

Kaukauna WI
June 21, 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 Gene Rosin, John Moore, Tom McGinnis, Tom Driessen, Bill Vanderloop, and Lee Meyerhofer. Also present were City Attorney Kevin Davidson; Jeff Feldt, Mike Pedersen, Don Krause, Denise Vanderloop, Kevin Obiala, Mike Kawula, and Eric Miller from KU; Chris Schlechta – MEUW Safety Coordinator, Dennis Tweedale of LWMMI, Brian Roebke from the Times Villager, and Diana Driessen.

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

All members voted aye.

Motion Carried.

It was moved by Tom McGinnis seconded by Tom Driessen to approve the minutes of the May 15, 2012 regular Commission meeting as written.

All members voted aye.

Motion Carried.

There was no public comment.

Manager of Finance & Administration Mike Kawula introduced Dennis Tweedale, Chief Executive Officer of the League of Wisconsin Municipalities Mutual Insurance. Dennis stated that he is here to recognize Kaukauna Utilities' efforts towards obtaining the APPA RP3 Diamond designation. LWMMI has not made this type of recognition in the past – of their 360 insureds, this is the first. A section of the RP3 application includes safety and safety training, and the LWMMI and KU's insurance agents wanted to commend KU's efforts towards reducing its exposure to work-related accidents and general liability claims. Kaukauna Utilities is the safest utility in their program, and they realize that kind of achievement doesn't just happen. He thanked KU and presented a plaque and a \$4,000 (5% of premiums) reward check to Commission President Lee Meyerhofer and Mayor Gene Rosin.

The Fox Cities Chamber of Commerce–Ignite Fox Cities has requested financial support for the newly-formed Fox Cities Economic Development Alliance. They are requesting \$1.00 per capita annual contribution from the City of Kaukauna, which would be approximately \$16,000 plus an additional \$20,000 from Kaukauna Utilities, for a total contribution of \$36,000 from the City and KU. The decision to provide funding must be in coordination with the City. General Manager Jeff Feldt proposed that KU donate half of the City's per capita amount (around \$8,000) up to a maximum of \$10,000 from KU. There was much discussion regarding the need for another economic development agency, how the community will benefit, and whether it is worth our investment. It was agreed that KU and the City will look into the new Alliance further and compare its objectives with those of New North and the Fox Cities Economic Development Partnership. No action taken at this time.

Manager Electric Distribution Eric Miller explained the proposed overhead line clearance contract with Makovsky Brush Service LLC to manage the growth of foliage that encroaches upon overhead electric distribution facilities. The budget for tree trimming for 2012 is \$164,000.

It was moved by John Moore, seconded by Tom McGinnis to authorize the General Manager to execute the contract with Makovsky Brush Service LLC for tree trimming services for 2012.

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

Motion Carried

Manager Electric Distribution Eric Miller outlined reasons for changing to using Damage Prevention Services, LLC (DPS) of Green Bay to locate KU underground electric and water distribution facilities in response to calls from Digger's Hotline call center. The former service provider from Omaha, Nebraska, was more expensive and didn't know KU distribution systems well. The current contract with DPS was executed in February 2012 and will expire 2/28/15.

It was moved by Tom McGinnis, seconded by Tom Driessen to approve the contract with Damage Prevention Services, LLC for locating underground facilities through 2/28/15.

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 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
	Lee Meyerhofer	aye
	Tom McGinnis	aye

Motion Carried

It was moved by John Moore, seconded by Tom McGinnis that checks numbered 9 and 50409 through 50744 in the amount of \$5,324,892.15 be approved for payment.

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

Motion Carried

The Commission reviewed the monthly reports.

Manager Finance & Administration Mike Kawula presented the Electric and Water Profit & Loss Statements for the five months ending May 31, 2012. Electric revenues are within \$80 of budget. PCAC Recovery is at 0.0026 which is relatively low, especially since we're not running Old Badger and New Badger power plants. No unfavorable variances. Even though the weather has been hot, there haven't been a lot of residential customers watering grass yet. There is an overall unfavorable of \$50,000 for total water sales. Contributing to this variance was emergency replacement of a pump at #8 well.

Commissioner Cindy Fallona arrived at 4:30 p.m.

