

Kaukauna, WI
June 19, 2019

The regular meeting of Kaukauna Utilities Commission was called to order at 4:00 p.m. by President Lee Meyerhofer. Commission Members present were Tom Driessen, Sue Hennes, John Moore, Pennie Thiele, Lee Meyerhofer, and Greg Lenz. Also present were Jeff Feldt, Mike Pedersen, Tou Lee, Eric Miller, Clara Pickett, Dave Pahl, Randy Vercauteren, and Amy Brick from KU, Diana Driessen, Karen Brooks, Attorney Kevin Davidson, and David Maccoux from CliftonLarsonAllen, LLP.

It was moved by Lee Meyerhofer, seconded by John Moore to excuse Mayor Tony Penterman's absence.

All members voted aye. Motion Carried

It was moved by John Moore, seconded by Tom Driessen to approve the minutes of the May 29, 2019 Commission meeting as written.

All members voted aye. Motion Carried

Brian Roebke from the Times Villager asked the Commission if there would be any discussion on the Hydro Park Kiosk's. Brian questioned if the kiosks were up and running and functional. Mike Pedersen stated the kiosks are operational; however, the software company needs to update the content.

Manager of Finance & Administration Clara Pickett introduced David Maccoux, shareholder with CliftonLarsonAllen (CLA, formerly Schenck), who presented the audited financial statements and outlined the 2018 audit process. Mr. Maccoux indicated that the audit had no irregularities and the audit report accurately represents Kaukauna Utilities' financial position for the year ended December 31, 2018.

It was moved by John Moore, seconded by Greg Lenz that the Commission accepts the 2018 Financial Statements as presented by CLA.

All members voted aye. Motion Carried

Manager of Finance & Administration Clara Pickett reviewed the Electric Tax Lien Ordinance stating as a result of the \$2.2 million write-off associated with Appleton Coated, staff performed a review of the deposit, collection, and tax lien procedure for electric utility accounts. An ordinance authorizing delinquent electric accounts to be placed as a tax lien on the property would give KU a legal claim against the property for the amount of delinquent electric charges. KU would become a secured creditor and receive payment under circumstances in which we are currently legally unable to enforce collection procedures, such as bankruptcy and receivership. Clara stated if an ordinance had been in effect at the time of Appleton Coated's receivership, KU would have been paid the entire \$2.2 million out of the proceeds of the sale. Because the City of Kaukauna and the Village of Combined Locks did not have an ordinance, the entire amount became an uncollectible account expense that the PSC authorized to be amortized over ten (10) years and collected from all rate payers.

It was moved by Lee Meyerhofer, seconded by Greg Lenz to approve the amended Electric Tax Lien Ordinance and proceed with obtaining approval of the Electric Tax Lien Ordinance by the City Council.

All members voted aye. Motion Carried

Manager of Generation & Substations Dave Pahl discussed the Combined Locks Substation 34.5kV Power Circuit Breakers. Dave informed the Commission KU requested bids for one 2000 amp and three 1200 amp 34.5 kV Power Circuit Breaker from three (3) manufacturers. The bids were to be based on the ECI 34.5 kV Power Circuit Breakers Material Specification, Revision 0, with no addendum. The following bids were received:

<u>2000 amp</u>	<u>Manufacturer</u>	<u>Bid Total</u>
	Primus/ABB	\$35,643
	Myers Control Power	Declined to bid
	Siemens	Declined to bid
<u>1200 amp</u>	<u>Manufacturer</u>	<u>Bid Total</u>

Primus/ABB \$33,739
 Myers Control Power Declined to bid
 Siemens Declined to bid

It was moved by John Moore, seconded by Greg Lenz to authorize the General Manager to award the contract for the four 34.5 kV power circuit breakers for the Combined Locks Substation upgrade project to ABB Inc. in the amount of \$136,860.

