

REGULAR MEETING OF THE WATER AND LIGHT COMMISSION

April 27, 2011

Draft

Commission President Allwardt called the Regular Meeting of the Water and Light Commission to order at 5:05 P.M., with Commissioners Bob Fahrbach and Don Merkes present on roll call. Also present were Dick Sturm, Co-General Manager/Engineering and Operations; Steve Grenell, Project Engineer; Lonnie Pichler, Electric and Water Distribution Supervisor; Jerry Sturm, Water Plant Supervisor; John Teale, Technical Services Engineer; and Mark Albert, Energy Services Representative.

Those absent were: Commissioners Joe Guidote and Joanne Roush; Melanie Krause, Co-General Manager/Business Operations; Kristin Hubertus, Business Operations Accountant; and Dave Rodriguez, Customer and Utility Services Manager.

With the absence of Commission Secretary Guidote, Commission President Allwardt appointed Commissioner Merkes as Acting Secretary for this meeting.

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

Dan Zelinski, 647 Paris Street, spoke regarding the method of billing for public fire protection.

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

- A. Minutes of the Regular Meeting of March 23, and the Special Meeting of April 5, 2011.
- B. Approve and warrant payments summarized by checks dated March 31 and April 7 - 27, 2011, which includes Net Payroll Voucher Checks, Void O & M Check #041407, and Operation and Maintenance Voucher Checks for a total of \$688,426.22, 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 State of Wisconsin 2011 ó 2012 Legislature, Preliminary Draft, An act to create 196.191 of the statutes relating to authorizing the Public Service Commission to approve temporary electric rates to promote economic development.
 - Copy of letter dated April 1, from Davis & Kuelthau, re: 2011 Public Officials Program
 - Copy of letter to Melanie Krause, Menasha Utilities, dated April 5, from James Petersen, PSC, re: Application of the City of Menasha and WPPI Energy for Approval of the Sale and Leaseback of Certain Electric Utility Facilities
 - Copy of memorandum to Menasha Utilities, dated April 5, from Lisa Haen, MEUW, re: MEUW 2010 Safety Achievement Award
 - Copy of letter to Menasha Utilities, dated April 8, from Lisa Weiner, UW-Fox Valley, re: Thank You for Scholarship
 - Copy of notice for May 11 Orientation to WPPI Energy

Item IV. March Financial and Operations Statement ó Comm. Fahrback asked about the affect of the April rate increase once the WPPI Energy transaction agreement becomes effective and if it will help offset any deficiencies from the previous three months. In the absence of Co-General Manager/Business Operations Krause and Business Operations Accountant Hubertus, Co-General Manager/Engineering and Operations Dick Sturm responded provisions were included to make the lease payment which was one part of the rate increase. The other part was due to expenses and costs of electrical service for our customers, which will fill in some of the gap in electric and have the appropriate rate of return. All customers will see the power cost adjustment fall back.

Comm. Allwardt questioned the additional maintenance supplies purchased for the UV system being over budget. Mr. Dick Sturm stated this amount reflects the difference between what the contract supplied and what the manual recommends to have for critical spares.

Mike King from the Post Crescent arrived at 5:15 pm.

After discussion, the Commission accepted the March 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.

Mr. Dick Sturm requested guidance on the purchase of two pick-up trucks that were included in the 2011 budget. The purchase order was not able to make the packet for this meeting. Two quotes were requested, and only one vendor responded. The opportunity to order a vehicle from the factory under the specifications for fleet vehicles ends April 30. The quote received was for \$18,294 each which is under the budgeted amount of \$22,000.

After discussion, it was the consensus of the Commission to proceed with the purchase of these vehicles.

Item VII. Unfinished Business ó there was no unfinished business discussed at this meeting.

Item VIII. New Business, Sedimentation Basin Scraper Modification Bids ó Water Plant Supervisor Jerry Sturm reviewed the bids received. Mr. DonVoogt, McMahan Engineers/ Architects recommended award of base bid #1 to Siemens Industry, Inc., and to delay award of base bid #2 until an opinion from the City Attorney is received on rebidding this part of the project.

Comm. Merkes expressed concern about cash flow issues at the Water Plant, and prioritizing these projects. Mr. Jerry Sturm responded money for this project would be coming from Safe Drinking Water Funding.

The motion by Comm. Merkes, seconded by Comm. Fahrbach, was unanimously approved on roll call to award Base Bid #1 plus Alternate Bid #1 of the Sedimentation Basin Scraper Modifications to Siemens Industry, Inc., in the total amount of \$162,100.00, and to recommend the Board of Public Works approve the project.

Island Water Tower Painting Bids ó Mr. Jerry Sturm reviewed the bids to paint the inside of the water tower which should be good for 15 ó 20 years.

