

REGULAR MEETING OF THE WATER AND LIGHT COMMISSION

February 24, 2016

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, and Dan Zelinski present on roll call. Also present were Melanie Krause, General Manager and Paula Maurer, Customer Services Manager.

Item II. The motion by Comm. Merkes, seconded by Comm. Allwardt was unanimously approved on roll call 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, and (f) of the Wisconsin Statutes for the purpose of considering financial, medical, social or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems or the investigation of charges against specific persons except where par. (b) applies which, if discussed in public would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations. RE: Delinquent Accounts.

There being no further business, the motion by Comm. Merkes, 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 8:53 a.m.

William Menting, Electric Manager; Kristin Hubertus, Finance Manager; John Teale, Technical Services Engineer; and Dawn Lucier, Administrative & Accounting Assistant joined the meeting at 8:55 a.m.

Those excused were Engineering Manager, Grenell and Water Utility Manager, Gosz.

Item III. No one from the Gallery requested to be heard on any topic of public concern to the Utility.

Item IV. Motion made by Comm. Merkes, seconded by Comm. Zelinski, was unanimous on roll call to approve the following:

- A. Minutes of the Regular Meeting of January 27, 2016
- B. Closed Session Minutes of August 28, 2013; May 28, 2014; and February 25, 2015.
- C. Special Joint Commission/Common Council Meeting of January 28, 2016.
- D. Approve and warrant payments summarized by checks dated February 4-24, 2016, which includes Net Payroll Voucher Checks, and Operation and Maintenance Voucher Checks for a total of \$934,221.09, and Operation and Maintenance Vouchers and Rebates to be paid prior to the next Regular Meeting. Motion approved unanimously on roll call
- E. Correspondence as listed:
Copy of letter dated February 15 from the State of Wisconsin Department of Natural Resources RE: Project W-2016-0076 Water Main Extension approval.

Copy of letter dated February 16 from the State of Wisconsin Department of Natural Resources RE: Project W-2016-0042 Water Main Extension approval.
Copy of letter dated January 22 from WPPI Energy RE: William Menting selected to serve on the Distribution Services Advisory Group (DSAG).
Copy of the 2015 Summary of Work-Related Injuries and Illnesses report.
Copy of January 2016 MU Employee Newsletter.

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

Item VI. Purchase Orders over \$10,000.00 issued since the last Commission meeting were presented for informational purposes. Purchase order #8497 for Contract A and #8498 for Contract B of the 2016 Main Replacement project were approved at the January Commission meeting.

Item VII. Unfinished Business, Long Term Power Supply Contract Extension – Staff is working with the City Attorney on an opinion letter to WPPI to provide assurances to their underwriters for issuing bonds and is an important part of the approval process of the long term power supply contract extension.

Technology Plan – There have been only minor changes made to the draft Technology Plan presented at the October 2015 Budget meeting.

The motion by Comm. Allwardt, seconded by Comm. Kordus, was unanimously approved to adopt the Technology Plan as presented.

Item VIII. New Business, Commission Vacancy – The current vacancy on the Commission was discussed. This is a Common Council appointed position.

Item IX. Strategic Reports, Monthly Strategic Initiative Update – The January report was discussed.

December & January Financial and Project Status Reports – The December financials are an unaudited version; the 2015 audited financials will be presented at the March Commission meeting. December electric consumption was down 3% compared to budget due mainly to warmer than usual temperatures and lower industrial customer usage; decreased revenues were offset by lowered purchase power expense; Net Operating Income was higher than budget by 13.2% for the year due to all categories of expenses being lower than budget for the year; and budgeted projects being delayed due to crews pulled to work on developer projects has resulted in a higher than budget Net Cash Balance.

Water usage was down 12.3% compared to budget for the month of December with year-to-date coming in 3.2% under budget; year-to-date loss ratio came in at 8.7% with target set at 8%; and Net Operating Income was higher than budget by 18.3% due to all categories of expenses being lower than budget for the year.

Commissioner Allwardt suggested outsourcing labor, if there is a need in order to complete 2016 budgeted projects, and bringing forward the costs to the Commission if there is a budget variance.

January electric consumption was lower than budget by 5%; cost of power was lower than budget by 5.6% which helped to offset the lower revenues; and Net Operating Income is higher than budget due to fewer expenses for the month recoded because of invoice timing issues.

Water loss ratio for January is at 20.01%. Customer Service & Water Distribution are looking into this to determine if this is due to a major leak or a delay in billing. Net Operating Income is higher than budget due to lower expenses and the Water Main Replacement project has been updated on the Project Status report to reflect budget reallocations approved in January.

Completed 2015 projects for Electric and Water have been closed out and unfinished projects will be transferred to the 2016 project status report.

Telecommunications river crossing fiber project was carried over to 2016 which resulted in a higher than budgeted cash balance.

After discussion, the Commission accepted the December & January Financial and Project Status Reports as presented.

Project Reports, Water Plant projects – Work has continued with McMahon on the Sludge Study and the Capital Needs Study and working with Boardman on negotiating an agreement with a cellular provider for the tower. Notification was received that resurfacing Lake Road will proceed this year; staff will look at since it was not in the 2016 Water Main Replacement projects.

Metering Practice & Plan – No additional information was presented.

Item X. No one from the Gallery requested to be heard on any topic of public concern to the Utility.

Item XI. The motion by Comm. Allwardt, seconded by Comm. Merkes, was unanimously approved on roll call to adjourn at 9:42 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.