Roll Call Vote:

Greg Lenz aye
 Pennie Thiele aye
 Lee Meyerhofer aye
 John Moore aye
 Sue Hennes aye
 Tom Driessen aye

Motion Carried

Manager of Generation & Substations Dave Pahl discussed the Combined Locks Substation 138 kV Power Circuit Breakers. Dave informed the Commission KU requested bids for a 138 kV circuit breaker from three manufacturers. The bids were to be based on the ECI 138 kV Power Circuit Breakers Material Specification, Revision 0, with no addendums. The following bids were received:

<u>Manufacturer</u>	<u>Bid Total</u>
Primus/ABB	\$55,950
Alstom/GE	\$48,650
Mitsubishi	Declined to bid

It was moved by John Moore, seconded by Greg Lenz to authorize the General Manager to award the contract for the 138 kV power circuit breaker for the Combined Locks Substation upgrade project to General Electric Company in the amount of \$48,650.

Roll Call Vote:

John Moore aye
 Greg Lenz aye
 Pennie Thiele aye
 Tom Driessen aye
 Sue Hennes aye
 Lee Meyerhofer aye

Motion Carried

Manager of Generation & Substations Dave Pahl discussed the Combined Locks Substation 15 kV Switchgear. Dave informed the Commission KU requested bids for one 15 kV switchgear line-up from four manufacturers. The bids were to be based on the ECI 15 kV Switchgear Specification, Revision 0, with no addendum. The following bids were received:

<u>Manufacturer</u>	<u>Base Bid</u>
AZZ	\$493,521
M&I Electric	\$543,815
PowerCon	\$517,470
Eaton	\$524,711

<u>Evaluated Bid Total</u>
\$527,962
\$554,814
\$549,876
\$543,968

The lowest evaluated bid of AZZ was rejected due to commercial exceptions and clarifications. The next lowest evaluated bid of Eaton Corporation includes an expected engineering design efficiency savings of \$12,000 by project consulting firm, ECI.

It was moved by John Moore, seconded by Greg Lenz to authorize the General Manager to award the contract for the 15 kV switchgear for the Combined Locks Substation upgrade project to Eaton Corporation in the amount of \$55,968 with an expected offset of \$12,000 in engineering costs from project consulting engineers, ECI.

Roll Call Vote:

Pennie Thiele aye
 Lee Meyerhofer aye
 Tom Driessen aye
 John Moore aye
 Sue Hennes aye

Greg Lenz aye

Motion Carried

The Commission reviewed the monthly reports.

Staff reports:

IT Specialist Tou Lee reported for Manager of Information Technology Don Krause in his absence. Tou informed the Commission staff is in the process of completing the Office 365 upgrade and ordering hardware for the GIS updates.

Manager of Engineering & Electric Distribution Eric Miller informed the Commission crews started work on the Wisconsin Avenue rebuild project, moving poles to accommodate street work being done throughout the City, continuing to assist the Meter Technicians with the AMI meter conversion project, and will be starting work on the Little Chute North Estates Subdivision. Eric stated Engineering and staff have been working to finalize the Strategic Planning process and also working with two large power customers who are looking to do extensive upgrades. KU received the permit from the WDOT for the State Hwy 96 project and staff is working with AT&T on a pole transfer agreement.

Director of Operations Mike Pedersen informed the Commission representatives from FERC were onsite completing their annual dam safety inspections with nothing major being found. The 5 yr Independent Consultants Part 12D structural review on Badger Hydro has been completed. FERC requested additional information regarding the Kimberly Hydro relicensing application. Staff completed the controls upgrade at Island Street Peaking Plant. HCMS is onsite to start the Combined Locks Plant Unit #2 Rebuild Project.

Manager of Generation & Substations Dave Pahl stated crews finished installing boards on the Rapide Croche dam. Staff is finalizing the specification for the Combined Locks Substation Upgrade Project and the Fiber Optic Project has begun.

General Manager Jeff Feldt reviewed the May Energy Services Report for Energy Services Representative Steve Engebos in his absence.

