

REGULAR MEETING OF THE WATER AND LIGHT COMMISSION

October 20, 2010

Draft

Commission Vice President Fahrbach called the Regular Meeting of the Water and Light Commission to order at 7:30 A.M., with Commissioners Joe Guidote, Don Merkes, and Joanne Roush 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.

Because election of Commission officers will be held later in the meeting, Comm. Vice President Fahrbach appointed Comm. Guidote as Secretary for this meeting. He also welcomed Comm. Roush as a member of the Water and Light Commission.

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

Mary Nebel, 713 First Street – spoke about the comments made at last evening’s Common Council meeting by a stockholder who is involved in the bondholder litigation.

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

- A. Minutes of the Regular Meeting of September 22, 2010.
- B. Minutes of the Special Meetings of Sept. 21 & 27, 2010.
- C. Approve and warrant payments summarized by checks dated Sept. 30 – Oct. 20, 2010, which includes Net Payroll Voucher Checks, and Operation and Maintenance Voucher Checks for a total of \$630,667.06, 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 August 19-20 and Sept. 23 WPPI Energy Executive Committee Meetings
 - Copy of thank you note dated Sept. 8 from St. Joseph Food Program
 - Copy of thank you note received Sept. 13 from UW-Fox Valley Scholarship recipient Brian Coon
 - Copy of Proposed Minutes from Sept. 24 MEUW Board of Directors Meeting
 - Copy of thank you note received Sept. 20 from Menasha Library Director Tasha Saecker
 - Copy of memorandum dated Oct. 5 to WPPI Energy Directors from Roy Thilly, re: Developments
 - Copy of WPPI Energy news release dated Oct. 11, re: WPPI Energy Announces New Chief Executive Officer

Item IV. September Financial and Operations Report – Comm. Roush inquired about water being significantly below the rate of return. Business Operations Accountant Hubertus stated

there have been only two months of revenue with the new rate increase in effect. Staff reviewed the process and timing for filing rate cases and the associated costs.

After discussion, the Commission accepted the September Financial and Operations Report as presented.

Item V. Claims Against The Utility – Co-General Manager/Business Operations Krause reported after investigation of the claim made by Kim Jennings of the Gallery & Wellness Center there was no negligence on the part of the Utilities. The valve in the basement is the responsibility of the property and not Menasha Utilities. An offer has been extended to make payment arrangements for the outstanding water balance.

The motion by Comm. Guidote, seconded by Comm. Roush, was unanimous to disallow the claim of Kimberly Jennings dated Oct. 5, 2010, and that she be advised of her statutory rights pursuant to Wis. Stats. §893.80, and utility staff are encouraged to develop a reasonable payment plan.

Item VI. Purchase Orders over \$10,000.00 issued since the last Commission meeting were presented. Because one of the purchase orders is related to an agenda item listed under New Business, Comm. Vice President advanced Item VIII, New Business, Reallocation of Funds for Replacement of Meter Technician Van for discussion.

Manager of Customer and Utility Services Rodriguez reviewed the request to purchase the meter technician van replacement this year along with the transfer of the electric distribution truck replacement to 2011. This will aid in reducing proposed costs in the 2011 budget. If this item is approved, the 1987 half-ton pick-up truck used as a pool vehicle would be scrapped and the current meter van would be used as a pool vehicle.

After discussion, the motion by Comm. Guidote, seconded by Comm. Fahrbach, was unanimous to approve the purchase of a 2010 Dodge Grand Caravan Cargo Van this year along with transferring the electric distribution truck replacement to 2011, and removing the 1987 pick-up from the fleet.

The motion by Comm. Guidote, seconded by Comm. Merkes, was unanimous to approve PO #6877 to Design Tanks in the amount of \$27,070 for the purchase of two 5000 gallon fiberglass tanks, and PO #6882 to Kolosso Chrysler Jeep in the amount of \$19,650.50 for the purchase of a 2010 Dodge Grand Caravan Cargo Van.

Item VII. There was no Unfinished Business discussed at this meeting.

