

**Minutes of a Regular Meeting of the
Waupun Utilities Commission
Monday, April 8, 2013**

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

Commissioners Buchholz, Homan, Johnson, Kaczmarski, Nickel, and Sterk were present. Commissioner Thurmer was absent.

On motion by Johnson, seconded by Sterk and unanimously carried, minutes of the December 17, 2012, and February 11, 2013, Regular Meetings were approved as presented.

Aaron Worthman and Jeffrey Stanek from Baker Tilly presented the draft 2012 Waupun Utilities audit report. The report was issued in draft because the post-employment benefit actuarial study was not complete. The audit objective was to provide reasonable assurance that Waupun Utilities' financial statements are free from material misstatement. We received an unqualified opinion, which is the highest level of assurance that can be placed on financial statements. Mr. Worthman indicated the cash balances were not ideal for electric and water and we should monitor our electric rate of return. He noted that the sewer utility was very healthy financially.

On motion by Sterk, seconded by Homan and unanimously carried, bills for February and March 2013 were approved as presented.

General Manager Bloom presented February 2013 financial results. Electric operating income was \$47,200 above budget on lower distribution and administrative and general expenses. Sewer operating income was \$1,400 above budget. Water operating income was \$70,800 above budget on timing of reverse osmosis system maintenance and lower administrative and general expenses. The long-term investment portfolio recognized a net gain of \$10,600. On motion by Kaczmarski, seconded by Nickel and unanimously carried, the February 2013 financial report was approved as presented.

Bloom presented the Q2 2013 communications plan. The Home Energy Report will be sent out this month to all residential customers. The plan also includes targeted advertisements for value of local ownership, energy saving tips, and promotion of our central air conditioning tune-up and tree rebate programs.

Operations supervisor Posthuma presented the operations report. The water and electric crews continue work on AMI water meter replacements. They have replaced 1,165 as of April 5. The electric crew completed an underground primary extension and new service at Federal Mogul on Good Friday. Waupun Utilities received a first-place 2012 Electric Utility safety award from the American Public Power Association. This award recognizes that we did not have any lost-time incidents across all departments in 2012.

Treatment Facilities Supervisor Schramm presented the treatment facilities report. The water plant is performing well. We took delivery of the first lot of elements for the reverse osmosis system membrane replacement. These elements will be installed in June. The wastewater plant is performing well. Crane Engineering completed their annual preventive maintenance program for all

pumps. This program includes setting pump clearances, seal adjustments, and laser alignment of the rotating assembly. The 2012 NR 101 fees were submitted to the DNR for review and approval.

An AMI project update was presented. The electric meter deployment is complete with the exception of two meters where customers need to remove deck boards. Water meter replacement began on February 7. Our crews have replaced 1,165 meters. We are on pace to complete the water portion in July, well ahead of our original estimate of December. We are assigning more staff to this project than we originally planned. We will monitor the project budget and use the remaining revenue bond line-of-credit where appropriate.

Bloom informed the Commission that staff will prepare a leave-time bank policy for their consideration at the May 13 Regular Meeting.

Bloom informed the Commission that Joel Sterk was stepping down from the Commission. All in attendance thanked Joel for his years of service, consideration, and dedication to his position on the Commission.

Bloom informed the Commission that he was resigning, effective May 3, and thanked the Commission for their support. A Commission meeting will be scheduled in the near future to set out a plan for replacing the General Manager and Finance Manager positions.

On motion by Sterk, seconded by Kaczmariski and unanimously carried, the meeting was adjourned at 5:00 p.m. Next regular meeting is scheduled for May 13, 2013, at 4:00 p.m.

Zachary Bloom
Secretary