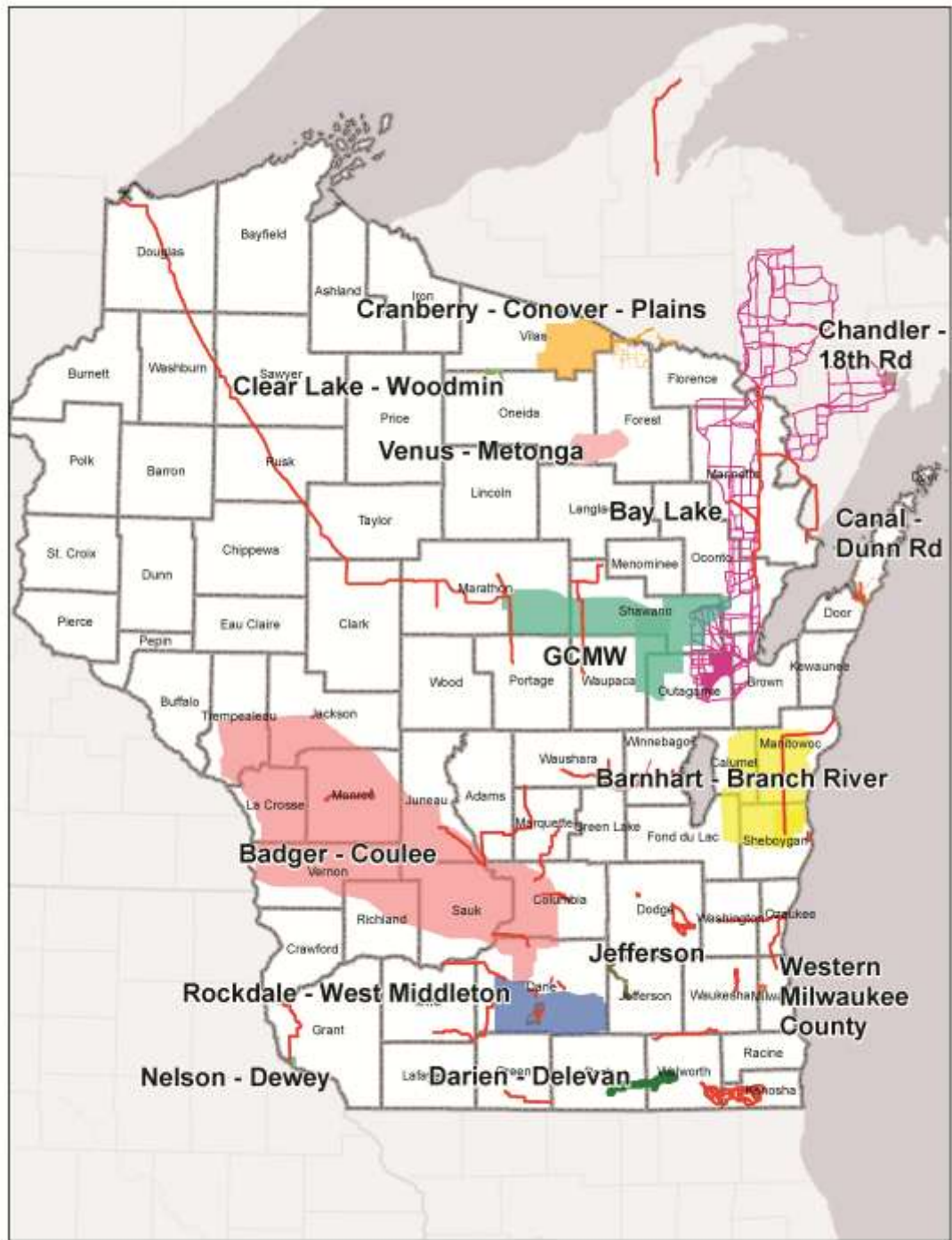


Engineering a Winning Outcome for High Profile, High Impact Projects: The Technical Steps to Transparency

Michael White, President
The Shop Consulting, Inc.



Overview:

1. All Projects are unique:

Scope, Cost, Challenges

2. Outreach Techniques should follow one basic principal:

Managed inclusion of stakeholders in the process will result in more success than exclusion, provided there is a clear plan & message

Communication and Marketing Gaffes

We're Not Always Right



Is this the
right thing
to do?



