

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, John Moore, Lee Meyerhofer and Tom Driessen. Also present were Jeff Feldt, Mike Kawula, Denise Vanderloop, Kevin Obiala, Don Krause, Randy Vercauteren, Amanda Marks and Amy Brick from KU and Attorney Kevin Davidson.

It was moved by Bill Vanderloop, seconded by Tom McGinnis to excuse Commissioner Cindy Fallona's absence.

It was moved by Tom McGinnis, seconded by Tom Driessen to approve the minutes of the December 17, 2014 regular Commission meeting as written.

All members voted aye. Motion Carried.

There was no public comment.

Commissioner Cindy Fallona arrived at 4:03 p.m.

Manager of Information Technology Don Krause discussed the updated Information Technology Acceptable Use Policy. Don stated that he met with Attorney Kevin Davidson and Manager of Human Resources Denise Vanderloop to go through the revisions in the policy.

It was moved by John Moore, seconded by Cindy Fallona to approve the Information Technology Acceptable Use Policy revisions as presented.

All members voted aye. Motion Carried.

General Manager Jeff Feldt discussed the Rapide Croche Property Line Agreement. Jeff stated at the September Commission Meeting, there was discussion regarding the property line discrepancy along the eastern end of the Rapide Croche Property. He stated an agreement has been reached with Paul and Betty Klistner on the location of the property line. Jeff informed the Commission that the area will be deeded to the Paul J. and Betty M. Klistner Trust in exchange of \$500 and release of all rights, title and interest they may have in the Rapide Croche Property.

It was moved by Tom McGinnis, seconded by John Moore to approve the Quit Claim Deed, Release of Interest and Resolution authorizing the Mayor to execute the Deed conveying the property to Paul J. and Betty M. Klistner as Trustees of the Paul J. and Betty M. Klistner Revocable Trust and; recommend Kaukauna Common Council passage of the Resolution.

All members voted aye. Motion Carried

General Manager Jeff Feldt discussed the ATC Restructuring Option. Jeff stated that as discussed at the last Commission meeting, ATC is requesting that existing members make an ownership decision as to remaining in ATCLLC or participating in a newly formed company, ATC HOLDCO which would facilitate investment in transmission projects outside of the traditional ATC footprint. Jeff stated that his recommendation is the City of Kaukauna and Kaukauna Utilities not exchange its current ownership interests in ATC LLC to ATC HOLDCO.

It was moved by John Moore, seconded by Cindy Fallona to approve the resolution that has been recommended for adoption by the Utility Commission, "Resolved that the City of Kaukauna/Kaukauna Utilities does not exchange its current ownership interests in ATCLLC and ATC Management Inc. to a restructured company designed to expand the company's investment in transmission outside ATCLLC's current footprint".

All members voted aye. Motion Carried.

General Manager Jeff Feldt discussed the utility locating services agreement. Jeff informed the Commission that KU has been using Damage Prevention Services, LLC (DPS) as its contractor to locate underground electric and water facilities. He stated that DPS would like to extend their agreement with us for the next three years, 2015-2018. Jeff informed the Commission that their rates will not change from what we are currently paying during the first two years of this agreement; however there will be a 2.5% increase the third year. The 2014 budget for locating services was \$51,000 and the total amount spent was \$48,660. Based on those numbers, the amount budgeted did not change for 2015.

It was approved by Tom McGinnis, seconded by Tom Driessen to authorize the General Manager to execute the amended agreement between Kaukauna Utilities and Damage Prevention Services, LLC for locating services effective March 1, 2015 through February 28, 2018 pending review and approval by the City Attorney.

Roll Call Vote:

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

The Commission reviewed the monthly reports.

Staff reports:

General Manager Jeff Feldt reported for Manager of Generation & Operations Mike Pedersen in his absence. Jeff informed the Commission that Voith was on site to provide training for the Maintenance Department and Operations. Jeff also stated that crews have been dealing with ice issues at the plants due to the cold and windy conditions.

