

REGULAR MEETING OF THE WATER AND LIGHT COMMISSION

February 24, 2010

Draft

Commission President Allwardt called the Regular Meeting of the Water and Light Commission to order at 7:30 A.M., with Commissioners Joe Guidote and Carla Watson present on roll call. Also present were Melanie Krause, Co-General Manager/Business Operations and Dick Sturm, Co-General Manager/Engineering and Operations.

Item II. Motion made by Comm. Watson, seconded by Comm. Guidote was unanimously approved on roll call to adjourn into Closed Session pursuant to Sec. 19.85 (1) (c) of the Wisconsin Statutes for the purpose of considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility. RE: Grievances

At the conclusion of the discussion, the motion by Comm. Watson, seconded by Comm. Guidote was unanimously approved to convene into Open Session of the Regular Meeting of the Water and Light Commission at 8:35 a.m.

Comm. Guidote departed the meeting and Comm. Merkes arrived at 8:35 a.m. Staff members 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 also joined the meeting.

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

Richard Loehning, 321 Willow Lane, spoke regarding better identification of the closed session notice.

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

- A. Minutes of the Regular Meeting of January 27, 2010.
- B. Minutes of the Closed Session of January 27, 2010.
- C. Approve and warrant payments summarized by checks dated Feb. 4 - 24, 2010, which includes Net Payroll Voucher Checks, Void O & M Checks #039018 and #039331, and Operation and Maintenance Voucher Checks for a total of \$766,700.14, 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 minutes from WPPI Energy January 14-15 Executive Committee meeting
 - Copy of Event Notice to Bondholders dated January 21, 2010.
 - Copy of minutes from MEUW January 22 Board of Directors meeting.
 - Copy of letter dated January 29 to Menasha Utilities, from Jennifer Wanke, Leaven, re: Thank you for energy assistance

Copy of letter dated February 2 to Menasha Utilities, from Lisa Weiner, UW Fox Valley Foundation, re: Thank you for scholarship
Copy of memorandum dated February 11, to WPPI Member Managers, from Tammy Freeman, re: Typical Bill Comparison Summary
Copy of memorandum dated February 11, to WPPI Energy Directors, Alternates, Representatives and Managers, from Roy Thilly, re: Developments
Copy of Public Service Commission of Wisconsin Open Meeting Agenda for Friday, February 12.

Item V. December and January Financial and Operations Statements – Co-General Manager/Business Operations Krause reported on the December statements. Overall electric sales for the year decreased 8% from the previous year, and power production costs relate to that decrease in consumption. Other income variance for the month and year-to-date relate to higher interest on the ATC investment.

Water overall was a 14% decrease in consumption from the previous year, with the greatest share of the difference being on the industrial side.

The majority of the items for the Steam Utility are related to decommissioning, work orders that were closed, and outside services. On the Steam Utility balance sheet the value of the Steam Plant was decreased for accounting purposes since it is considered an impaired asset because it is no longer operational. The value is listed at \$12.5 million which is what the original business plan model indicated, and the auditors felt this was a reasonable basis.

In regard to the Telecommunication Utility, the main difference for year-end distribution expenses relate to the joint pole attachment.

The January statements reflect a 7% decrease in electric consumption with the driving force being the industrial customers during the month. The cost of purchased power was less than budgeted.

The Town of Menasha is still taking more water than the three year average, and water treatment chemical costs were under budget.

The Telecommunication Utility ended the year short, which will need to be recovered this year. The Telco needs to stand alone and a loan is not being requested. Adjustments were made in the rates to reflect the correct distances being charged under the current tariff.

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

Item VI. Claims Against The Utility – there were no claims discussed at this meeting.

Item VII. Purchase Orders over \$10,000.00 issued since the last Commission meeting were presented for informational purposes.

The motion by Comm. Merkes, seconded by Comm. Watson, was unanimous to approve P.O. #6790 to Great Lakes Builders, in the amount of \$40,805.80, for part of the joint pole line along Hwy. 114, East of Oneida Street.

Item VIII. Unfinished Business, Taxroll/Landlord Ad Hoc Committee Recommendation Update – Manager of Customer and Utility Services Rodriguez stated the decision was made to solicit interested individuals to serve on the ad hoc committee. An announcement will be included in the next City newsletter, a press release will be sent to the newspaper, and a letter will be sent to the Common Council requesting a council person to serve on the committee.

Co-General Manager/Engineering and Operations Sturm added the qualifications will be based on a cross representation of number of properties that a particular landlord may have so that all groups would be represented.

Responses will be reviewed and recommendations given to the Commission at the next meeting.

