

REGULAR MEETING OF THE WATER AND LIGHT COMMISSION

August 28, 2013

Draft

Commission President Allwardt called the Regular Meeting of the Water and Light Commission to order at 8:00 a.m., with Commissioners Roy Kordus, Don Merkes, Joanne Roush, and Dan Zelinski present on roll call. Also present were Kristin Hubertus, Business Operations Accountant and Pam Captain, City of Menasha Attorney.

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

Item III. Closed Session – The motion by Comm. Merkes, seconded by Comm. Roush was unanimously approved on roll call 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: General Manager Position.

There being no further business, the motion by Comm. Zelinski, seconded by Comm. Kordus, was unanimously approved to reconvene into Open Session of the Regular Meeting of the Water and Light Commission at 8:53 a.m.

Business Operations Accountant Hubertus departed at 8:53 a.m.

At this time Melanie Krause, Interim General Manager; Steve Grenell, Project Engineer; Tim Gosz, Water Plant Supervisor; Paula Maurer, Customer Services Manager; Lonnie Pichler, Electric and Water Distribution Supervisor; and John Teale, Technical Services Engineer joined the meeting

Closed Session – The motion by Comm. Merkes, seconded by Comm. Roush was unanimously approved on roll call to convene into closed session pursuant to Section 19.85 (1) (g) of the Wisconsin Statutes for the purpose of conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. RE: Waverly Sanitary District.

There being no further business, the motion by Comm. Allwardt, seconded by Comm. Kordus, was unanimously approved to reconvene into Open Session of the Regular Meeting of the Water and Light Commission at 9:30 a.m.

Ms. Hubertus returned to the meeting and Energy Services Representative Miotke joined the meeting at 9:30 a.m.

City of Menasha Attorney Pamela Captain departed at 9:32 a.m.

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 July 31, 2013
- B. Approve and warrant payments summarized by checks dated August 8-28, 2013, which includes Net Payroll Voucher Checks, Void O & M Checks #45980-46001, 46024, and Operation and Maintenance Voucher Checks for a total of \$796,141.14, 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 dated July 19, 2013 from the Cities and Villages Mutual Insurance Company RE: 2013 Liability Dividend Report
 - Copy of letter dated July 28, 2013 from the Wisconsin Compensation Rating Bureau RE: Experience modification factor being applied to Worker's Compensation premiums
 - Copy of letter dated August 12, 2013 from the State of Wisconsin Department of Workforce Development RE: Completion of Apprenticeship of Gregg Peterson
 - Copy of Memo, with supporting documents, dated August 15, 2013 from the City of Menasha department of Public Works RE: Waverly Sanitary District Resolution R-10-13

Comm. Allwardt congratulated Water Plant Operator Gregg Peterson on his completion of Electrician Substation apprenticeship.

Interim General Manger Krause stated Menasha Utilities low experience modification factor on the Wisconsin Compensation Rating Bureau is an indication of a good safety record and low claims on workers comp.

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

Item V. Purchase Orders over \$10,000.00 issued since the last Commission meeting were presented for informational purposes. Front Range and Degroot purchase orders refer to bids awarded by the Commission that were approved by the Dept. of Public Works and City Council. The Bergstrom and Casper Truck Equipment purchase orders are being combined to purchase a dump trunk. All purchase orders listed are budgeted for.

Item VI. Unfinished Business, GM Position Update – One hundred and thirty three resumes have been received for the General Manager position. Of these, three have been chosen to be interviewed within the next month. A final decision is scheduled to be made by the end of the year.

Electric Rate Case – Ms. Krause reported the PSC has proposed a revision of their cost of service numbers. No objections have been raised on either of the rate designs from the Paper Council, WPPI, or the Utilities. The major difference on the proposed revision is a decreased percentage for the CP3 customers. The rates are anticipated to go into affect October 1st.

Bill Outsourcing InfoSend – Motion by Comm. Merkes, seconded by Comm. Roush was unanimous to approve changing minutes and removal from table approval to contract with InfoSend for document processing and mailing of Utility billings.

Customer Service Manager Maurer presented additional information regarding the advantages of contracting with InfoSend including providing better customer service; more in depth analysis of customer's monthly electric and water usage; lower bulk rate pricing; and message boxes that may be utilized to relay information to customers. After discussion, motion made by Comm. Kordus, seconded by Comm. Roush was unanimous to approve contracting with InfoSend for document processing and mailings of Utility billings.