**Does What You Say
Make Sense?**



**Latrell Sprewell
turned down a 3 year,
\$21 million contract
stating that he had a
"family to feed,"**

**Do Your Actions Take
into Account Current
Public Sentiment?**

Tyco Party:

Used \$2 Million in company funds for wife's birthday bash on the island of Sardinia



“It's going to be a fun week, sailing on the Endeavor, tennis, golf, eating, drinking. All the things we are best known for,”
-former Tyco CEO Dennis Kozlowski

Have you done
the **research**?

“Come Alive with the Pepsi Generation”

Translation:

**“Pepsi will Bring your Ancestors
Back From the Dead”**



Know Thyself /
Timing is Important

Timing:

- 2008 Economic Meltdown
- Banks seen as Archvillans

2011 Action:

Issue a \$5 Monthly
Surcharge on Debit Cards

Results:

Loss of Customers,
Stock Prices Fell,
Bank Reverses Decision

Bank of America



Common Sense

-Think Things Through



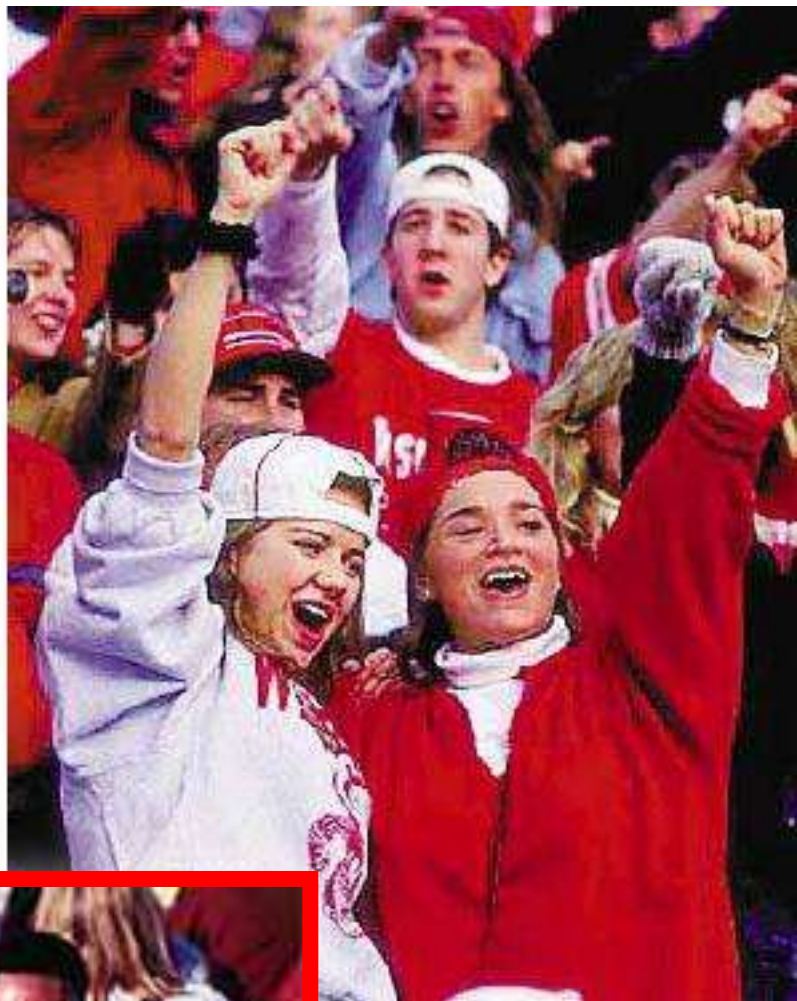
“...Uniforms for U.S. Olympic athletes are American red, white and blue—
but made in China.”

Do You
Know Your Audience?

