

Kaukauna, WI
March 18, 2015

The regular meeting of Kaukauna Utilities Commission was called to order at 4:00 p.m. by Secretary Tom McGinnis. Commission Members present were Bill Vanderloop, Tom McGinnis, John Moore, Gene Rosin, Cindy Fallona and Tom Driessen. Also present were Jeff Feldt, Mike Kawula, Denise Vanderloop, Eric Miller, Mike Pedersen, Don Krause, Dave Pahl, Randy Vereauteren and Amy Brick from KU, Brian Roebke, Karen Brooks, Diane Driessen and Tammy Freeman.

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

Commissioner Lee Meyerthofer arrived at 4:02 p.m.

It was moved by John Moore, seconded by Gene Rosin to approve the minutes of the February 18, 2015 regular Commission meeting as written.

All members voted aye.

Motion Carried.

There was no public comment.

Tammy Freeman, Manager of Billing & Rate Services of WPPI Energy gave a presentation regarding the proposed electric rate increase to the Commission.

Manager of Finance & Administration Mike Kawula discussed the 2015 Electric Rate Study. Mike stated the electric rate study was initiated due to the anticipated loss of a major KU customer. Per the PSC, KU was ordered to file a rate case within six months of the PSC ruling on September 25, 2014. Mike informed the Commission the rate study results in an estimated rate increase of 3.69% which will provide KU with an additional \$2,184,265 (estimated) annually.

General Manager Jeff Feldt updated the Commission regarding the WPS Fox Energy Center Dispute. Jeff stated the reply brief was filed with the PSC on March 18 and oral arguments are scheduled for April 2 in Circuit Court.

General Manager Jeff Feldt informed the Commission that the Utility recently went through a billing audit completed by the PSC. Two issues were identified. Jeff stated that KU will work with WPPI and MEUW to respond to the PSC.

It was moved by John Moore, seconded by Gene Rosin to authorize the General Manager to authorize finalization and submittal of the 2015 Electric Rate Study to the Public Service Commission.

All members voted aye.

Motion Carried

Manager of Finance & Administration Mike Kawula discussed the American Transmission Company (ATC) Investment Activities. Mike informed the Commission KU contributed \$86,200 to ATC in 2014. The contribution was made based on ATC's Capital Call which is designed to obtain funds for future ATC capital projects. Mike stated if KU elected not to contribute additional funds, KU's percentage interest in ATC would be reduced. KU's percentage interest is currently 0.1724%. Mike informed the Commission that ATC will require up to \$60,000,000 in additional capital in 2015. Based on this figure, KU will be required to contribute up to \$103,400 in 2015 to maintain KU's current ownership interest of 0.1724%.

It was moved by John Moore, seconded by Tom McGinnis to authorize the General Manager to contribute sufficient funds to ATC to maintain Kaukauna Utilities' Percentage interest in ATC (0.1724%).

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 Finance & Administration Mike Kawula informed the Commission the replacement of the warehouse forklift (tow motor) is included in the 2015 capital budget in the amount of \$35,000. Mike stated that due to the age and increase in maintenance costs, it was determined by staff this would be a good time for a replacement. Quotes were received from Wisconsin Lift Truck, Conger Toyota and Fairchild Equipment with Conger Toyota being the lowest evaluated bid.

It was moved by Tom McGinnis, seconded by John Moore to authorize the General Manager to award the purchase of the new forklift to Conger Toyota (Toyota 8FGU32) in the amount of \$27,154.

Roll Call Vote:

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

The Commission reviewed the monthly reports.

Staff reports:

Manager of Generation & Operations Mike Pedersen informed the Commission the Army Corp of Engineers opened a tainter gate on the Kaukauna Dam to allow for walleye spawning. Mike stated that the gate will remain open until the water temperature reaches 55°. Mike stated crews finished rebuilding the crane at the Kaukauna City Plant and also repaired the rack raker at the Little Chute Plant and John Street Plant. Mike stated as part of the winter maintenance, crews are cleaning at all the plants.

Manager of Engineering & Electric Distribution Eric Miller reported to the Commission that crews have been continuing work on 10th Street and also installing conductor on Hwy Z. Eric stated staff has completed GIS training and he informed the Commission that he is working with City Hall in preparation for the new City Hall building. Eric stated staff is preparing to send letters to customers to convert their 60 amp service to an AMR.

General Manager Jeff Feldt reported for Water Superintendent Kevin Obiala in his absence. Jeff stated that since the last Commission meeting there have been two water main breaks. Jeff stated that Bowers Construction began working on the water main construction project on Hwy 55. Jeff stated crews have been completing water meter change outs, testing water meters, keeping current with cross connection surveys and completing routine maintenance at the plants.

Manager of Information Technology Don Krause informed the Commission that he has a vendor meeting scheduled to review the need for new printers throughout the Utility. Don stated he will be upgrading the anti-virus protection within the next month. Don informed the Commission that he has been working with City Hall regarding the new building project.

Manager of Finance & Administration Mike Kawula informed the Commission that the auditors will be at the Utility later in the week. Mike stated that the PSC billing audit has been completed with the help of all the departments. Mike also informed the Commission that one employee returned from FMLA leave and another employee is out on FMLA leave.

Manager of Human Resources Denise Vanderloop informed the Commission that five summer help have been hired. They are Megan Feldt, Claire Schmidt, Luke Vanden Heuvel, Jonathan Brennan and John Vander Wyst. Denise also stated that the Customer Service Representative position has been filled. Her name is Alisan Weinert. Denise informed the Commission that she is currently working with Anthem to verify if we have been affected by the security breach.

Manager of Finance & Administration Mike Kawula gave an update to the Commission regarding the Kimberly Hydro Operating and Financial Performance.

General Manager Jeff Feldt discussed the APPA 2013 Average Revenue per kWh Report. Jeff informed the Commission that the Utility achieved the Silver Wisconsin Water Star Community Recognition Award. Jeff also informed the Commission that the Quarter Century Club dinner will be Wednesday, April 8 at Countryside Golf Course and also that the MEUW Municipal Legislative Day will be Wednesday, April 29 in Madison. Jeff stated WPPI Energy has hired a new Energy Services Representative. His name is Steven Engebos and he will be starting at KU March 31.

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 Bill Vanderloop to approve the accounts receivable write-offs.

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 Bill Vanderloop, seconded by John Moore, that check number 47 and checks numbered 59197 through 59509 in the amount of \$9,353,938.89 be approved for payment.

Roll Call Vote:

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

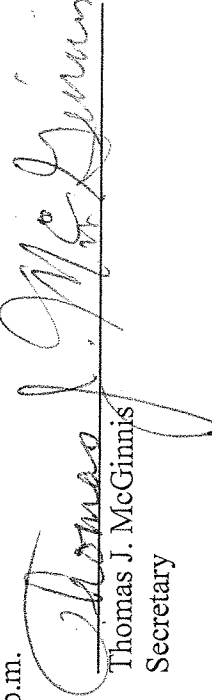
Motion Carried

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

All members voted aye.

Motion Carried

The meeting ended at 5:29 p.m.


Thomas J. McGinnis
Secretary