

REGULAR MEETING OF THE WATER AND LIGHT COMMISSION

August 24, 2016

Draft

Commission President Allwardt called the Regular Meeting of the Water and Light Commission to order at 8:04 a.m., with Commissioners Roy Kordus, Don Merkes, and Antoine Tines 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, Finance Manager; Paula Maurer, Customer Services Manager; John Teale, Technical Services Engineer; David Christensen, Engineering Technician; Scott Maurer, Water Distribution Foreman; and Dawn Lucier, Administrative and Accounting Assistant. Don Voogt, McMahon was also present.

Commissioner Zelinski was excused.

Item II. Leroy Frahm, from Employer Support of the Guard & Reserve (ESGR), presented Electric Manager Menting with the Patriot award for his support of Menasha Utilities employees serving in the Guard or Reserves. Mr. Frahm also thanked Menasha Utilities for their support and presented a Statement of Support for the Guard and Reserve plaque to the Utility.

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

- A. Minutes of the Regular Meeting of July 22, 2016
- B. Approve and warrant payments summarized by checks dated August 4-24, 2016, which includes Net Payroll Voucher Checks and Operation and Maintenance Voucher Checks for a total of \$745,410.93, 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 9 from MEUW RE: APPA establishing the Public Power Mutual Aid Program
 - Copy of letters dated July 28 & August 2 from the State of Wisconsin Department of Natural Resources RE: Water System Facilities Plan and Specification approval
 - Copy of August 2016 MU Employee Newsletter

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. Funds will be moved from Substations Operations and Maintenance to cover the budget overage from purchase order #8656, installing the Tap Changer Contact Kit.

Item VI. Unfinished Business, Water Capital Plan – Don Voogt of McMahon detailed the 10 year capital improvements draft summary report for the water treatment facility and water distribution system. Highlights included distribution system capital improvements plan; source

water intake estimated costs; abandonment of current pretreatment basin recommendation including process documentation; costs for new dedicated pre-treatment basin; and water treatment facility improvements and modifications.

The motion by Comm. Kordus, seconded by Comm. Allwardt was unanimous to submit the preliminary draft summary water treatment facility and water distribution system 10-year Capital Improvements Program to the Department of Natural Resources for review and comment.

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

Item VII. New Business, Bids for Reservoir Membrane Roof System – Mr. Voogt reviewed the bid opening held on August 23, 2016. Two bids were received with Northeastern Roofing, Inc. being the low bidder at \$97,750.00.

The motion by Comm. Merkes, seconded by Comm. Allwardt, was unanimous to award the bid for the Reservoir Membrane Roof System project to Northeastern Roofing, Inc. in the amount of \$97,750.00. The Commission also recommended the Board of Public Works award this bid to Northeastern Roofing, Inc., and forward it to the Common Council for approval.

Don Voogt departed at 9:43 a.m.

Lead Water Service Ordinance – The state has confirmed that the Utility will receive the maximum amount of principal forgiveness funding available, \$300,000. Staff is looking to proceed with the closing process and to forward the previously discussed ordinance and program to the Common Council for approval. Options for reimbursement to single family versus multi-family buildings and availability of funds to homeowners where mains have been previously replaced were discussed.

Commissioners asked to have the ordinance brought back with additional details.

Refinance of WPPI Lease – The loan application from the State Trust Fund Loan Program for refinancing the WPPI lease was included in the packet. The loan amount is \$10,800,000 for a period of 13 years with an interest rate of 4.25 percent per year. The offer is valid for 90 days. PSC approval will need to be obtained.

The motion by Comm. Merkes, seconded by Comm. Allwardt, was unanimous on roll call to recommend to council to proceed with the process of refinancing the WPPI Lease loan with the timing at the discretion of Utility staff.

Item VII. New Business Carryall 550 Gas Cart – Water Distribution requested a reallocation of \$8,800 from budget item #10 (replacing valve exerciser) to be used to purchase a 2017 Carryall 550 gas cart. The cart would be used by numerous departments throughout the year. Commissioner Merkes asked that staff use the cart for a year before requesting the purchase of any additional gas carts.

The motion by Comm. Kordus, seconded by Comm. Allwardt, was unanimous on roll call to approve the purchase of the Carryall 550 Gas Cart and the reallocation of funds.

2016 CVMIC Dividend Report – Information regarding payment of the 2016 Liability and Auto Physical Damage program dividends was included in the packet.

Fiber to Home – Staff requested direction from the commission regarding fiber to home options. General discussion ensued.

No direction from the commission was given at this time.

Process for General Manager's Evaluation – Commission President Allwardt stated the process of evaluation would be similar to last year with discussions being held with the management team.

Item VIII. Strategic Reports, Monthly Strategic Initiative Update – Commissioners commented on the amount of outages the prior month due to animals. Electric Manager Menting stated the electric line crews have been installing additional guards to help prevent animals from creating these type of outages.

July Financial and Project Status Reports – Electric consumption was 1.6% higher than budget with year to date down by 3.5%; cost of power was 14.6% lower than budget; and Net Operating Income is higher than budget due to reduced power costs and lower expenses in all categories.

Department of Transportation (DOT) project amounts have exceeded budget for 2016; unused fund reserves from previous year DOT projects will be pulled to cover the overage. The DOT has not paid for any of the projects to date; the balance is currently exceeding \$200,000. Staff has been working with the DOT to get the payments sent.

Water usage was 18% lower than budget with year-to-date down by 9.2%; the loss ratio continues to be stable; and Net Operating income was 5% higher than budget due mainly to lower overall expenses.

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

Project Reports, Water Projects – The algae toxin testing program has begun and is progressing smoothly, and the water tower sandblasting is complete and painting has begun.

Electric Projects – The Midway Loop project bid opening is scheduled in September and will be reviewed at the next Commission meeting.

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

Item X. 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) (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: Performance Evaluation of General Manger.

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.