

**MARSHFIELD UTILITIES, A MUNICIPAL UTILITY
MARSHFIELD UTILITY COMMISSION
October 13, 2014**

COMMISSION MEETING MINUTES

A regular meeting of the Marshfield Utility Commission was called to order by President Mike Eberl at 4:00 pm on October 13, 2014 in the downstairs meeting room of the utility office. Present were Commissioners Harry Borgman, Mike Eberl, Aaron Pitzenberger, and John Maggitti. Also present were Alderperson Charlotte Smith, Alderperson Gordon Earll, the Utility staff, Allan Birschbach and Alex McEathron. Absent was Commissioner George Holck.

- New Commissioner Harry Borgman was introduced.

UC/14-69 Motion by Pitzenberger to elect Mike Eberl as Commission President. With no further nominations, Mike Eberl was elected by acclamation, motion carried.

UC/14-70 Motion by Maggitti to elect Aaron Pitzenberger as Commission Vice-President. With no further nominations, Aaron Pitzenberger was elected by acclamation, motion carried.

UC/14-71 Motion by Eberl to elect Harry Borgman as Commission Treasurer. With no further nominations, Harry Borgman was elected by acclamation, motion carried.

UC/14-72 Motion by Borgman to elect John Maggitti as Commission Secretary. With no further nominations, John Maggitti was elected by acclamation, motion carried.

UC/14-73 Motion by Pitzenberger, seconded by Maggitti, to dispense with reading the minutes of the previous meetings and accept them as submitted. All ayes, motion carried.

UC/14-74 Motion by Borgman, seconded by Maggitti, to approve payroll for September in the amount of \$136,342.27 and general bills for September in the amount of \$3,380,295.64. All ayes, motion carried.

UC/14-75 Motion by Pitzenberger, seconded by Borgman, to approve the following job orders:

JO #5701	Wildwood Booster: Purchase and install new 40 H.P. motor.	\$6,500.00
JO #5703	Replace hydrant at 1 st Street and Cedar Avenue.	\$5,788.13
JO #5705	Replace hydrant at Blodgett and Walnut.	\$5,628.98
JO #17784	Arby's 3 PH underground upgrade, 1501 N. Central Ave: replace aging 3 phase underground primary before failure and replace transformer due to corrosion.	\$11,072.00
JO #17786	John Seehafer OH Pri reroute, M424 Mann St: rerouting an old overhead primary line and pole to an accessible location for a new underground service. Also removing a customer owned pole that is being used as a sec. pole.	\$5,509.00

All ayes, motion carried.

August 2014 Financial Statement Notes

Electric Utility

- Net income was \$414 thousand for the month, with a net income of \$1.219 million year-to-date.

- Net operating income was \$551 thousand for the month, compared to budgeted net operating income of \$336 thousand. Year-to-date net operating income was \$2.041 million, compared to budgeted net operating income of \$2.078 million.
- After adjusting for the PCAC timing, net operating income for the month was \$273 thousand.
- Operating expenses included \$5,600 for repainting M-1 fuel tanks.
- August consumption was up 1.40% from August 2013, with year-to-date consumption that was up 2.34%. Year-to-date energy losses were 1.76%, compared to prior year losses of 3.12%.

Water Utility

- Net income was \$17 thousand for August with a net income of \$151 thousand year-to-date.
- Net operating income was \$37 thousand for the month, compared to budgeted net operating income of \$98 thousand. Year-to-date net operating income was \$315 thousand, compared to budgeted net operating income of \$473 thousand.
- Operating expenses included \$94 thousand for road repairs due to main breaks and service breaks.
- Overall August consumption was up 2.89% from August 2013. Year-to-date overall consumption was up 0.65% from the prior year. Year-to-date water losses were 15.16%, compared to prior year losses of 12.67%.

Communication Utility

- Net income was \$12,815 for the month, compared to budgeted net income of \$13,931. Year-to-date net income was \$162,080, compared to budgeted net income of \$105,992.
- The Managers reviewed noteworthy projects including:
 - Electric provided an update on substation projects.
 - Water provided an update on the Adler water main lining project, well house 26, and the water tower project.
 - Office provided an update on the 2014 water bonds.
 - Technical Services gave information on YouTube videos created and the parking lot project.
 - Administration gave information on tours given to area 8th graders.
- The General Manager discussed the 2015 Commission meeting schedule.