General Manager Jeff Feldt reported for Manager of Engineering and Electric Distribution Eric Miller in his absence. Jeff informed the Commission that crews are continuing work on Hwy Z. He stated that the specification regarding the installation of LED lighting on Delanglade has been received and also that additional LED lighting will be installed on the CE trail.

Water Superintendent Kevin Obiala informed the Commission there was one water main break since the last Commission meeting. Kevin stated that crews are doing winter maintenance at the filter plants including cleaning and painting. Kevin also informed the Commission that Kaukauna earned the designation as a Silver Wisconsin Water Star Community.

Manager of Information Technology Don Krause informed the Commission he is upgrading KU to Microsoft Office 2013 and that the Police/Fire Departments at the City are in the process of a software upgrade. Don also informed the Commission that he is working on the GIS and work order system.

Manager of Finance & Administration Mike Kawula reported the Accounting Department is working on closing out 2014. Mike stated that during the first quarter of 2015, he will be preparing for the 2014 audit, the electric rate study and also completing the Public Service Commission (PSC) report. Mike also informed the Commission that the PSC will be doing a billing audit during the first quarter of 2015. Staff has also implemented the water rate adjustment that was effective January 1.

Manager of Human Resources Denise Vanderloop reported to the Commission that previously 77% of employees participated in the Deferred Compensation Program, with 28% contributing less than \$2,500/yr. She stated since the implementation of the Retirement Matching Program, there is 100% participation with 98% of the employees contributing \$2,500 or more in their Deferred Compensation.

General Manager Jeff Feldt asked the Commission if they preferred written or verbal staff reports from the Managers. The Commission stated they prefer verbal. There was also discussion regarding converting from paper to electronic versions of the Commission packets. Manager of Information Technology Don Krause will research proceeding with electronic version of the packets.

General Manager Jeff Feldt discussed the final 2014 work plan and the status of each objective. He stated that staff achieved 36 of the 55 goals and partially achieved portions of a number of other goals. Goals not met will be carried over into 2015.

General Manager Jeff Feldt discussed the 2014 Electric System Reliability Index and also the 2014 Hydroelectric Production Data with the Commission. Jeff also discussed the 2014 Safety Incidents. Jeff informed the Commission that KU received the RENEW 2014 Honor Roll of Renewable Energy Installation Award for the Badger Hydro Project. Jeff reminded the Commission that the APPA Legislative Rally is March 9-11 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 Tom Driessen to approve the accounts receivable write-offs.

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| Roll Call Vote: | Cindy Fallona   | aye |
|                 | John Moore      | aye |
|                 | Tom McGinnis    | aye |
|                 | Tom Driessen    | aye |
|                 | Lee Meyerhofer  | aye |
|                 | Gene Rosin      | aye |
|                 | Bill Vanderloop | aye |
|                 | Motion Carried  |     |

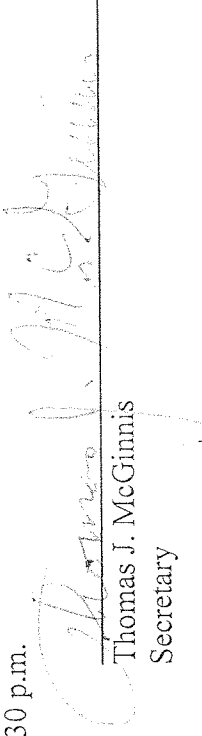
It was moved by John Moore, seconded by Cindy Fallona, that check number 45 and checks numbered 58777 through 58986 in the amount of \$5,379,587.33 be approved for payment.

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| Roll Call Vote: | Bill Vanderloop | aye |
|                 | Tom McGinnis    | aye |
|                 | Tom Driessen    | aye |
|                 | Lee Meyerhofer  | aye |
|                 | John Moore      | aye |
|                 | Cindy Fallona   | aye |
|                 | Gene Rosin      | aye |
|                 | Motion Carried  |     |

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

All members voted aye. Motion Carried

The meeting ended at 5:30 p.m.

  
Thomas J. McGinnis  
Secretary