

Kaukauna, WI  
March 18, 2025

The regular meeting of Kaukauna Utilities Commission was called to order at 3:30 p.m. by President Lee Meyerhofer. Commission members present were John Moore, Pennie Thiele, Sue Hennes, Greg Lenz, Lee Meyerhofer, and Tony Penterman. Also present were Michael Avanzi, Clara Pickett, Dave Pahl, Zach Moureau, Tara Schmitz, Sam Brittnacher, Andy Vanden Heuvel, and Amy Brick from KU; Brian Roebke; and Dave Roloff.

It was moved by John Moore, seconded by Pennie Thiele to excuse the absence of Commissioner Paul Van Berkel.

All members voted aye.

Motion Carried

Dave Roloff from Roloff Manufacturing made a public comment regarding the current electric rate case.

It was moved by Tony Penterman, seconded by Greg Lenz to approve the minutes of the February 19, 2025 Commission meeting.

All members voted aye.

Motion Carried

Commissioner Paul Van Berkel arrived at 3:42 p.m.

Engineering & Operations Director Dave Pahl discussed the Conveyance of Rights in Land to the Wisconsin Department of Transportation (WDOT). Dave informed the Commission the WDOT is in the process of rebuilding Interstate 41 (I-41) through the Fox Cities. Staff have been working with them on several matters wherein our electric distribution facilities, either conflict with their proposed plans or where we have the right (via either formal easement agreement or prescriptive right) to land which they would like to formally include into their newly expanded right-of-way for the rebuilt I-41 corridor. They have identified a few concerns on this phase of the total highway rebuild.

1. Parcels 351 and 352: KU has underground distribution facilities, most of which are not in conflict except on the north end. Some of these facilities in conflict are within a formal easement obtained by KU when the Royal St. Patricks development first went in (and will thus be relocated at 100% reimbursement from the WisDOT), and some are in the road right-of-way and will be relocated at 90% reimbursement.

2. Parcel 354: These parcels are owned by Wrightstown Golf Course Apartments LLC, and the concern here involves simple expansion of the right-of-way to accommodate WDOT's design. KU's facilities are not in conflict with these two properties (both identified by WDOT as Parcel 354), but we do have a utility easement running along County Highway U there.

3. Parcel 355: This parcel is owned by Midwest Expansion LLP and KU has underground electric facilities crossing on the east and west sides of the blue highlighted area depicted, with a formal easement right at both crossings. KU's facilities are partially in the easement on the west end and fully in the easement on the east end. KU is currently looking to abandon our facilities on the northern "tip" of this property and instead trench in a new line on the southern right-of-way of this re-aligned East Frontage Road. This will not only be cheaper than boring in deep facilities with pedestals on the east and west ends but will allow for future abandonment of the utility's easement on the northern "tip" so that the

land may be better utilized in the future. KU staff are currently negotiating with the WDOT to determine if our relocation will be 90% or 100% reimbursable.

4. Parcel 359: KU maintains an overhead single-phase line here at the intersection of Garrity Road and the West Frontage Road. One of our utility poles is currently located off the road right-of-way but is not otherwise in conflict with the pending roadwork; it is for this structure that WisDOT is requesting a conveyance of rights. Note that we do have other facilities that are fully within the right of way there that are in conflict and will need to be relocated, and that the WDOT has agreed to reimburse us 90% for such work. This will include replacing the existing overhead line going north to the cell phone tower there with an underground line that will more readily accommodate the curvature of the realigned West Frontage Road upon completion of the roadwork.

The WDOT is asking that KU executes their "Conveyance of Rights in Land" DT1660 Form for the aforementioned items. This form states that KU would relinquish our land rights to these concerns with the express understanding that any request from the WisDOT to relocate KU electric facilities within these areas going forward would be at WisDOT's expense. Any changes to those facilities made at KU's volition would remain KU's expense to afford.

It was moved by John Moore, seconded by Sue Hennes to authorize the General Manager to execute the DT1660 Conveyance of Rights in Land for parcels 351, 352, 354, 355, and 359 as submitted by the Wisconsin Department of Transportation for the USH-41 rebuild project.

All members voted aye.

Motion Carried

Finance & Administration Director Clara Pickett discussed the American Transmission Company (ATC) Investment Activities stating KU contributed an additional \$130,061 to ATC in 2024. If KU elected not to contribute additional funds, KU's percentage interest in ATC would have been reduced. KU's percentage interest is currently 0.1725%. As ATC will require up to \$235,000,000 in additional capital in 2025, KU will be required to contribute up to \$405,375 in 2025 to maintain KU's current ownership interest of 0.1725%.

