



TO: Waupun Utilities Commissioners
FROM: Randy Posthuma, General Manager
DATE: May 8, 2014

GENERAL INFORMATION

Electric Department Update:

The electric department has transitioned into planned construction projects. The crew completed primary underground extension and services to the pool complex and hotel. They will now focus their efforts on installing street lighting on Washington Avenue, voltage conversion along Barnes Street, and installation of a SCADA system in our substations.

The electric department responded to several trouble calls this past month to repair an underground electric wire fault, a house service wire that burned open and a repair to wires damaged by the contractor while doing street construction on S. Grove Street.

General Updates:

Moratorium: The electric disconnection moratorium ended April 15th. The Utilities installed 74 notices on customers doors notifying them of disconnect for delinquent bills. Of the 74 notices, the Utilities disconnected 12 customers. All customers were disconnected and reconnected by our office staff using the remote disconnect option of our AMI meters.

WWA Water Supply Regulatory Affairs Update: On Wednesday, May 7th, Steve Schramm and I had an opportunity to attend a Water Supply Regulatory Affairs Seminar held in Madison. We heard speakers from the PSCW, DNR and EPA give updates to Wisconsin Rural Water Members on new construction authority rules for water projects, fluoride level reductions in drinking water, and revised total coliform rules. In addition, Lawrie Kobza, Boardman & Clark Law Firm, gave a legislative update on customer privacy law and tenant delinquent utility bill legislation.

Waupun Utilities Transmission Line Transaction: After approval of the "letter of intent" for purchase of transmission line assets belonging to Waupun Utilities, we have continued to meet with ATC representatives and established a flow chart of necessary steps. Staff met with Land Services (title and easement company) and Boardman & Clark Law Firm to initiate the needed easement documents and purchase agreement.

This concludes my report for May 2014. Please contact me at 324-1991 or rposthuma@wppienergy.org with any questions or concerns.



TO: Waupun Utilities Commissioners
FROM: Jared Oosterhouse, Business/Finance Manager
DATE: May 5, 2014
SUBJECT: March 2014 Financial Report and General Information

The March 2014 financial report follows.

CONSTRUCTION AND PLANT ADDITIONS

The attached construction and plant additions summary shows costs incurred for reconstruction engineering. There were a couple plant additions in March, including the new lawn mower/snow blower and the purchase of replacement equipment for the belt press building.

MONTHLY METRICS – March 2014 YTD

Sales

Electric sales were 1.04% below budget on weak sales to small power, large power, and industrial power classes. Sales were 0.04% above 2013 levels.

Water sales were 5.54% below budget, and 5.75% below 2013 sales levels on weak sales to residential and industrial classes.

Sewer sales were 2.70% below budget, and 7.80% below 2013 levels on weak sales to the residential and public authority classes.

Income Statement

Electric operating income was \$20,700 above budget. Operating revenues were \$24,700 below budget while purchased power expense was \$40,100 below budget resulting in gross margin to be \$15,500 above budget. Operating expenses were \$5,200 below budget on lower customer accounts, administrative and general, and depreciation expense. Net income was \$19,200 above budget on investment income that was \$100 below budget.

Water operating income was \$41,000 below budget. Operating revenues were \$16,300 below budget. Operating expenses were \$24,700 above budget on higher transmission and distribution expense due to the severe cold and unthawing frozen services. Net income was \$40,800 below budget on investment income that was \$1,800 above budget.

Sewer operating income was \$65,900 above budget. Operating revenues were \$2,500 above budget. Operating expenses were \$63,400 below budget on lower WWTP operation, maintenance, and administrative and general expenses. Net income was \$54,300 above budget on investment income that was \$2,600 above budget.

Balance Sheets

The electric balance sheet decreased \$522,600 from February 2014. Total unrestricted and restricted cash decreased \$483,900 due to long-term debt and interest payments totaling \$551,600. Accounts receivable decreased \$15,600 due to decreased billings. Accounts payable increased \$12,800. Retained earnings increased \$2,500 from monthly operating results.

The water balance sheet decreased \$928,800 from February 2014. Total unrestricted and restricted cash decreased \$867,500 due to long-term debt and interest payments totaling \$956,100. Accounts receivable decreased \$15,900 due to decreased billings. Retained earnings increased \$6,300 from monthly operating results.

The sewer balance sheet decreased \$137,700 from February 2014. Total unrestricted cash and investments decreased \$63,200 due to long-term debt and interest payments totaling \$138,800. Retained earnings decreased \$2,900 from monthly operating results.

Cash and Investments

The monthly metrics dashboard for cash and investments provide a monthly comparison of cash and investment balances, and graphs that present long-term investments by maturity, type, and rating.

Total cash and investments decreased \$1,415,000 from February 2014 due to long-term debt and interest payments. We received interest and distributions of \$5,400 and recorded an unrealized negative market adjustment of \$24,000, resulting in a net portfolio loss of \$18,600 for the month of February.

This concludes my report. Please do not hesitate to contact me at 324-7923 or joosterhouse@wppienergy.org with any questions or comments.



TO: Waupun Utilities Commissioners
FROM: Steve Schramm
DATE: May 8, 2014
SUBJECT: Monthly Operation Report

Water Treatment Facility:

The water treatment facility is performing well.

There is one call-in to report this month. It was for a "Reservoir High Level" alarm, a false alarm caused by an electronic transducer failure. Adjustments were made, and water production was restored.

Wastewater Treatment Facility:

The wastewater treatment facility is performing well.

There was one call-in to report this month, which was "Effluent Wet Well High Level", an alarm triggered by high incoming flows. Between April 12th and April 14th we received a total of 3.75 inches of rain. As a result of this rain event, "in-plant diversion" was implemented due to high wet weather conditions and increased flows to the treatment facility. By using "in-plant diversion", the treatment facility prevented excessive biological loss to the activated sludge system. This also allowed other treatment processes to function properly. No by-passing or SSO occurred during this event.

Staff started tank maintenance. This process will take the majority of the summer, as each tank will be drained, cleaned, and inspected for repairs.

There were intermittent operating issues with the influent pumps over the past couple of weeks. Through extensive trouble shooting a faulty input/output card was identified and replaced in plc 2.

Waldvogal Trucking completed the spring biosolids land application. This was cut short, due to a late and wet spring. Our nutrient management plan allows 500 cubic yards of biosolids to be applied to 20 acres of DNR approved agriculture land.

The Rock River Intermediate and Central Wisconsin Christian Schools brought several fifth and sixth grade classes for tours. Both schools have been learning about the water cycle and water and wastewater resource management.

Distribution and Collection System Crew:

There are no call-ins to report this month.

Between miscellaneous service calls, the crew's main focus has been on sanitary sewer flushing and repairing terraces which were damaged from service freeze ups or water main breaks.

Wood's Excavating installed all of the sanitary sewer and water main on Washington Ave., leaving only valve installation and connecting to our system. Construction on South Grove St. will be completed this week. Wood's will begin repairs on East Franklin, from Madison St. to Fond du Lac St., on Monday the 12th. This portion of construction will involve a tremendous amount of coordination and after hour tie-ins, to accommodate business operations.

This concludes my report. Please do not hesitate to contact me with your questions or concerns at 324-7920 or sschramm@wppienergy.org.
