

Kaukauna WI
January 26, 2011

The regular meeting of Kaukauna Utilities Commission was called to order at 4:00 p.m. by President Lee Meyerhofer. Commission members present were Gene Rosin, Bill Vanderloop, Tom Driessen, Lee Meyerhofer, John Moore and Tom McGinnis. Also present were Paul Van Berkel, City Attorney, Jeff Feldt, Mike Pedersen, Mike Kawula, Don Krause, Denise Vanderloop, Kevin Obiala, Eric Miller, Mike Preissner and Randy Vercauteren from KU. Tim Roehrig, Alex Krizek and Andrew Balster from Kaukauna High School, Brian Roebke from the Times Villager, and Dianna Driessen were also present.

It was moved by Bill Vanderloop, seconded by Gene Rosin to excuse the absence of Commissioner Cindy Fallona.

All members voted aye

Motion Carried

It was moved by Tom McGinnis, seconded by Gene Rosin to approve the minutes of the December 14, 2010 regular Commission meeting as written.

All members voted aye

Motion Carried

There was no public comment.

Tim Roehrig, Instructor of the KHS Civic Engagement Class updated the Commission on the improvement plans for Rapide Croche Park. Two students Alex Krizek and Andrew Balster talked about the projects completed and goals for next year. Accomplishments this past school year include information signs to be placed throughout the park, along trails and near the water. Each sign has a picture with an explanation and is mounted under plexiglas on a 4 x 4 post. The signs will be an educational tool and denote such things as trees, birds, hydroelectricity, the Fox River and other wild life. Students in the wood shop classes have built benches to be placed along the trails. They will also construct the observation deck in sections to be constructed on site. As the trail crosses a drainage ditch, the students will install a culvert and finish the trail over it. Steps will be needed as the terrain is quite hilly. The students propose birdhouses along the trails, breaker rock in the gully to prevent erosion and improved bathroom facilities.

General Manager Jeff Feldt advised the Commission the Kaukauna Common Council adopted an ordinance late last year allowing energy efficient loans made under the Property Assessed Clean Energy (PACE) program to be paid through the property owner's tax bill. PACE was only available to residential property owners until recently. Kaukauna is one of the first communities in WI to formally adopt and implement the PACE program for commercial properties. KU has allocated \$40,000 for a one time capital funding of the PACE program in the 2011 Energy Services Action Plan. An additional \$10,000 is included in the plan for conducting initial energy audits which are required for participation in the PACE program.

It was moved by Tom McGinnis, seconded by Gene Rosin to authorize a one-time capital allocation in the amount of \$40,000 from the energy conservation budget for the City of Kaukauna PACE Program with said funds to be held by the City in a separate account and used solely for energy conservation and efficiency projects.

Roll Call Vote	Tom McGinnis	aye
	John Moore	aye
	Tom Driessen	aye
	Lee Meyerhofer	aye
	Bill Vanderloop	aye
	Gene Rosin	aye

Motion Carried

Manager of Generation and Operations Mike Pedersen discussed the Badger Hydro Project engineering work with the Commission. KU is at a point where more detailed engineering and design work is needed to assist staff and the Commission in making the decisions as to how to proceed with the project. Whether KU decides to refurbish the existing units or build a new facility, it is necessary to proceed with engineering work to finalize costs. FERC has already given two extensions on the project to rebuild the power canal. It is possible FERC would shut down the Badger Hydro plant if construction on the power canal is postponed beyond 2012.

It was moved by John Moore, seconded by Tom Driessen to authorize \$308,000 in design and engineering work associated with the Badger Hydro Project to the point of obtaining bids for the project as applied for in the FERC license application.

Roll Call Vote	Tom Driessen	aye
	Gene Rosin	aye
	Bill Vanderloop	aye
	Lee Meyerhofer	aye
	Tom McGinnis	aye
	John Moore	aye

Motion Carried

Mike Pedersen continued discussion on the Badger project. Staff proposes to partner with Voith Hydro on the purchase of the turbine/generator unit for the project under the “open book” concept. This process will help to ensure the least amount of downtime for the project and ultimately a significant cost savings.

It was moved by Tom McGinnis, seconded by Gene Rosin to approve the start of the negotiation process with Voith Hydro under an “open book” process to finalize costs and cancellation fees for the turbine/generator for the Badger Project.

Roll Call Vote	Tom McGinnis	aye
	Lee Meyerhofer	aye
	Gene Rosin	aye
	Tom Driessen	aye
	John Moore	aye
	Bill Vanderloop	aye

Motion Carried

Mike Pedersen advised the Commission that fiber installation at the Kimberly Hydro Facility is necessary to provide security at the plant and complete the controls upgrade. The 2011 capital budget allows \$70,000 for this work.