The Beatles Yesterday And Today



**Assume that
Deception Will
Be Revealed**





Recap: Before Proceeding

- ✓ **Right Thing to Do**
- ✓ **Current Public Sentiment**
 - ✓ **Research**
 - ✓ **Timing**
- ✓ **Common Sense**
- ✓ **Know Your Audience**
- ✓ **Avoid Deception**

Case Studies

(In Failure and Success)



Harrisburg, PA Incinerator

- ✓ Bad Choices & Bad Luck
- ✓ Lack of Accountability
- ✓ House of Cards



**Seattle, WA
Recycling
Program**

- ✓ Least Cost Planning
 - ✓ Data
- ✓ Stakeholder Input
- ✓ Quantify Options

Clear Written Plan

- ✓ Project
- ✓ Process
- ✓ Message
- ✓ Subject to FOIA Request

Tips for Public Engagement

- ✓ Simple
- ✓ Numbers Work
 - ✓ Consistency:
Stay on Message

Engage the Public

- ✓ Be Transparent
- ✓ Attitude: Recognize
Citizens have Civic Pride
- ✓ Embrace Those
with a Different Opinion
- ✓ Allow for and Implement Input
from the Community



Twin Towers Site

- ✓ Highly Charged
- ✓ Massive Scope
- ✓ Transparency
- ✓ Accommodation

Difference of Opinion Revisited: Tampa Health Care Forums “Town Brawls”



- ✓ “Best Practices” of Disruption
- ✓ Meeting Format
- ✓ Content Irrelevant

Know the Likely Opponents

- ✓ Who are they?
- ✓ What is going to be their issue?
- ✓ Be ready to address their criticism

Target Your Audience

✓ Stakeholders Have Varying Interests



Hold an Informal Open House

Personal Interaction
is Still the Best
Communication
Method by Far



Utilize Existing Staff

- ✓ Most Knowledgeable
 - ✓ Increase Their Stake in Project
- ✓ Understand Where You Need Help and Where You Don't