Staff reports:

Electric Distribution & GIS - Manager Electric Distribution Eric Miller stated we are getting ready for the HWY OO rebuild. OSHA has a 20-foot distance requirement, so we may have to change plans for the Ann Street Substation. The current construction is metal clad and should be a relatively efficient removal. There was a cable terminator failure near Riverside Park which affected a large part of Little Chute for approximately 30 minutes and some of Kaukauna for about 45 minutes. Problem was isolated and fixed.

Manager Generation & Operations Mike Pedersen reported that within the past month the cooling system at Rapide Croche was switched from a water system to a fan system. Mike reported that everything is on schedule with the Badger Hydro Project. Voith is ahead of schedule on fabrication. The fish rescue was completed in two weeks – more than 4,000 fish were caught and relocated, including 23 different species. The first phase of asbestos removal from New Badger has been completed, and the DNR inspection went well. On a project this size, it's normal to encounter some unusual circumstances - during excavation a very old storm tunnel that ran under the canal was found. The DNR tested some black liquid and sediment samples from inside it. FERC will come in this week to review and approve a remedy. Tom McGinnis asked what will happen to all the stone in back of the Library. Mike said it will all be put back as originally found. Kiser is removing equipment from New Badger and is being very diligent in marking every piece and handling it all carefully. Tom McGinnis asked what the new canal width will be. They need to dig very wide on either side to pour the walls, but the

completed power canal will be the same width as the top of the old canal, and the natural rock bed will remain.

Water Superintendent Kevin Obiala reported that we had a couple recent water main breaks. Leak detection continues. Crews have checked every hydrant in town. #9 filter plant has a leak that will be temporarily patched until the end of summer and then repaired.

Manager Information Technology Don Krause has been working with Time Warner Cable regarding KU serving as back-up Emergency Operations Center (EOC) for the City. John Moore questioned the limit of ten internet connections. Don said it is a licensing issue, and Mike Pedersen indicated that ten is more than adequate. Don also reported that the e-mail tracking system is evolving - it currently tracks all incoming and outgoing e-mails. He has been working with Human Resources to find a new intern.

Manager Finance & Administration Mike Kawula reported that Jennifer Palmer started on June 4th as the new Cashier. We currently have fifty-eight residences disconnected – forty-eight are vacant, ten are occupied. On June 28th there will be a preconference hearing at the PSC in Madison regarding the rate case. The public hearing will be in September. The PSC has reduced the rate of return from 6.5% to 6%, and along with decreased expenses will result in at least \$1.2 million less in revenue requested.

Manager Human Resources Denise Vanderloop stated that she will be holding interviews for the open Maintenance Mechanic position next week. The new Alcohol & Substance Abuse policy has been disseminated to all employees. Random drug testing by Affinity will begin July 1st.

General Manager Jeff Feldt announced that former City Attorney, Paul Van Berkel, has been awarded the MEUW Meritorious Service Award for his outstanding service to Kaukauna Utilities. The award will be presented to him personally at next month's Commission Meeting.

Kaukauna Utilities Annual Report to Customers will be distributed as a 4-page insert in the Times-Villager newspaper.

The MEUW Lineman's Rodeo is scheduled for September 21st in Oconomowoc.

The July Commission Meeting will be rescheduled to July 25th at 4:00 p.m. due to schedule conflicts.

May Safety Report & June Safety Minutes were distributed.

It was moved by Tom McGinnis, seconded by John Moore that the Commission, City Attorney Davidson, Jeff Feldt, and Denise Vanderloop should adjourn to Closed Session pursuant to Wisconsin Statute 19.85(1)(c), considering organizational employment, promotion, compensation, or performance evaluation at 5:02 p.m.

Roll Call Vote:

Lee Meyerhofer

aye

Tom McGinnis

aye

Gene Rosin	aye
Tom Driessen	aye
Cindy Fallona	aye
John Moore	aye
Bill Vanderloop	aye

Motion Carried

It was moved by Tom McGinnis, seconded by John Moore to return to open session at 5:21 p.m.

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

Motion Carried

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

All members voted aye. Motion Carried

The meeting ended at 5:22 p.m.

Thomas J. McGinnis
Secretary

Minutes taken by Mary Cox