Update on Menasha Utilities Email System – Technical Services Engineer Teale gave an update on the Menasha Utilities and City options and costs. A meeting was held with the City yesterday to explore costs to the Utility if the decision was made to convert to the City email system, and to discuss the best value of the archiver. We are meeting legal open records retention requirements and standards with our current practices.

Because the current open records requirements are being met, the motion by Comm. Merkes, seconded by Comm. Watson, was unanimously approved to table this issue until each of the options can be further evaluated.

Item IX. New Business, Street Banners – Mayor Merkes stated a resident questioned the types of banners. The main concern was that specific groups were not being subsidized and costs were being covered. Mrs. Krause reported the actual costs to hang and take down a banner are closer to \$150.00. There have been groups, based on prior arrangements, that have not been required to make a payment for their banner and this practice should be re-evaluated.

The motion by Comm. Merkes, seconded by Comm. Watson, was unanimous on voice consent to change the cost to \$150.00 for all new requests to hang a street banner.

2009 Raw Water Turbidity Report – Water Plant Supervisor Jerry Sturm reviewed the yearly report comparing surrounding communities. There results were close to past years indicating there is no additional value to a deep water intake.

Item X. Project Reports, Hwy. 114 Joint Pole Line with WE Energies – Electric and Water Distribution Supervisor Pichler reported Great Lakes was approved by WE Energies as contractor for the construction of this project. They also submitted the lowest bid for the Menasha Utilities portion of the project.

Staff is requesting to delay the 2010 Deerfield project and use those funds to cover the shortfall for the project.

The motion by Comm. Watson, seconded by Comm. Merkes, was unanimous on roll call to approve Great Lakes Builders be awarded the contract for the Menasha Utilities portion of the

Hwy. 114 project in an amount not to exceed \$129, 996.00, and to delay the 2010 Deerfield project.

UV Certification – Mr. Jerry Sturm gave an update on the certification process and some control programming that needs to be completed. It is expected these changes can be completed in the next couple of months.

WPPI Energy Transaction and Referendum – Mrs. Krause stated the PSC did approve the transactions but the final rate order has not been approved. The Common Council approved the referendum question at last Monday’s meeting. The referendum announcement will be included as a bill stuffer, and includes information on a public meeting to be held on March 29 at the Menasha Library.

Item XI. Staff Reports, Co-General Manager/Engineering and Operations – Mr. Dick Sturm gave an update on the Winz Park clearwell wall issue. Information is being obtained from McMahan Associates on earlier studies that were done, and we will be reviewing how to proceed on this issue. This item will not be active in the 2010 budget until after May, and things are also dependent upon the water rate case. At this point this appears to be a cosmetic issue and there are higher priority issues facing the Water Utility.

Electric and Water Distribution/Safety Report – Mr. Pichler reported tree trimming has begun for the year utilizing our crews and one person from the City.

Albany International is installing a new machine that will increase their load by approximately 30%. There are also a few other customers that will be increasing their loads by year end.

On the water side, it has been a good year with only two main breaks to date, and the associated road repair cost should be lower than anticipated.

Mr. Pichler also gave an update on the Mission Village project.

Mike King, Post Crescent, departed at 9:30 a.m.

Water Plant – Mr. Jerry Sturm stated McMahan Associates will evaluate the concrete at Winz Park after the ice is gone. The source of the problem needs to be identified before repairs can be made. Again this is more of a cosmetic problem and the priority at the Water Plant is to produce top quality water that meets or exceeds all specifications by the EPA and DNR.

Project Engineer – Project Engineer Grenell reported on the visit to the Reedsburg Utility to look at their telecommunication system which provides telephone, cable, and internet to the community. Mayor Merkes added a visit to the Sun Prairie Utility will be scheduled for next month to further investigate options to use our fiber in a more efficient manner to generate profits.

Telecommunications & Substations– there were no additional questions to the report presented.

Co-General Manager/Business Operations – Mrs. Krause stated the audit has been completed and will be presented at the next Commission meeting.

Customer and Utility Services – Mr. Rodriguez commented on the installation of the upgrade to the Harris CIS system. Training was done the first week of February.

Energy Services Representative/Key Accounts – there were no additional questions to the report presented.

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

Item XIII. The motion by Comm. Merkes, seconded by Comm. Watson, was unanimously approved on roll call at 9:45 a.m. to convene into Closed Session pursuant to Sec. 19.85 (1) (c) of the Wisconsin Statutes for the purpose of considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility. RE: Review of Co-General Managers
And pursuant to Sec. 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

The motion by Comm. Merkes, seconded by Comm. Watson, was unanimously approved to reconvene into Open Session of the Regular Meeting of the Water and Light Commission and to adjourn at 10:28 a.m.

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.