

Kaukauna WI
July 15, 2009

The regular meeting of Kaukauna Utilities Commission was called to order at 4:00 p.m. by Secretary Tom McGinnis. Commission members present were Gene Rosin, Bill Vanderloop, Tom Driessen, Tom McGinnis and Brian Paschen. Also present were Paul Van Berkel, City Attorney, Jeff Feldt, Mike Pedersen, Mike Kawula, Kevin Obiala, Denise Vanderloop, Ron Roberts, Eric Miller and Mark Biddle from KU. CEO Roy Thilly and Jim Brown from WPPI Energy, Brian Roebke from the Times Villager, Karen Brooks, Alderpersons Tony Penterman and Brenda Leon were also present.

It was moved by Bill Vanderloop, seconded by Gene Rosin to excuse the absence of Commissioners Lee Meyerhofer and John Moore.

All members voted aye

Motion Carried

It was moved by Gene Rosin, seconded by Brian Paschen to approve the minutes of the June 17, 2009 regular Commission meeting as written.

All members voted aye

Motion Carried

There was no public comment.

General Manager Jeff Feldt presented the MEUW Pillar of Power Award to Commissioner Bill Vanderloop in recognition of 10 years of service on the Utility Commission.

CEO of WPPI Energy Roy Thilly explained that every two years members of WPPI Energy (WPPI) senior staff meet with member utilities' commissions or city councils and on the off years have regional dinner meetings for members in order to keep all parties informed about the industry and answer any questions. Kaukauna Utilities, the largest member of WPPI, provides great leadership and General Manager Jeff Feldt has served on several committees and currently serves as Vice Chair of the WPPI Board of Directors. The big issue just a few years ago was deregulation. That has been replaced with environmental issues. Fuel costs have a huge impact on the power market. WPPI resources include the Elm Road Generating Station project near Oak Creek which will have one unit in service in January 2010 and the 2nd unit in service August of 2010. WPPI already has enough renewable energy sources in place to meet the state goal of 10% by 2025. The federal government is in the process of regulating CO2 emissions. The carbon regulation issue addresses the allocation of allowances to emitters. WPPI favors the allocation of allowances rather than having them auctioned. With regard to rates, WPPI is working hard on the many challenges affecting the industry especially with respect to the impact on rates. Roy Thilly ended by inviting the Utility Commission to the WPPI Annual meeting in September. Jeff Feldt told the Commission Roy Thilly and his staff at WPPI do an excellent job representing KU interests both in Madison and Washington DC.

Energy Services Representative Jim Brown gave the Commission a second quarter report on energy conservation. Energy audits have been popular with 20 residential and 5 commercial audits completed in 2009. Rebate programs have been successful with 139 AC tune-ups, 23 Tree rebates, 2 Thermostat rebates and 35 toilet rebates. KU has given out 3,096 energy saving kits and 120 water conservation kits to customers. To date in 2009, the energy savings is 594,275 kilowatt-hours for residential and 125,721 kilowatt-hours for Commercial/Industrial. The water conservations programs have saved 1,113,580 cubic-feet of water.

Jeff Feldt discussed a Draft Purchasing Policy to help establish consistency in purchasing, staff approval of dollar limits, budgeted vs. non-budgeted items, approval of large projects/recurring large purchases such as inventory items and the monthly WPPI Energy bill. The Commission will review the policy; staff will make requested changes and bring the policy back for formal approval at the August meeting.

Jeff Feldt advised the Commission in 2004 the Manager of Finance & Administration was designated Kaukauna Utilities Health Insurance Portability and Accountability Act (HIPAA) Privacy Officer. With the creation of a formal Human Resources Department, it is appropriate that the Manager of Human Resources be designated as the HIPAA Privacy Officer.

It was moved by Gene Rosin, seconded by Bill Vanderloop that the Commission approve designating the position of Manager of Human Resources as the HIPAA Privacy Officer.

