

REGULAR MEETING OF THE WATER AND LIGHT COMMISSION

June 25, 2014

Draft

Commission President Allwardt called the Regular Meeting of the Water and Light Commission to order at 8:02 A.M., with Commissioners Don Merkes, and Joanne Roush present on roll call. Also present were Melanie Krause, General Manager; Steve Grenell, Project Engineer; Tim Gosz, Water Plant Supervisor; Kristin Hubertus, Business Operations Accountant; Paula Maurer, Customer Services Manager; and Lonnie Pichler, Distribution & Utility Services Manager.

Those absent were: John Teale, Technical Services Engineer, Commissioner Roy Kordus and Commissioner Dan Zelinski.

With the absence of Commission Secretary Zelinski, Commission President Allwardt appointed Commissioner Merkes as Acting Secretary.

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. Allwardt, was unanimous on roll call to approve the following:

- A. Minutes of the Regular Meeting of May 28, 2014
- B. Minutes of the Closed Session of 11/19/08, 1/28/09, 2/9/09, 2/18/09, 7/22/09, 8/26/09, 9/23/09, 2/24/10, 3/24/10, 5/26/10, 6/23/10, 7/28/10, 8/25/10, 9/22/10, 10/20/10, 11/17/10, 12/15/10, 2/23/11.
- C. Approve and warrant payments summarized by checks dated June 5-25, 2014, which includes Net Payroll Voucher Checks and Operation and Maintenance Voucher Checks for a total of \$754,062.02, 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 the June 2014 MU Employee Newsletter
 - Copy of memo dated June 2014 from WPPI energy RE: EPA's Proposed Clean Power Rule
 - Copy of News Release dated June 4 RE: High School Scholarship
 - Copy of letter dated June 9 from State of Wisconsin Department of Natural Resources RE: Water System Facilities Plan and Specification Approval

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.

Item VI. Unfinished Business, 2014 Menasha Utilities Strategic Management Plan – Commissioners directed staff on changes and enhancements to be incorporated into the 2015

Strategic Management Plan which included: longer range points of view; addressing future challenges or possible threats; and incorporating measurable benchmarks.

Item VII. New Business, Telco Business Plan – The Telecommunications business plan was updated to include accomplishments achieved since 2012 along with financial projections and possible future opportunities. Commissioners discussed possible ways to help market the Telecommunications Utility.

Item VIII. Strategic Reports, Monthly Strategic Initiative Update – The May report was discussed.

May Financial and Project Status Reports – Electric consumption decreased 2.24% compared to budget, which is typical for this time of year. Revenues were less than budget for the large industrial customers and cost of power was \$2.21/MWh more than budgeted for the month. The Net Operating Income was lower than budget because of a 5 week payroll month and 2 health insurance premiums posted to May.

Water consumption increased 8.91% compared to budget, driven mainly by the industrial customer class. System losses, which include main break estimates and customer running water totals, have increased to 10.52%; staff is starting leak detection throughout the distribution system for possible causes. Net Operating Income is \$12,521.00 higher than budget and net cash position is favorable.

Steam expenses are higher due to labor charges for GE Equipment removal and outside services paid for RO equipment removal.

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

Project Reports, Water Plant Projects – The Low Lift Pump Replacement project is waiting for approval from the PSC.

Source Water Study Update – Management is working with McMahon to discuss the data being analyzed and to prepare for a meeting with the DNR in order to determine the path forward. Once a decision is made a capital needs study will be commissioned for a long term plan for the water system.

Metering Practice & Plan – Meters are continuing to be tested with Chapman.

Steam Plant – The steam plant has been sold. Staff is looking at closing out the entity from a financial stand point and working on supplying electric service to the building.

Distribution & Utility Services Manager Pichler updated the Commission that he has accepted a position with another utility company and would be leaving Menasha Utilities as of July 4th. An

internal transition plan is being developed. Updates to the organizational chart will be made along with a job description and brought back to Commission in July.

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

Item X. The closed session was canceled and motion by Comm. Roush, seconded by Comm. Merkes, was unanimously approved to adjourn at 9:16 a.m.

By: MARK L. ALLWARDT
President

DON 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.