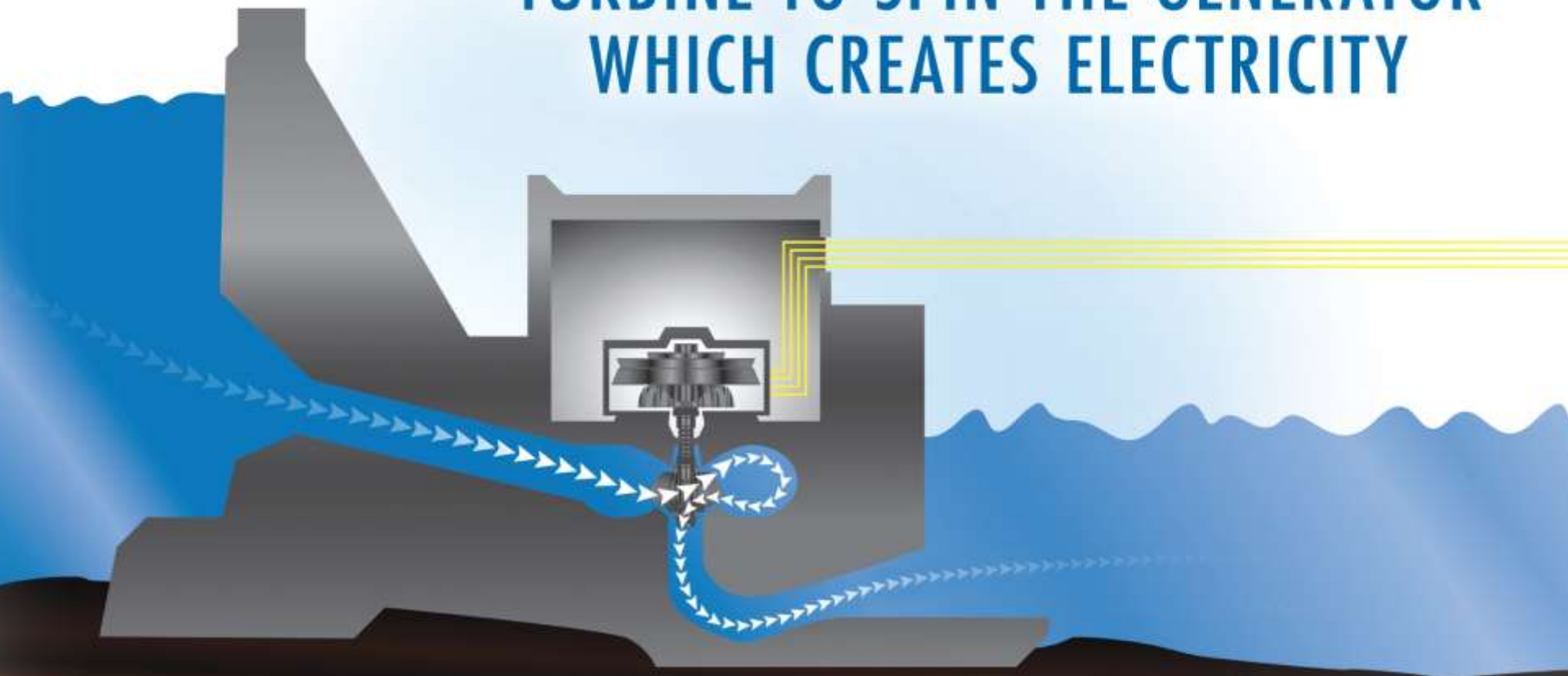


Data Visualization

A Picture Says a Thousand Words



HYDROELECTRIC POWER: FALLING WATER CAUSES THE DAM'S TURBINE TO SPIN THE GENERATOR WHICH CREATES ELECTRICITY



THE FOX RIVER DROPS **168 FEET** OVER A **35 MILE** STRETCH MAKING IT IDEAL FOR GENERATION OF HYDROELECTRIC POWER.

HOW THE **ELEVATION** OF THE **FOX RIVER** CREATES **HYDROELECTRIC POWER**:

73%

124 FEET OF THE 168 FOOT DROP FLOWS THROUGH KAUKAUNA UTILITIES HYDROELECTRIC PLANTS



Engage Local Newspapers

- ✓ Widely Read
- ✓ Great Opportunity to Focus Your Message



KU proposing \$37 million hydro project

By Brian Boehke
 Editor

Man-made things don't last forever, and that's very true of hydroelectric generating plants, and the four Kaukauna Utilities generating units that are now around 100 years old are reaching the end of their useful life.

After 16 years of study, staff at Kaukauna Utilities unveiled their proposal Wednesday afternoon at a public information session to spend \$37 million to rebuild their hydroelectric facilities in downtown Kaukauna.

The recommendation is to build a new Badger powerhouse containing two generating units to produce 7.2 MW of power, replacing four old generators — which are 85 and 103 years old — with a total capacity of 5.6 MW. Along with that, they are required by the Federal Energy Regulatory Commission to improve recreational facilities, namely at Hydro Park, and to protect the environment.

KU produces 30 percent of its energy from its hydroelectric plants, allowing them to have the third lowest rates in the state.

At the heart of the decision to re-

which would keep rates from rising as much over the course of 50 years due to this project. If the plant was retired, rates are projected to rise 15 percent higher than current rates by year 2060.

"Over time, the replacement energy has the greatest impact," Financial Manager Mike Kujawa said. "The hydro, over time, have a declining rate because we're actually earning a return and saving those dollars."

Kujawa said KU can produce energy at a cost of a penny per kilowatt hour as opposed to purchasing it for seven cents a kilowatt hour on the wholesale market.

"We're going to replace four gener-



This chart shows the costs of various options studied by Kaukauna Utilities along with the particulars of the proposed hydroelectric plant. KU staff is recommending approval of a new plant to the Kaukauna Utilities Commission, to be voted at the Dec. 21 meeting. The project would increase capacity of the hydro plants, rebuild the power canal, and improve Hydro Park.

ators with two generators and increase output 25 percent," General Manager Jeff Foltz said. KU plans to have the new units for another 100 years, making this a long-term investment.

KU would sell 20-year bonds to

finance the project. "Once you pay the bonds off is when you really reap the benefits of the hydro," Foltz said. "It's not unlike 100 years ago or in 1942 when they built the city plant

and had to make that expenditure, or in 1958 when they built the Combined Locks plant where they had to take out bonds to build those plants. After they're paid off, it's a

long-term benefit."

