

REGULAR MEETING OF THE WATER AND LIGHT COMMISSION

March 1, 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, Joanne Roush, 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; Paula Maurer, Customer Services Manager; Lonnie Pichler, Electric and Water Distribution Supervisor; and John Teale, Technical Services Engineer. Don Voogt, McMahon Associates, was also in attendance.

Those absent were: Lisa Miotke, Energy Services Representative

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

Stan Sevenich, 645 Ninth Street, requested New Business, Item VIII, B, Billing Metering Error, be advanced ahead of the Unfinished Business items.

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

- A. Minutes of the Regular Meeting of January 25, 2012.
- B. Minutes of the Closed Session of January 25, 2012.
- C. Approve and warrant payments summarized by checks dated Jan. 26 and Feb. 2 - 23, 2012, which includes Net Payroll Voucher Checks, and Operation and Maintenance Voucher Checks for a total of \$918,357.26, 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 letter dated January 30, 2012, to Dick Sturm, Menasha Utilities, from Scott Koehnke, WI DNR, re: Utility Crossing Application
 - Copy of memorandum dated February 7, 2012, to Utility Employees, from Melanie Krause & Dick Sturm, re: Customer Service Manager position
 - Copy of letter dated February 7, 2012, to City of Menasha Clerk Galaezzi, from Norman Hahn, Jr., WI DNR, re: Water Main Extension Approval
 - Copy of note received February 10, from Boys' & Girls' Brigade Christmas Giving Program, re: Thank You
 - Copy of letter dated February 15, 2012, to Menasha Utilities, from Jennifer Wanke, Leaven, re: Thank You
 - Copy of letter dated February 20, 2012, to Menasha Utilities, from Lisa Weiner, UW-Fox Valley, re: Scholarship Thank You

Item IV. December and January Financial and Operations Statements – Business Operations Hubertus reviewed the December statements indicating the electric consumption has remained pretty consistent in the last three years. The audit has been completed and the report will be presented at the next meeting.

For 2011, total water consumption declined by 3% and chemical expenses exceeded budget due to more chemicals used during the year.

The Fiber Utility ended the year on a positive cash side due to less maintenance and administrative charges.

For the month of January electric consumption decreased by 8.45% overall compared to budget, and water usage increased 2.11% compared to budget. Residential customers used less water, but this was offset by commercial and industrial customer usage which increased revenues.

The Fiber Utility showed a variance in increased revenues due to a dark fiber customer.

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

Item V. Claims Against The Utility – 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; all were budgeted items.

As requested, Comm. President Allwardt advanced New Business Item Billing Metering Error for discussion.

Co-General Manager/Business Operations Krause reported low system losses have been investigated for a period of time. Recently system losses were pinpointed to a particular circuit, and field inspections were done on those customers. It was identified that one of the industrial customers on that circuit had a multiplier that was incorrectly calculated based on the set-up of the meter. Upon further review, the customer was overbilled for the past six years. The implication on the other side is that the rest of the customers were under-billed. A meeting was held with the industrial customer to explain the situation and what the proposal would be moving forward. The Utility proposed a refund over the next two years.

The multiplier error over-calculated the amount of consumption resulting in the PCAC charge being too low for the rest of our customers. We will be looking at doing a PCAC adjustment for the next two years which will result in approximately \$1 per month for the normal residential customer.

Our CP-2, CP3, and CP4 customers have been contacted to explain the situation and what the impact will be to them.

Moving forward, we will be reviewing and updating policies and are continuing on the path of doing field inspections in order to provide assurances to the Commission and to our customers that our meters and bills are accurate.

Co-General Manager/Engineering & Operations Sturm gave an overview of what makes up a meter multiplier and indicated the meters were installed and wired correctly. Staff will be checking all meters and documentation and will be developing a documentation program that will cover meter installations from the concept and plans right through the multiplier that goes into the billing. WPPI Energy is also taking part in that effort and forming a best practices team to make a joint effort on putting together a program and documentation to prevent these errors from occurring.

Comm. Merkes requested future reports/updates on the progress of the best practices program to assure the Commission and the community that program is being done correctly.

Mrs. Krause stated this information has been communicated to the Public Service Commission and we are waiting for final approval on the PCAC adjustment and the refund proposal. The process of refunding the one industrial customer and collecting from other customers will start in March.

