

**MINUTES OF THE ALGOMA UTILITY COMMISSION MEETING OF
February 18, 2009**

President Guy Haasch called the meeting of the Algoma Utility Commission to order on February 18th, 2009, at 5:00 P.M. in compliance with the open meeting law.

Members present: Guy Haasch, Robert Hafeman, Russ Ritchie, Sylven Konkell and Bruce Charles. Also present: Steve Birr of Foth, Richard Riederer and Nancy Johnson. No members were absent.

Charles motioned, seconded by Hafeman to adopt the agenda set for the February 18th, 2009 meeting. Motion carried.

Konkell motioned, seconded by Hafeman to approve the minutes of the January 21st, 2009 meeting. Motion carried.

Comments of Anyone Present:

None

New Business:

a.) None

Old Business:

- a.) Birr gave the Perry, Birch and Cedar Corners water main project update. Final payment due to Tenor Pipeline is still in dispute. Public Works Committee may levy liquidated damages against Tenor.
- b.) Sixth and Ohio Street water main project bid opening was February 4th. Apparent low bidder was Dorner, Inc. at \$110,807. The optional Birch Street water main loop bid was \$32,000. The City will award bids April 6th.
- c.) CTW installed the new water softener at Well #3. Tonka will be present for the pre-inspection start up. Testing will be performed before placing system online.
- d.) Planning Commission, no utility projects.
- e.) The City and Utility are participating in the WPPI Utility and Municipal Building Energy Efficiency Incentives program.
 - The solar PV awning system installed on the Utility Building will have software installed allowing internet users to view the energy production statistics.
 - Lighting fixture upgrade in the Utility shop is substantially complete.

Hafeman motioned, seconded by Konkell to approve payment of bills and payroll as presented. Roll call vote: all yes. Motion carried.

Konkell motioned, seconded by Charles to approve the un-audited year-end financial reports. Roll call vote: all yes. Motion carried.

Manager's Report:

Riederer reviewed the attached report.

- Two L.E.D. street lights have been installed on 5th Street (between Steele and Clark) to test for WPPI's pilot program.
- Lineman position was offered to Cory Thayse.

Office Manager's Report:

Johnson reviewed the attached report.

At 6:00 P.M. Hafeman motioned, seconded by Charles to go into closed session as provided by State Statute 19.85 (1) (c). Roll call vote: all yes. Motion carried.

At 6:24 P.M. Charles motioned, seconded by Ritchie to resume to open session as provided by State Statute 19.85 (2). Roll call vote: all yes. Motion carried.

No action taken.

The next regular Commission meeting will be held Wednesday, March 25th at 5:00 P.M.

Charles motioned, seconded by Ritchie to adjourn. Motion carried.

Meeting adjourned at 6:25 P.M.

President

Director

Secretary

ALGOMA UTILITIES MANAGER REPORT

To: ALGOMA UTILITY COMMISSION
From: NANCY JOHNSON
CC: RICHARD RIEDERER
Date: 2/12/09
Re: OFFICE MANAGER'S REPORT FOR 1/16/2009 - 2/12/2009 ACTIVITIES

Bonnie:

- Successfully submitted 1099's electronically to the Wisconsin Department of Revenue and the Internal Revenue Service FIRE system.
- Set up and tested CDL and mileage reimbursements as non-wage payroll items in Solomon.
- Updated 2009 sales spreadsheet to include new billing categories.
- Training with Mary on how to set up new category codes and general ledger accounts in Northstar to enable billing a new customer category.
- Training with Mary on the update of Northstar billing reports to capture sales for new billing categories.
- Training on the set up of auto clearing journal for new billing categories.
- Training with Mary on the update of electric and water meter access databases to include 2008 installation costs.
- Set up new vendor payment options to reduce the number of checks issued and check fraud.
- Increased three debt balances in the TRIP system and received first posting notification from TRIP which will result in a tax intercept.

Cheryl:

- We sent out 64 water disconnects, 155 past due reminders, 12 commercial disconnects.
- Sent out second and third notices for missing service agreements.
- Working closely with disconnect commercial accounts.
- Referred two accounts for deposits.