It was moved by Sue Hennes, seconded by Pennie Thiele to authorize the General Manager to contribute sufficient funds to ATC to maintain Kaukauna Utilities' percentage interest in ATC (0.1725%).

Roll Call Vote:

|                 |     |
|-----------------|-----|
| Tony Penterman  | aye |
| John Moore      | aye |
| Paul Van Berkel | aye |
| Sue Hennes      | aye |
| Lee Meyerhofer  | aye |
| Pennie Thiele   | aye |
| Greg Lenz       | aye |

Motion Carried

Environmental & Compliance Manager Zach Moureau informed the Commission fire hydrants within the city have been painted by contractors and KU employees through various methods in the past and over time, the paint has deteriorated with the potential to impact the integrity of the hydrant. Staff determined it was necessary to implement a systematic fire hydrant refurbishment process that involves sandblasting to remove the existing paint, application of a zinc/primer coating and epoxy finish coat, and installation of a flag. Coloring of the hydrants will be in accordance with the NFPA color standards to

ensure fire department personnel have adequate visibility to determine fire flow capabilities at each hydrant. KU plans to refurbish approximately 10% of the fire hydrants within the city each year, totaling an estimated 100 hydrants per year. Two bids were received and evaluated with Ferguson Waterworks being the lowest bidder. The following bids were received:

| <u>Contractor</u>             | <u>Proposal Amount</u>             |
|-------------------------------|------------------------------------|
| Ferguson Waterworks           | \$156/hydrant                      |
| Faith Leak Detection Services | \$250/hydrant w/5% annual increase |

It was moved by Tony Penterman, seconded by Greg Lenz to authorize the General Manager to award the fire hydrant refurbishment contract to Ferguson Waterworks for the next three years at a cost of \$156 per hydrant.

Roll Call Vote:

|                 |     |
|-----------------|-----|
| John Moore      | aye |
| Pennie Thiele   | aye |
| Greg Lenz       | aye |
| Lee Meyerhofer  | aye |
| Paul Van Berkel | aye |
| Sue Hennes      | aye |
| Tony Penterman  | aye |

Motion Carried

Environmental & Compliance Manager Zach Moureau informed the Commission that part of the Water Treatment System Improvement (WTSI) Project, CBS Squared and KU evaluated the feasibility of several alternative components for incorporation into the overall project. The studies included evaluation of rooftop solar, geothermal heating and cooling, a small water bottling plant, KU as a wholesale water provider, micro hydro generation, and customer water softener removal strategies. KU met with Focus on Energy, and it was determined that due to the lack of drop and insufficient water flows, it was not economical to pursue micro hydro generation. Proposed engineering costs associated with this evaluation were \$18,300. There was no engineering costs incurred from this task and no further engineering costs will be incurred related to this study. Similarly, KU evaluated becoming a wholesale water provider to surrounding communities. This evaluation included discussions with municipal staff and contractors from the surrounding communities. Currently, there is minimal interest from these communities to integrate into the KU water distribution system or purchase water from KU. Proposed engineering costs associated with this evaluation were \$13,700. There was no engineering costs incurred from this task and no further engineering costs are anticipated related to this study. Geothermal heating and cooling systems were compared to traditional heating and cooling systems. Based upon the evaluation included in the report, an open loop heat pump geothermal system would be the most efficient and cost-effective system for installation at both Water Treatment Plants. The open looped system would utilize the reverse osmosis (RO) reject water with a consistent water temperature of 52°F and flow of approximately 200-230 gallons per minute when the wells are running. The planned RO reject water storage beneath the water treatment plants would provide sufficient water for use when wells were not in operation. The initial cost associated with installation of a geothermal system is approximately \$37,000. This cost is higher than traditional heating and cooling systems; however, the geothermal system requires less maintenance and is more efficient. Installation of geothermal systems at both Water Treatment Plants was included in the WTSI overall project budget (\$38,000 for each Water Treatment Plant). Based upon the rooftop solar report, there is adequate rooftop space for installation of a solar array at each Water Treatment Plant. It would take approximately 20 years to recover costs associated with the installation of rooftop solar at each Water

