Historian update has been completed. Don also informed the Commission that he has been working on major upgrades with the Police and Fire Departments at the City.

Manager of Finance & Administration Mike Kawula informed the Commission that the auditors will be on-site tomorrow and Friday. Mike also stated that the Annual PSC report has been completed. He stated that accounting staff has been working on updating employee timecards as well as working with Warehouse staff in making changes to the inventory process.

Manager of Human Resources Denise Vanderloop informed the Commission that KU has scheduled Effects of Change training for all employees on Monday March 31, 2014. In addition Customer Service Flight or Fight training for employees was completed this week. Denise stated that she has met with independent agents researching dental insurance options/rates for employees in 2015. Also, the scholarship committee has completed their selection of recipients for KU scholarships and that all summer hires have been confirmed.

Manager of Generation & Operations Mike Pedersen gave the Commission an update on Hydro Park and Recreational Upgrades. He stated that GRAEF is finalizing bid package specifications and details which will be sent out for formal bids in the next few weeks. Mike also mentioned that summer construction is on schedule for all recreation facilities associated with the Badger Hydro project. As part of these projects, a new pavilion and restrooms will be constructed at Rapide Croche.

General Manager Jeff Feldt informed the Commission that KU received a Wisconsin Ready Mixed Concrete Association Concrete Design Award for the Badger Hydro Project. In addition, KU received the National Hydro Association Outstanding Stewards of America's Waterways Award for Developing a Sustainable Charter Elementary School program. KU also retained the top Diamond level ranking as an APPA Reliable Public Power Provider (RP3). Jeff reviewed the APPA 2012 Report of Payments and Contributions by Public Power Distribution Systems to State and Local Governments. Jeff mentioned that the Quarter Century Club Dinner will be held April 23 at Countryside Golf Course and the 2014 WPPI Regional Power Dinner will be held June 26 in Green Bay. If any Commissioners are interested in attending please contact Amy Brick.

General Manager Jeff Feldt noted on the Energy Service Report that there has been recent activity with respect to Poly Flex. Mayor Rosin asked if there has been a timeline for purchasing transformers and associated equipment. Eric Miller stated he has been working with Bob Jakel and once the project has been approved by the Industrial Commission, Eric will move forward with ordering the transformers. Jeff reminded the Commission that the Badger Hydro Open House is May 13 at 2:00 p.m.

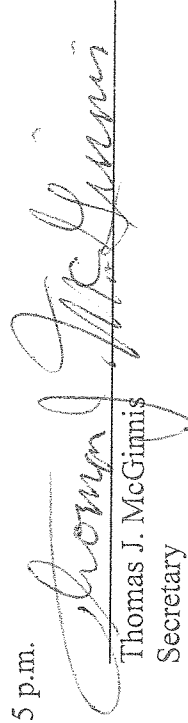
General Manger Jeff Feldt provided an update on the Fox Energy Center station power issue between KU and Wisconsin Public Service Corporation (WPS). WPS has petitioned the Public Service Commission (PSCW) for a declaratory ruling to determine who has the absolute right to provide station power to the Fox Energy Center. In response, KU has filed in support of the PSCW opening a docket on this issue. At this time, the PSCW has not formally opened a docket. All public documents associated with the case are available on the PSCW website under Docket 6690-DR-109.

It was moved by Tom McGinnis, seconded by John Moore to adjourn.

All members voted aye.

Motion Carried

The meeting ended at 4:55 p.m.


Thomas J. McGinnis
Secretary