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Mary:

- Trained with Bonnie on the set up of new category codes and g/l accounts in Northstar for new billing.
- Trained with Bonnie on the update of Northstar billing reports to capture sales for new categories.
- Trained with Bonnie on the update of electric & water meters in Access database to reflect the addition of installation costs.
- Trained with Bonnie on set up of auto clearing account.
- Trained with Bonnie on how to electronically file the 2008 PSC Adjustment Report.
- Sent follow up letters for survey of second homes.
- Worked with Itron in the accurate set up of new water meters and tested the new setup.
- Reviewed budget accounts.
- Began water running for customers with freezing problems.
- Worked on scheduling of water meter replacements along Perry St. project route.

Nancy:

- Trued up 2008 tax equivalent for City. 2008 payments in lieu of taxes (PILOT) are as follows: **Electric \$99,800 and Water \$112,130 - a total of \$211,930.**
- 2008: total cost of **Gratis work performed for City \$6,705.** Report is attached to year-end financial statements.
- 2008 gallons pumped vs. sold, unaccounted losses: 9.52% - down 1.62% from 2007!
- 2008 kWh purchased vs. sold, unaccounted losses: 4.0597% - down .5125% from 2007!
Lowest loss percentage on record in last 15 years!! Can be attributed to ERT meters and aggressive meter reading schedule.
- Discovered insurance company error on first substation insurance payment, resulting in an additional \$1,500 recovery.
- Filed final insurance claim for north substation – total amount received for all claims was \$83,670.
- Set up year-end restricted funds for unexpended interim financing.
- Trued up special funds for bond reserves and verified interest accruals to 1098s.
- Calculated year end installation costs for electric/water meters and transformers.
- Updated the Access database with transformer install costs.

(OVER)

- Retired value of electric/water meters and transformers taken out of service.

- Completed year end plant addition/retirement unitization and installation factors. Allocated “Contributed” (CIAC) plant percentage. Calculated cost of removal looked up retired costs and split CIAC portion. Ran and filed year end Project Controller reports. Trued up depreciation.
- Researched DSM fund accounting and set up year-end clearing entry.
- Trued up year-end vacation and sick leave reserves.
- Allocated clearing accounts and wrote off 2008 balances.
- Completed year-end G/L reconciliation and documentation for audit file.
- Performed internal audit; external audit scheduled for week of March 2nd.
- Discussed energy conservation and renewable energy projects with ESR.
- Updated insurance records with solar panel install and substation updates.
- Discussed solar panel metering with Dick and staff, studied PSC account coding for Utility use.
- Baudhuin met with Dick and I to discuss water and electrical extension for new business park, calculating electrical estimate with Dick.
- Dick and I attended 6th and Ohio Street bid openings.
- Filed online PSC Preventative Maintenance report with Dick.
- Participated in the WPPI Branding Webinar.
- Attended lineman interviews with Dick and Pete.
- Online filing of State WT-7, 941 and SUTA completed.
- Set up non-wage reimbursement - WC code and tested payroll reports to ensure accuracy for year-end reporting.
- Filed 2008 OSHA report.
- Hosted deferred compensation informational meeting for employees.

Memo

To: Algoma Utility Commission
From: Dick Riederer
CC: Nancy Johnson
Re: Managers Report for February 2009

1. ..Working with Crew with water freezing and solutions.
2. Interviewed possible job applicants with Nancy and Pete.
3. On February 11 I will attend first Management Certification Program.
4. Dave Krause presented the Arc Flash Study to the crew and myself on January 27.
5. Nancy and I attended the bid openings at City Hall on February 4 for the Sixth Street project.
6. The line crew is trimming trees and thawing out water lines.
7. We had a water main break on February 2 on the 300 Block of Fourth St. The basement at 310 Fourth St. filled with sand silt. Our crew cleaned the silt out of the basement .
8. The softener at No. 3 Well should be completed the week of February 16-20.
9. I have been meeting with different Security Companies for ideas and quotes on protection for the well houses and water towers.
10. On February 9 Steve Parins from Baudhuin Engineer came to discuss the new Industrial Park electrical needs with Nancy and myself.
11. Worked on Electrical proposal with pricing and man hours with Nancy for the new Industrial Park.
12. On February 13 will meet at City Hall with Robert E. Lee, Foth , Tom R. and Gary Paape to discuss Tenor bill.