Mr. Dick Sturm added the cost of this project will come from a designated reserve fund and should not have any effect on current rates.

The motion by Comm. Fahrbach, seconded by Comm. Merkes, was unanimously approved on roll call to award the contract for the Island Tower Repainting to L.C. United Painting Co., in the amount of \$131,500, and to recommend the Board of Public Works approve the project.

Sludge Blow-Off Automation, Secondary Fluoride, Polymer and Silicate Control ó Project Engineer Grenell reviewed the recommendation from McMahon to automate the blow-off system and to better coordinate the flow of chemicals into the water system. \$10,000 for the blow-off automation was included in the 2011 budget but the other items were not. The entire project would come out of the Safe Drinking Water Contingency Fund, and labor would be done internally.

The motion by Comm. Allwardt, seconded by Comm. Fahrbach, was unanimously approved on roll call to proceed with the Sludge Blow-Off Automation, Secondary Fluoride, Polymer and Silicate Control project in addition to the soda ash control valves at an approximate cost of \$35,000, excluding labor.

Mike King, Post Crescent, departed at 5:55 pm.

McMahon Agreement for Professional Services, Tayco Street Crossing ó Amy Vaclavik, McMahon Engineers/Architects reviewed the information included in the packet regarding upgrading the water system river crossing. Proposals are being submitted for evaluation of alternative routes for connecting the 20-inch Broad Street Main to the 16-inch Washington Street Bridge Main in the vicinity of Tayco Street, and to design a new 16-inch water main as recommended in the alternative route evaluation.

To remain eligible for potential Safe Drinking Water Funding an engineering report needs to be submitted and approved by the DNR by June 30. Plans and specifications also need to be submitted to the DNR by June 30.

The engineering report would include abandonment of the Manitowoc Street tower, modifications at the High Lift Pump Station, and upgrading the river crossing capacity of the distribution system.

Mr. Jerry Sturm added money for these projects will come from the \$100,000 budgeted in 2011 for the tower project. For the next meeting, Comm. Allwardt requested a re-cap of items that have been authorized or spent against this account.

The motion by Comm. Merkes, seconded by Comm. Fahrbach, was unanimous on roll call to approve the McMahon Agreements for Professional Services in the amount of \$5,300 for alternative routes and \$15,000 for design of a new 16-inch water main.

Comm. Fahrbach asked about discussions with the City of Neenah regarding current interconnections. Mr. Dick Sturm reported the discussions went very well and a draft agreement will possibly be presented at the next Commission meeting.

Mr. Voogt departed at 6:40 pm, and Ms. Vaclavik departed at 6:45 pm.

Storm Damage ó Electric and Water Distribution Supervisor Pichler reviewed response activities as a result of the April 10 storm that left over 3400 customers without power. A call was placed to MEUW for mutual aid and crews with equipment from Cedarburg, New London and Two Rivers responded the first day. By late Monday evening there were still 300 customers without power. On Tuesday three crews from Kaukauna offered assistance to help out with service work and the last of the out of town crews were released at 7 pm. At that time there were still 100 customers without power, and all but 1 needed an electrician.

The Commission expressed their gratitude for the efforts provided by everyone to restore electric service to the community.

Item IX. Project Reports, Bondholder Settlement and WPPI Energy Transaction ó Mr. Dick Sturm stated the majority of work in completing this transaction were the result of the efforts of Co-General Manager Krause, Mayor Merkes and City Attorney Pamela Captain. The transaction still has a ways to go through the legal channels before it has approval of the federal courts.

Item X. Staff Reports, Co-General Manager/Engineering and Operations ó Mr. Sturm introduced Mark Albert, Energy Services Representative.

Electric and Water Distribution/Safety Report ó Mr. Pichler added the induction lighting project is behind schedule due to storm repair activities, and the water distribution crew has located another water leak caused by a shear.

He also noted the new hybrid bucket truck arrived and will be available for the Commission to see after the meeting.

Water Plant ó Mr. Jerry Sturm thanked the Commission for understanding the need and importance of a reliable water system.

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

Telecommunications & Substations ó Technical Services Engineer stated the new fire station is using dark fiber, and the email process has been upgraded to Outlook.

Co-General Manager/Business Operations ó there were no additional questions to the report presented.

Customer and Utility Services ó Comm. Allwardt asked about the failure of a camera. Mr. Grenell stated it was a surveillance camera on the office building

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

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

Mary Nebel, 713 First Street ó commented on the efforts being made by staff and suggested giving the community an update on cost saving measures.

Item XII. The motion by Comm. Fahrback, seconded by Comm. Merkes, was unanimously approved to adjourn at 7:20 p.m.

By: MARK L. ALLWARDT
President

DONALD MERKES
Acting Secretary

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