

REGULAR MEETING OF THE WATER AND LIGHT COMMISSION

June 29, 2011

Draft

Commission President Allwardt called the Regular Meeting of the Water and Light Commission to order at 5:04 P.M., with Commissioners Bob Fahrbach, 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; Lonnie Pichler, Electric and Water Distribution Supervisor; Jerry Sturm, Water Plant Supervisor; Scott Maurer, Water Distribution Foreman, and the Press.

Those absent were: Steve Grenell, Project Engineer; Kristin Hubertus, Business Operations Accountant; Dave Rodriguez, Customer and Utility Services Manager; John Teale, Technical Services Engineer; and Mark Albert, Energy Services Representative.

Item II. No one from the Gallery was heard on any topic of public concern to the Utility.

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

- A. Minutes of the Regular Meeting of May 25, 2011.
- B. Approve and warrant payments summarized by checks dated June 2 - 22, 2011, which includes Net Payroll Voucher Checks, Void O & M Check 041705, and Operation and Maintenance Voucher Checks for a total of \$564,379.79, and Operation and Maintenance Vouchers and Rebates to be paid prior to the next Regular Meeting. Motion approved unanimously on roll call.
- C. Correspondence, as listed.
 - Copy of May-June, 2011 PSC Water Currents newsletter
 - Copy of memorandum dated June 7 to MU Managers from Mgr. of Business Operations Krause, re: 2012 Budget and Planning Schedule
 - Copy of State Fiscal Year 2012 Update #2 dated June 8
 - Copy of letter dated June 21 to Menasha Utilities from Dept. of Workforce Development, re: Special Assessment
 - Copy of Thank You received June 22 from Melissa Sewall, Menasha Utilities ó WPPI Energy Scholarship recipient

Item IV. May Financial and Operations Statement ó there were no questions on the electric statements. Co-General Manager/Business Operations Krause commented the water usage has decreased substantially from prior years due to all customers using less water, and adjustments have been made on the cash flow statements.

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

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

Item VI. There were no Purchase Orders over \$10,000.00 issued since the last Commission meeting.

Item VII. Unfinished Business, Emergency Water Supply Agreement ó Co-General Manager/ Engineering & Operations Dick Sturm reported the agreement was approved by the City of Neenah Department of Public Works & Utilities.

As mentioned previously, the testing on the interconnection went well and it is fully functional. Contacts and procedures will be reviewed on an annual basis.

Item VIII. New Business, Resolution Protecting Menasha's Ability to Collect Unpaid Utility Bills Through the Tax Roll ó the motion by Comm. Roush, seconded by Comm. Guidote, was unanimous to approve the following:

**Resolution Protecting Menasha's Ability to Collect
Unpaid Utility Bills Through the Tax Roll**

WHEREAS, the CITY OF MENASHA has been well served by a community-owned, locally controlled, nonprofit electric, water, sewer and stormwater utility; and

WHEREAS, the CITY OF MENASHA and MENASHA UTILITIES have consistently provided low-cost, reliable utilities to our residents, businesses and industries on a not-for-profit basis; and

WHEREAS, the utility uses various collection methods and processes to minimize the amount of unpaid utility bills going to the property tax roll; and

WHEREAS, MENASHA UTILITIES has created a landlord ad hoc committee and this group has worked at improving communication and collection processes as well as educating what rules and rights each party has; and

WHEREAS, Assembly Bill 182 would prohibit MENASHA UTILITIES from collecting unpaid municipal electric, water, sewer and stormwater bills using the property tax roll; and

WHEREAS, the utility on average places \$92,000 annually on the property tax roll; and

WHEREAS, since a municipal utility is owned by the residents and businesses of the community, any costs not absorbed through traditional ratemaking and payments for service, must be directly borne by the utility customers and city and unlike an investor-owned utility, a municipal utility does not have the ability to simply "write-off" any unpaid utility bills; and

WHEREAS, we fully support current statutory authority (§66.0809) that allows for the placement of unpaid municipal utility bills on the property tax roll and believe that the existing authority is reasonable to all parties involved; current law being the result of a 15 year old compromise between the landlords and the municipal utilities;

NOW, THEREFORE BE IT RESOLVED that the CITY OF MENASHA and MENASHA UTILITIES opposes Assembly Bill 182 since it would shift property owner costs to other utility customers, increasing their utility bills; and

BE IT FURTHER RESOLVED that we ask the Wisconsin Legislature to oppose Assembly bill 182 and instead support the current statutory authority in this regard; and

BE IT FURTHER RESOLVED that we pledge to continue working with landlords in our community to improve collection methods and communications with them, with the objective being to continue our ability to offer low-cost municipal utility service to all of our customers;

AND BE IT FURTHER RESOLVED that copies of this resolution will be sent to our State Legislators, Governor Scott Walker, and the Municipal Electric Utilities of Wisconsin.

Passed and approved this 29th day of June, 2011.

This resolution is also being forwarded to the Common Council with the recommendation for approval.

Item IX. Project Reports, Bondholder Settlement and WPPI Energy Transaction ó Mrs. Krause stated there were no updates on these issues. The Commission requested information on the date of the bondholder deadline for the next meeting.

Telecommunications Update ó Mr. Dick Sturm reported on a meeting with a representative from Lakeland College to discuss marketing strategies.

Water Projects ó Mrs. Krause reviewed several future projects. The first was the low lift pump project which is currently being evaluated by FEMA staff to see if it qualifies for a regional FEMA grant. There have been some obstacles for funding since there are no recorded losses and the existing pumps will not function in a new location.

Electric and Water Distribution Supervisor Pichler reviewed the main projects included in the budget. The four projects are main replacements on Paris Street, Arthur Street, Ninth Street, and Appleton Street between Third and Fourth Streets. At the current time contractor costs are high, and the projects may not be done if the bidding is not favorable. All of these projects, with the exception of Paris Street, are scheduled to be completed this year.

He distributed a listing of the 2010 and 2011 main leaks, and a discussion was held regarding patch repair and deferral areas in order to free up capital for the main replacement projects. Staff will meet with the Department of Public Works to further discuss this issue.

Item X. Staff Reports, Co-General Manager/Engineering and Operations ó there were no additional questions to the report presented.

Electric and Water Distribution/Safety Report ó Mr. Pichler added that crews are in the process of rebuilding Ninth and Melissa Streets, and plans for the Cottages at Lake Park have been received. He added the new hybrid truck has shown significant fuel savings.

The Water Distribution Department has completed hydrant flushing, and continues with the leak detection program.

Water Plant ó Water Plant Supervisor Jerry Sturm added chemical costs have decreased partly due to good water quality in Lake Winnebago.

Project Engineer ó Mr. Dick Sturm gave an update on the Tayco Substation transformer and tap changer repairs.

Telecommunications & Substations, Co-General Manager/Business Operations, Customer and Utility Services, and Energy Services Representative/Key Accounts ó there were no additional questions to the reports presented.

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

Item XII. There being no need for a Closed Session, the motion by Comm. Merkes, seconded by Comm. Fahrbach, was unanimously approved on roll call at 6:09 p.m. to adjourn.

By: MARK L. ALLWARDT
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.