

Kaukauna WI
July 25, 2012

The regular meeting of Kaukauna Utilities Commission was called to order at 4:00 p.m. by President Lee Meyerhofer. Commission Members present were Lee Meyerhofer, Gene Rosin, Tom McGinnis, Tom Driessen, Bill Vanderloop, and John Moore. Also present were Jeff Feldt, Mike Pedersen, Denise Vanderloop, Kevin Obiala, Mike Kawula, Eric Miller, and Amy Brick from KU; Brian Roebke from the Times Villager, former City Attorney Paul Van Berkel, Jeff Ulman, Adam Adamovich, Dave Pahl, Diana Driessen, and Karen Brooks.

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

All members voted aye. Motion Carried.

It was moved by Tom McGinnis seconded by John Moore to approve the minutes of the June 21, 2012 regular Commission meeting as written.

All members voted aye. Motion Carried.

Public Comment: Brian Roebke of the Times-Villager stated that he has been enjoying watching the Badger Hydro Project. He has featured many pictures and articles in the paper recently, keeping the community up to date on the progress.

Commission President Lee Meyerhofer presented an MEUW Meritorious Service Award to Paul Van Berkel in recognition of his eighteen years of service to the Kaukauna Utility Commission as City Attorney. Lee expressed his thanks and acknowledgment for Paul's outstanding contribution to KU over the years. Paul thanked the Commission for the experience and the honor.

Manager Electric Distribution Eric Miller outlined the County Highway "OO" 34kV Rebuild Bids received. Six bids were received, with one being rescinded within the prescribed twenty-four hours of bid opening. Two bids were within \$3500 of each other. MJ Electric in Greenville has substantial experience with projects of this type. KU has utilized their services in the past with favorable results.

It was moved by John Moore, seconded by Gene Rosin to authorize the General Manager to award the bid for the CTH "OO" 34kV Rebuild Project to MJ Electric in the amount of \$499,469.

Roll Call Vote	Gene Rosin	aye
	Tom Driessen	aye
	John Moore	aye
	Bill Vanderloop	aye
	Tom McGinnis	aye
	Lee Meyerhofer	aye

Motion Carried

Manager Finance & Administration Mike Kawula reviewed the Subrogation Claim from Socrates, Inc. A visitor to the 100th Anniversary Open House on April 24th fell on the outdoor

landscaped steps and struck her head. She was taken via ambulance to the emergency room. The visitor did not file a formal claim; however, a subrogation claim has been filed by Socrates, Inc. on behalf of Network Health Insurance Corporation. Statewide Services, KU's liability insurance representative, has found that KU was not negligent and recommends that KU deny the claim.

It was moved by Tom McGinnis, seconded by Gene Rosin that KU deny the subrogation claim in full and send a formal Notice of Disallowance to Socrates, Inc.

Roll Call Vote:	Bill Vanderloop	aye
	Tom McGinnis	aye
	Tom Driessen	aye
	Lee Meyerhofer	aye
	John Moore	aye
	Gene Rosin	aye

Motion Carried

It was moved by John Moore, seconded by Tom Driessen to approve the accounts receivable write-offs.

Roll Call Vote:	John Moore	aye
	Tom McGinnis	aye
	Tom Driessen	aye
	Lee Meyerhofer	aye
	Gene Rosin	aye
	Bill Vanderloop	aye

Motion Carried

It was moved by Tom McGinnis, seconded by Bill Vanderloop that checks numbered 10 and 50745 through 51103 in the amount of \$6,742,484.37 be approved for payment.

Roll Call Vote:	Lee Meyerhofer	aye
	Tom Driessen	aye
	Gene Rosin	aye
	Bill Vanderloop	aye
	Tom McGinnis	aye
	John Moore	aye

Motion Carried

The Commission reviewed the monthly reports.

Manager Finance & Administration Mike Kawula presented the Electric and Water Profit & Loss Statements for the six months ending June 30, 2012. Power costs were higher in June, resulting in a higher PCAC. It takes about a month to recover; therefore, reflecting an unfavorable balance in June.

