

REGULAR MEETING OF THE WATER AND LIGHT COMMISSION

June 23, 2010

**Draft**

Commission Secretary Watson called the Regular Meeting of the Water and Light Commission to order at 7:35 A.M., with Commissioners Joe Guidote and Don Merkes 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; John Teale, Technical Services Engineer; Mike Malmstead, Energy Services Representative, and the Press.

In the absence of Commission President Allwardt and Commission Vice President Fahrback, Commissioner Watson appointed Commissioner Guidote as Acting Secretary for this meeting.

Item II. People from the Gallery to be heard on any topic of public concern to the Utility:

Mary Nebel, 713 First Street, spoke regarding the environmental claims and the study of email systems being a fiscal decision not a political one.

Tom Stoffel, 1041 Garda Court, commented on the Common Council and City IT Committee endorsing the feasibility study of combining City and Utility IT departments, and requested the Commission also endorse the study.

Joanne Roush, 409 Cleveland Street, agreed with the comments made by Mr. Stoffel and spoke regarding both the City and Utility managing debt.

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

- A. Minutes of the Regular Meeting of May 26, 2010.
- B. Approve and warrant payments summarized by checks dated May 27, and June 3 - 23, 2010, which includes Net Payroll Voucher Checks, Void O & M Checks 039849 & 039965, and Operation and Maintenance Voucher Checks for a total of \$737,857.10, 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 Order dated May 17 from US District Court re: Lafayette Life Insurance co., Mercy Ridge, Inc., American Bank and all others similarly situated, vs City of Menasha, Menasha Utilities, and Menasha Steam Utility
  - Copy of letter dated May 20 to Carla Watson, Commissioner, from MEUW Executive Director Dave Benforado, re: Pillar of Public Power Award
  - Copy of 2010 MEUW Pillar of Public Power Awards
  - Copy of MEUW Safety Achievement Award for 2009

Copy of letter dated May 20 to Co-General Manager/Business Operations Krause from DNR Financial Assistance Specialist Jeanne Cargill, re: SDWLP Project No. 4845-06, Replace S Basin Scraper Chains & Flights at Water Plant

Copy of letter dated May 20 to Co-General Manager/Business Operations Krause from DNR Financial Assistance Specialist Jeanne Cargill, re: SDWLP Project No. 4845-05, Replace Mains on Arthur, Ida, Grove & 8<sup>th</sup> Streets

Copy of letter dated May 24 to Co-General Manager/Business Operations Krause from DNR Financial Assistance Specialist Jeanne Cargill, re: SDWLP Project No. 4845-07, Repair Sedimentation Basin Beams, Columns & Walls

Copy of letter dated June 3 to Co-General Manager/Engineering & Operations Dick Sturm, from Larry Landsness, DNR, re: Water System Facilities Plan and Specification Approval

Copy of Plaintiffs Motion dated June 7 from US District Court re: Lafayette Life Insurance co., Mercy Ridge, Inc., American Bank and all others similarly situated, vs City of Menasha, Menasha Utilities, Menasha Steam Utility, and RBC Capital markets Corp

Copy of letter dated June 11 to Co-General Manager/Business Operations Krause, from Mary Scoon, Staff Representative, AFSCME, re: Contract Negotiations

Copy of notice mailed June 15 from the Public Service Commission, re: Final Decision for Water Rates

Comm. Watson congratulated all staff involved in achieving the MEUW Safety Award, and Comm. Merkes congratulated Comm. Watson for her MEUW Pillar of Public Power Award.

Comm. Watson asked if staff had additional comments on the correspondence regarding Safe Drinking Water Loans. Co-General Manager/Business Operations Krause stated all projects were submitted as one project and the DNR separated three of them individually.

Item IV. May Financial and Operations Statement ó there were no additional questions to the reports and summary memorandum included in the packet; the Commission accepted the May Financial and Operations Report as presented.

Item V. Claims Against The Utility ó there were no claims discussed at this meeting. Mrs. Krause added there would be an update on the bondholder claim during the closed session portion of this meeting.

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 first meeting held June 15. Information on the billing and collection process was reviewed. The next meeting has been scheduled for July 13.

Update on Water Rate Case ó Mrs. Krause reported the final decision on the water rate case was included in the correspondence. Rates became effective on June 16.

Item VIII. New Business, IT Department Feasibility Study ó the motion by Comm. Merkes, seconded by Comm. Guidote was unanimously approved to direct staff to study the feasibility of a unified IT Department serving both the Utility and City departments. Comm. Merkes amended the original motion to include a report being completed by September 1; this was seconded by Comm. Guidote and unanimously approved.

