

REGULAR MEETING OF THE WATER AND LIGHT COMMISSION

September 22, 2010

Draft

Commission President Allwardt called the Regular Meeting of the Water and Light Commission to order at 7:30 A.M., with Commissioners Bob Fahrbach, Joe Guidote, and Carla Watson present on roll call. Also present were Melanie Krause, Co-General Manager/Business Operations; Dick Sturm, Co-General Manager/Engineering and Operations; Steve Grenell, Project Engineer; Kristin Hubertus, Business Operations Accountant; Lonnie Pichler, Electric and Water Distribution Supervisor; Dave Rodriguez, Customer and Utility Services Manager; Jerry Sturm, Water Plant Supervisor; John Teale, Technical Services Engineer; and the Press. Jeff Lacey, City of Menasha IT Department was also present.

Item II. People from the Gallery to be heard on any topic of public concern to the Utility.

Mary Nebel, 713 First Street ó thanked Commissioner Watson for her dedication, commented on hiring a general manager, reviewing the current positions, and having a succession plan.

Comm. Merkes arrived at 7:35 am.

Item III. Motion made by Comm. Fahrbach, seconded by Comm. Watson, was unanimous on roll call to approve the following:

- A. Minutes of the Regular Meeting of August 25, 2010.
- B. Minutes of the Closed Session of May 26, 2010.
- C. Approve and warrant payments summarized by checks dated Sept. 2 - 22, 2010, which includes Net Payroll Voucher Checks and Operation and Maintenance Voucher Checks for a total of \$468,123.60, and Operation and Maintenance Vouchers and Rebates to be paid prior to the next Regular Meeting. Motion approved unanimously on roll call.
- D. Correspondence, as listed.
 - Copy of Proposed Minutes from May 21 WPPI Energy Board of Directors Meeting
 - Copy of DNR Water Use Program ó August 2010
 - Copy of memorandum dated August 27 to Menasha Utilities Employees and Retirees, from Co-General Managers Melanie Krause & Dick Sturm; re: Health Insurance and Cash Option Payments for October
 - Copy of PSC Water Currents dated September ó October 2010
 - Copy of letter dated Sept. 2 to Menasha Utilities Commission, from Gallery & Wellness Center; re: Water Valve at 192 Main Street
 - Copy of notice for October 6 Orientation to WPPI Energy
 - Copy of memorandum dated Sept. 10 to MEUW Members, from Executive Director Dave Benforado, re: MEUW District Dinner Meetings

Comm. Allwardt questioned the correspondence from the Gallery & Wellness Center and whether a claim had been filed. Co-General Manager/Business Operations Krause stated a claim has not been filed. Co-General Manager/Engineering & Operations Dick Sturm added there was

discussion on how the event happened and where responsibility would lie, and that responsibility does not seem to lie with the Utility in this case. The letter stands as a request to the Commission. Comm. Allwardt asked to have the customer fill out a formal claim in order for it to be placed on the agenda.

Item IV. August Financial and Operations Statement ó Comm. Fahrback inquired about the chemical costs being under budget. Water Plant Supervisor Jerry Sturm stated this was due to a lessened algae problem this year and less water flow.

After discussion, the Commission accepted the August Financial and Operations Statement as presented.

Item V. Claims Against The Utility ó there were no claims discussed at this meeting.

Item VI. Purchase Orders over \$10,000.00 issued since the last Commission meeting were presented for informational purposes. The purchase order to AM Conservation was for conservation kits to be given away as part of Public Power Week, and public benefit funds will be used for this purchase.

Item VII. Unfinished Business, Taxroll/Landlord Ad Hoc Committee ó Manager of Customer and Utility Services Rodriguez reviewed the eight recommendations made by the Ad Hoc Committee:

1. Change base dollar amount for late notices from \$3.50 to \$20.00
2. Deposits on delinquent/disconnected accounts by the tenant should be enforced by the Utility for non-payment.
3. Revise the 60 day past due collection policy prior to disconnection to 60 days or a balance of \$200.00.
4. Notify the landlord when a service has been disconnected.
5. Notify the landlord when deferred payment arrangements are made.
6. Review using a local collection agency and/or multiple firms for collections.
7. Explore the amount of time a debt should be left for collection prior to being placed on the tax roll.
8. Amend the City of Menasha Code 3-2-17 ðUnpaid Utilities Billsö to exclude past due electric services in the hands of a collection agency for more than 120 days being deemed as uncollectible.

Mrs. Krause commented from a management perspective. The time and efforts of the Ad Hoc Committee looking into all of these practices are appreciated. The recommendation would be to implement the first six items and continue to work on improving communications with the landlords. Item 7 was an area of concern and would have a negative impact on the cash flow for the Utility, and Item 8 is not supported. The service is provided to the property and the property owners are responsible for the service that is used on their property. Other utility customers would see their rates impacted if they are required to pay for unpaid utility bills. Because Menasha Utilities is a not-for-profit entity, these types of costs would be passed to customers through increased rates.