Water sales have increased about \$16,000 over last year. The only unfavorable expense variance was due to a pump replacement at #8 Well. Overall, sales are ahead of budget.

Staff reports:

Electric Distribution & GIS - Manager Electric Distribution Eric Miller reported that line crews have been busy on Hwy. ZZ and Hwy. 96. Projects are proceeding on schedule. At the 55 & CE intersection, all lights and poles have been removed. Work should begin on the HWY "OO" project within 30 days. The Ann Street substation construction should start in fall. GIS Supervisor Erin Willems has been evaluating new work order system software to gain efficiencies in workflow.

Manager Generation & Operations Mike Pedersen reported that the Elm Street substation was dispatched three times due to high load. Last week WPPI sent out level one and level two alerts. Little Chute inspection required adjustments to the #1 turbine settings.

Water Superintendent Kevin Obiala reported several breaks in the last two months. Cross connection surveys were not done last month, but are now back on track. A Voluntary Water Use Reduction notice went out last week, as static water levels are down twenty feet in the past month. It is not an emergency situation, just a proactive step to avoid one in the future due to a lack of precipitation.

In Manager Information Technology Don Krause's absence, an IT report was not presented.

Manager Finance & Administration Mike Kawula reported that KU continues to work with Paymentus and third-party processors to move everything on-line and eliminate paper checks. Due to the extremely hot weather, KU has temporarily reconnected customers who had been disconnected for non-payment if they are still living in the home. The rate case is proceeding. The step-two rate adjustment has been resolved. The PSC review is due on August 20, and the public rate hearing is scheduled for Sept. 7 in Madison. Mike and Jeff Feldt will attend.

Manager Human Resources Denise Vanderloop announced that she has been working with Don Krause to hire an IT intern. Jeff introduced Amy Brick, who will be taking over as the recording secretary at the next Commission meeting.

Badger Hydro update – Mike Pedersen reported that the project is proceeding very efficiently. Voith is ahead of schedule. Jeff and Mike were recently in York, PA to meet with Voith officials and to tie up a lot of loose ends with respect to final design issues. Representatives of Voith will be coming here Aug. 14 & 15 to go through the equipment installation process with subcontractors. The draft tubes will arrive in late September. AT&T has been working on relocation of its facilities on the Main Street bridge. The New Badger plant is almost demolished. FERC will be here tomorrow for a site inspection. The coffer dam is 50% completed. There have been no public issues or concerns. People watch but don't interfere, and they respect safety boundaries. The DNR is still deciding on the diesel fuel and sediment found in the old buried culvert. It may be necessary to pump it out, or just cap it, but no decision has been received yet. Mike indicated capping would be a very reasonable and cost effective fix. All the contractors have been very safety conscious.

Jeff Feldt stated that the first phase of the 1000 Islands lighting upgrade is proceeding this year. KU is contributing about \$30,000. Phase two of the upgrade will take place next year.

Safety Achievement Award for 2011 was received from MEUW. Jeff indicated it is a testament to the employees of KU. Lee Meyerhofer added that it reflects the KU culture. Denise Vanderloop said the KU workers compensation ratio dropped from 1.0 to .81. Therefore, KU will be spending less money next year for workers compensation insurance.

June/July Electric Peaks - Jeff reported that KU set a yearly peak of 128.3 MW in June, which is approximately 6MW lower than the all-time peak of 134.5 MW set in 2005.

June Safety Report and July Safety Minutes were distributed.

KU received several nice postcards of thanks from Park Community Charter School teachers and students who attended the national NEED awards conference in Washington, D.C. KU sponsored two students to attend this special ceremony in recognition of their studies working with KU.

Eric Miller recently attended the APPA 2012 National Conference and facilitated a discussion forum entitled, "How to Achieve Peak Utility Performance". A thank you letter was received from APPA acknowledging Eric's contribution to a successful National Conference.

Mike Pedersen made a presentation on the Badger Hydro Project at the 2012 HydroVision International conference in Louisville, KY.

It was moved by Bill Vanderloop, seconded by Tom McGinnis to adjourn.

All members voted aye.

Motion Carried

The meeting ended at 4:45 p.m.

Thomas J. McGinnis
Secretary