



TO: Waupun Utilities Commissioners
FROM: Randy Posthuma, General Manager
DATE: Jan. 11, 2019

GENERAL INFORMATION

Electric Department Update:

This past month the electric crew has spent the majority of their time working on LED street light replacements, overhead electric line clearance/tree trimming, along with completing a Federal Mogul shutdown for plant maintenance.

In 2018, the crew started LED street light upgrades in the southeast portion of the City. Replacement of all 100w high-pressure sodium lights has been complete on the southeast portion of the City from Main St. to Beaver Dam St. In 2019, the crew will complete the replacement program on the south side of Main St. along with starting on replacements on the north side of Main St.

The Federal Mogul two-day shutdown was completed without any mishaps. Completing this shutdown is always a concern, as we completely de-energize the 1500kva industrial size transformers that feed Federal Mogul. You may recall, two years ago while re-energizing one of the units, the transformer had an internal fault occur which destroyed the unit. Replacement costs for the transformer alone is around \$25,000, not including our overtime labor or crane expenses.

Mild weather and light snow helped provide the crew with little time spent with trouble call type issues. The only issue occurred on December 26 in the 300 block of W. Franklin St. The crew responded around 7pm to an outage for 13 customers due to a transformer lead that overloaded and burned up. Power was restored around 8:30pm.

General Updates:

Employee Promotions: On January 14, Steve Brooks has taken on his new role as electric operations supervisor and Chad Flegner will start his new responsibilities as electric foreman. These promotions are part of the succession planning that we discussed at our December Commission meeting.

Allowing these promotions to occur now, will give all involved the needed time to educate our staff to their changing responsibilities.

It's very rewarding for me to see the excitement that both staff members have demonstrated in transitioning to their new roles. I'm confident that both staff members will excel in their new role and continue to represent the Utilities in a positive and professional fashion.

If given the opportunity, please take a moment to congratulate Steve and Chad on their well-deserved promotions.

APPA Legislative Rally: I want to thank Mike Thurmer for volunteering to represent Waupun Utilities and the City of Waupun at the APPA legislative rally this February. By having the Mayor send an email to WPPI asking that they accept Mike as a chief elected official for Waupun, WPPI will cover all APPA rally related expenses, flight and hotel accommodations.

This year the legislative rally will focus on several topics including, preserving the municipal exemption from federal pole attachment regulations, potential cuts to tax-exempt municipal bonds, support of common-sense environmental regulatory reform and cybersecurity.

Preserving the municipal exemption from federal pole attachment regulation: Several times since 2010, the FCC has recommended that Congress eliminate the exemption public power utilities and rural electric cooperatives have from FCC regulation. Since 2016, the FCC has opened four dockets that reflect its desire to regulate public power utility poles. Most recently, Senate Commerce Committee Chairman John Thune and Senator Brian Schatz introduced legislation that would effectively gut the exemption for public power.

DC law-makers have approved the Federal Communications Commission's Small Cell Order effective Jan. 14, 2019. The central purpose of the Order is to remove perceived barriers to the deployment of wireless broadband services by ensuring that wireless broadband providers have low-cost and easy access to state and local public property, including municipal electric poles.

Cuts to tax exemption for municipal bonds: State and local governments use municipal bonds to finance public infrastructure investments that enable our communities to function and thrive. Tax-exempt municipal bonds have financed \$2 trillion in new investments in infrastructure over the last decade, including \$96 billion in new investments in electric power generation, transmission, and distribution. On February 13, 2018, Municipal Finance Caucus Co-Chairmen Randy Hultgren and Dutch Ruppertsberger introduced a bill that would reinstate the ability of state and local governments to issue tax-exempt advance refunding bonds—a useful tool in refinancing outstanding debt that was prohibited by the 2017 Tax Cuts and Jobs Act. Municipal Utilities strongly supports this bill and encourages members of Congress to co-sponsor the bill.

