

April 25, 2012

Draft

Commission President Allwardt called the Regular Meeting of the Water and Light Commission to order at 8:00 A.M., with Commissioners Joe Guidote, Don Merkes, and Dan Zelinski 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; Tim Gosz, Chief Water Plant Operator, and Don Voogt, McMahan Associates, Inc.

Those absent were: Comm. Joanne Roush, Paula Maurer, Customer Services Manager; Lonnie Pichler, Electric and Water Distribution Supervisor; John Teale, Technical Services Engineer; and Lisa Miotke, 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. Zelinski, was unanimous on roll call to approve the following:

- A. Minutes of the Regular Meeting of March 28, 2012.
- B. Approve and warrant payments summarized by checks dated April 2 - 25, 2012, which includes Net Payroll Voucher Checks and Operation and Maintenance Voucher Checks for a total of \$597,753.51, 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 letter dated February 6, 2012, via email to John Teale, Menasha Utilities, from Michael Hyland, APPA, re: RP3 Designation
 - Copy of invitation dated March 28 from Davis & Kuelthau Attorneys, re: Public Officials Program
 - Copy of April 6 news release from Tom Stoffel, City of Menasha, re: Menasha Credit Rating Increases Two Steps
 - Copy of April 13 memorandum from Tammy Freeman, WPPI Energy, re: Typical Bill Comparison Summary
 - Copy of invitation to Orientation to WPPI Energy scheduled for May 10, 2012

Item IV. New Business, West Electric Inc. Request to Withdraw Bid and Award Bid for High Lift Pumping Station Modifications – Co-General Manager/Business Operations Krause reported on April 10, 2012 West Electric Inc. submitted a bid for the Standby Generator & Motor Control Modifications Project (Contract M0002-910283-B) The Bid was received before the 2:00 pm bid deadline at the Menasha Utilities Office April 10, 2012. A total of four bids were received and West Electric Inc complied with all the bid requirements. West Electric, Inc did submit the lowest bid for Base Bid B of \$536,795.76 and Alternate Bid B-1 deduct of \$2,325.50.

On April 10, after the bids were opened there were discussions with Menasha Utilities staff, McMahan and West Electric, Inc. on their bid since they were much lower than the rest. Within an hour after bid opening West Electric, Inc. contacted McMahan by phone and stated they made an error. On April 11 a letter was received from West Electric, Inc. stating they did not include markup on their bid. On April 17 West Electric, Inc. submitted a written request to withdraw its

bid. Notification by West Electric, Inc. occurred before the contract was awarded and prior to being presented to the Menasha Utilities Commission.

West Electric, Inc. did make a mistake in bidding and it was caused by a clerical error. This error is material to the contract and it would be unreasonable to attempt to enforce the bid because it was an error in computing and the company would be losing money. Menasha Utilities will not be prejudiced because we were notified on a timely basis of the error.

West Electric, Inc. has satisfied the conditions for withdrawal of its bid based on when notification was given, the fact the contract has not been awarded yet, and it was a good faith error.

Motion made by Joe Guidote and seconded by Donald Merkes was unanimously approved on roll call to allow the withdrawal of the bid and the release of the bid bond, and also to award the contract to the second lowest bidder Pieper Electric, Inc based on Base Bid B of \$615,000 and Alternate Bid B-1 for a deduct of \$2,600.

McMahon Associates Agreement for Professional Services, Amendment #2 – Co-General Manager/Engineering and Operations Sturm reported the amendment modifies the original agreement and includes the costs for re-examining and rebidding the High Lift Pump Station Modifications and Abandonment of Manitowoc Street Elevated Tank project.

The motion by Comm. Merkes, seconded by Comm. Allwardt, was unanimous on roll call to approve Amendment #2 changing the lump sum design fee from \$25,400 to \$35,400.

Mr. Voogt departed at 8:30 a.m.

Item V. March Financial and Operations Statement – Business Operations Accountant Hubertus reviewed the new format for the Financial and Project Status Reports.

In March the consumption of electricity decreased by 3.53% overall compared to budget. Several projects have been deferred for the anticipated revenue adjustments due to the customer refund and customer closings, and the lineman position is on hold.

Water consumption decreased for the month primarily due to our resale customer using less water. Revenues are higher for the month because the water rate case became effective on March 1, and chemical expenses were lower due to favorable water conditions.

After discussion, the Commission accepted the March 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.

Item VIII. Unfinished Business – there was no Unfinished Business discussed at this meeting.

Item IX. Project Reports, Telecommunications Update – Mr. Sturm added the dark fiber customer remains uncertain as to what is going to happen. He also gave an update on the new

Fox Lodge housing project, which is a private entity. Wiscnet cannot get involved with a private enterprise, and it is not likely that we would be able to service this group of users.

Comm. Merkes commented on putting together a business plan for the Telecommunications Utility and deciding whether it is even feasible to support other new customers.

Water Projects – Project Engineer Grenell gave an update on the Safe Drinking Water projects being completed.

Metering Practices and Plan –Mr. Sturm reported verification costs are being tracked, five customers have had their multipliers recalculated by one individual, and the calculation will be verified by another individual. Field inspections for the remaining 34.5 kV customers are being coordinated and scheduled with the industries. A meeting has been scheduled for May 2 with Larry Chapman, Chapman Metering, to discuss the issue and look for a proposal. The WPPI Metering Best Practices task force is scheduled for May 8.

Item X. Staff Reports, Co-General Manager/Engineering and Operations and Project Engineer – there were no additional questions to the reports presented.

Electric and Water Distribution/Safety Report – Mrs. Krause noted the OSHA Incident Rate has been added to the Safety Report.

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

Water Plant – Chief Operator Gosz added the head house is now on line for the summer.

Co-General Manager/Business Operations and Customer Services - there were no additional questions to the reports presented.

Energy Services Representative/Key Accounts – Mayor Merkes reported on a LEDO (Economic Development) conference he attended with ESR Miotke.

Comm. Allwardt reported on the April 19 tour of the Elm Road Generating facility.

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

Item XII. The motion by Comm. Zelinski, seconded by Comm. Guidote, was unanimously approved on roll call to adjourn at 9:40 a.m.

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.