

REGULAR MEETING OF THE WATER AND LIGHT COMMISSION

January 27, 2010

Draft

Commission President Allwardt called the Regular Meeting of the Water and Light Commission to order at 7:35 A.M., with Commissioners Bob Fahrbach, Joe Guidote, Don Merkes, and Carla Watson present on roll call. Also present were Melanie Krause, Co-General Manager/Business Operations; Dick Sturm, Co-General Manager/Engineering and Operations; Steve Grenell, Project Engineer; Kristin Hubertus, Business Operations Accountant; Lonnie Pichler, Electric and Water Distribution Supervisor; Dave Rodriguez, Customer and Utility Services Manager; Jerry Sturm, Water Plant Supervisor; and John Teale, Technical Services Engineer.

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

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

- A. Minutes of the Regular Meeting of December 16, 2009.
- B. Minutes of the Special Joint Common Council and Menasha Utilities Commission Meeting of December 7, 2009.
- C. Minutes of the Special Meeting of January 18, 2010.
- D. Approve and warrant payments summarized by checks dated Dec. 23 ó 31, 2009, and Jan. 7 - 27, 2010, which includes Net Payroll Voucher Checks, Void O & M Checks #039098 & 039190, and Operation and Maintenance Voucher Checks for a total of \$1,179,816.39, 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 minutes from WPPI Energy Sept. 18 Board of Directors meeting, and proposed minutes from Nov. 19 and Dec. 10 Executive Committee meetings
 - Copy of letter dated Dec. 4, 2009, to Menasha Utilities from St. Joseph Food Program, re: Donation Thank You.
 - Copy of Journal Sentinel news article dated Dec. 8, 2009, re: Public Power CEO to step down in 2011
 - Copy of letter dated December 16, 2009, to Menasha Utilities, from Double Portion Soup Kitchen and Pantry, re: Donation Thank You
 - Copy of letter memorandum dated Dec. 28, 2009, to all WPPI Energy Directors, Alternates, Representatives and Managers, from WPPI Energy CEO Roy Thilly, re: Developments
 - Copy of letter dated January 13, 2010, to Menasha Utilities, from Heckrodt Wetland Reserve, re: Donation Thank You
 - Copy of January 2010 Insight Magazine article titled "Power down"
 - Copy of Public Notice to all Customers (December bill insert), PSC Prehearing Conference Memorandum, and PSC Notice of Proceeding and Prehearing Conference

Item IV. Financial and Operations Statement ó there was no financial and operations report this month. Co-General Manager/Business Operations Krause added the December financial statements will be available at the next meeting after the audit.

Item V. Claims Against The Utility ó Co-General Manager/Business Operations Krause reported on a claim received from Hastings Mutual Insurance Company on behalf of their client Robert Jaworski. After investigation of the incident, it was found that the Menasha Utilities dump truck has not been in North Chase, WI, and was not used on the date in question.

The motion by Comm. Guidote, seconded by Comm. Fahrbach, was unanimously approved on roll call to disallow the claim of Robert Jaworski/Hastings Mutual Insurance Company and that they are advised of their statutory rights pursuant to Wis. Stats. 893.80.

Item VI. Purchase Orders over \$10,000.00 issued since the last Commission meeting were presented for informational purposes.

Item VII. Unfinished Business, Taxroll/Landlord Ad Hoc Committee ó Manager of Customer and Utility Services Rodriguez gave an update on the formation of an ad hoc committee and a tentative mission statement. He would like to have a committee of six or seven individuals set-up and make a recommendation of members at the next meeting.

Mike King, Post Crescent, arrived at 7:40 a.m.

Comm. President Allwardt advanced to Agenda Item VIII, New Business, Report from Collection Agency ó Mr. Rodriguez introduced Suzanne Gizella, Vice President Sales, Financial Control Solutions. Ms. Gizella reviewed the collection process and the performance of their agency in addition to answering questions from the Commission.

Project Engineer Grenell arrived at 7:55 a.m.

Update on Menasha Utilities Email System ó Technical Services Engineer Teale reported the issue of WPPI reading Menasha Utilitiesøemails was resolved because WPPI only acts as a pass through system. A discussion was held at the last meeting regarding moving to the City email system or providing in-house archiving of emails. Costs for these options were included in the packet for this meeting. The City adjusted their original reoccurring costs late yesterday, and Mr. Teale distributed the revised options.

With the adjusted costs Menasha Utilities would be required to provide all the administrative support functions for the email system. Jeff Lacey, City of Menasha IT Dept., added the Utilities would be set up as an organizational unit within the City network, and Mr. Teale would be granted all access to the unit.

Co-General Manager/Engineering and Operations Sturm asked about the change in philosophy regarding someone other than City IT personnel in the server making adjustments for malfunctions. Mr. Lacey stated after additional research they are more comfortable granting that access and they do not anticipate any additional costs to those outlined in the memorandum.

Mr. Teale reported the Menasha UtilitiesøUnit 1 option would meet archiving requirements immediately and the vendor is offering a 30 day trial to test email retrieval capability and storage. The vendor has also tested their unit with Groupwise as well as Microsoft Outlook.

Mayor Merkes raised concerns regarding efficiencies of sharing calendars and contact lists throughout the City and Utility, operating two separate archiving systems and their long term costs, the search capabilities if two areas need to be searched if there is a public records request, making sure there is an archival copy of everything, and duplicate mirrored systems in different buildings so that data is not lost. Sharing potentials and other efficiencies would be more important than the long-term costs of running two separate systems.

Mrs. Krause mentioned a condition in the PSC rate application approval where all inter-departmental contracts and agreements need to be outlined, cost justified, and approved by the PSC. This item would need to be approved by the Public Service Commission with the rate order.