Support of common-sense environmental regulatory reform: On August 3, 2015, the Environmental Protection Agency (EPA) released its final rule to establish emission guidelines for carbon dioxide (CO₂) emissions from fossil fuel-fired power plants. Called the Clean Power Plan (CPP) by EPA, the rule sets state-specific, rate-based goals for CO₂ emissions from the power sector. The rule also established guidelines for the states to follow in developing plans to achieve the state-specific goals. According to the agency, the rule would have reduced CO₂ emissions from the power sector by 32 percent by 2030 from CO₂ emission levels in 2005. In March 2017, President Trump directed the Administrator of EPA to review the CPP and determine whether the agency should "suspend, revise, or rescind" the rule. Following that directive, EPA proposed a rule in October to rescind the CPP. The agency also issued an advanced notice of proposed rulemaking for a possible replacement rule. APPA is supportive of the agency repealing the CPP and replacing it with a new rule that conforms to the Clean Air Act.

Cybersecurity: The electric utility industry takes very seriously its responsibility to maintain a strong electric grid and it is the only critical infrastructure sector besides nuclear power that has any mandatory and enforceable federal regulatory standards in place for cybersecurity. As the grid evolves, so do threats to its integrity. The threat of cyber-attacks is relatively new compared to long-known physical threats, but an attack with operational consequences could occur and cause disruptions in the flow of power if malicious entities are able to hack into some electric generation and transmission infrastructure. Furthermore, such an attack could also cause public power utilities to incur liability for damages. While the APPA believes that the industry itself, with the North American Electric Reliability Corporation, has made great strides in addressing cybersecurity threats, vulnerabilities, and potential emergencies, it recognizes that emergency situations warranting federal involvement may arise.

FEMA Update from Summer Storm Damage: Following the storm damage that occurred this past August, Fire Chief DeMaa has taken the lead in filing for damage recovery for the City and Utilities through Federal Emergency Management Association (FEMA). Meetings and document filing continue, with the latest meeting occurring this past Wednesday. It currently looks as if the Utilities will qualify for damage relief that occurred in the Fond du lac County portion of the City.

Our estimate for damages in Fond du lac County totaled \$72,786.00. If all our claims are accepted, FEMA will cover 75% of the cost and the State would cover an additional 12.5%. That would make us responsible for the remaining 12.5% of the \$72,786.00.

Update on Waste Water Treatment Plant Facility Upgrade: For agenda item #2 we will be providing an update on progress being made for the eventual construction of an Advanced Biological Nutrient Recovery system. Along with my report, I've included three news articles that were sent to us from Wisconsin Rural Water Association. The articles provide some great background as to why we are being required to comply with new EPA mandated phosphorus and nitrate levels.

This concludes my report for January 2019. Please contact me at 324-7920 or rposthuma@wppienergy.org, with any questions or concerns.



TO: Waupun Utilities Commissioners
FROM: Steve Schramm
DATE: January 10, 2019
SUBJECT: Monthly Operation Report

Water Treatment Facility:

There are no call-ins to report this month.

Level 1 bleeder's were turned on January 10th. "Bleeding" means the controlled wasting of water through an orifice (prior to meter). The orifice will maintain water flow in the service lines and prevent freezing.

Wastewater Treatment Facility:

There are no call-ins to report this month.

Crane Engineering has completed their annual preventative maintenance program for all pumps. This program includes setting pump clearances, seal adjustments, and laser alignment of the rotating assembly. This program identifies potential problems prior to a major mechanical failure, saving the Utilities costly repairs.

Staff has been limited this past month due to several vacations. With limited staff the operators worked on preventive maintenance items.

Water/Sewer Crew:

On December 13th, there was a residential sewer back up during routine sewer jetting. A combination of a steep slope and blockage caused an excessive pressure and vacuum atmosphere in the main line, which caused the back up.

Crew's focus remains to be preventative maintenance on the collection system. They have completed flushing the majority of basins. They will continue televising the sanitary sewers over the course of the next several months.

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