Item VIII. New Business, Election of Commission Officers - the motion by Comm. Fahrbach was made to nominate Mark Allwardt as Commission President, Bob Fahrbach as Vice President, and Joe Guidote as Secretary. The motion was seconded by Comm. Merkes, and there were no other nominations.

The motion was unanimously approved on voice acclamation.

Review of Co-General Manager Structure – Comm. Fahrback commented he felt the Menasha Utilities team was working well together and he has no issues with the current structure. Comm. Guidote also stated he felt the current structure has been working well and both co-general managers have really worked hard through the Steam Plant transition, have done a nice job, and complement each other well. He added there also appears to be a better communication rapport.

Co-General Manager/Engineering & Operations Dick Sturm added that Mrs. Krause's financial expertise has been a significant help.

Comm. Roush commented that communication seems to be better externally and internally. Not having previously served on the Commission, she expressed concern for not having a strategic vision for the utility.

Mrs. Krause stated it was important that the Commission is involved in the strategic planning as well and it is important to spend more time on the vision when time permits. Mr. Sturm added that it is essential that all managers also have input in the strategic planning process.

Project Engineer Grenell added the two co-general managers work very well together, respect each other, and communicate well in order to move things forward. The current structure is unique and working well.

Comm. Fahrback requested succession planning also be added to the docket of items in long-term strategic planning.

Comm. Merkes commented that there has been a lot more accountability with the current structure and a lot more has been accomplished, and are moving in the right direction.

Reallocation of funds for Replacement of Meter Technician Van – this item was discussed earlier in the meeting.

Steam Plant Building Cost Projections for 2011 – Mayor Merkes reported the memorandum regarding cost projections has been included in the City budget; this is more of an informational item and no action is required by the Commission.

Item IX. Project Reports, UV Certification – Water Plant Supervisor Jerry Sturm reported the certification is in the hands of the DNR, and the UV system is operational.

WPPI Energy Transaction – in light of the discussion at the Common Council meeting regarding bondholder litigation, Mrs. Krause reminded everyone that this transaction cannot be closed until there is a resolution of all claims, and it will take at least 60 – 90 days to close the transaction once an agreement has been reached.

Item X. Staff Reports, Co-General Manager/Engineering and Operations – Comm. Fahrback asked about details of the WPPI Energy marketing plan. Mr. Sturm reviewed some of the marketing items available to member utilities.

Mayor Merkes asked about marketing options outside of the community to bring in new business to the City and working with the Community Development Department in those efforts.

Electric and Water Distribution/Safety Report – Electric and Water Distribution Supervisor Pichler reported cable installation has been completed at the Mission Village development. Future plans include installation of induction lighting through a grant received by the City for energy efficiency lighting. Crews will start on the south end of the City and work their way north on the system.

City Attorney Pamela Captain arrived at 8:45 a.m.

Water Plant –Mr. Jerry Sturm gave an update on the sodium hypochlorite storage tank replacements.

Project Engineer – there were no additional questions to the report presented.

Telecommunications & Substations – Comm. Roush asked about working in conjunction with the Community Development Department on prospective fiber/internet customers. Mr. Grenell commented this is done on a customer-by-customer basis and where access/capacity is available in the City. He added Mr. Dick Sturm has also been talking with developers and other interested parties to promote this service.

Co-General Manager/Business Operations – Mrs. Krause added WPPI Energy announced their new CEO, Michael W. Peters, will be assuming his new responsibilities in February.

Customer and Utility Services, Energy Services Representative/Key Accounts – Mr. Rodriguez commented on the chiller replacement being done this week, and also reported 1000 energy kits were given away in a little over two days as part of our Public Power Week recognition. There was also a drawing for three electric lawnmowers.

Item XI. People from the Gallery to be heard on any items discussed at this Meeting:

Mary Nebel, 713 First Street, commented on the claim discussed and the Steam Plant utility costs.

Item XII. The motion by Comm. Roush, seconded by Comm. Guidote, was unanimously approved on roll call at 9:10 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: ROBERT H. FAHRBACH
Vice President

JOSEPH P. GUIDOTE
Secretary

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