

Kaukauna, WI  
November 18, 2015

The regular meeting of Kaukauna Utilities Commission was called to order at 4:00 p.m. by President Lee Meyerhofer. Commission Members present were Tom McGinnis, Lee Meyerhofer, Gene Rosin, John Moore, Susan Hennes and Tom Driessen. Also present were Mike Kawula, Kevin Obiala, Jeff Feldt, Eric Miller, Mike Pedersen, Don Krause, Denise Vanderloop, and Amy Brick from KU, Attorney Kevin Davidson, Brian Roebke, Karen Brooks, and Diana Driessen.

It was moved by Gene Rosin, seconded by John Moore to approve Commissioner Bill Vanderloop's absence.

All members voted aye. Motion Carried

It was moved by John Moore, seconded by Gene Rosin to approve the minutes of the October 21, 2015 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 adoption of the 2016 Operating and Five Year Capital Budgets. There were no significant changes to the budget. Copies of the approved budget will be distributed at the December Commission meeting.

It was moved by Tom McGinnis, seconded by John Moore to approve the 2016 Operating and Five Year Capital Budget.

Roll Call Vote:

Lee Meyerhofer	aye
Tom Driessen	aye
Susan Hennes	aye
Gene Rosin	aye
Tom McGinnis	aye
John Moore	aye

Manager of Finance and Administration Mike Kawula discussed the 2015b Electric Revenue Bond Refinancing. Mike stated that in order to take advantage of the current bond market, staff has been working with Hutchinson, Shockey, Erley & Co. to identify opportunities to refinance outstanding electric bonds. Mike informed the Commission that based on current market conditions the new refunding bonds would have an estimated interest rate of 2.81%. Mike stated the outstanding 2005 Electric Revenue Bonds have a rate of 4.72%. This refinancing would result in a gross savings of \$432,462.50 and a present value savings of \$381,487.13.

It was moved by John Moore, seconded by Tom McGinnis to authorize the General Manager to proceed with issuance of the 2015b Electric Revenue Bonds (3,375,000). Proceeds from the sale of the bonds are to be used to advance refund 100% of the outstanding 2005 Electric Revenue Bonds.

Roll Call Vote:

Susan Hennes	aye
John Moore	aye
Tom McGinnis	aye
Tom Driessen	aye
Lee Meyerhofer	aye
Gene Rosin	aye

Manager of Finance and Administration Mike Kawula discussed the property insurance coverage change from the local government property insurance fund to the municipal property insurance company. Mike informed the Commission that KU and the City of Kaukauna has its property insurance coverage provided by the State of Wisconsin Local Government Property Insurance Fund (LGPIF). Mike stated that during 2015, KU was notified that the LGPIF would be dissolving due to state budget changes. LGPIF also notified policyholders that premiums would be increasing over 85%. Because of these large premium increases and potential loss of the LGPIF in the future, the League of Wisconsin Municipalities Mutual Insurance (LWMMI) created a property insurance company in 2015. Mike informed the Commission that the quotations increased approximately 107% from \$52,609 in 2015 to \$109,000 in 2016. Mike stated the quotation from MPIC was \$60,915. Mike stated that after discussions with the City, it was decided to pursue coverage through MPIC. The change would require

the City to pass a resolution to withdraw from the LGPIF. A similar resolution would also need to be approved to begin insuring the City and KU's property through MPIC. Mike informed the Commission that the City is planning on having these resolutions approved in November, 2015.

Manager of Human Resources Denise Vanderloop discussed the policy and organization revisions. Denise informed the Commission that the Vacation Policy is changing to reflect personal time and vacation time into vacation time only. Denise stated the stand by pay policy is changing to increase the hours a lineman is on call from five hours pay per day on a weekend/holiday and to ten hours pay per day for opening weekend of the Wisconsin gun deer season. Denise informed the Commission that an Employee Recognition Program was created to recognize employees with 5, 10, 15, 20, 25, 30, 35 and 40 years of service. Denise stated that eligible employees would receive a designated dollar amount in form of a VISA gift card. Also included in the Recognition Program would be employees retiring from KU would receive a Visa gift card for \$10.00 per year of service along with a recognition luncheon. Denise informed the Commission the cost to implement this program is approximately \$900 a year. Denise also discussed the updated succession plan and organization chart.

It was moved by Tom McGinnis, seconded by John Moore to authorize approval of the revised Vacation Policy, Stand By Pay Policy, Employee Recognition Program, Succession Plan and Organization Chart.

All members voted aye.

Motion Carried

The Commission reviewed the monthly reports.

Staff reports:

Manager of Generation & Operations Mike Pedersen informed the Commission that crews repaired an oil leak on Unit #1 at Little Chute Hydro Plant. Mike stated that crews winterized the substations and are working on the main office building IT and office reconfiguration project. Mike also informed the Commission he held a kick off meeting with the agencies involved in the Kimberly Hydro Plant Relicensing. Mike also stated crews completed the annual fall outage at the Island Street Peaking Plant.

Manager of Engineering & Electric Distribution Eric Miller informed the Commission that crews have energized service to the Library and City Hall and installed underground utilities near Pizza Hut and the alley by the Farmers Market. Eric also stated that crews have been working on the Greiner Road Project. Eric informed the Commission that Engineering has been working with ATC and Outagamie County finalizing designs for the roundabout project on Hwy CE and HH.

Water Superintendent Kevin Obiala informed the Commission that crews have been repairing broken hydrants. Kevin stated crews have been testing large meters and have about a dozen remaining. Kevin also informed the Commission that crews have been operating distribution valves, completing water meter change outs and keeping current with cross connection surveys.

Manager of Information Technology Don Krause informed the Commission that he has been working at City Hall and the Library. Don also stated that he is reviewing options for future integration between the City and the Utility such as direct dials between the buildings and internet sharing. Don also informed the Commission that IT has implemented new help desk software.

Manager of Finance & Administration Mike Kawula informed the Commission that Customer Service has been working with the Village of Little chute getting customers transferred to the Little Chute billing system. Mike stated that the Accounting Department participated in a payroll training event. Mike also stated that he received notice from the IRS that the Utility is being audited on their 2012 CREB Bonds.

Manager of Human Resources Denise Vanderloop informed the Commission that performance reviews have been sent to the Managers for completion. Denise stated she met with the City of Kaukauna liaison officer to discuss offering active shooter training to KU employees. Denise also informed the Commission that the completed flex spending and health insurance forms are due.

General Manager Jeff Feldt updated the Commission on the electric rate case. Jeff stated we are working on a transformer billing issue. Jeff stated the Fox Energy Center appeal process continues. Jeff stated that Wisconsin Public Service and the Public Service Commission have both filed their briefs and KU has two weeks to reply. Jeff informed the Commission the 2016-2018 Strategic Business Plan will be presented at the December Commission meeting. Jeff stated staff will review the engineering report

from McMahan evaluating alternatives for the Main Filter Plant Upgrade and will present at a future Commission meeting.

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:

Gene Rosin	aye
Tom Driessen	aye
Susan Hennes	aye
John Moore	aye
Tom McGinnis	aye
Lee Meyerhofer	aye

Motion Carried

It was moved by Tom McGinnis, seconded by John Moore that check number 56 and checks numbered 61063 through 61288 in the amount of \$5,312,345.77 be approved for payment.

Roll Call Vote:

John Moore	aye
Gene Rosin	aye
Tom Driessen	aye
Susan Hennes	aye
Lee Meyerhofer	aye
Tom McGinnis	aye


Motion Carried

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

All members voted aye.

Motion Carried

The meeting ended at 4:55 p.m.

  
Thomas J. McGinnis  
Secretary