

Kaukauna, WI  
July 19, 2017

The regular meeting of Kaukauna Utilities Commission was called to order at 4:00 p.m. by Secretary Tom McGinnis. Commission Members present were Gene Rosin, Tom Driessen, Sue Hennes, Bill Vanderloop, and Tom McGinnis. Also present were Jeff Feldt, Denise Vanderloop, Mike Pedersen, Don Krause, Eric Miller, Kevin Obiala, Clara Pickett, Lonnie Pichler, Dave Pahl, Randy Vercauteren, and Amy Brick from KU, Attorney Kevin Davidson, Mr. Shier, Brian Roebke, Dave Wardecke from Appleton Coated, Richard Petersen from Expera, and Mallory Kleven and Tim Ament from WPPI.

It was moved by Gene Rosin, seconded by Bill Vanderloop to excuse Commissioners Lee Meyerhofer and John Moore's absence.

All members voted aye. Motion Carried

It was moved by Gene Rosin, seconded by Tom Driessen to approve the minutes of the June 22, 2017 regular Commission meeting as written.

All members voted aye. Motion Carried

Commissioner John Moore arrived at 4:03 p.m.

Mr. Dirk Shier requested to make a public comment. Mr. Shier stated he lives at 316 E. 20<sup>th</sup> Street, Kaukauna. Mr. Shier stated he has a rusty water main on his road and realizes the mains on the surrounding roads have been replaced. He stated he was told the main on his road is not scheduled to be replaced anytime in the near future or any other time due to the fact that is under concrete versus blacktop. Mr. Shier also stated he has video and pictures of water after going through the water softener coming out a disgustingly brown rusty color and he has been calling for years about this issue and recently started taking pictures last year in October. Mr. Shier stated he wanted the issue addressed as soon as possible. Commissioner Tom Driessen asked if any neighbors had the same problem and Mr. Shier replied "yes". Water Superintendent Kevin Obiala stated Mr. Shier started to have issues in October when KU's main filter plant was temporarily removed from service for plant upgrades. Kevin stated staff was flushing hydrants daily during this time. Kevin stated KU installed a new water softener at Mr. Shier's residence. Staff went to the residence one time and found no salt in the water softener. On Saturday, July 8, a KU employee flushed both hydrants on 20<sup>th</sup> Street and the water was clean. The employee then went to Mr. Shier's house and Mr. Shier stated the water had cleared up. The employee also went and checked with Mr. Shier's neighbors on that Saturday and found no issues. Mr. Shier stated he has been calling KU for the last eight years and his water softener went dead because of the rust and has a receipt showing he just purchased six bags of rust removing salt.

David Wardecke, representing Appleton Coated, made a public comment regarding the electric rate case study. Mr. Wardecke encouraged the Commission to use the results of the cost of service study to determine if the rates should go up or down for each customer class. He asked the Commission to look back at the CP3 class, the cost of service shows those rates should go down slightly. He stated it doesn't sound like much to have a percent on the bill; however, for a large customer, a small percentage makes a big difference. Even 1% or less makes a difference. He also wanted to compliment KU regarding our use of time of day rates and upgrading our meters for all classes of customer to collect data to help determine how costs should be allocated for the utility.

General Manager Jeff Feldt informed the Commission that John Moore received the MEUW Charlie Bradburn Pillar of Public Power Award. John was awarded for ten years of service as a governing board member.

Mallory Kleven and Tim Ament of WPPI Energy gave a presentation regarding the proposed electric rate increase to the Commission.

Manager of Finance & Administration Clara Pickett discussed the 2017 Electric Rate Study. Clara stated the electric rate study was initiated due to the anticipated declining rate of return due to the increase in operating and capital costs. Clara informed the Commission the rate study results in an estimated rate increase of 1.96% which will provide KU with an additional \$1,113,018 (estimated) annually.

It was moved by John Moore, seconded by Bill Vanderloop to authorize the General Manager to finalize and submit the 2017 Electric Rate Study to the Public Service Commission.

Roll Call Vote: Tom Driessen aye

Gene Rosin aye  
 John Moore aye  
 Bill Vanderloop aye  
 Tom McGinnis aye  
 Sue Hennes aye

Motion Carried

Manager of Engineering & Distribution Eric Miller discussed the Elm Street Rebuild Steel Pole Bids. Eric informed the Commission that the following five bids were received with TAPP being the lowest evaluated bid.

Dis-Tran	\$106,301
Rohn	\$77,800
Sabre	\$98,980
TAPP	\$53,224
Trinity-Meyer	\$83,262

It was moved by John Moore, seconded by Gene Rosin that the Commission approve the bid submitted by TAPP in the amount of \$53,224 for the Elm Street Rebuild Steel Pole Material Package.

Roll Call Vote:

Tom Driessen aye  
 Sue Hennes aye  
 Gene Rosin aye  
 Bill Vanderloop aye  
 Tom McGinnis aye  
 John Moore aye

Motion Carried

Manager of Engineering & Distribution Eric Miller discussed the Elm Street Rebuild Construction Contract Bids. Eric stated that the following three bids were received with MJ Electric being the lowest evaluated bid.

M.J. Electric, LLC	\$283,000
INTREN, LLC	\$284,737
Michels Corporation	\$589,419

It was moved by Gene Rosin, seconded by John Moore that the Commission approve the bid submitted by MJ Electric, LLC in the amount of \$283,000 for the Elm Street Rebuild Construction Labor.

