

**MARSHFIELD UTILITIES, A MUNICIPAL UTILITY
MARSHFIELD UTILITY COMMISSION
March 18, 2013**

COMMISSION MEETING MINUTES

A regular meeting of the Marshfield Utility Commission was called to order by President Wayne Johnson at 4:00 pm on March 18, 2013 in the downstairs meeting room of the utility office. Present were Commissioners Harry Nienaber, Wayne Johnson, Patrick Ott, and Mike Eberl. Also present were Alderperson Robert Workinger and the Utility staff. Absent were Commissioner Aaron Pitzenberger, Alderperson Russ Stauber, and attorney John Adam Kruse.

- A 25-year service award was present to Greg Geiger.

UC/13-18 Motion by Eberl, seconded by Ott, to dispense with reading the minutes of the previous meetings and accept them as submitted. All ayes, motion carried.

UC/13-19 Motion by Ott, seconded by Nienaber, to approve payroll for February in the amount of \$216,521.02 and general bills for February in the amount of \$2,797,312.00. All ayes, motion carried.

- Alderperson Russ Stauber arrived at 4:04 pm.

UC/13-20 Motion by Eberl, seconded by Ott, to approve the following job order(s):

JO #17695/27695 East Loop Rebuild Circuit 133 North Peach \$484,533

All ayes, motion carried.

December 2012 Financial Statement Notes

Electric Utility

- Net income was \$1.932 million for the month, with a net income of \$3.406 million for the year.
- Net operating income was \$622 thousand for the month. Year-to-date net operating income was \$3.439 million, compared to budgeted net operating income of \$2.928 million.
- As a result of accounting changes made by the Public Service Commission of Wisconsin in 2003, customer contributions for construction projects must be recorded as income. For 2012, this resulted in income of \$1,064,517. This included \$940 thousand for the city's contributions of the S. Central Avenue street lights.
- At the suggestion of the Public Service Commission of Wisconsin, we recognized additional depreciation expense for the removal cost of plant that exceeded 10% of the original installed cost, which amounted to \$94,693.
- After removing the effects of the PCAC timing, the net operating income was \$552 thousand for the month and \$3.4 million year-to-date.
- December consumption was up 4.73% from December 2011, with year-to-date consumption up .88% from 2011. Notable for 2012 is an overall decrease of 3.40% from 2011 for residential consumption and an overall increase of 5.02% for industrial consumption. Year-to-date energy losses were 2.40%, compared to prior year losses of 2.72%.

Water Utility

- Net income was \$8 thousand for December and \$719 thousand year-to-date.
- Net operating income was \$7 thousand for the month, compared to budgeted net operating income of \$64 thousand. Year-to-date net operating income was \$960 thousand, compared to budgeted net operating income of \$632 thousand.
- Operating expenses for the month included \$36 thousand for the cost of valve replacements for 2012 and \$28 thousand for main breaks from prior months.
- As a result of accounting changes made by the Public Service Commission of Wisconsin in 2003, customer contributions for construction projects must be recorded as income. For 2012, this resulted in income of \$21,396.
- At the suggestion of the Public Service Commission of Wisconsin, we recognized additional depreciation expense for the removal cost of plant that exceeded 10% of the original installed cost, which amounted to \$1,860.

- December consumption was down 1.43% from December 2011, with year-to-date consumption up 1.13%. Notable for 2012 is an overall increase of 10.29% from 2011 in public authority consumption. Year-to-date water losses were 6.92%, compared to prior year losses of 5.39%.

Communication Utility

- Net loss was \$3,951 for the month, compared to budgeted net income of \$2,407. Year-to-date net income was \$119,916, compared to budgeted net income of \$105,857.

January 2013 Financial Statement Notes

Electric Utility

- Net loss was \$23 thousand for the month.
- Net operating income was \$118 thousand for the month, compared to budget of \$443 thousand.
- After removing the effects of the PCAC timing, the net operating income was \$321 thousand for the month.
- January consumption was down 5.61% from January 2011.
- Year-to-date energy losses were 8.19%, compared to prior year losses of -1.69%.

Water Utility

- Net income was \$43 thousand for January.
- Net operating income was \$64 thousand for the month, compared to budgeted net operating income of \$69 thousand.
- January consumption was down 5.30% from January 2011, with Commercial consumption down 12.91%.
- Year-to-date water losses were 20.19%, compared to prior year losses of 6.54%. Water losses for the month were high due to a number of main breaks, including one that did not surface.

Communication Utility

- Net income was \$7,887 for the month, compared to budgeted net income of \$8,176.

UC/13-21 Motion by Nienaber, seconded by Ott, to receive and place on file department reports. All ayes, motion carried.

- The Utility Manager reviewed noteworthy projects including: meeting room lighting project, 3/18/13 seven minute outage at Wildwood Sub, east side fiber loop, and sub battery projects.
- The Utility Manager discussed the dividend payment and recommendation.

UC/13-22 Motion by Nienaber, seconded by Eberl, to approve the 2012 dividend payment to the City of Marshfield in the amount of \$268,814 to be paid in April 2013. All ayes, motion carried.

- The Utility Manager reviewed the bids received for Well 26 and recommended the low bid to Sams Well Drilling.

UC/13-23 Motion by Ott, seconded by Eberl, to approve the low bid for Well 26 from Sams Well Drilling in the amount of \$69,323. All ayes, motion carried.

- Chuck Krueger of Hawkins, Ash, Baptie, and Company reviewed the 2012 Audit Report via phone.

UC/13-24 Motion by Eberl, seconded by Nienaber, to approve and place on file the 2012 Audit Report prepared by Hawkins, Ash, Baptie, and Company. All ayes, motion carried.

- Commissioner Johnson recommended rescheduling review of proposed procedure for exempt staff wage increases and closed session items, other than labor negotiations.

UC/13-25 Motion by Eberl, seconded by Ott, to reschedule review of proposed procedure for exempt staff wage increases and closed session items, other than labor negotiations, to Monday, March 25th at 5:00 pm. All ayes, motion carried.

UC/13-26 Motion by Ott, seconded by Nienaber, to go into closed session per Wisconsin State Statutes 19.85(1)(c) considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility for the purpose of discussing labor negotiations, supervisory salary guidelines, and merit review of Energy and Water Conservation Coordinator, Utility Manager, Office Manager, Assistant Office Manager, Water Superintendent, Electric Operating Supervisor, Human Resources Manager, Administrative Coordinator, and Power Systems Engineer and Technical Services Manager positions.

Closed session per Wisconsin State Statutes 19.85(1)(e) deliberating or negotiating the purchasing of public properties, the investing of public funds or conducting other specified public business, whenever competitive or bargaining reasons require a closed session for the purpose of discussing purchase of real estate.

Roll call vote, all ayes, motion carried. Closed session at 4:40 p.m.

UC/13-27 Motion by Ott, seconded by Eberl, to go into open session. Roll call vote, all ayes, motion carried. Open session at 5:40 p.m.

UC/13-28 Motion by Nienaber, seconded by Eberl, to adjourn. All ayes, motion carried. Meeting adjourned at 5:41 p.m.


Patrick Ott, Secretary