

Kaukauna, WI
February 26, 2026

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, Sue Hennes, Greg Lenz, Lee Meyerhofer, Paul Van Berkel, and Tony Penterman. Also present were Michael Avanzi, Dave Pahl, Zach Moureau, Tara Schmitz, Aaron Wallin, Sam Brittnacher, and Zach Kriesel from KU, Frank Barth from WPPI, and Richard Heinemann from Boardman Clark.

It was moved by John Moore, seconded by Sue Hennes to excuse the absence of Commissioner Pennie Thiele.

All members voted aye.

Motion Carried

Finance & Administration Director Aaron Wallin introduced Zach Kriesel, the new Financial Analyst.

It was moved by Sue Hennes, seconded by Greg Lenz to approve the minutes of the January 28, 2026 Commission meeting.

All members voted aye.

Motion Carried

General Manager Michael Avanzi reviewed the two agreements, along with their respective amendments, regarding Renewable Energy Credits (RECs) that WPPI Energy purchases from KU. He noted that the existing agreements were approved by the Commission in February and April of 2024 and expired at the end of 2025. The agreements are being renewed for an additional two-year term, extending through the end of 2027, with updated pricing.

It was moved by Paul Van Berkel, seconded by Greg Lenz to authorize the General Manager to execute the two amended agreements for WPPI to purchase RECs from Kaukauna Utilities through the end of 2027.

Roll Call Vote:

Tony Penterman	aye
John Moore	aye
Paul Van Berkel	aye
Sue Hennes	aye
Lee Meyerhofer	aye
Greg Lenz	aye

Motion Carried

Human Resources Director Tara Schmitz informed the Commission staff has indicated that there is a need for one position for the summer of 2026. This position will be assigned to the warehouse, consistent with prior years, to provide additional support during periods of increased summer workload and to ensure facilities are properly maintained. Duties include grounds and facilities maintenance (lawn care and general building maintenance), as well as operational support in the warehouse and pole yard. A

request was made to extend the IT Intern position until the end of 2026. This position provides significant support to the OT/IT team. The estimated financial impact is \$20,000 for 2026.

It was moved by Sue Hennes, seconded by Paul Van Berkel to authorize staff to hire one (1) seasonal staff for 2026 and extend the IT Intern position until the end of 2026.

All members voted aye.

Motion Carried

Engineering & Operations Director Dave Pahl discussed the Main Office Building Geothermal Project, informing the Commission the specifications for this project were completed and made available for bidding on January 22nd. A pre-bid meeting was held on February 5th where the project was discussed, and a walk-through of the project took place. Bid opening took place on February 12th. Two bids were received and evaluated:

Contractor	Base Bid
J.F. Ahern Company – Fond du Lac	\$4,770,900
Howard Immel Inc.	\$5,137,953
Engineer’s Estimate (Feasibility Study)	\$2,135,500

Staff reviewed the project financial analysis in comparison to the engineer's estimate. With outside funding, the project initially appeared favorable. Without grant funding, the projected payback period was approximately 27 years, near the system’s expected 30-year lifespan. With receipt of the \$1 million grant from the Office of Energy Innovation, the projected payback period was reduced to less than seven years. However, bid results increased total project costs by approximately \$2.6 million, eliminating any projected payback. Given the need to upgrade the heating, ventilation, and air conditioning (HVAC) system at the main office building, staff recommended pivoting back to a traditional system approach. Last spring, staff pursued parallel paths evaluating both geothermal and traditional options. While prior traditional system quotes have expired, staff are contacting contractors to obtain updated pricing. Current project expenses total \$188,650, which includes engineering costs and the geothermal test bore. To keep the project moving forward, staff requested Commission approval of the previously established budget, less the current project expenses, to proceed with the traditional system replacement. Staff will evaluate bids, award the contract, and provide an update at the April Commission meeting.

It was moved by Paul Van Berkel, seconded by John Moore to authorize staff to proceed with a traditional heating, venting, and air conditioning system under the already approved budget for the geothermal system not to exceed \$1.3 million.

Roll Call Vote:

Tony Penterman	aye
John Moore	aye
Paul Van Berkel	aye
Sue Hennes	aye
Lee Meyerhofer	aye
Greg Lenz	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 that there were Finance & Personnel Committee, Water Ad Hoc Committee and WPPI Ad Hoc Committee meetings held on February 20th to discuss such topics as the 2025 merit program, water treatment system improvements project, the water financial plan and the plan moving forward for Elm Street generation plant. He will be on an international trip and on vacation March 23 – April 3. The March commission meeting has been rescheduled to March 17th starting at 2pm. The KU Key Account Customer Event has been set for Wednesday May 6th, from 11am to 1pm at KU. The Junior Project Engineer position is currently posted on KU's Career Page. Staff participated in career fairs at UW Platteville and Michigan Tech. The Line Foreman position was posted internally and has been filled internally by Neil Jack. The Distribution Superintendent position was posted internally on February 13th, after Neil Jack accepted the Line Foreman position. The SAIDI key performance indicator result for 2025 was 52.8 minutes. The Center for Internet Security (CIS) Compliance Project - The Department of Energy (DOE) has reached out to Kaukauna Utilities (KU) indicating the restart of the cyber security grant. Quotes have been collected to filter and reclaim the transformer oil at Kaukauna North Substation. We will be proceeding with this maintenance item and want to inform the Commission of the \$132,000 expense. We expect this reclaimed oil to be good beyond the remaining life of the transformer. The mechanic has been creating specifications and soliciting bids for vehicles and equipment budgeted this year. A purchase order was issued to Brooks Tractor for the purchase of a 2026 John Deere Tractor Backhoe 410P. Brooks Tractor is only John Deere Construction Dealer in Wisconsin, so that was our only option for purchase. KU took advantage of Sourcewell Pricing for this purchase, which was a 41% discount from list price. The unit came in just under the \$150,000 budget at \$148,400. Staff are planning communications for the Rapide Croche 100-year anniversary event. KU's carbon footprint for 2025 was 1.78 lbs/MWh (15.2% reduction from 2023 baseline) which met our strategic intent goal for a reduction in KU's carbon footprint by 15% by the end of 2025. Bid results for the north side relay project (WM26-01) were favorable with results below the approved 2026 Budget. Carl Bowers & Sons was the lowest bidder at \$573,987. This project includes areas of Idlewild Street, Wisconsin Avenue, and River Street. The river crossing is not included in this solicitation but will be bid out in March. The estimated cost for the river crossing is \$250,000 and total project costs for WM26-01 are expected to remain under budget (\$865,000). Since October 2025, a large water break was suspected within the KU distribution system. Over the course of the last four months, Water Department personnel utilized leak detection equipment, evaluated storm sewer pathways, and reviewed relay project construction details to determine the location. Several minor leaks were discovered; however, a significant leak was encountered on the northeast side, off Kelso Road, at the end of January. This leak was located on a fitting adjoining two sections of PVC pipe installed in 2007. Due to the age of piping and location at the edge of the city, this leak was very challenging to locate.

General Manager Michael Avanzi informed the Commission the MEUW Annual Conference will be held in Madison, May 12-14, 2026. This will include a legislative day at the state capitol on the 12th and a Utility Governance Roundtable meeting on the 13th. If anyone would like to attend, please let Amy know.

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 Paul Van Berkel, seconded by Greg Lenz to approve the January accounts receivable write-offs.

Roll Call Vote:

Tony Penterman	aye
John Moore	aye
Paul Van Berkel	aye
Sue Hennes	aye

Lee Meyerhofer aye
Greg Lenz aye

Motion Carried

It was moved by John Moore, seconded by Sue Henens that checks numbered 1965, 1966, 1967, 1969 through 1984, 11297 through 11390, and checks numbered 82385 through 82416 in the amount of \$6,264,088.25 be approved for payment.

Roll Call Vote:

John Moore	aye
Greg Lenz	aye
Lee Meyerhofer	aye
Paul Van Berkel	aye
Sue Hennes	aye
Tony Penterman	aye

Motion Carried

It was moved by John Moore, seconded by Greg Lenz to adjourn to Closed Session pursuant to Wis. State Statute 19.85(1)(c) to consider deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified business, whenever competitive or bargaining reasons require a closed session at 5:23 p.m.

All members voted aye. Motion Carried

It was moved by John Moore, seconded by Sue Hennes to return to open session at 6:24 p.m.

All members voted aye. Motion Carried

It was moved by John Moore, seconded by Greg Lenz to authorize the General Manager to contract with TPS for MISO market services according to the term sheet provided with an estimated cost of \$78,000 per year.

Roll Call Vote:

Tony Penterman	aye
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 to authorize the General Manager to sign the Edison Electric Institute (EEI) Master Agreement and a capacity sales confirmation to sell all Elm Street Capacity to UPPCO for a price of \$7.25/kW-month where KU will receive \$7.05/kW-month for the 2026/27 through 2028/29 MISO Planning Years and where Polar Consulting will receive \$0.20/kW-month for their services in locating and negotiating with the purchasing utility.

Roll Call Vote:

Sue Hennes	aye
Paul Van Berkel	aye

Lee Meyehofer	aye
Greg Lenz	aye
John Moore	aye
Tony Penterman	aye

Motion Carried

It was moved by Paul Van Berkel, seconded by Tony Penterman to authorize the General Manager to sign the Brokerage Services Agreement with Polar Consulting to be paid after the capacity sales transactions agreements are signed.

Roll Call Vote:	Paul Van Berkel	aye
	Lee Meyehofer	aye
	Sue Hennes	aye
	John Moore	aye
	Greg Lenz	aye
	Tony Penterman	aye

Motion Carried

It was moved by Sue Hennes, seconded by John Moore to authorize the General Manager to direct WPPI to transfer the Elm Street capacity from WPPI to the purchasing utility and holding WPPI harmless for any loss KU may incur from providing this direction to WPPI.

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

Motion Carried

It was moved by John Moore, seconded by Greg Lenz to authorize the General Manager to register KU as a MISO Market Participant with the assistance of the market services provider. This authorization should include submission of any required credit deposits up to \$500,000 to MISO and signature of any and all agreements required by MISO to register KU as a MISO market participant. If the deposit amount exceeds \$500,000, GM must notify the Commission of the deposit amount when the deposit amount is known.

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

Motion Carried

It was moved by John Moore, seconded by Sue Hennes to adjourn.

All members voted aye.

Motion Carried

The meeting ended at 6:35 p.m.

John P. Moore
Secretary

Minutes prepared by Amy Brick