

Kaukauna, WI
August 16, 2017

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, John Moore, Lee Meyerhofer, Tom Driessen, Sue Hennes, and Gene Rosin. Also present were Jeff Feldt, Denise Vanderloop, Mike Pedersen, Don Krause, Eric Miller, Clara Pickett, Dave Pahl, Lonnie Pichler, Randy Vercauteren, and Amy Brick from KU, Diana Driessen, Karen Brooks, Kevin Davidson, and Paul Thompson and Kevin Mullen from Hutchinson, Shockey & Erley.

It was moved by John Moore, seconded by Gene Rosin to approve the minutes of the July 19, 2017 regular Commission meeting as written.

All members voted aye.

Motion Carried

There was no public comment.

Commission President Lee Meyerhofer presented Commissioner Bill Vanderloop with an award recognizing 18 years of service on the Utility Commission.

Manager of Finance & Administration Clara Pickett discussed the 2017A Water System Revenue Bonds. Clara informed the Commission that during the 2017 budget process, it was determined KU would need to issue bonds to finance a portion of the 2017-2019 water system capital projects. These projects include:

Water Main Relays	\$2,153,000
AMI Metering	765,000
Main Filter Plant #8 Well Upgrades	500,000
Industrial Park Water Tower Painting	500,000

Clara introduced Paul Thompson and Kevin Mullen from Hutchinson, Shockey, Erley & Co. Mr. Thompson discussed the Debt Service Schedule

It was moved by John Moore, seconded by Tom McGinnis that the Commission authorize the General Manager to proceed with issuance of the 2017A Water System Revenue Bonds in the amount of \$3,975,000 with the proceeds from the sale of the bonds to be used to finance a portion of the 2017 – 2019 Water Capital Budget.

Roll Call Vote:

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

Motion Carried

Manager of Generation & Operations Mike Pedersen discussed the Combined Locks Hydro Relicensing process. Mike informed the Commission that the FERC license for the Combined Locks Hydro Plant expires in 2024 and currently takes six (6) years to relicense an existing facility. Mike stated that the Preliminary Application Document (PAD) and license format request is due by February 28, 2019; therefore KU needs to contract with an engineering firm for support of the licensing process. Mike stated that an RFP was issued to seven engineering firms for proposals with four firms declining to bid. The following bids were received:

TRC	\$182,765
Mead & Hunt	\$216,700
HDR Engineering	\$224,031

Mike stated that he and Jeff Feldt worked with Sargent & Lundy to evaluate the proposals and based on the analysis, S&L recommended the project be awarded to TRC in the amount of \$182,765.

It was moved by Tom McGinnis, seconded by Gene Rosin that the Commission authorize the General Manager to issue a contract to TRC for the engineering services associated with the relicensing of the Combined Locks Hydro Facility for \$182,765.

Roll Call Vote:

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

Motion Carried

Manager of Engineering & Electric Distribution Eric Miller discussed the CTH "OO" Substation Construction Package. Eric informed the Commission \$820,000 was budgeted for this portion of the upgrade at "OO" Substation. Eric stated KU requested bids to upgrade the "OO" Substation with the following bids being received:

MJ Electric	\$651,575
Pieper	\$681,686
Energis	\$951,583
Michels	\$987,041
Hooper	\$1,031,553

It was moved by John Moore, seconded by Gene Rosin that the Commission authorize the General Manager to award the bid for the "OO" Substation construction package to MJ Electric in the amount of \$651,575.

Roll Call Vote:

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

Motion Carried

Manager of Engineering & Electric Distribution Eric Miller discussed the CTH "OO" Substation Transformer upgrade. Eric informed the Commission the upgrade would replace the existing 10.5 MVA transformer with a new 28 MVA unit, allowing for future load growth. Eric stated \$525,000 was budgeted for this portion of the "OO" Substation upgrade. KU received six bids to upgrade the "OO" Substation transformer with the following bids being received:

Virginia Transformer	\$407,105
Pennsylvania Transformer Tech	\$432,123
CG Power Systems	\$492,560
Delta Star, Inc.	\$545,789
ABB, Inc.	\$552,575
Niagara Transformer	\$556,801

Eric also informed the Commission an additional \$27,660 would be added to the base bid to allow for offloading, assembly, and testing the unit after delivery.