After further discussion, Mr. Sturm added staff takes full responsibility for the error as a utility, and apologies for the inconvenience that it has caused. It is a problem, and there is full intent to clarify it in the future.

Item VII. Unfinished Business, Pole Attachment Drawings – Mrs. Krause reviewed the proposal from Boardman Law regarding pole attachment drawings discussed at the January meeting. It was requested to bring this item back once a determination is made on the dollar impact to the Utility. Currently there are 25 member communities that will be participating in this joint project so the cost implication will be minimal.

Water Tower, High Lift Modifications & Main Projects:
Reject Standby Generator & Motor Control Modifications Bids – Don Voogt, McMahon Associates, reviewed a more detailed evaluation of the proposed design, the high costs associated, and the reality of available financing. The recommendation is that the bids be rejected and the project be redesigned and rebid.

The motion by Comm. Merkes, seconded by Comm. Roush, was unanimously approved to reject the standby generator and motor control modification bids and that the project be redesigned and rebid.

High Lift Pump Station Modifications Cost Evaluation and Water Project Budget – Mr. Voogt reviewed the summary and budget cost estimate. The recommendation would be to take the Manitowoc Street tower out of service, maximize the reliability and performance of the high lift pump station, and redesigned and re-bid this project.

The motion by Comm. Allwardt, seconded by Comm. Guidote, was unanimously approved on roll call to redesign and rebid the switchgear as the base project per Option No. 4 in the memorandum dated February 28, 2012, and to consider some of the cost saving measures presented in Option No.5 as alternates.

Award/Defer Bids for:

16 inch Transmission Main and Elevated Water Tank Demolition – the motion by Comm. Merkes, seconded by Comm. Roush, was unanimously approved on roll call to award the bid for the 16 Inch Transmission Main Construction to Dorner, Inc., in the amount of \$532,952.50, and the bid for the Elevated Water Tank Demolition to Iseler Demolition, Inc. in the amount of \$7,510.00, both contingent on Safe Drinking Water requirements. Both recommendations will be forwarded to the Board of Public Works for approval.

Water Main Replacement – the motion by Comm. Merkes, seconded by Comm. Zelinski, was unanimously approved on roll call to award the bid for the Water Main Replacement Projects to Donald Hietpas & Sons, Inc., in the amount of \$829,133.35, contingent upon Wisconsin Safe Drinking Water loan approval. This recommendation will also be forwarded to the Board of Public Works for approval.

Mr. Voogt departed at 10:05 a.m.

Item VIII. New Business, APPA Legislative Rally Travel Request – Mr. Sturm requested authorization to travel to the APPA Legislative Rally in Washington, DC, March 12 – 14, with travel being covered by a grant from WPPI Energy.

The motion by Comm. Allwardt, seconded by Comm. Guidote, was unanimously approved to authorize Mr. Sturm's travel request.

Billing Metering Error – this item was discussed earlier in the meeting.

Item IX. Project Reports, Telecommunications Update – Technical Services Engineer Teale gave an update on the discussions with Fox Lodge Apartments regarding possible internet.

Water Projects – Project Engineer Grenell reported on the progress of the scrapper project.

Item X. Staff Reports, Co-General Manager/Engineering and Operations – Mr. Sturm thanked the Commission and staff for the efforts and contributions in addressing the significant challenges over the past months.

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

Electric and Water Distribution/Safety Report – Electric and Water Distribution Supervisor Pichler stated tree trimming has been completed for the year, and gave an update on a couple of future expansion projects.

Telecommunications & Substations—and Water Plant – there were no additional questions to the reports presented.

Co-General Manager/Business Operations – Mrs. Krause reported the water rate case approved by the Public Service Commission went into effect today, resulting in a 17% increase.

The WPPI Energy Executive Committee is extending an invitation to member communities Commission and management to attend their monthly meetings. The meeting for Menasha is March 22, 9:30 a.m., in Sun Prairie.

Customer Services – there were no additional questions.

Energy Services Representative/Key Accounts – Mr. Sturm noted there will be an Electronic Recycling Event on April 28. The Utilities garage will be used as a collection center and there will be a notice mailed with the Utility bill.

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

Item XII. The motion by Comm. Guidote, seconded by Comm. Roush, was unanimously approved on roll call at 10:30 a.m. to convene into Closed Session pursuant to Section 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

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.