

The regular meeting of Kaukauna Utilities Commission was called to order at 4:00 p.m. by President Lee Meyerhofer. Commission Members present were Greg Lenz, Lee Meyerhofer, Tom Driessen, Sue Hennes, Tom McGinnis, and Gene Rosin. Also present were Jeff Feldt, Denise Vanderloop, Mike Pedersen, Don Krause, Eric Miller, Kevin Obiala, Clara Pickett, Dave Pahl, Lonnie Pichler, and Amy Brick from KU, Diana Driessen, Karen Brooks, Jeff Kellner from McMahan & Associates, Attorney Kevin Davidson, and Steve Engebos from WPPI Energy.

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

All members voted aye.

Motion Carried

It was moved by Gene Rosin, seconded by Tom McGinnis to approve the minutes of the January 17, 2018 Commission meetings as written.

All members voted aye.

Motion Carried

There was no public comment.

Manager of Finance & Administration Clara Pickett discussed the American Transmission Company (ATC) Investment Activities. Clara informed the Commission KU contributed \$172,400 to ATC in 2017. The contribution was made based on ATC's Capital Call which is designed to obtain funds for future ATC capital projects. Clara stated if KU elected not to contribute additional funds, KU's percentage interest in ATC would be reduced. KU's percentage interest is currently 0.1724%. Clara informed the Commission that ATC will require up to \$80,000,000 in additional capital in 2018. Based on this figure, KU will be required to contribute \$137,920 in 2018 to maintain KU's current ownership interest of 0.1724%.

It was moved by Gene Rosin, seconded by Tom McGinnis to authorize the General Manager to contribute sufficient funds to ATC to maintain Kaukauna Utilities' Percentage interest in ATC (0.1724%).

Roll Call Vote:

Tom Driessen	aye
Lee Meyerhofer	aye
Greg Lenz	aye
Gene Rosin	aye
Sue Hennes	aye
Tom McGinnis	aye

Motion Carried

Water Superintendent Kevin Obiala discussed the Industrial Park Water Tower Painting Project. Kevin informed the Commission the reason for painting the water tower is due to deterioration of the existing paint and it is also a requirement of NR 810.14 Wisconsin Administrative Code. Kevin informed the Commission that because the primer used on the exterior is lead base, the tower must be completely covered to contain the lead based primer that will be removed and the material will have to be properly disposed of at a certified landfill. The process of covering the tower, sandblasting and disposal of the lead based primer almost doubles the cost of painting. The following nine bids were received with V&T Painting being the lowest evaluated bid:

<u>Contractor</u>	<u>Bid Total</u>
V&T Painting	\$453,925
Horizon Brothers Painting	\$539,850
Seven Brothers Painting	\$610,600
L&T Painting	\$618,900
M.K. Painting	\$623,600
LC United Painting	\$627,000
Osseo Construction	\$744,700
TMI Coatings	\$779,725
Classic Protective Coatings	\$786,950

Kevin informed the Commission that due to the discrepancy between the low and high bids, McMahon & Associates provided KU with a letter of recommendation stating V&T Painting are qualified to complete the Industrial Park Water Tower Painting Project.

It was moved by Tom McGinnis, seconded by Tom Driessen to authorize the General Manager to execute a contract with V&T Painting in the amount of \$453,925 for the Industrial Park Water Tower Painting Project, subject to approval by the City Attorney.

Roll Call Vote:

Lee Meyerhofer	aye
Tom Driessen	aye
Greg Lenz	aye
Susan Hennes	aye
Gene Rosin	aye
Tom McGinnis	aye

Motion Carried

General Manager Jeff Feldt discussed the 2018 Key Corporate Objectives. Jeff informed the Commission that in addition to the seven key performance indicators, there are four corporate objectives with assigned completion dates to present formal recommendations to the Commission. The results of the key performance indicators will be communicated each quarter to the Commission and all employees.

It was moved by Gene Rosin, seconded by Tom Driessen to approve the 2018 Key Corporate Objectives as presented.

All members voted aye.

Motion Carried.

General Manager Jeff Feldt reviewed the 2018 work plan. The work plan identifies 53 departmental goals to achieve in 2018 that are associated with the key business objectives that were identified in the 2016 – 2018 Strategic Plan as well as planned capital investments and performance indicators.

It was moved by Gene Rosin, seconded by Greg Lenz to authorize the General Manager to approve the 2018 Work Plan as submitted.

All members voted aye.

Motion Carried.