It was moved by Sue Hennes, seconded by Tom McGinnis to authorize the General Manager to award the bid for the new 28 MVA transformer for the "OO" Substation upgrade project to Virginia Transformer in the amount of \$434,765.

Roll Call Vote:

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

Motion Carried

Manager of Engineering & Electric Distribution Eric Miller discussed the CTH "OO" Substation Switchgear Line-up. Eric stated KU requested bids to upgrade the "OO" Substation, including the 12kV indoor metal-clad switchgear. The following bids were received:

Siemens	\$279,771
WESCO	\$338,146
Eaton-OPC	\$345,583
Myers	\$371,221
Powergrid Solutions	\$384,282
Switchgear Power Systems	\$385,970
Powercon Corp.	\$438,898
RMS Energy	\$815,070

Eric informed the Commission that KU is standardizing on using Eaton's VCP-W breakers and control design at our substations and this standardization facilitates trouble shooting, allows for breakers to be exchanged readily, and creates consistency across all of our substation facilities. Eric stated the lowest bid submitting a switchgear package that would accommodate that concern is Eaton Omaha Power Center. Eaton is the same company that provided the switchgear at both our Badger and Ann Street Substations. Eric informed the Commission \$438,000 was budgeted for this portion of the upgrade at "OO" Substation.

It was moved by John Moore, seconded by Gene Rosin that the Commission authorize the General Manager to award the bid for the indoor metal-clad switchgear to Eaton-OPC in the amount of \$345,583.

Roll Call Vote:

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

Motion Carried

Manager of Engineering & Electric Distribution Eric Miller discussed the CTH "OO" Materials Package. Eric informed the Commission \$80,000 was budgeted for this portion of the upgrade at "OO" Substation. Eric stated KU requested bids to upgrade the materials (station steel, buss work, insulators, etc). The following bids were received:

Substation Enterprises Inc.	\$55,125
Tatman Associates	\$58,300
DisTran	\$64,250
Associated Substation Engineering	\$70,500

It was moved by Tom McGinnis, seconded by John Moore that the Commission authorize the General Manager to award the bid for the OO Substation materials package required to upgrade OO Substation to Substation Enterprises Inc. in the amount of \$55,125.

Roll Call Vote:

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

Motion Carried

Manager of Engineering & Electric Distribution Eric Miller discussed the CTH "OO" Substation 35 kV Breaker. Eric informed the Commission KU requested bids for both a 1200 amp breaker and a 2000 amp breaker stating the 1200 amp breaker would work at both OO Substation and at Rosehill Substation, which does not have a 35 kV breaker. Eric stated adding a breaker at Rosehill Substation would improve the protection provided to the substation transformer and improve the reliability of the system. Eric informed the Commission \$100,000 is budgeted for this upgrade at Rosehill Substation in 2018. Eric also informed the Commission the 2000 amp breaker bid was requested to replace the 1200 amp breaker at Central Substation. Eric stated KU requested bids to upgrade the "OO" Substation with the following bids being received:

	1200 amp	1200 amp	2000 amp	2000 amp
		Evaluated Bid		Evaluated Bid
ABB	\$33,490	\$33,490	\$35,990	\$35,990
Siemens	\$28,597	\$33,597	\$31,388	\$36,388

Eric informed the Commission \$45,000 was budgeted for this portion of the upgrade at "OO" Substation. He also recommended KU purchase a second 1200 amp breaker for use at Rosehill Substation (budgeted for 2018), and a 2000 amp breaker for use at Central Substation.

It was moved by John Moore, seconded by Tom Driessen that the Commission authorize the General Manager to award the bid for the OO Substation 35 kV breaker to ABB in the amount of \$33,490, and that a second breaker of the same specification be acquired from ABB for the same amount for use at Rosehill Substation. Staff further recommends that the Commission authorize the General Manager to award the bid for a 35 kV 2000 amp breaker to ABB in the amount of \$35,990 for use at our Central Substation.