Manager of Finance & Administration Clara Pickett informed the Commission working with Baird to review a potential bond refinancing. A new option for customers to pay online using a quick, one-time payment using only their account number has recently been added making it easier for customers to pay online.

General Manager Jeff Feldt reported for Manager of Human Resources Denise Vanderloop in her absence. Jeff informed the Commission the PR/Media Specialist position has been posted with applications being due by June 28, and staff is currently reviewing the applicants for the Network & Security Engineer position.

Director of Operations Mike Pedersen reported for Water Superintendent Kevin Obiala in his absence. Mike informed the Commission crews are continuing with the AMI meter conversion project, testing meters, and rebuilding and replacing broken fire hydrants. The Engineering intern has been working on leak detection, and crews are landscaping where water main breaks occurred over the winter, operating distribution valves, and taking care of other maintenance issues that arise.

General Manager Jeff Feldt discussed topics presented at the APPA National Conference and staff is continuing with the Strategic Planning Process.

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 John Moore, seconded by Tom Driessen to approve the accounts receivable write-offs.

Roll Call Vote:

Greg Lenz	aye
Pennie Thiele	aye
Lee Meyerthofer	aye
John Moore	aye
Sue Hennes	aye

Tom Driessen aye

Motion Carried

It was moved by Sue Hennes, seconded by John Moore that checks numbered 416 through 436, and checks numbered 69834 through 70003 in the amount of \$5,068,738.44 be approved for payment.

Roll Call Vote:

John Moore aye
 Greg Lenz aye
 Pennie Thiele aye
 Tom Driessen aye
 Sue Hennes aye
 Lee Meyerhofer aye

Motion Carried

It was moved by John Moore, seconded by Tom Driessen to adjourn to Closed Session pursuant to Wis. State Statute 19.85(1)(e) for the purpose of deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session: Acquisition of Property at 5:24 p.m.

All members voted aye.

Motion Carried

It was moved by John Moore, seconded by Tom Driessen to return to open session at 5:43 p.m.

All members voted aye.

Motion Carried

It was moved by John Moore, seconded by Pennie Thiele to certify the public convenience and necessity of acquiring vacant parcel 230-030400, Janssen Street, Village of Combined Locks, pursuant to Wisconsin Statutes Section 32.07 for the Combined Locks Substation Upgrade Project.

Roll Call Vote:

Tom Driessen aye
 Sue Hennes aye
 John Moore aye
 Pennie Thiele aye
 Lee Meyerhofer aye
 Greg Lenz aye

Motion Carried

It was moved by Sue Hennes, seconded by John Moore to authorize the General Manager to acquire vacant parcel 230-030400, Janssen Street, Village of Combined Locks for \$67,000 not including acquisition and administrative costs, for the Combined Locks Substation Upgrade Project and authorize the City Attorney to draft all required documentation to complete this transaction.

Roll Call Vote:

Tom Driessen aye
 Lee Meyerhofer aye
 Greg Lenz aye
 John Moore aye
 Sue Hennes aye
 Pennie Thiele aye

Motion Carried

It was moved by Greg Lenz, seconded by John Moore to authorize the General Manager to acquire vacant parcels 230-030500 and 230-031200 as offered by Appleton Property Ventures with the purchase of 230-030400, Janssen Street, Village of Combined Locks for an additional amount not to exceed \$13,000 not including acquisition and administrative costs, for the Combined Locks Substation Upgrade Project and authorize the City Attorney to draft all required documentation to complete this transaction.

Roll Call Vote:

Lee Meyerhofer aye
 Tom Driessen aye
 Greg Lenz aye
 Sue Hennes aye

John Moore aye
Pennie Thiele aye


Motion Carried

It was moved by Tom Driessen, seconded by John Moore to adjourn.

All members voted aye.

Motion Carried

The meeting ended at 5:46 p.m.



John P. Moore
Secretary

Minutes taken by Amy Brick