

REGULAR MEETING OF THE WATER AND LIGHT COMMISSION

September 25, 2013

Draft

Commission President Allwardt called the Regular Meeting of the Water and Light Commission to order at 8:02 a.m., with Commissioners Roy Kordus, Don Merkes, Joanne Roush, and Dan Zelinski present on roll call. Also present were Melanie Krause, Interim General Manager; Steve Grenell, Project Engineer; Tim Gosz, Water Plant Supervisor; Kristin Hubertus, Business Operations Accountant; Paula Maurer, Customer Services Manager; Lonnie Pichler, Electric and Water Distribution Supervisor; John Teale, Technical Services Engineer; and Don Voogt from McMahan.

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

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

- A. Minutes of the Regular Meeting of August 28, 2013
- B. Approve and warrant payments summarized by checks dated September 5-25, 2013, which includes Net Payroll Voucher Checks, and Operation and Maintenance Voucher Checks for a total of \$647,321.14, 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 from Kaukauna Utilities dated August 21 RE: Thank you for help during the August 7th storms.
 - Copy of letter from Community Clothes Closet dated September 9 Re: Thank you for contribution towards Cool for School program.
 - Copy of Fox Cities Regional Partnership pamphlet RE: Fire Up Program
 - Copy of letter from the State of Wisconsin\Department of Natural Resources dated Sept. 4th Re: Application for Reissuance of WPDES Permit – Menasha Steam Plant

Comm. Roush questioned if the Steam Plant WPDES Permit from the DNR would be renewed or allowed to expire. Interim General Manager Krause responded the application would be completed and worded that a potential buyer would be subject to catching up on the compliance schedule once ownership was assumed.

Comm. Allwardt thanked the line crews for helping Kaukauna Utilities after the storms on August 7th.

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

Item V. No purchase Orders over \$10,000.00 were issued since the last Commission meeting.

Item VI. Unfinished Business, GM Position Update – Comm. Allwardt reported that three interviews for the General Manager position were performed on September 14th. The Commission will be reviewing the finalists in a closed session following today's regular meeting.

Electric Rate Case – Ms. Krause explained the PSC decreased the CP3 customer’s percentage which in turn adjusted the remaining rate classes. If the rate order is received by the end of September, the effective date will be October 1st, if it is not received by then the rates be effective November 1st. After the rate order is received the Utilities will look at requesting a modification for the LED lights to be comparable to the induction lights.

A report of customer classes showing PSC approved rates, compared to present rates, was included in the packet. Approved rates, compared to WEPCO rates by class, were added for comparison.

We Energies Acquisition – Mr. Pichler stated staff is still evaluating the transformer needs against WE Energies costs.

Item VII. New Business, Low Lift Pump Evaluation – Water Plant Supervisor Gosz described the preliminary engineering report for installing two above-grade vertical turbine raw water pumps and a new discharge flow meter at the Water Plant. The installation would eliminate the deficiencies the DNR noted during the 2013 Sanitary Survey. In addition the relocation of a 16” water pump discharge pipe was addressed. The project is estimated at \$399,000.

Comm. Allwardt inquired about installing only one turbine verses two. Don Voogt from McMahon explained a larger turbine would have to be purchased and the efficiency of running the turbine at low flows would be inefficient. Instead, using two smaller pumps that are better matched to the flow rates would save in electricity and also would create redundancy. Mr. Gosz added that rebates for the project would be available through Focus on Energy.

Don Voogt departed at 8:20 a.m.

Item VIII. Strategic Reports, Monthly Strategic Initiative Update – Ms. Krause presented the monthly strategic initiative update. The update will be modified to include targets after the budget process is complete.

Comm. Zelinski asked when the Landlord informational mailings will be sent. Customer Service Manager Maurer stated they would be sent out soon.

The Commission requested an update on the dollar amount turned over to the collection agency; how much has been collected; the amount written off through bankruptcy; the percentage of accounts that legal action was taken against and a copy of the landlord informational materials.

Comm. Allwardt questioned the OSHA rate having 2 incidents. Ms. Krause stated one incident was a hearing loss and the other was a potential chemical exposure.

August Financial and Project Status Reports – Electric consumption decreased 1.36% compared to budget with year-to-date coming in at .22% higher than budgeted. Revenue is down year-to-date compared to budget driven mainly by the ECA and DCA rates. Year-end cash flow is anticipated to be above budget due to project deferrals made earlier in the year. The deferred projects are currently being reviewed and prioritized.

Water consumption increased 26.9% compared to budget driven mainly by an industrial customer consuming more water than anticipated; year-to-date consumption is up 10.24% compared to budget. Revenues are higher than budget along with net operating income. Chemical costs are up due to water conditions during the month of August, however, year-to-date remains lower than budget.

Comm. Zelinski asked about the status of the High Lift Pump Station West Wall Project. Mr. Gosz reported the advertisement for bids has taken place. Ms. Krause added the bid will be added to the Special Budget Agenda in October.

Comm. Allwardt inquired when the alum pump, hypochlorite pump and conductivity meter will be installed. Project Engineer Grenell replied the pumps and meters will be installed after projects currently being worked on are complete and man power is available.

Comm. Zelinski questioned the administrative costs associated with cleaning up scrap around the steam plant. Mr. Grenell stated theft of the scrap metal around the building was occurring.

After discussion, the Commission accepted the August Financial and Project Status Reports as presented.

Project Reports, Water Plant Projects – Water pressure is being monitored continually and the variable speed drives that replaced the water tower are working as expected.

Metering Practice & Plan – There are 400 AMR meters expected to be installed by the end of the year for electric and 200 meters for water. Letters have been sent out to customers and meters will be changed according to the priority assigned. Customer Service is working on customer classifications based on usage.

Steam Plant RFP – Power System Engineering received four notices of intent. The four received appear to be demolition/decommissioning resale equipment companies. A date will be set for a plant tour.

Power System Engineering requested a change order for the RFP work performed adjusting the price from \$6,500 to \$9,500. The Commission did not recommend the change order.

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

Item X. The motion by Comm. Merkes, seconded by Comm. Kordus, was unanimously approved on roll call at 9:20 a.m. to convene into Closed Session pursuant to Section 19.85 (1) (e) of the Wisconsin Statutes for the purpose of deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. RE: AFSCME Negotiations

And 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: General Manager Position.

There being no further business, the motion by Comm. Roush, seconded by Comm. Kordus was unanimously approved to adjourn from Closed Session and to reconvene into Open Session of the Water and Light Commission meeting at 9:44 a.m.

The motion by Comm. Roush, seconded by Comm. Merkes was passed on roll call (3-2) to select Melanie Krause as General Manager of Menasha Utilities effective immediately at the base salary for the General Manager position and not be eligible for a step increase until 2015. Commissioners Merkes, Roush and Allwardt voted yes, Commissioners Kordus and Zelinski voted no.

There being no further business, the motion by Comm. Roush, seconded by Comm. Kordus was unanimous to adjourn at 9:48 am.

By: MARK L. ALLWARDT
President

DAN ZELINSKI
Secretary

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