

**Minutes of a Regular Meeting of the
Waupun Utilities Commission
Monday, February 10, 2014**

The meeting was called to order by President Buchholz at 4:00 p.m.

Commissioners Buchholz, Heeringa, Homan, Johnson, Kaczmarek, Mielke and Thurmer were present.

On motion by Thurmer, seconded by Kaczmarek and unanimously carried, minutes of the January 13, 2014, Regular Meeting were approved as presented.

On motion by Johnson, seconded by Heeringa and unanimously carried, bills for January 2014 were approved as presented.

Business/Finance Manager Oosterhouse presented 2013 financial results. Electric operating income was \$511,000 or \$37,000 above budget on lower distribution expenses, and administrative and general expenses. Sewer operating income was \$323,000 or \$77,000 below budget on a 2013 rate reduction and decreased sales to correctional facilities. Water operating income was \$675,000 or \$208,000 above budget on lower water treatment and distribution expenses, and lower administrative and general expenses. The long-term investment portfolio recognized a net loss of \$41,000, or 0.97%. On motion by Homan, seconded by Thurmer and unanimously carried, the 2013 financial report was approved as presented.

Posthuma presented an electric crew update and general utility information. The electric system is remaining reliable through the severe cold. The electric crew is flexible with their schedule in order to assist the water/sewer crew with weather related system issues if needed. They continue to work on annual tree trimming maintenance.

Manager Posthuma attended a Wisconsin Energy Providers meeting with Municipal, Coop and Investor Owned utilities coming together to discuss distributed generation, communication and cyber security. Manager Posthuma and Business/Finance Manager Oosterhouse attended the annual MEUW Joint Superintendents Conference. Two key speakers provided great material on managing a multi-generational workforce, and front-line leadership safety.

W&S Maint/Treatment Supervisor Schramm reported the extreme cold temperatures the past month continue to cause system issues. To date, the crews have dealt with three water main breaks, six frozen services, and a sewer lateral repair. Staff is monitoring the frost and system conditions in order to determine if additional measures will be needed to prevent a rash of frozen services. Frost is 2 – 3 feet deeper than usual, due to extreme conditions. Schramm reported the water and wastewater treatment plants are operating normally despite extreme temperatures.

Chris Chlupp, Baird Investments, and Doug Fry, Reinhart Partners, were present to report investment results for the year 2013. The presentation provided insight on the current bond investment market, and the strategy used to manage the utilities portfolio.

Commissioners Heeringa and Thurmer exited the meeting at 5:00 p.m.

Manager Posthuma reviewed the transition plan put in place at the time the prior manager left employment. The plan encompassed utility projects in progress, and assigned who was responsible to follow up and continue progress on short and long term projects.

Information was presented on American Transition Company (ATC), both establishment background and ownership. ATC was formed to provide reliability in an unstable market after the late 1990's, and to eliminate overlapping rates between transmission systems. Waupun Utilities owns a 69,000 kV transmission line throughout the outskirts of the city and leading to its substations. The utilities will investigate an acquisition proposal for ATC to acquire the assets of the 69,000 kV line. ATC will be present at the March 10, 2014, utility commission meeting to explain the process of acquisition, and be available for questions.

On motion by Johnson, seconded by Homan and unanimously carried, the meeting was adjourned at 5:40 p.m.

Next regular commission meeting scheduled for March 10, 2014.

Nancy Oosterhouse
Mapping/Admin Coordinator