Manager of Human Resources Denise Vanderloop discussed the need for five summer help positions to perform routine maintenance and other tasks similar to previous years. Two positions will be assigned to the Generation & Operations Department, three positions will be assigned to the Facilities Department, and one position will be assigned to the Information Technology Department.

It was moved by Sue Hennes, seconded by Tom McGinnis to authorize the Human Resources Manager to hire up to five summer help positions for 2018.

All members voted aye.

Motion Carried

The Commission reviewed the monthly reports.

Staff reports:

Manager of Engineering & Electric Distribution Eric Miller informed the Commission crews have been working on the Delanglade Street Corridor project and continuing their work on the Elm Street rebuild project. Eric stated crews will begin on the Hwy ZZ project when the Delanglade and Elm Street Projects are completed. Eric also informed the Commission staff has been working with the Village of Little Chute to possibly convert fixtures along Main Street and Grand Avenue to LED's. Eric stated the OO Substation Rebuild Project is progressing.

Manager of Information Technology Don Krause informed the Commission he received the first draft of the new Kaukauna Utilities web page and he is meeting with the developers at the end of the week. Don stated the IT department received a shipment of new computers, meaning IT staff will be fulfilling IT requests to replace computers in multiple departments. Don also stated staff will be incorporating access control at the OO Substation.

Manager of Generation & Operations Mike Pedersen informed the Commission the Department of Energy annual submittals have been submitted and accepted. Mike stated the rebuild of the wicket gates at the Kimberly Hydro Plant is complete. Mike stated he met with representatives from the Wisconsin Department of Natural Resources (WDNR) regarding the Kaukauna City Plant relicensing. Mike also informed the Commission that last fall, Unit #2 at the Badger Plant failed. It was discovered the high speed bearing and/or speed increaser failed. Mike stated a representative from Voith was on site, and determined there was more damage than anticipated. Mike informed the Commission the speed bearing and speed increaser have been sent to Germany for repairs.

Manager of Finance & Administration Clara Pickett informed the Commission staff has been working on the 2017 audit and 2017 PSC report. Clara stated the audit is scheduled for mid- March. Clara also stated there will be an upgrade to the accounting software on Friday.

Manager of Human Resources Denise Vanderloop informed the Commission that employees/spouses are able to schedule their health assessments online through StayWell. Denise stated hearing testing is scheduled March 14 at the Warehouse. Denise also informed the Commission she is in the process of scheduling training for harassment training, performance review training, and training on the Family Medical Leave Act (FMLA).

Water Superintendent Kevin Obiala informed the Commission staff is continuing to work on the AMI project. Staff has also been working on the Well #8 Filter Plant Project.

General Manager Jeff Feldt provided the System Water Loss Regional Comparisons to the Commission. He also provided information regarding the SB48 Lead Water Service Line Replacement Bill, updated the Commission on the Electric Rate Case, and also on the Electric Bond Rating Agency Meetings.

The Commission chose not to adjourn to closed session pursuant to Wis. State Statute 19.85(f) for review of data Kaukauna Utilities is prohibited from making public under Wis. Stat. 196.37, including Kaukauna Utilities Write Off Journal details, Check Register details and Customer Usage and Billing.

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

Roll Call Vote:

Tom McGinnis	aye
Gene Rosin	aye
Lee Meyerhofer	aye
Tom Driessen	aye
Sue Hennes	aye
Greg Lenz	aye

Motion Carried

It was moved by Gene Rosin, seconded by Tom McGinnis that checks numbered 205 through 218, and checks numbered 66803 through 67069 in the amount of \$4,826,350.90 be approved for payment.

Roll Call Vote:

Gene Rosin	aye
Greg Lenz	aye
Tom McGinnis	aye
Tom Driessen	aye
Sue Hennes	aye
Lee Meyerhofer	aye

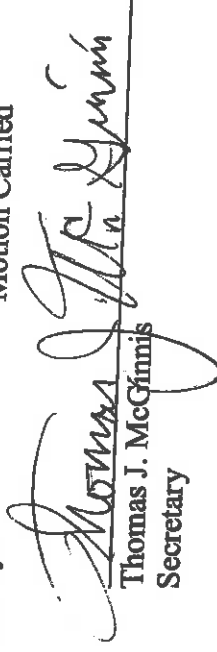
Motion Carried

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

All members voted aye.

Motion Carried

The meeting ended at 5:02 p.m.


Thomas J. McGinnis
Secretary