It was moved by John Moore, seconded by Bill Vanderloop to approve the Kimberly Hydro fiber project bid be awarded to Faith Technologies for a firm price of \$60,260.

Roll call Vote:	Gene Rosin	aye
	Lee Meyerhofer	aye
	Tom McGinnis	aye
	John Moore	aye
	Bill Vanderloop	aye
	Tom Driessen	aye

Motion Carried

Jeff Feldt reviewed the 2011 Work Plan with the Commission. The performance appraisals and goal setting procedures implemented with staff this year assisted greatly in establishing projects for the work plan. The Badger Hydro Project is the most significant issue this coming year and is the main focus of the General Manager, Manager of Finance, and Manager of Generation and Ops. IT will be working on security upgrades including water locations. Distribution will be working on outage management improvements. Water will focus on lead service replacements.

It was moved by Tom McGinnis, seconded by Bill Vanderloop to approve the 2011 Work Plan as presented.

All members voted aye

Motion Carried

It was moved by Tom McGinnis, seconded by Bill Vanderloop to approve the accounts receivable write offs.

Roll call Vote:	Gene Rosin	aye
	Lee Meyerhofer	aye
	Tom McGinnis	aye
	John Moore	aye
	Bill Vanderloop	aye
	Tom Driessen	aye

Motion Carried

It was moved by Bill Vanderloop, seconded by John Moore, that checks numbered 45937 through 446179 in the amount of \$5,350,824.47 be approved for payment.

Roll Call Vote:	Bill Vanderloop	aye
	Gene Rosin	aye
	John Moore	aye
	Tom McGinnis	aye
	Tom Driessen	aye
	Lee Meyerhofer	aye

Motion Carried

The commission reviewed the monthly reports.

Staff reports:

Manager of Electric Distribution, Eric Miller, advised the Commissioners that both circuits associated with the Fox River crossing project are in service. The Tobacnoir Substation is also in service. The project went very well and is serving 3 megawatts right now. The load will increase to 6 megawatts when the Industrial Park is added; and 8-10 megawatts during peak summer months. The Delanglade substation has been removed from service and is in the process of being de-commissioned. Parts and equipment will be either sold or recycled and the property will be returned to green space.

Mike Pedersen reported the maintenance crew and operations are busy with recent switching procedures. The flow on the river continues to be high for this time of year.

Water Superintendent, Kevin Obiala, gave a department update. There have been eight water main breaks so far this month. The water crew is continuing maintenance in the plants and testing meters.

Manager of Information & Technology, Don Krause, advised the Commission the IT intern has been a great help by manning the web help desk and keeping IT inventory up to date. Security is the big project for IT in 2011.

Manager of Finance and Administration, Mike Kawula, advised the Commission the new water rates went into effect January 1, 2011. The Electric Rate Hearing was held January 19th with one industrial and one residential customer in attendance at KU and two industrial customers and the Wisconsin Paper Council in attendance at the Public Service Commission. New electric rates may be in place by March 1st. The Accounting and Billing departments are working on year end reports. There are fewer credit card payments since switching to Paymentus – a savings of \$45,000 per year in credit card fees. A street light audit combining billing records with GIS records showed a revenue gain of \$9,000. In 2011 Accounting will look at on line payments for customers to pay from their bank account.

Manager of Human Resources, Denise Vanderloop, is working with Managers on the needs KU has for summer help in 2011; and with the union on the Random Drug Testing Policy for the entire utility. Denise is also studying new state legislative laws which affect the Wisconsin Retirement System.

Jeff Feldt presented the 2010 Final Work Plan and a reliability indices comparison for the past 10 years. KU has less than one outage per customer per year. Jeff also reviewed the net financial impact of hydro power generation since 2002. KU customers have realized net savings of \$9,000,000 in 2010 compared with \$4,000,000 in 2004. KU is consistently in the lower 10% of all utilities rates in the State of Wisconsin. The Commission reviewed the December Energy Services Report, Safety minutes and Safety Report.

Jeff Feldt told the Commission Roy Thilly's retirement party will be April 7, 2011 and Mike Peters will begin as CEO of WPPI Energy on Monday, January 31st. The wind turbines at the high school were installed this week and are operational. The school will save about \$2,000 - \$3,000 each year on their energy bill with the new wind turbines.

The 100 Year Anniversary preparations will include a book about the history of Kaukauna Utilities. We are also working with Sue Grissman's art class at KHS on a logo/theme for the event as well as a commemorative sculpture of some kind in Hydro Park that reflects KU history.

It was moved by Tom Driessen, seconded by Bill Vanderloop to adjourn.

All members voted aye

Motion Carried

The meeting ended at 5:45 p.m.

Thomas J. McGinnis
Secretary