

REGULAR MEETING OF THE WATER AND LIGHT COMMISSION

August 26, 2015

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, General Manager; Steve Grenell, Engineering Manager; William Menting, Electric Manager; Tim Gosz, Water Utility Manager; Kristin Hubertus, Business Operations Accountant; Paula Maurer, Customer Services Manager; and John Teale, Technical Services Engineer. Also present were Pamela Captain, City Attorney and Don Voogt of McMahan.

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

Lynn Ann Sauby, 339 Broad St, spoke regarding damages incurred on June 22, 2015 from a tree branch falling on a transformer which resulted in a power surge to her residence and neighboring properties.

Commissioner Allwardt instructed staff to submit the claim following proper procedure.

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 22, 2015
- B. Approve and warrant payments summarized by checks dated July 30 & August 6-26, 2015, which includes Net Payroll Voucher Checks and Operation and Maintenance Voucher Checks for a total of \$1,259,477.76, 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 August 12 from Municipal Property Insurance Company RE: Property insurance for public entities
 - Copy of letter dated August 3, from the Public Service Commission RE: Final decision on joint application for authority to transfer two customers
 - Copy of August 2015 MU Employee Newsletter
 - Copy of letter dated July 27, from the State of Wisconsin office of the Commissioner of Insurance RE: Continuance of the LGPIF

Item IV. Claims Against The Utility – General Manager Krause informed the Commission of two Notices of Claim received from the June 22 transformer incident; staff is waiting to receive all receipts and documents.

Item V. Purchase Orders over \$10,000.00 issued since the last Commission meeting were presented for informational purposes. A revised report was distributed adding purchase order #8254 to Bell Lumber & Poles in the amount of \$25,151. Purchase order #7976, for additional chemicals projected to last through April 2016, was discussed.

The motion by Comm. Roush, seconded by Comm. Merkes was unanimous on roll call to approve an additional \$7352.80 of Potassium Permanganate for purchase order #7976.

Item VI. Unfinished Business, Long Term Power Supply Contract Extension – General Manager Krause updated the Commission on progress made. Staff has met with Pam Captain, City Attorney regarding the contract; outside legal counsel has been contacted and a D.C. attorney, with long-term joint action agency contracts in Wisconsin has been recommended; and a joint Common Council & Commission meeting was held August 5th.

Extensive discussion ensued over attorney costs to review the contract; the ability to implement renewable energy on a community level; the impact of costs if a major Industrial customer was lost; deregulation; and possible outcomes if the amendment was not signed.

The Commission directed staff to reach out to other similarly sized WPPI members to see if there would be interest in a joint proposal to share the costs of hiring an attorney to review the contract.

Pamela Captain departed at 8:35 a.m.

River Crossing – The south side bore and foundation is poured and the north side is planned for this week; the towers are expected to go up as scheduled. A delay was experienced due to vendor's materials not being received on time which resulted in a change order request from the contractor for standby. Staff is working with the city attorney and the PSE to set a meeting up with the vendor to discuss the charges assessed by the contractor.

With the presence of Don Voogt of McMahon, New Business Item D was advanced for discussion.

Item VII. New Business, Water Capital Needs Study – The agreement from McMahon is for professional services of a 10-year Capital Improvement Plan. Scope of service includes meetings with Water Department staff to obtain facility information and discuss project issues; review existing data, facilities, and pumping data for the previous 5 years; collect data from major water system customers for future system needs; and project future demand usage in the amount of \$23,800.

The motion by Comm. Roush, seconded by Comm. Kordus, was unanimously approved on roll call to accept the agreement for professional services from McMahon dated August 20, 2015, for a 10-year Capital Improvement Plan in the amount of \$23,800.

Don Voogt departed at 8:45 a.m.

Item VII. New Business, Marketing Package – A marketing package to be used by the City of Menasha's Community Development and Fox Cities Partnership groups was given to the commissioners. The packet highlights information about Menasha Utilities and WPPI Energy; rate schedules along with comparisons, available grants/credits; and efficiency and incentive programs.

CVMIC Liability Renewal Package – General Manager Krause presented the two-year general liability renewal package from Cities and Villages Mutual Insurance Company (CVMIC). Pricing for the policy years 2016, 2017, 2018 were included with two options available for the self-insured retention. Option 1 retention set at \$50,000 and option two set at \$75,000.

A motion was made by Comm. Merkes, seconded by Comm. Roush, to approve the renewal with CVMIC for policy years 2016 for \$27,403, 2017 for \$27,699, and 2018 for \$28,391 as outlined in Option 1, Self-Insured Retention of \$50,000.

General discussion ensued regarding minimal increases to premiums over the past few years and excess funds being returned to members in the form of dividends.

A motion was made by Comm. Merkes to amend the previous motion to include dividend Option #1 to pay all dividends to the community on March 1, 2016. Comm. Roush seconded the motion for discussion.

Motion to amend carried on roll call 5-0.

The motion, as amended, carrier on roll call 5-0.

1000 Brighton Drive – A proposal forwarded from the Common Council to add a bench and stabilize the shore wall in order to enhance public access to the waterfront at 1000 Brighton Drive was discussed. Staff did not anticipate any interference with the current canal circulation discharge system or possible deep water intake site.

The Commission instructed General Manager Krause to forward the information to the Common Council noting that Menasha Utilities has no objections to the proposal.

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

Customer Service Manager Maurer updated the Commission on an Industrial Customer's past-due account. The Commission will address the issue at the September Commission meeting if the customer has not made satisfactory payment toward the debt.

July Financial and Project Status Reports – Electric consumption was higher than budget by 1.2%; the cost of power was 11.8% lower than budget with the trend expected to continue next month; and revenues are less than budget by \$281,000 mainly due to negative pass-through rates, however, Net Operating Income is higher than budget because of lower operating expenses.

Water usage was down 13.2% compared to budget; this was offset by lower than budgeted operating expenses. System losses appear to be cyclical and continue to be monitored by staff.

A graph was added to the Telecommunications Utility report that outlines the difference in expenses since changing to Wiscnet.

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

Project Reports, Water Plant projects – A response was sent to the DNR regarding questions to the Source Water Study along with pricing to purchase raw water from Appleton; management is waiting on the DNR’s reply. There may be a possible budget increase to McMahon for help with setting up procedures for unidirectional flushing.

Metering Practice & Plan – Progress continues on service rewiring in order to maintain set standards; staff is working with Kaukauna, the Paper Council and several Industrial customers on the coincident rider with the PSC.

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

Item X. The motion by Comm. Allwardt, seconded by Comm. Merkes, was unanimously approved to adjourn at 9:30 a.m.

By: MARK L. ALLWARDT
President

ROY KORDUS
Secretary

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