At the end of the discussion, the Commission requested the information provided be revised for the next meeting, including the pros and cons of the items, in order to determine the best long term value for everyone.

Mike King, Post Crescent, departed at 8:35 a.m., and Commissioner Fahrback departed at 9:00 a.m.

Item VIII. New Business, Sedimentation Basin Repairs ó Water Plant Supervisor Sturm reviewed the specifications on what needs to be done to repair the sedimentation basins. Mrs. Krause stated this project was included in the budget for the second half of the year after the proposed water rate increase would be in place. A copy of the McMahon report on the condition of the sedimentation basin was distributed. Engineering would need to begin in July in order to have a contractor on site in November.

The Commission requested this item be brought back to the June meeting after there is a decision on the water rate case.

Water Tower Storage Evaluation ó Mr. Jerry Sturm reviewed the bids received from four engineering firms. McMahon Associates has a very good understanding of the water system and they have a lot of information on the system to be utilized.

The motion by Comm. Guidote, seconded by Comm. Watson, was unanimous on roll call to approve McMahon Associates for the Evaluation of the City of Menasha Water System at a cost of \$6,900. Funds for this project will be utilized from the Water Utility Reserve Fund and the project is budgeted for May.

Notice of Call for Voluntary Additional Capital Contributions in 2010 ó Mrs. Krause reported notice needed to be given to ATC by January 15, and following past practice, authorization was given to WPPI Energy to make the additional capital contribution call.

The motion by Comm. Merkes, seconded by Comm. Watson, was unanimously approved on roll call to authorize WPPI Energy to make the voluntary additional capital contribution in 2010.

Review of Co-General Managers Positions ó Comm. President Allwardt asked for input on how the co-general manager concept is working, are there things that should be changed, and are the

co-general managers receiving proper support from the Commission. Comm. Guidote requested feedback from Mrs. Krause and Mr. Sturm.

Mr. Sturm stated the Utility and the City are in extraordinary times, and having a co-general manager to consult with has been invaluable. There are a number of future items that have been discussed to move the Utility forward and those things have not gotten the attention they deserve. It's not a factor of having a single manager or co-managers, it's the fact there is an enormous need taking so much energy and time of two managers. Mrs. Krause agreed with Mr. Sturm's comments, and added they have been faced with more than any one person should handle and to have a dual role and have support on the technical and financial side, as well as support from staff has been invaluable. Moving forward there are a lot of things they would like to do in the Utility, and hopefully those changes can be made in the future. Mr. Sturm added they have very capable staff and complimented them on the initiative taken and independence exercised in order to keep the Utility functions running.

Mayor Merkes added that he has seen better communication due to the collaborative nature of the two co-general managers, and would like to review the positions in another six months.

Comm. Watson questioned the support of the Commission, and Mr. Sturm stated he felt they were adequately supported and Commissioners have been available when additional support is needed. Mrs. Krause added there has been more involvement from the Commission in the past year, and would like to see that continue in the future.

Item IX. Project Reports, Hwy. 114 Joint Pole Line with WE Energies's Electric and Water Distribution Supervisor Pichler gave an update on the project to increase reliability for customers in the area, and stated WE Energies awarded their bid to Great Lakes. A recommendation will be made at the next meeting for Menasha Utilities portion of this project.

Item X. Staff Reports, Co-General Manager/Engineering and Operations's there were no additional questions to the report presented.

Electric and Water Distribution/Safety Report's Mr. Pichler stated underground work has started at the Mission Village development. A year-end report for system reliability was included this month. There were a total of 23 outages reported for 2009 which is down considerably from past years.

Water Plant's Mr. Sturm commended Project Engineer Grenell for the progress being made on the soda ash system. The UV system certification process is being worked on.

Project Engineer's there were no additional questions to the report presented.

Telecommunications & Substations's Mr. Teale added staff will be traveling to Reedsburg next week to discuss their telecommunications utility.

Co-General Manager/Business Operations's Mrs. Krause gave an update on the PSC hearings; the majority of the public who attended the hearing did support the transaction. The PSC did suggest changes to the rate application including changes in the cost of service study to make increases more uniform across the board within a rate class. Final briefs are due today, and an

order is expected by February 23. As part of the rate application, WPPI Energy completed a due diligence of the electric distribution system. The report indicates the system is in good condition, and the full report will be filed with the PSC.

Customer and Utility Services/Key Accounts ó Mr. Rodriguez added the Harris software will be upgraded and training will start next week.

Mr. Dick Sturm announced Mike Malmstead has been hired as the WPPI Energy Services Representative for Menasha, New London, and Oconto Falls.

Item XI. People from the Gallery to be heard on any items discussed at this Meeting:

David Zelinski, 57 Appleton Street, commented on the membership of the ad hoc committee.

Dan Zelinski, 647 Paris Street, commented on the membership of the ad hoc committee and the dollar amount of uncollectible bills that is collected by Financial Control Solutions. He also inquired about the status of repairs at Winz Park. Comm. President Allwardt asked if funds were budgeted for 2010 for this project, and asked staff to give an update at the next meeting.

Item XII. The motion by Comm. Guidote, seconded by Comm. Watson, was unanimously approved on roll call at 10:05 a.m. 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: Review of Co-General Managers

After discussion, the motion by Comm. Merkes, seconded by Comm. Guidote, was unanimously approved to adjourn from Closed Session and to reconvene into Open Session of the Regular Meeting of the Water and Light Commission.

There being no further business, the motion by Comm. Merkes, seconded by Comm. Guidote, was unanimously approved to adjourn at 10:45 a.m.

By: MARK L. ALLWARDT
President

CARLA R. WATSON
Secretary

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