Those decisions made many years ago have allowed Kaukauna Utilities customers, which include

for Hydro page 8



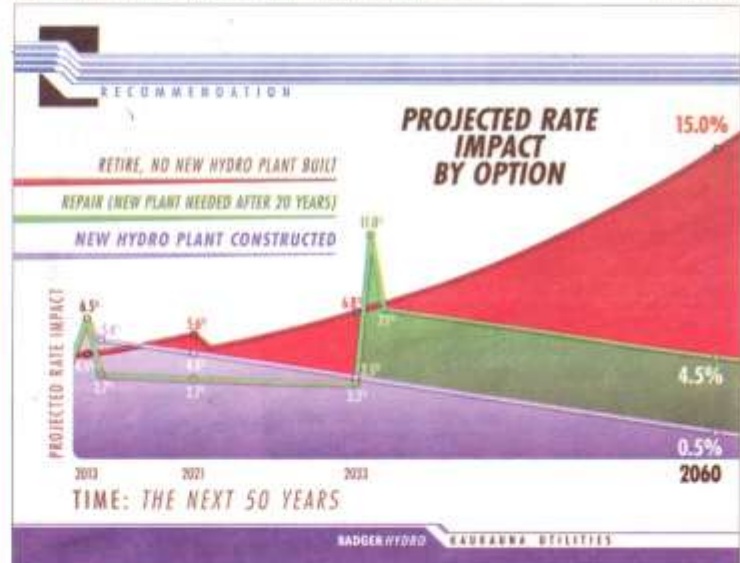
Mmm...
Monday Meatloaf!

Larry's
Homemade Meatloaf -
 from the meat department

Save 5¢/gal. per loaf
every Monday!

PIG POINTS
SAVE 5¢
 PER GALLON =
 1,500 pts. per purchase

Larry's
 Piggly Wiggly
 Kaukauna &
 Little Chute



This chart shows the projected rate impact by the three options studied by Kaukauna Utilities in regard to the hydroelectric plant. Long term, building a new plant will be the lowest cost option for customers.

BADGER HYDRO

THE TIME IS RIGHT FOR A RENEWED INVESTMENT FOR LONG TERM SAVINGS

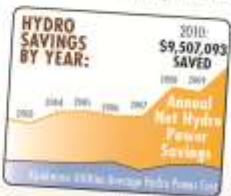


We in the Kaukauna area are very fortunate to be located on a part of the Fox River that allows us to generate 20% of our power from hydroelectric plants.

Our use of hydro power has saved customers nearly \$60,000,000 over the past 10 years and with fossil fuel prices increasing, utilizing clean, efficient hydro power will be an even better bargain for customers moving forward.



However, our two oldest hydro plants, one 83 years old the other over 100 years old, are nearing the end of their useful lives and a new plan must be adopted for the future. In addition, the 130 year old plus power canal is also in need of extensive repairs that are being mandated by the Federal Energy Regulatory Commission (FERC).



The Fox River drops 168 feet over a 35 mile stretch making it ideal for generation of hydroelectric power

73% 124 FEET OF THE 168 FOOT DROP FLOWS THROUGH KAUKAUNA UTILITIES HYDRO-ELECTRIC PLANTS

WE HAVE THREE OPTIONS:
RETIRE
REPAIR
 OR
REPLACE
 THE EXISTING BADGER PLANTS

WHY NOT RETIRE EXISTING BADGER PLANTS:

- Need to purchase replacement power to offset output from Badger plants
- Replacement power would be from local fuel or other non-renewable resources
- Differenced cost to purchase replacement power is currently more than \$2 million
- Replacement power subject to changing fuel costs
- Rate increase is significantly more than other alternatives, especially long-term

WHY NOT REPAIR EXISTING BADGER PLANTS:

- Power canal required to be reconstructed over 4 plants are required
- Short-term solution with life expectancy of 20 years
- Rate increase required would be significantly more in long-term
- 25% less hydro power generation
- New hydro plant would need to be constructed after 20 years

OUR RECOMMENDATION

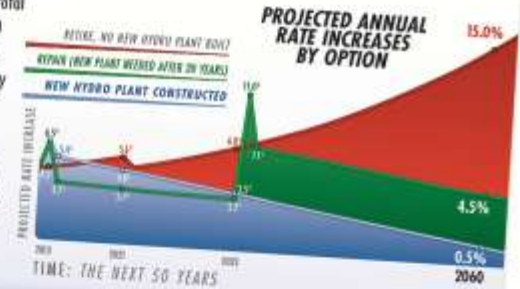
After researching and evaluating options for more than 10 years, we've determined that the savings provided by replacing the existing plants will far outweigh the costs.

HOW MUCH WILL IT COST?

