

Kaukauna, WI  
August 17, 2022

The regular meeting of Kaukauna Utilities Commission was called to order at 4:00 p.m. by President Lee Meyerhofer. Commission Members present were John Moore, Pennie Thiele, Lee Meyerhofer, Tony Penterman, and Paul Van Berkel. Also present were Michael Avanzi, Clara Pickett, Dave Pahl, Andy Vanden Heuvel, Eric Miller, and Amy Brick from KU. Also present were Brian Roebke, Mike Bergner, City Attorney Kevin Davidson, and Steve Engebos, WPPI Energy.

It was moved by John Moore, seconded by Paul Van Berkel to excuse Commissioner's Sue Hennes and Greg Lenz's absence.

All members voted aye.

Motion Carried

There was no public comment.

It was moved by John Moore, seconded by Pennie Thiele to approve the minutes of the July 13, 2022 Commission meeting.

All members voted aye.

Motion Carried

Manager of Generation & Substations Dave Pahl discussed the replacement of the grounding transformer at Central Substation informing the Commission the current unit has been removed from service due to elevated gases being produced by the transformer indicating arcing inside the transformer tank. Dave stated he received bids in March, 2022 for a replacement transformer; however, the numbers were 2.5 times the budgetary number and also included a disclaimer that the price could be adjusted at the time of shipment to account for any changes in market pricing. Staff then decided to get the unit rewound. Four (4) bids were received and evaluated.

<b>Vendor</b>	<b>Comments</b>
Jerry's Transformer	Did not bid (transformer too large for their facility)
Jordan Transformer	\$264,659 (estimate but could change based on their findings)
Hitachi Energy (formerly ABB)	\$379,899
T&R Electric	Did not bid (could not rewind grounding transformers)

Dave informed the Commission the pricing came in higher than a new unit; therefore, staff decided to re-bid the new grounding transformer. Two bids were received and evaluated.

<b>Vendor</b>	<b>Price</b>	<b>Lead Time</b>
Virginia Transformer	\$245,204	38-52 weeks
Hitachi Energy (formerly ABB)	\$188,600	43 weeks

Dave stated Hitachi Energy purchased ABB's power delivery division in 2018 and maintains their transformer manufacturing facilities in the United States. The budgeted amount is \$225,000.

It was moved by John Moore, seconded by Pennie Thiele to authorize the General Manager to award the grounding transformer bid to Hitachi Energy in the amount of \$188,600.

Roll Call Vote

Tony Penterman aye  
 John Moore aye  
 Paul Van Berkel aye  
 Lee Meyerhofer aye  
 Pennie Thiele aye

Motion Carried

Manager of Generation & Substations Dave Pahl discussed the Supervisory Control and Data Acquisition (SCADA) Upgrade informing the Commission the current SCADA system was put in place in 2005 and at the time, met the needs of the utility. Dave stated over time, the software was updated to newer versions but with little changes to the overall functionality of the system. Staff researched multiple vendors to determine which ones would meet our current and future needs and selected three (3) vendors. Dave stated staff determined one vendor was able to provide all of the functionality required with the ability to add additional functionality as KU’s distribution system makes more advancement with technologies. Three (3) bids were received and evaluated.

Vendor	Price	Meets Current Needs of KU	Meets Future Needs of KU
Wonderware	\$50,556 + \$20,510 annually	No	No
Survalent	\$186,371 + \$17,205 annually	Yes	No
OSI - Legacy Pricing Model	\$310,000 + \$25,575 annually	Yes	Yes
OSI - New Pricing Model	\$190,000 + \$50,000 annually	Yes	Yes

The current budget for the SCADA upgrade is \$285,000. The quoted price of \$310,000 is approximately 9% over budget.

It was moved by Paul Van Berkel, seconded by Pennie Thiele to authorize the General Manager to award the supervisory control and data acquisition system upgrade to the OSI Legacy Pricing Model in the amount of \$310,000.

Roll Call Vote

Tony Penterman aye  
 John Moore aye  
 Paul Van Berkel aye  
 Lee Meyerhofer aye  
 Pennie Thiele aye

Motion Carried

General Manager Michael Avanzi informed the Commission that part of the 2022 work plan is to complete an organization-wide compensation study to identify any organizational opportunities and to ensure KU is remaining competitive within our field and area market. The last time KU conducted a compensation study was 2014. Proposals were received and evaluated from HUB and the QTI Group and after review, it was determined the QTI Group is the best fit for KU.