All members voted aye

Motion Carried

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

Roll Call Vote:

Gene Rosin	aye
Bill Vanderloop	aye
Tom Driessen	aye
Tom McGinnis	aye
Brian Paschen	aye

Motion Carried

It was moved by Brian Paschen, seconded by Gene Rosin, that checks numbered 40863 through 41221 in the amount of \$4,639,795.29 be approved for payment.

Roll Call Vote:

Brian Paschen	aye
Bill Vanderloop	aye
Gene Rosin	aye
Tom McGinnis	aye
Tom Driessen	aye

Motion Carried

The commission reviewed the monthly reports.

Staff reports:

Manager of Electric Distribution, Eric Miller updated the Commission on his department. They are into the design phase of the Fox River crossing project. The Line Crew is working on the Kaukauna City Plant (KCP) project and the Buchanan Street project in Little Chute. The Tobacnoir Street Substation is in the design phase. Substation transformer bids for Ann Street are due August 5th.

Manager of Generation and Operations, Mike Pedersen gave his department update. The trash racks at KCP are being replaced along with the substation controls upgrade. Divers are on site this week for FERC inspections at KCP, RCP and Badger Hydro Plants. The John Street Hydro Plant is back on-line, but there are some communication and control issues. The Commission Meeting will be held at the John Street Hydro Plant in September. KU FERC licensing consultant put together a good response to FERC answering questions of interested parties with regard to the Badger licensing process. FERC now has 120 days to issue their decision.

Water Superintendent, Kevin Obiala advised the Water crew is operating and repairing valves, and continuing with leak detection. Cross connection surveys are going well. KU hosted a Cross Connection Class with approximately 20 communities attending. Obiala is working with Ronet on the Main Avenue water main replacement which is scheduled to be completed the end of July.

Manager of Finance and Administration, Mike Kawula advised the Accounting Department is looking at the credit card program. Fees are increasing and more customers are using credit cards. KU may no longer cover those fees. Kawula will begin the 2010 budget process earlier this year with a timeline of distribution to managers in August.

Manager of Human Resources, Denise Vanderloop advised that three sessions for Harassment Awareness Training are scheduled this month. Vanderloop is working on updating the KU Policy Manual.

Jeff Feldt reviewed the 2nd quarter update of the 2009 Work Plan with the Commission. Highlights include time spent pursuing funding for the Badger Hydro Project. Feldt is working with a grant writer from WPPI Energy on a strictly hydro renewable grant. There will be no stone left uncovered with respect to funding for the Badger Hydro Project. The Distribution Dept is down to 188 meters out of 15,000 left to convert to AMR. The Water Department is working hard on leak detection to prevent water system losses.

The WPPI Energy electric rate comparison shows KU is still very competitive. Jeff Feldt was elected President of the Municipal Electric Utilities of Wisconsin (MEUW) at the annual meeting held last month in Manitowoc. The MEUW Lineman's Rodeo will be on September 12th in Sturgeon Bay. Mark Biddle is on the planning committee.

The WPPI Energy Annual meeting is September 17-18 in Green Lake.

It was moved by Gene Rosin, seconded by Bill Vanderloop to adjourn to closed session pursuant to WI. State Statute 19.85(1)(e) Acquisition of Property at 5:21 p.m.

Roll Call Vote:	Gene Rosin	aye
	Tom McGinnis	aye
	Tom Driessen	aye
	Brian Paschen	aye
	Bill Vanderloop	aye

Motion Carried

It was moved by Gene Rosin, seconded by Tom McGinnis to return to Open Session at 6:12 p.m.

All members voted aye	Motion Carried
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Commissioner Tom McGinnis, after attending a meeting at 1000 Islands Environmental Center, and in the interest of public safety, asked staff to notify Debbie Nowak at 1000 Islands if there is going to be a noticeable adjustment in the water level.

It was moved by Bill Vanderloop, seconded by Gene Rosin to adjourn.

The meeting ended at 6:16 p.m.

Thomas J. McGinnis
Secretary