The total cost of our recommendation is \$37,000,000. Of this about \$15,000,000 (40%) of the total cost will be to repair and upgrade the 130 year old plus power canal, which must be done if we wish to continue to produce any hydro power at this location

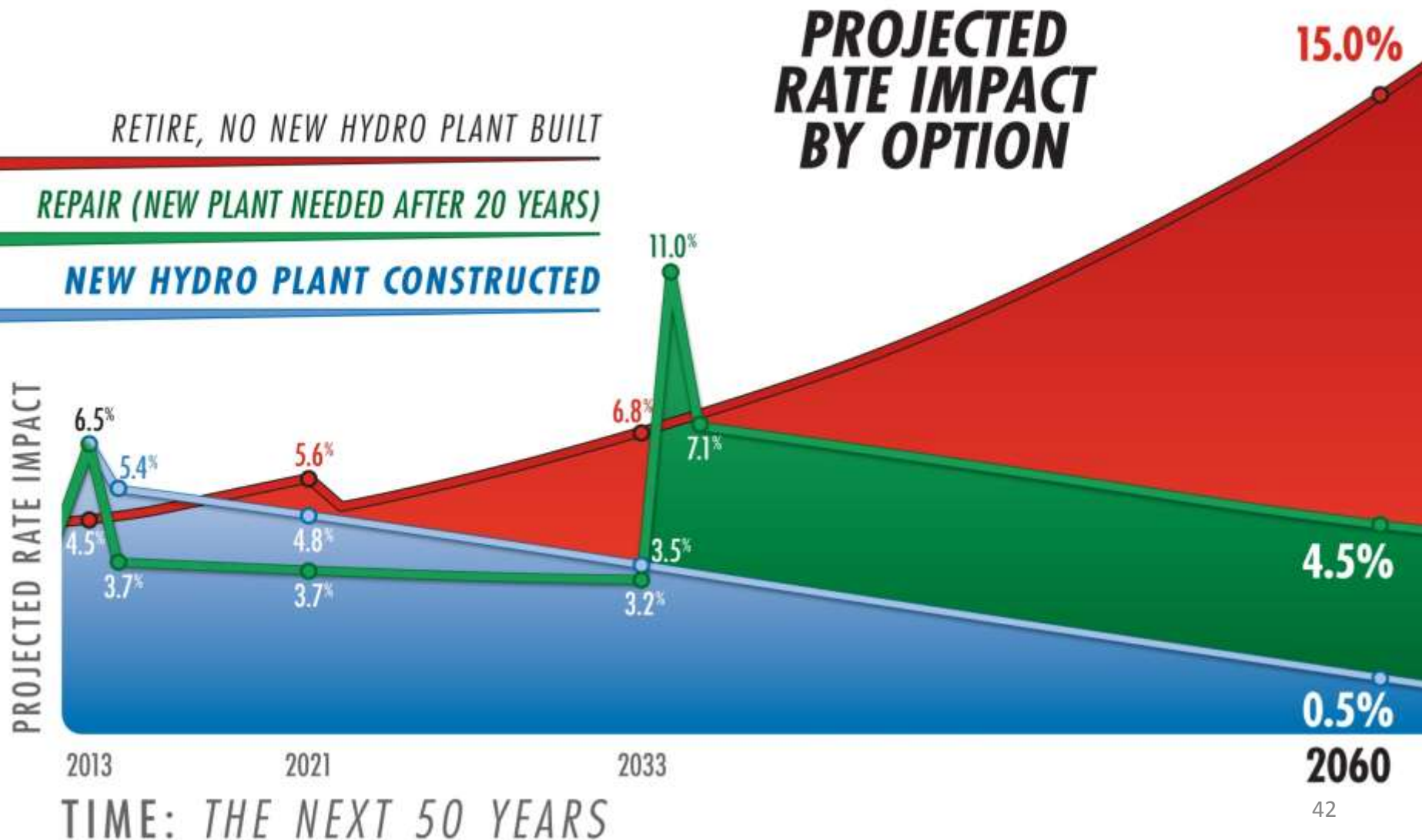
IF APPROVED, WHAT'S NEXT?

The construction phase of the project would start in April or May of 2012 with the work being completed within 18 months.



Be Transparent Regarding Costs & Benefits

- ✓ Should be a Major Component of Overall Plan & Messaging



Engage Social Media



Final Thoughts

- ✓ Have a Plan
- ✓ Be Honest
- ✓ Follow The Plan