Roll Call Vote:

Bill Vanderloop aye  
 Tom McGinnis aye  
 John Moore aye  
 Sue Hennes aye  
 Gene Rosin aye  
 Tom Driessen aye

Motion Carried

The Commission reviewed the monthly reports.

Staff reports:

Manager of Information Technology Don Krause informed the Commission staff has been working at City Hall verifying the systems put in place when City Hall opened are working as they were designed. Don stated staff has been working with the Fire Department on the new building and also upgrading the networking gear at the remote sites to ensure the equipment is being maintained to prevent any premature failures. Don stated he is currently doing an audit of our two way radios and completing preparatory work for the Hwy 55 project.

Manager of Engineering & Distribution Eric Miller informed the Commission crews completed the work in the Wildenburg Subdivision and crews have also been working on the Hwy ZZ project. Eric

stated he continues to attempt to work with AT&T on the Delanglade Street Project. Eric also informed the Commission the CA has been submitted to the Public Service Commission (PSC) for the OO Substation. Eric also stated surveys have been mailed to customers regarding the AMI meters and the conversion allowing them to give us feedback regarding the conversion.

Manager of Generation & Operations Mike Pedersen informed the Commission crews are completing the required three year flume inspection on unit #1 at Combined Locks Hydro and unit #1 at Badger Hydro. Mike also reported crews removed the speed increaser from the Badger Plant to implement a new design from Voith Hydro. Mike also informed the Commission that he and Clara Pickett have been working with the Risk Assessment Manager from our insurance company, taking them to all the sites and answering questions they may have.

Manager of Human Resources Denise Vanderloop informed the Commission she is currently recruiting for the Payment Specialist position. Denise stated staff met with a brokerage firm to review the deferred compensation plan and she also informed the Commission details are being finalized regarding the high deductible health insurance plan and health savings plan.

General Manager Jeff Feldt reviewed the June energy services report due to the absence of Energy Services Representative Steve Engebos.

Water Superintendent Kevin Obiala informed the Commission staff is continuing with the water meter conversion to AMI and also working with contractors to repair and adjust road boxes. Kevin stated a service leak was located while using our data loggers and subsequently repaired. Kevin informed the Commission staff received some complaints regarding dirty water after the #8 Water Filter Plant went down.

Commissioner John Moore questioned how long #8 Water Filter Plant would be down and Kevin stated the recommendation is to replace the tank for \$195,000 rather than repairing the tank for \$140,000. Kevin stated the tank is projected to last 50-60 years compared to fixing the tank. Kevin stated bids should be going out in the next two weeks.

Water Superintendent Kevin Obiala discussed the boil/bottle water advisory that was issued on June 26. Kevin stated Vinton Construction broke the water main at the intersection of Main Street and 3<sup>rd</sup> Avenue causing KU to lose system pressure on the south side of Kaukauna, and if 25% or more of our system loses pressure, KU is required by the Wisconsin Department of Natural Resources (WDNR) to issue a boil/bottle water advisory. A week after the incident, Kevin, Jeff, and KU water department staff met with a representative from the WDNR to review KU's response to the situation.

General Manager Jeff Feldt discussed the public comment previously made by KU customer Mr. Shier. Jeff informed the Commission that staff installed a new water softener in his house, flushed his water lines, and also flushed the nearby hydrants. Water Superintendent Kevin Obiala informed the Commission that KU has had no complaints from surrounding neighbors.

Manager of Finance & Administration Clara Pickett informed the Commission staff is proceeding with the water bonds. Clara stated staff is updating inventory and looking at replacing the inventory barcode scanners.

General Manager Jeff Feldt discussed the power outages on June 22 and July 11. Jeff stated a letter will be sent to all affected customers explaining the outages and apologizing for the inconvenience. Jeff informed the Commission staff submitted the WPPI Renewable Energy Grant for the Kaukauna Fire Department and KU received the 2017 MEUW Gold Safety Award.

General Manager Jeff Feldt updated the Commission on the 2017 Work Plan and Key Performance Indicators for the 2<sup>nd</sup> Quarter. If the Commission has questions, they are to let Jeff know. The WPPI Annual Meeting will be September 13-15 in Wisconsin Dells.

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:

John Moore

aye

Gene Rosin                   aye  
 Bill Vanderloop         aye  
 Tom Driessen            aye  
 Susan Hennes           aye  
 Tom McGinnis           aye

Motion Carried

It was moved by John Moore, seconded by Gene Rosin that check number 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154 and checks numbered 65356 through 65561 in the amount of \$4,901,813.74 be approved for payment.

Roll Call Vote:

Tom McGinnis            aye  
 Gene Rosin               aye  
 Bill Vanderloop         aye  
 John Moore               aye  
 Sue Hennes               aye  
 Tom Driessen            aye

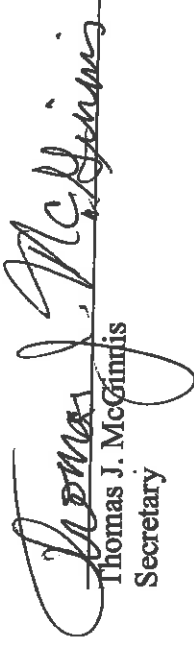
Motion Carried

It was moved by Tom Driessen, seconded by Gene Rosin to adjourn.

All members voted aye.

Motion Carried

The meeting ended at 5:16 p.m.

  
 Thomas J. McGinnis  
 Secretary

Minutes taken by Amy Brick