

Kaukauna WI
November 18, 2009

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, Tom Driessen, Lee Meyerhofer, John Moore, Tom McGinnis and Cindy Fallona. Also present were Paul Van Berkel, City Attorney, Jeff Feldt, Mike Pedersen, Mike Kawula, Mary Delforge, Don Krause, Denise Vanderloop, Kevin Obiala, and Eric Miller from KU. Jim Brown from WPPI Energy and Brian Roebke from the Times Villager were also present.

It was moved by Bill Vanderloop, seconded by Gene Rosin to approve the minutes of the October 21, 2009 regular Commission meeting as written.

All members voted aye

Motion Carried

There was no public comment.

General Manager Jeff Feldt advised the Commission a customer in Little Chute sustained damage during a power outage on September 8, 2009 when a 35kV switch violently failed during a switching operation. Midwest Claims Service recommended KU deny the claim based on the fact there was no negligence on the part of Kaukauna Utilities.

It was moved by Tom McGinnis, seconded by John Moore to deny claim WI8 143298.

Roll call Vote:

Gene Rosin	aye
Lee Meyerhofer	aye
Tom McGinnis	aye
Cindy Fallona	aye
John Moore	aye
Bill Vanderloop	aye
Tom Driessen	aye

Motion Carried

Water Superintendent Kevin Obiala explained an incident occurred after KU repaired a 10 inch valve on the corner of Ann Street and Hendricks Avenue. One of the two barricades which had been placed over the excavation site had been moved; the gravel settled creating a hole and a car drove over the hole sustaining damage. Mr. Obiala recommends that KU make an exception and pay this claim due to actions taken by staff on behalf of KU.

It was moved by Lee Meyerhofer, seconded by Gene Rosin to pay insurance claim WI8 143539.

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

Motion Carried

Manager of Finance & Administration Mike Kawula presented the final 2010 Operating and Five Year Capital Budgets to the Commission. No changes have been made to the Electric and Water Operating Budgets as presented at the October Commission meeting.

It was moved by Gene Rosin, seconded by Tom McGinnis to approve the 2010 Electric and Water Operating and Five Year Capital Budgets.

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

Motion Carried

Manager of Electric Distribution Eric Miller discussed the bids received for the Tobacnoir Sub Station 35kV circuit breakers and control panel. Group A bids were for specified SF6 35kV circuit breakers with Electrotech presenting the lowest evaluated bid. Group B bids were for the 12 kV switchgear line-up and Powercon Corp submitted the lowest evaluated bid.

It was moved by John Moore, seconded by Gene Rosin to authorize the General Manager to award the bid for the 34.5 kV high side breaker for Tobacnoir Street Substation to Electrotech in the amount of \$41,000 and further award the bid for the 12 kV switchgear line-up at that substation to Powercon Corporation in the amount of \$209,550 subject to approval of the pertinent legal contract language by the City Attorney.

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

Motion Carried

Jeff Feldt discussed the WPPI Energy Advocate Community Program Pilot with the Commissioners. The program would focus on residential customers in a target neighborhood. Customers in the target area would receive an audit with options and recommendations for solutions and financing. KU proposes to send a letter of intent to WPPI Energy to be considered for the pilot program. This program would be partially funded through the US Department of Energy via federal stimulus dollars with each pilot community expected to provide additional funds. KU currently has energy conservation funds available for this new program.

It was moved by Cindy Fallona, seconded by Tom McGinnis to authorize the General Manager to issue a Letter of Commitment to WPPI Energy for Kaukauna Utilities to be considered to test and implement an Energy Advocate program, including implementation of a residential funding mechanism.

All members voted aye

Motion Carried

Mike Kawula advised the Commission that credit card fees and third party payment collection services have increased and a new plan is necessary. In 2005 KU began accepting credit card payments from our website. At that time credit card fees amounted to approximately \$9,000 annually. 2009 projected costs in credit card fees are \$43,764. The preauthorized payment option is the least costly for KU. Paymentus is a real-time bill payment company that can interface with our current billing system, Harris. The KU Customer Service staff would instantly be able to see payments made in the billing system. Paying via the telephone would also be added as an option with Paymentus and security issues with a swipe terminal would be eliminated.

It was moved by John Moore, seconded by Tom Driessen to authorize Kaukauna Utilities' staff to proceed with negotiations with Paymentus.

All members voted aye

Motion Carried

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

Roll Call Vote:

Gene Rosin	aye
Bill Vanderloop	aye
John Moore	aye
Tom Driessen	aye
Lee Meyerhofer	aye
Tom McGinnis	aye
Cindy Fallona	aye

Motion Carried

It was moved by Gene Rosin, seconded by Tom McGinnis, that checks numbered 42118 through 42364 in the amount of \$5,607,426.93 be approved for payment.

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

Motion Carried

The commission reviewed the monthly reports.

Manager of Electric Distribution Eric Miller advised the Commission the overhead rebuild on Buchanan will be hot in two weeks. This is part of the river crossing project in Little Chute. Distribution is looking at a new conductor with composite core which allows 2300 amps capacity instead of only 1200 for this project which is the largest the line crew has undertaken.

Manager of Generation and Ops, Mike Pedersen reported KU has responded to the DNR with regard to the Badger FERC license. The Kimberly Hydro CA is being reviewed by the Public Service Commission. The Asset Purchase Agreement is with NewPage.

Water Superintendent, Kevin Obiala reported the water department is required by the DNR to collect more lead and copper samples. The first four samples are fine and if the remaining 9 samples that are required are also fine, which Kevin expects, the issue will be resolved.

Manager of Information and Technology, Don Krause advised the new phone system will be installed December 7-9 with cutover December 10th. Contract IT help is here at KU about 12 hours per week and will continue for another year. The Email conversion is going well and will tie in with the new phone system.

Manager of Finance and Administration, Mike Kawula indicated the winter moratorium went into effect November 1st with 45 disconnected properties. Water will also be disconnected as these are unoccupied residences. The state has reduced low income qualifying requirements but no additional funds are available so KU will be able to help more customers but each one will receive a reduced amount.

Manager of Human Resources, Denise Vanderloop is working with employees to complete health insurance open enrollment and FSA elections for 2010.

Energy Services Representative, Jim Brown gave the Commission an update on 2009 energy conservation statistics. To date KU customers have saved 1.9 megawatts equaling nearly 9 million kilowatt hours. By year end Jim expects savings of 2.5 megawatts and 15 million kilowatt hours. This can be attributed to the increased

Focus on Energy incentives as well as a significant large industrial customer project. On the Water side we've seen 1,610,000 cubic feet saved. An average family of 4 uses 1,200 cu ft per month.

Jeff Feldt called the commissioner's attention to the comparison between 2002 purchased power costs through 2008 as compared with hydro production for the same time span. In 2002 purchased power was 3.5¢ per kilowatt hour. By the end of 2008 it was 6.0¢. In 2002 hydro power saved KU customers \$3.8 million and in 2008 a significant increase to \$7.1 million which make our hydro plants a valuable asset. The DNR issued a certificate of completion on the John Street Property on October 27th. The final proceeds were received on the sale of that property in early November completing ten years of work at the John Street site.

Jeff Feldt invited the Commissioners to attend the WPPI Energy Board Meeting in Deforest on December 11th; the MEUW Municipal Utility Legislative Rally in Madison on January 27, 2010; and the APPA Legislative Rally in Washington D.C. on February 22-24, 2010.

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

All members voted aye

Motion Carried

The meeting ended at 5:30 p.m.

Thomas J. McGinnis
Secretary

Minutes taken by Alice Rasmussen