UC/14-76 Motion by Pitzenberger, seconded by Borgman, to change the commission meeting schedule to the second Monday of each month starting with the 2015 calendar and going forward. All ayes, motion carried.

- The Office Manager reviewed the first draft of the capital budget.
- Allan Birschbach with Birschbach & Associates, LTD presented information on the building project.
- Commissioner George Holck arrived at 4:35 p.m.
- The General Manager and Office Manager presented information related to bonding for the building project.
- The General Manager presented information on the ATC investment. Discussion to continue at the next Commission meeting.
- The General Manager and Electric, Communications, & Gas Manager presented information on a fiber optics study. The consensus was to not proceed with any study.

- The General Manager presented information on the process for approvals of job orders.

UC/14-77 Motion by Maggitti, seconded by Holck, to adopt both option 1 and option 2 as presented with a list of job orders in the \$5,000 to \$24,999 range provided for information, job orders above \$25,000 requiring Commission approval, and recommending the General Manager seek authorization from the Council to raise the level for job orders to \$100,000 before requiring Council approval. Mandatory type job orders would not have to go to the Commission or Council if they are under the approval level determined by the council. All ayes, motion carried.

- The General Manager presented information on a Power Systems Supervisor position.

UC/14-78 Motion by Maggitti, seconded by Borgman, to approve changing the Power System Engineer position to be Power Systems Supervisor. All ayes, motion carried.

- The group discussed a list of possible key performance indicators.

UC/14-79 Motion by Pitzenberger, seconded by Holck, 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 the General Manager's review.

All ayes, motion carried. Closed session at 5:21 p.m.

Open session resumed at 6:06 p.m.

UC/14-80 Motion by Pitzenberger, seconded by Holck, to adjourn. All ayes, motion carried. Meeting adjourned at 6:08 p.m.



John Maggitti, Secretary

Department: Electric
Manager: Nicolas Kumm
Contributing: Greg Geiger
Month: September 2014

- The M-1 didn't run during the month of September.
- The substation construction was completed at Hume from September 8th through 19th. Energis completed the replacement of the Bank 6 bus relay panel with the assistance of Cole Eswein, Dustin Oleson, & Nicolas Whipple. Currently, work is being completed at McMillan Substation. All work is currently on schedule.
- On September 9th Cole, Dustin, Nicolas W., Ray Burrill, and Greg Geiger participated in a mock natural gas emergency drill with the assistance of the City of Marshfield Firefighters, Police and Wastewater employees. MU's gas consultant USDI and the PSC-W Gas division staff were on-site as well. The drill assumed the driver of the Wastewater vacuum truck became impaired causing the truck to drive into the regulator station at the M-1 generating plant. Everyone did a great job. The event provided employees a greater understanding of the roles of other departments in emergency situations.
- Cole and Dustin pulled oil samples and completed infrared inspection at the substations.
- Electric AMI meters installed: 111 out of 13,100 (0.8%). Meter technicians have started to installed meters. The software is storing reads correctly. We are working with the manufacturer on software updates.
- Session 7 of the MEUW Job Training and Safety Program was completed on September 12th. The session covered overhead safety manual review, differences between isolation and insulation, and review of summer field visits.
- Chris Zwicky of MEUW completed a review of fire, tornado, workplace violence, and other emergency plans with employees on September 11th.
- I attended the State Apprenticeship Advisory Committee meeting on September 29th.
- Robert and Tim completed week 1 of year two at CVTC towards their apprenticeship training. Topics of discussion included, series and parallel reactance, close calls and inductance.
- Jeff Holbrook, Ryan Steffen, Jeff Irish, and Randy Ayer have continued with Peach St conversion. The project went well with only minor removal remaining.
- Jim Seefluth has been working with Directional Drilling on the Highland job order. The wet conditions have made it difficult but we are progressing.
- Mike Vanderwyst and Robert Olwell have been working on the Day Road upgrade.
- Dean Bohman and Tim Habermeyer have been handling services and customer requests.