Roll Call Vote:

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

Motion Carried

Manager of Engineering & Electric Distribution Eric Miller discussed the WPPi Renewable Energy Grant for the City of Kaukauna's Fire Department rooftop solar project. Eric informed the Commission that WPPi Energy has agreed to provide a \$100,000 grant toward the 89 kW solar project at the new fire station. Eric stated the project is expected to produce about 112,000 kWh annually. Eric stated in exchange for the grant funding, WPPi Energy will maintain ownership of the Renewable Energy Credits for a period of ten years from startup.

It was moved by Tom McGinnis, seconded by Tom Driessen that the Commission authorize the General Manager to accept the WPPi Renewable Energy Grant in the amount of \$100,000 and allow KU to proceed with the project.

All members voted aye.

Motion Carried

The Commission reviewed the monthly reports.

Staff reports:

Manager of Generation & Operations Mike Pedersen stated the FERC required dive inspections were completed at Kaukauna City Plant, Combined Locks Plant, and Little Chute Plant with no major issues being reported. Mike also stated the sounding survey was completed at Little Chute Plant and the flume inspection was completed on Unit #1 at Combined Locks Plant. Mike reported the foundation has been completed at Elm Street Substation and the transformer has been installed. Mike also informed the Commission that crews installed new filters on both units at Island Street Peaking Plant.

Manager of Finance & Administration Clara Pickett informed the Commission Jillian Friebe, the new Payment Specialist, starts Monday, August 28. Clara stated the Accounting staff is preparing for the 2018 budget.

Manager of Engineering & Electric 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 crews have been working on the Delanglade Street project and also relocating the line along Loderbauer Road. Eric also informed the Commission crews are working on the AMI conversion.

Manager of Human Resources Denise Vanderloop informed the Commission the last health assessment clinic is September 7 and that the Flu Shot Clinics are scheduled on October 17 at City Hall

and November 7 at KU. Denise also informed the Commission she is reviewing the deferred compensation plan information.

Manager of Information Technology Don Krause informed the Commission staff has been installing fiber for the Hwy 55 project, at the new Fire Department, and also working on the fiber connection for the police officers working at the schools. Don also stated staff is performing a computer audit for budgeting purposes.

General Manager Jeff Feldt reported for Water Superintendent Kevin Obiala in his absence. Jeff stated crews are working on the water main relay projects within the City, doing maintenance work, testing meters, and continuing with the water meter conversion to AML.

General Manager Jeff Feldt explained the 2018 O & M and Capital Budget Process, updated the Commission on the Well #8 Filter Plant and also stated the WPPI Annual Meeting will be September 13-15 in Wisconsin Dells. If the Commissioners would like to attend, they are to contact Amy.

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 Tom McGinnis, seconded by Gene Rosin to approve the accounts receivable write-offs.

Roll Call Vote:

Tom Driessen	aye
Lee Meyerthofer	aye
Gene Rosin	aye
John Moore	aye
Tom McGinnis	aye
Sue Hennes	aye

Motion Carried

It was moved by Tom McGinnis, seconded by John Moore that check number 155, 156, 157, 158, 159, 160, 161, 162 and checks numbered 65567 through 65744 in the amount of \$5,118,026.97 be approved for payment.

Roll Call Vote:

Lee Meyerthofer	aye
Tom Driessen	aye
Sue Hennes	aye
Gene Rosin	aye
Tom McGinnis	aye
John Moore	aye

Motion Carried

The Commission chose to take a recess at 4:56 p.m.

It was moved by Tom McGinnis, seconded by John Moore to adjourn to Closed Session pursuant to Wis. State Statute 19.85(1)(e) for the purpose of deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session: Potential Acquisition of Property, at 5:05 p.m.

All members voted aye.

Motion Carried

It was moved by Gene Rosin, seconded by John Moore to return to open session at 5:15 p.m.

All members voted aye.

Motion Carried

It was moved by John Moore, seconded by Lee Meyerhofer 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