Comm. President Allwardt also thanked the members of the Ad Hoc Committee for their time and efforts.

After further discussion, Comm. Guidote made a motion to approve Items 1 through 7; Comm. Watson seconded the motion and it was unanimously approved on roll call.

IT Department Feasibility Study ó Project Engineer Grenell reported the conclusion at this time was there was no cost benefit to combining services with the City, but there are areas that the City and Utilities can share support for each other in daily operations.

Jeff Lacey, City of Menasha Manager of IT Support, added this opened up the doors of communication, established a better awareness of the responsibilities of both departments, and provides the opportunity to share knowledge between the two departments. Currently one additional staff person is being requested in the City's 2011 budget. If the City were to incorporate the Menasha Utilities IT Department, they would probably have to hire two people to service Menasha Utilities and the City at the levels they want to provide services for.

Mr. Lacey departed at 8:10 am.

Item VIII. New Business, Carla R. Watson Resolution of Appreciation ó the motion by Comm. Guidote, seconded by Comm. Fahrback was unanimous to approve the following:

RESOLUTION OF APPRECIATION

WHEREAS, members of the Menasha Utilities Commission and Utility Management desire to record the recognition of Carla R. Watson as a former member of this Commission and for her contributions as Commission Secretary;

WHEREAS, Carla R. Watson has, for ten years, faithfully carried out the duties and responsibilities as Commissioner and Commission Secretary;

RESOLVED that the members of the Menasha Utilities Commission and Utility Management give formal expression of their association with Commissioner Watson, who was held in esteem and respected by her associates for the services she rendered while a member of said Commission, and do hereby note in the records such recognition.

RESOLVED FURTHER, by the Menasha Utilities Commission and Utility Management that a copy of this resolution be tendered to Carla R. Watson as recognition of her services and as a tribute to her.

ATC Notice of Second Opportunity for Call for Voluntary Additional Capital 2010 ó Mrs. Krause stated over the past years we have given the opportunities to make these call to WPPI Energy.

The motion by Comm. Merkes, seconded by Comm. Fahrback, was unanimously approved on roll call to allow WPPI Energy to make this call if they so desire.

Bucket Truck Replacement ó Electric and Water Distribution Supervisor Pichler reviewed the information included in the packet to replace bucket truck #11 as included in the 2010 budget.

After discussion, the motion by Comm. Fahrbach, seconded by Comm. Guidote, was unanimously approved on roll call to purchase the Altec aerial lift, mounted on an International 4400 chassis with the Hybrid option which will be funded with a Wisconsin Clean Transportation Program grant through WPPI Energy at a total cost of \$137,556.

The Commission recommended staff follow-up on warranty information and training.

Item IX. Project Reports, UV Certification ó Mr. Jerry Sturm reported the UV certification is still in progress. An in-house visit was made, the downloaded to the system was successful, and it is now in the hands of the DNR to approve.

WPPI Energy Transaction ó Mrs. Krause stated there was nothing additional to report at this time.

Item X. Staff Reports, Co-General Manager/Engineering and Operations ó Mr. Dick Sturm added there have been three to four serious inquiries regarding potential interest in the Steam Plant. If some of the outstanding legal issues on all fronts were resolved, it may lead to some type of conclusion. He also provided an update on discussions concerning access to the Melissa Substation with the newly installed City fence.

Electric and Water Distribution/Safety Report ó Mr. Pichler reported on the trench rescue training with the Fire Department, installation of trail lighting at Heckrodt, and main repairs.

Water Plant ó Mr. Jerry Sturm stated the algae in Lake Winnebago have been less of a problem this summer, but weeds have become a new problem. One of the hypochlorite bulk tanks has been removed and the second tank has a leak; temporary tanks are being set up today.

Project Engineer and Telecommunications & Substations ó there were no additional questions to the reports presented.

Co-General Manager/Business Operations ó Mrs. Krause commented on the memorandum in the correspondence regarding health insurance and cash options payments for October which will have a one-time positive impact on the budget of \$40,000.

Customer and Utility Services ó Mr. Rodriguez reported the first phase of the fire alarm system upgrade has been completed.

Energy Services Representative/Key Accounts ó Mr. Dick Sturm announced Energy Services Representative Mike Malmstead is leaving and staff is in the process of working with WPPI Energy for a replacement.

Item XI. No one from the Gallery was heard on any items discussed at this Meeting.

Item XII. The motion by Comm. Watson, seconded by Comm. Fahrback, was unanimously approved on roll call at 8:50 a.m. to convene into Closed Session pursuant to Section 19.85 (1) (g) of the Wisconsin Statutes for the purpose of conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. RE: Litigation

By: MARK L. ALLWARDT
President

CARLA R. WATSON
Secretary

NOTE: THESE MINUTES ARE NOT TO BE CONSIDERED OFFICIAL UNTIL ACTED UPON AT THE NEXT REGULAR MEETING, THEREFORE, ARE SUBJECT TO REVISION.