WE Energies Acquisition – Electric and Water Distribution Supervisor Pichler reported pricing from WE Energies for the Waverly Sanitary District Lift Station and transfer of one residential customer came in at approximately \$2,500 for infrastructure and \$16,000 for the ten year old transformer; staff is looking into pricing of new transformer. Mr. Pichler also stated the Public Service Commission would be unlikely to approve a request to have Waverly Sanitary District assume some of the buy-out costs.

Source Water Sampling Update – Data from samples are continuing to be collected, graphed and formatted for future evaluation. First quarter schedule 3 testing is complete with schedule 4 & 5 expected to be completed sometime in October.

Item VII. New Business, Telecommunications Update – The fiber installation from the Melissa Sub Station to the Chemical Feed Building and Head House is almost complete. A network switch was installed at the Menasha Police Department by Wiscnet. The switch gives access to the MJSD and allows future connections for the City of Menasha and Menasha Utilities as an internet provider.

Staff is investigating different options for the internet since the contract with the current internet provider ends on December 4th and our current system is not redundant and does not include a backup plan. Rates and service options are being compiled and will be incorporated into an analysis for the 2014 budget.

Out of State Travel – Ms. Maurer requested authorization to attend the Harris Customer Training Conference in Kissimmee Florida October 30 – November 1, 2013. The training is a budgeted item. Comm. Merkes requested a report for the Commission when Ms. Maurer returns from the conference.

The motion by Comm. Roush, seconded by Comm. Kordus was unanimously approved to authorize Paula Maurer's travel request.

CVMIC Liability Renewal – Ms. Krause presented the two-year general liability renewal package from Cities and Villages Mutual Insurance Company (CVMIC). Pricing for the policy

years 2014, 2015 and 2016 were included with two options available for the self-insured retention. Option 1 retention set at \$37,500 and option 2 set at \$50,000.

The motion by Comm. Roush, seconded by Comm. Zelinski was unanimous to approve the renewal with Cities and Villages Mutual Insurance Company for policy years 2014 for \$26,339, 2015 for \$26,866, and 2016 for \$27,403 as outlined in Option 2 Self-Insured Retention of \$50,000.

Item VIII. Strategic Reports, Monthly Strategic Initiative Update – Comm. Roush questioned possible reasons for electrical disconnections numbers coming in significantly higher this year as opposed to last year. Ms. Maurer attributed economic struggles and repeat offenders as factors affecting the disconnection numbers. Discussion ensued regarding steps that can be taken to reduce the numbers, including landlord informational seminars; aggressively reporting non-payment to credit bureaus; and guiding customers towards outside agencies that may provide some assistance.

Energy Services Representative Miotke summarized the Focus on Energy Programs activity for the 6 month period January through June 2013; participants range from residential up to CP4. Additionally, the Residential Express Energy Efficiency Program is off to a very good start. This is a free program which installs compact fluorescent light bulbs, high efficiency showerheads, faucet aerators, pipe wraps and water heater set-back assistance. Program information can be obtained through the Menasha Utilities website.

Commissioner Kordus departed at 10:15 a.m.

July Financial and Project Status Reports – Business Operations Accountant Hubertus reported electric consumption was lower than budget for the month, however, it remains higher for year-to-date. The cost of power was lower than budgeted, which helped offset the lower revenues for the month. This resulted in a higher net operating income for July. Sales for the month are lower than budget due to the delay of the rate case effective date; cash flow projections have been adjusted.

Water consumption was higher than budget by 24.36%, driven mainly by an industrial customers increased usage; year-to-date overall consumption is up 7.62% as compared to budget. The water loss ratio has decreased to 8.84%. The water distribution department is continuing to survey for leaks in the water system. Chemical cost continues to be lower than budget coming in at 17% less for July compared to last year.

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

Project Reports, Water Plant Projects – Water Plant Supervisor Gosz reported work on bid documents for the west wall of the High Lift Pump Station have begun; the DNR five year inspection of the High Lift Pump Station clearwells is half complete; and the chlorine analyzer at

the Island Tower has been installed. Project Engineer Grenell added the Autocon is not currently working and staff is looking to replace it with radios.

Metering Practice & Plan – Staff has begun measuring and documenting the on and off peak and demand of CP-1 and GS customers. This will help verify that customers are on the correct rate.

Steam Plant RFP – The Request for Proposal for the Steam Plant will be released the end of August.

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

Item X. The motion by Comm. Allwardt, seconded by Comm. Roush, was unanimously approved on roll call to adjourn at 10:30 a.m.

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.

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