Treatment Plant; however, this includes federal tax credits. A recent executive order has paused the issuance of these tax credits and there is uncertainty about the future of the tax credits. Without the tax credits, it would take approximately 27 years to recover costs associated with the rooftop solar installation. The total cost for installation of rooftop solar at Water Treatment Plant 1 is \$135,350 and Water Treatment Plant 2 is \$129,500. This installation includes \$12,500 in building costs (for each Water Treatment Plant) to prepare the rooftop for solar array installation. These costs assume solar installation by external labor; however, utilization of KU labor could be considered as a cost savings measure depending upon internal labor availability. Installation of rooftop solar was included in the WTSI project budget for Water Treatment Plant 1 (\$130,000) but not included for Water Treatment Plant 2. Based on the uncertainty of the tax credits, it is recommended to include preparation of the buildings for rooftop solar installation in the final design but do not complete installation unless the federal tax credits are reinstated. With completion of the Water Treatment System Improvements, KU's water quality will be drastically improved. To showcase KU's water quality, a small water bottling plant was evaluated. A fully automated bottling system would require a significant amount of space and high capital costs. Alternatively, a small manually operated bottling plant would be more labor intensive but significantly lower capital costs. There is adequate space at the Well #8 Building for the small water bottling plant. An initial investment of \$12,000 would be required for the small manually operated bottling plant; however, there were no costs associated with a small water bottling plant included in the WTSI budget. There would be additional costs associated with bottling materials and labor. Based upon the evaluation, the total cost per bottle utilizing KU labor is approximately \$1.21 per bottle but \$0.73 without labor costs.

It was moved by John Moore, seconded by Paul Van Berkel to authorize the installation of geothermal heating and cooling systems at both Water Treatment Plant 1 and Water Treatment Plant 2 at a cost of \$37,000 for each Water Treatment Plant. Authorize preparation of both Water Treatment Plant 1 and Water Treatment Plant 2 for rooftop solar at a cost of \$12,500 for each Water Treatment Plant.

Roll Call Vote:

|                 |     |
|-----------------|-----|
| Tony Penterman  | aye |
| John Moore      | aye |
| Paul Van Berkel | aye |
| Sue Hennes      | aye |
| Lee Meyerhofer  | aye |
| Pennie Thiele   | aye |
| Greg Lenz       | aye |

Motion Carried

Environmental & Compliance Manager Zach Moureau provided updated renderings to the Commission for the replacement of the #10 Well Building. The updated renderings were approved by the City of Kaukauna Plan Commission on March 6, 2025. The additions will add cost to the project; however, staff do not anticipate a significant increase in the project budget. Bid solicitation is scheduled this month with Commission approval requested at the April commission meeting.

Environmental & Compliance Manager Zach Moureau provided updated renderings to the Commission for the site plans of the Water Treatment Plant 1 (Pool Hill) and Water Treatment Plant 2 (Riverside Park). The updated renderings were approved by the City of Kaukauna Plan Commission on March 6, 2025, and sent to the City of Kaukauna Common Council for approval at the March 18, 2025 meeting.

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

Engineering & Operations Director Dave Pahl informed the Commission that the heating, venting, and air conditioning (HVAC) system in the main office building is reaching end of life, and a decision needs to be made on how staff should proceed with a geothermal system vs. traditional. Staff are looking into temporary heating/cooling sources should a complete failure occur. There was discussion on moving forward with a geothermal system vs. traditional and it was decided to proceed with both paths at this time. The project is included in the 2025 budget.

Mayor Tony Penterman left at 4:45 p.m.

General Manager Michael Avanzi reviewed highlights from the monthly department updates informing the Commission there is one intervenor for the proposed electric rate case. Thirty-One (31) scholarship applications were received and sent to WPPI Energy for review. The electronics recycling event will be May 3, 2025, at the Warehouse. Hydrant flushing is scheduled to begin March 31, 2025, depending on weather.

Commissioner Pennie Thiele left at 4:51 p.m.

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 Sue Hennes to approve the February accounts receivable write-offs.

|                 |                 |     |
|-----------------|-----------------|-----|
| Roll Call Vote: | John Moore      | aye |
|                 | Greg Lenz       | aye |
|                 | Lee Meyerhofer  | aye |
|                 | Paul Van Berkel | aye |
|                 | Sue Hennes      | aye |

Motion Carried

It was moved by Greg Lenz, seconded by John Moore that checks numbered 1752 through 1768, 10102 through 10196, 81514, and checks numbered 81607 through 81684 in the amount of \$4,674,708.49 be approved for payment.

|                 |                 |     |
|-----------------|-----------------|-----|
| Roll Call Vote: | John Moore      | aye |
|                 | Paul Van Berkel | aye |
|                 | Sue Hennes      | aye |
|                 | Lee Meyerhofer  | aye |
|                 | Greg Lenz       | aye |

Motion Carried

It was moved by Paul Van Berkel, seconded by Sue Hennes to adjourn.

|                        |                |
|------------------------|----------------|
| All members voted aye. | Motion Carried |
|------------------------|----------------|

The meeting ended at 5:02 p.m.

---

John P. Moore  
Secretary

Minutes taken by Amy Brick