

REGULAR MEETING OF THE WATER AND LIGHT COMMISSION

April 22, 2015

Draft

Commission **President Allwardt** called the Regular Meeting of the Water and Light Commission to order at 8:00 a.m., with Commissioners **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.

Commissioner Kordus was excused. With the absence of Commission Secretary Kordus, Commission President Allwardt appointed Commissioner Zelinski 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. Merkes, was unanimous on roll call to approve the following:

- A. Minutes of the Regular Meeting of February 25, 2015
- B. Approve and warrant payments summarized by checks dated March 5-25, 2015, which includes Net Payroll Voucher Checks, and Operation and Maintenance Voucher Checks for a total of \$702,769.11, and Operation and Maintenance Vouchers and Rebates. Motion approved unanimously on roll call.
- C. Approve and warrant payments summarized by checks dated April 2-22, 2015, which include: Net Payroll Voucher Checks and Operation and Maintenance Voucher Checks for a total of \$719,802.20: and Operation and Maintenance Vouchers and Rebates to be paid prior to the next Regular Meeting. Motion approved unanimously on roll call.
- D. Correspondence March as listed:
 - Copy of email dated February 26 from Peggy Jension, Manager of Key Account WPPI Energy RE: SCA Menasha commitment to join the SEM Focus on Energy program .
 - Copy of email dated March 13 from Laura Cornwell RE: American Public Power Association's 2014 Safety Awards of Excellence.
 - Copy of invitation from Davis & Kuelthau RE: 37th Annual Public Officials Program.
 - Copy of Menasha Utilities Newsletter dated March 2015
- E. Correspondence April as listed:
 - Correspondence Summary for the Meeting of April 22, 2015.
 - Copy of letter dated March 31 from WPPI Energy RE: Annual Summary of Benefits.
 - Copy of letter dated April 6 from John Straw RE: Thank You.
 - Copy of letter dated March 14 from Colleen Noffke RE: Thank You.
 - Copy of letter dated April 10 from Dan Lambe RE: Tree Line USA Recognition.
 - Copy of letter dated March 16 from St. Mary's School RE: Thank You.
 - Copy of Menasha Utilities Newsletter dated April 2015.

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 along with an additional purchase order #8150 to KC Industries.

Motion by Comm. Allwardt, seconded by Comm. Merkes was unanimous on roll call to approve the purchase orders as presented with the addition of PO #8150 to KC Industries in the amount of \$18,896.67 for Fluoride.

Item VI. Unfinished Business, Lead & Copper Testing/Lead Water Service Ordinance – The PSC would like to see an ordinance in place prior to considering a deferred payment arrangement. Socialization of costs is the concern with the proposal and consideration of a deferred payment arrangement option. Staff was directed to continue to work on funding options with the PSC and City and bring the findings back to the Commission.

Due to the Business Operations Accountant Hubertus leaving early, Strategic Reports Items B & C were advanced for discussion.

Item VIII. Strategic Reports, February Financial and Project Status Reports – There were no additional questions on the February Financial reports.

March Financial and Project Status Reports – During the first quarter the cost of power was 5% higher than budget resulting in a Net Operating Income lower than budget. Most other operating expenses were under budget which helped offset the higher cost of power.

Water consumption was 12% higher than budget driven mainly by the Industrial class. Staff is monitoring the 12.56% system losses.

The Commission asked to have an estimated completion timeline created for older projects that are on the Project Status reports.

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

Item VII. New Business, 2014 Audit – The Utilities received a clean opinion with no reported instances of non-compliance on its financial statements and ended the year with a positive net position.

On the Statement of Net Position, the most significant change in Assets was the removal of the Steam Plant from Property held for sale under Noncurrent Assets. The largest changes in Liabilities were a decrease in Accrued Interest and General Obligation Notes from the transfer of outstanding debt on the Steam Plant to the City of Menasha.

On the Statement of Revenues Total Operating Income was up from 2013 due mainly from having a full year of new rates in effect. Special Items shows an increase from a combination of Debt assumed by City of Menasha and Loss on Impairment and Disposal of Assets from the Steam Plant.

The motion by Comm. Roush, seconded by Comm. Zelinski was unanimous to accept the 2014 audit.