Co-General Manager/Engineering and Operations Sturm stated both the WPPI Energy Purchase Agreement and PSC electric rate order includes situations such as this and a study should be reviewed with them prior to a decision being made and prior to the new electric rates becoming effective.

Review of City Attorney Services ó Mrs. Krause reviewed the agreement by the Commission during the 2010 budget process to include a portion of the City Attorney costs in the Utility budget and to evaluate this issue in six months.

Mrs. Krause added City Attorney Captain has been spending time on the bondholder claim, and has reviewed one contract; there is no issue with the services provided.

Mayor Merkes asked if there were plans to have CA Captain be part of upcoming Utility contract negotiations. She will be participating in the City contract negotiations, and this might be a good opportunity to have similar contracts between the two entities. Comm. Guidote added it would be beneficial long term to see consistency between the labor contracts if CA Captain has the time available.

Evaluation of Water System Storage Needs ó Water Plant Supervisor Jerry Sturm gave an update on the McMahon Study originally done in November 2009, and revised May 25, 2010 to include researching abandonment of the Manitowoc Street tower and modifications to the high lift system at an additional cost of \$1,000.

The motion by Comm. Merkes, seconded by Comm. Guidote, was unanimous on roll call to approve the revised agreement with McMahon Associates.

Removal and Replacement of Chiller Condensing Unit ó Mr. Rodriguez reviewed the bid tabulation for removal and replacement of the chiller condensing unit at the office complex which was an approved budget item for this year.

Staff recommendation would be to award the bid to Central Temperature Equipment for the chiller installation and All Systems Insulation for the re-insulation of the newly installed piping.

The motion by Comm. Merkes, seconded by Comm. Guidote, was unanimous on roll call to approve awarding the bid to Central Temperature Equipment for the chiller installation at the bid quote of \$33,529.00 and to All Systems Insulation for the re-insulation of the newly installed piping at the bid quote of \$600.00.

Fire Alarm System Upgrade ó Mr. Rodriguez stated this item was not a budgeted item for 2010, but this issue was discovered during the annual testing. The current system has been in place for 10 years and the cost is greater to test the alarms than to replace the system.

Staff recommendation is to award the contract to Faith Technologies Electrical Contractors to install the new fire alarm system. Funds to cover the cost of this project would come from funds budgeted to upgrade the chiller which came in under the budgeted amount, and from the annual tools and equipment budget.

Comm. Merkes stated he would abstain from voting on this issue because of family members being employed at Faith Technologies. Because there is not a quorum to vote on this issue, a special meeting could be scheduled.

Item IX. Project Reports, UV Certification ó Mr. Jerry Sturm reported Trojan is in the process of reprogramming the system to comply with DNR specifications.

WPPI Energy Transaction ó Mrs. Krause stated staff is continuing to work on various legal pieces; there are less than 10 easements that need to be signed.

Item X. Staff Reports, Co-General Manager/Engineering and Operations and Electric and Water Distribution/Safety Report ó there were no additional questions to the reports presented.

Water Plant ó Mr. Jerry Sturm added Lake Winnebago water is extremely clear so far this year. There have been minor issues with taste and odor, but staff has been able to handle them very well.

Comm. Merkes inquired about the soda ash system; Mr. Jerry Sturm stated the soft water line has been installed and this is being utilized to dilute the soda ash into a solution giving a better solution factor.

Project Engineer and Telecommunications & Substations ó there were no additional questions to the reports presented.

Co-General Manager/Business Operations ó Mrs. Krause requested time for a bargaining discussion with the Commission next month, and this could be scheduled as a special meeting that would include the fire alarm upgrade.

Customer and Utility Services and Energy Services Representative/Key Accounts ó there were no additional questions to the reports presented.

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

Joanne Roush, 409 Cleveland, spoke on the possibility of legal counsel being available for the Ad Hoc Committee members during their meeting.

Mary Nebel, 713 First Street, commented on receiving an update on the claims and litigation expenses.

Item XII. The motion by Comm. Guidote, seconded by Comm. Merkes, was unanimously approved at 8:15 a.m. to convene into Closed Session pursuant to Section 19.85 (1) (g) of the Wisconsin Statutes for the purpose of conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. RE: Litigation

By: CARLA R. WATSON  
Secretary

JOSEPH P GUIDOTE  
Acting Secretary

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