It was moved by Paul Van Berkel, seconded by Lee Meyerhofer to authorize staff to enter into an agreement with the QTI Group for completion of the essential steps of the compensation study not to exceed \$15,000 plus required travel expense.

Roll Call Vote

Lee Meyerhofer	aye
Pennie Thiele	aye
Paul Van Berkel	aye
John Moore	aye
Tony Penterman	aye

Motion Carried

General Manager Michael Avanzi presented the 2025 Strategic Intent.

It was moved by Paul Van Berkel, seconded by Lee Meyerhofer to adopt the 2025 Strategic Intent as presented.

All members voted aye.

Motion Carried

The Commission reviewed the Electric and Water Financial Statements and the monthly reports.

General Manager Michael Avanzi reviewed highlights from the monthly department updates informing the Commission the ARPA funding allocation was approved by City Council on August 2, 2022 that included \$580,000 for upcoming water department projects. He reminded the Commission that in May, 2022, the Commission approved a Water System Study contingent on KU receiving ARPA funds; therefore, staff will move forward with the study due to KU receiving ARPA funds. Staff will be proceeding with the Employee Engagement survey and is also finalizing the New Customer Welcome Packet that is anticipated to launch in late September. Staff is in the final stages of planning for Public Power Week that will include Town Hall Meetings. Unit #1 at Combined Locks Hydro went back online August 6 after a year of being out of service. Staff removed Unit #2 at Badger Hydro to investigate a sound that was noticed. At the July Commission meeting the Commission requested references be checked for the Elm Street Roof Replacement project. Staff checked references with no issues; therefore, staff will proceed with the project. The Technology Current State Assessment was completed with staff receiving the assessment report from the vendor. There are three items to focus on for improvement; basic communication skills training for the IT staff, an audit to identify “lost” projects, and create “how to” documentation so users can do more self-service for basic requests. The Technology Advisory Group (TAG) will be developing the next steps. The final decision from the Public Service Commission was received after a 13 month review and audit. The final approved overall increase is 3.08% and will go into effect September 1, 2022. Staff will be filing a petition to reopen and rehear the case regarding a decision that was included in the final order. The Grant team evaluated three proposals from outside firms to assist with grant opportunities with Baker Tilly being selected. Staff from the Federal Energy Regulatory Commission (FERC) is onsite doing their annual inspections. The Combined Locks final license application was submitted to FERC on July 22, 2022 and is currently under review. The Wisconsin Department of Natural Resources (WDNR) published new rules for PFAS sampling that will start after February 1, 2023. KU will be required to sample quarterly for PFOA and PFOS. Michael will be out of the office August 18-30 and Andy will be covering. The WPPI Energy Annual Meeting is September 15-16, 2022 in Middleton. If Commissioners are interested in attending they are to contact Amy. Invitations were sent for the large customer breakfast that is September 29, 2022. Commissioners are encouraged to attend.

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. 196.137, including Kaukauna Utilities Write Off Journal details, Check Register details and Customer Usage and Billing.

It was moved by John Moore, seconded by Pennie Thiele to approve the June accounts receivable write-offs.

Roll Call Vote:	Tony Penterman	aye
	John Moore	aye
	Paul Van Berkel	aye
	Lee Meyerhofer	aye
	Pennie Thiele	aye

Motion Carried

It was moved by John Moore, seconded by Pennie Thiele that checks numbered 1045 through 1063, 1065, 1066, and checks numbered 76632 through 76781 in the amount of \$5,114,094.02 be approved for payment.

Roll Call Vote:	John Moore	aye
	Pennie Thiele	aye
	Lee Meyerhofer	aye
	Paul Van Berkel	aye
	Tony Penterman	aye

Motion Carried

It was moved by Paul Van Berkel, seconded by John Moore to adjourn to Closed Session pursuant to Wis. State Statute 19.85(1)(c) to consider employment, promotion, compensation, or performance evaluation at 5:20 p.m.

All members voted aye. Motion Carried

It was moved by Pennie Thiele, seconded by Lee Meyerhofer to return to open session at 5:37 p.m.

All members voted aye. Motion Carried

It was moved by Pennie Thiele, seconded by Paul Van Berkel to approve filling the Engineering & Operations Director position.

All members voted aye. Motion Carried

It was moved by John Moore, seconded by Pennie Thiele to adjourn.

All members voted aye. Motion Carried

The meeting ended at 5:38 p.m.

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John P. Moore  
Secretary

Minutes taken by Amy Brick