

Kaukauna WI
May 15, 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, Bill Vanderloop, Lee Meyerhofer, and Cindy Fallona. Also present were City Attorney Kevin Davidson, Jeff Feldt, Don Krause, Denise Vanderloop, Kevin Obiala, Mike Kawula, Eric Miller, and Randy Vercauteren from KU. Brian Roebke from the Times Villager, Tom Karman of Schenck SC, and Alice Simpson were also present.

It was moved by Bill Vanderloop, seconded by Lee Meyerhofer to excuse the absence of Commissioner John Moore, Commissioner Tom McGinnis, and Commissioner Tom Driessen.

All members voted aye. Motion Carried.

It was moved by Gene Rosin seconded by Cindy Fallona to approve the minutes of the April 12, 2012 regular Commission meeting as written.

All members voted aye. Motion Carried.

There was no public comment.

Manager of Finance & Administration Mike Kawula introduced Tom Karman of Schenck SC, who presented the audited financial statements and outlined the 2011 audit process. Mr. Karman indicated that the audit had no irregularities, and the audit report accurately represents Kaukauna Utilities' financial position for the year ended December 31, 2011. He explained that assets are down due to an accounts receivable adjustment. Long-term debt is being paid on schedule. The practice of reporting unbilled revenues at the end of a year has been discontinued. Overall, the audit was completed successfully and conforms to all Government Auditing Standards.

It was moved by Gene Rosin, seconded by Bill Vanderloop that the Commission accept the 2011 Financial Statements as presented by Schenck SC and Kaukauna Utilities' staff.

Roll Call Vote. Gene Rosin
Bill Vanderloop
Cindy Fallona
Lee Meyerhofer

Motion Carried

Water Superintendent Kevin Obiala outlined the bids for the 2012 Water Main Replacement Project. These water mains are being replaced due to their age and condition and the total reconstruction of 2nd and 3rd Streets.

It was moved by Cindy Fallona, seconded by Gene Rosin to Accept the bid submitted by Carl Bowers Construction in the amount of \$464,843 for the 2012 Water Main Replacement Project and authorize the General Manager to execute a contract with Carl Bowers Construction in the amount of \$1,168,740 with the City of Kaukauna reimbursing Kaukauna Utilities \$703,897 for the sewer replacement portion of the project.

Roll Call Vote

Lee Meyerhofer
Bill Vanderloop
Cindy Fallona
Gene Rosin

Motion Carried

It was moved by Bill Vanderloop, seconded by Gene Rosin to approve the accounts receivable write offs.

Roll call Vote:

Gene Rosin
Cindy Fallona
Bill Vanderloop
Lee Meyerhofer

Motion Carried

Commissioner Tom McGinnis arrived at the meeting at 4:15 p.m.

It was moved by Tom McGinnis, seconded by Gene Rosin that checks numbered 7, 8, 50057 through 50408 in the amount of \$7,189,033.23 be approved for payment.

Roll Call Vote:

Bill Vanderloop
Tom McGinnis
Lee Meyerhofer
Cindy Fallona
Gene Rosin

Motion Carried

The Commission reviewed the monthly reports.

Manager Finance & Administration Mike Kawula presented the Electric and Water Profit & Loss Statements for the four months ending April 30, 2012.

Staff reports:

Electric Distribution & GIS - Manager Electric Distribution Eric Miller provided brief progress reports for projects underway on HWY 96, CE/HWY 55, HWY OO from Tobachnoir Street to Buchanan Street in Little Chute, and HWY ZZ near Rapide Croche. Utilization of equipment at the Ann Street substation looks good to move forward.

Generation and OPS - In Mike Pederson's absence, Generation and Ops reports were not provided.

Water - Water Superintendent, Kevin Obiala reported that three broken hydrants require replacement. Cross-connection surveys continue. Crew has been working with HWY 96 project contractors. Leak detection work is ongoing.

Information Technology - Manager Information Technology, Don Krause, reported that he is moving forward with the desktop virtualization project. Some of our current hardware will be re-used. Everything will be converted to Windows 7, and everything will be virtual. A necessary wireless link upgrade to Rapide Croche went well with power restored within a day.

Finance - Manager Finance & Administration, Mike Kawula reported that the service disconnection moratorium ended on April 15th, and 14 accounts are currently disconnected. Accounting staff has been working with PSC regarding the rate schedule.

Human Resources - Manager Human Resources, Denise Vanderloop announced that the Accounting Cashier position has been filled. Jennifer Palmer from the City of Kaukauna has accepted the position and starts on June 4, 2012. The Maintenance Mechanic ad is being run in the Times-Villager, the Post-Crescent, and the Press Gazette. CPR and AED training has been conducted and continues into June. Five summer employees have been hired.

Badger Hydro Project Update - General Manager, Jeff Feldt indicated that the project officially started yesterday. The power canal water level is down about 15" so far. Boldt will be here to begin preliminary work this week. Boldt will provide updated monthly reports as well as benchmark status updates. The two-week delayed project start date will not affect the finish date. Ranger Services Inc. of Appleton conducted a tree preservation review of the trees along the new gravel access road at the Kaukauna Public Library. They provided tree condition assessments and recommendations.

Hydro Park Update - Jeff Feldt referred to a recent article in the Times-Villager regarding the Hydro Park project. Last night a representative from GRAEF made a presentation to the Board of Public Works explaining project details.

Kimberly Hydro Two-year Operational Statistics - Jeff Feldt presented a report showing the first two full years of operating data for the NewPage Hydro facility. Revenue is 17% higher than the original projected analysis. Total actual revenue is \$1.6 million. Revenues will help to keep down rate increases in the future, as the PSC looks at all revenue sources.

2012 first-quarter Work Plan update - Jeff Feldt pointed out that the Badger hydro project is the main item for the first three months.

WRWA Consumer Confidence Report Award - Kevin Obiala announced that at the Wisconsin Rural Water Association Annual Technical Conference in Green Bay, The Kaukauna Utilities Consumer Confidence Report won first place for communities over 10,000 people.

Typical Bill Comparison Summary - The WPPI Energy Quarterly summary compares a typical bill for WPPI Energy members to that of investor-owned utilities. Kaukauna Utilities' rates are lower than the investor-owned utility rates with a few exceptions.

APPA RP3 Diamond Designation - Kaukauna Utilities received an RP3 Diamond Designation from APPA. The RP3 Diamond Designation recognizes KU's commitment to providing safe and reliable power to our community. Only approximately 5% of municipal electric utilities nationally receive the Diamond Designation.

Park Community Charter School won State and National awards from the National Energy Education Development (NEED) Program. The awards are in recognition of Park School's work with Kaukauna Utilities in their curriculum. Students, parents, and faculty will go to Washington DC to receive their awards.

Welcome Kevin Davidson, City Attorney. Attorney Davidson was elected City Attorney and took office on May 1, 2012.

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

All members voted aye

Motion Carried

The meeting ended at 4:40 p.m.

Thomas J. McGinnis
Secretary

Minutes taken by Mary Cox