Quarter Century Club Inductee – Commission President Allwardt recognized Gary Pagel, Water Plant Operator, for his 25 years of service; Gary was unable to attend this meeting.

Professional Services Agreement for Unidirectional Flushing Program – Agreement No. M0032-950001, from McMahon, is for professional services of a Unidirectional Flushing Program. Scope of services includes assisting staff with laying out segments, procedures for flushing, projecting flow rates, simulating conditions during flushing and assisting with evaluating results of the program in the amount of \$5,000.

Motion by Comm. Roush, seconded by Comm. Allwardt was unanimously approved to accept the agreement for professional services from McMahon for the Unidirectional Flushing Program project in the amount of \$5,000.

Ms. Hubertus departed at 9:00 a.m.

Human Resources Position – A copy of a memo regarding hiring a Human Resources Coordinator for the City of Menasha was included in the packet. Staff is looking into utilizing the City's Human Resources person on a project or time spent basis and would be included in the hiring process.

The Commission asked to have an expected number of hours per month the Utility would like to work with the Human Resources Coordinator created for budgetary purposes.

Motion by Comm. Roush, seconded by Comm. Merkes was unanimously approved to have the Utility Commission endorse the joint creation of the Human Resources Coordinator position in order to provide services to both the City and the Utility.

Lawn Care Services – Staff discussed the cost differences between outsourcing the lawn mower service and continuing to do it in house with the purchase of a new lawnmower.

The motion by Comm. Merkes, seconded by Comm. Zelinski was unanimously approved on roll call to purchase a new lawnmower and use summer help when available otherwise use internal staff to cut grass.

Digger Derrick Truck #42 Replacement – Electric Manager Menting discussed the differences between the two Digger Derrick trucks and recommended the purchase of the Versalift TMD2047T Digger Derrick with the options listed. Staff will look into selling the Digger Derrick Truck #42 outright before trading it in on a new model.

The motion by Comm. Roush, seconded by Comm. Zelinski was unanimous on roll call to approve the purchase of the Versalift TMD2047T from Utility Sales with the options listed.

Fox River Crossing – During approval of construction drawings for the two steel towers and assembled foundation cages the need for two addition structural arms to each structure were identified. In addition, original estimates of the total project cost were inadvertently missing work

that was scheduled to be completed on River Street and Lawson Street. The total cost increase to the project would be \$63,990.

The motion by Comm. Allwardt, seconded by Comm. Roush was unanimous on roll call to approve an additional \$63,990 for the Fox River Crossing project and re-allocate \$63,990 from the rebuild of the distribution system on Garfield Street and the Washington Street Parking Lot Project to the Fox River Crossing project.

Commission President Allwardt left the meeting at 9:50 a.m. Commission Vice-President Roush took over the meeting.

Tuition Reimbursement – Changes to the draft agreement would be the addition of language on page two, item 5, to cover employees who fail to complete the program as a Utility employee within the allotted time period. Language would also be added to the Employee Handbook that references a Tuition Reimbursement Agreement between employees and the Utility.

A motion was made by Comm. Roush, seconded by Comm. Zelinski to approve the Tuition Reimbursement Agreement subject to clarification of page 2, item 5.

General discussion ensued regarding utilizing a tuition reimbursement agreement for other apprentices of the Utility.

A motion was made by Comm. Merkes to amend the previous motion to update the document as appropriate for all apprentice programs of the Utility. Comm. Zelinski seconded the motion for discussion.

Motion to amend carried 4-0.

The motion, as amended, carried on roll call 4-0.

WE Acquisitions – The acquisition of 2 customers off of 10 & 114 located in the City of Menasha is finishing up; more details are needed with the Deerfield project; Valley Road is on hold pending additional planning; 3 customer acquisitions on Rue Reynard are being designed.

Item VIII. Strategic Reports - Monthly Strategic Initiative Update for February & March – The February and March reports were discussed.

Project Reports, Water Plant Projects – The Low Lift project is complete and staff is working on rebates through WPPI and Focus on Energy. There has been discussion with the DNR regarding the Source Water Study, additional information will be sent to them.

Notice of Non-Compliance, Monitoring – Water Utility Manager Gosz explained the water samples submitted to the DNR were required to be collected between 2/5/15 and 2/15/15. Staff collected the samples early on 2/4/15 which triggered a monitoring violation.