Department: Office
Manager: Kent S. Mueller
Month: September 2014

- Patti has been working on capital and operating budgets for 2015. The process is on schedule with first Capital review at the October Commission meeting and the first O&M review at the November Commission meeting. Final approval is planned for December.
- Work continues on a number of projects including planning for the fall water/sewer tax roll filing.
- The number of electric customers disconnected for nonpayment decreased from 86 in August to 76 in September.
- Kent attended the annual MEUW Accounting and Customer Service Seminar on September 23rd. Topics included distributed generation, preparing for PSC billing audit, communicating effectively with difficult people, and office security, plus other timely accounting and customer service topics.
- Kent is working on insurance renewals for property, liability and auto, and boiler insurance policies.
- Moody's Investors Service rated our 2014 water bonds, giving us a rating of Aa3. This rating is in the group of "Rated as high quality and very low credit risk". The sale of the \$3.845 million in bonds had very good results, with a true interest rate of 2.94%. Interest rates range from of 2% for bonds maturing in 2016 to 3.50% for bonds maturing in 2033. The issuance costs of approximately \$97 thousand will be expensed when paid. Bond premium of \$87 thousand, which is the amount paid for the bonds in excess of their face value, will be amortized over the 20 year life of the bonds.

Department: Technical Services

Manager: Cathy Lotzer

Contributing: Heather Young, Shawn Marsh, Jim Benson

Month: September 2014

- Cathy and Shawn have been working with our new camera software and installing the software for other managers to view the camera footage. The software has already provided useful footage captured for police record of a customer making a disturbance in the office. Shawn has been working with PerMar to get all cameras properly adjusted and set up on the new server.
- Cathy and Jim attending the preconstruction meeting for our parking lot. Construction began in early September and continues. Jim has been overseeing the parking lot progress. Good communication has thwarted any issues related to Utility vehicle traffic and contractors accessing the water hydrant. We hope to have the lot and road completed in mid-October.
- Cathy, Heather, and Jim participated in a community event brainstorming session. The group is working to put together department specific educational information for future community events.
- Staff participated in Emergency Action Plan training.
- Groundwater Guardians sorted meds at the Police Department on 9/24 for the final DEA drug collection to take place on 9/27. This is the last DEA funded collection. The GG group is working with the PD and other local resources to determine sources of funding that may be available to help with future disposal costs. After sorting, over **727 pounds** are now ready for disposal. This brings Marshfield's total collection to nearly 7,300 pounds.
- Heather has been working with MU's compliance team in order to finish the follow-up work from the 2014 NERC self-assessment. She is also working with GDS Associates, Inc. on preparing for the 2014 Environmental Audit. In addition, Heather prepared and submitted a Notice of Intent of MU's participation in the WI Environmental Compliance Auditing Program on 9/15.
- Heather and Jim have been working with the Village of Milladore to assist the community in its Groundwater Guardian Green Site designation. The application was submitted to the Groundwater Foundation on 9/25.
- Heather worked with Dave and Nick W. on completing the six-month review of all Spill Prevention Control and Countermeasure (SPCC) plans.
- Shawn is working with Priority to get the SAN (Storage Area Network) tested. He has also been working with contractors trying to resolve our SCADA reporting issues and is working with Nick K. and Nick W. on setting up two PLCs (programmable logic controllers).
- Jim has been working with O'Donnell lock smith on door locks and repairs. He is also working with Central Wisconsin Glass on quotes for door replacements at the WTF and addressing minor positive and negative air pressure issues with the front door at the main office.
- Jim worked with the Park and Rec Dept addressing parking issues related to barricades and roping off no parking areas for Fall Fest. Jim has also been working on different billing inserts for energy conservation as we move into the winter season.

Department: Water
Manager: Dave Wasserburger
Month: September 2014

- Nicolet College provided a 1-day confined space and rescue refresher course for the Water Department on September 9th. Water Supply Specialists were awarded 4 hours of continuing education credits for this refresher class.
- A one-hour review class of fire, tornado, workplace violence and other emergency plans and procedures was conducted by the MEUW Safety Director. Each employee attended a class either on September 11 or September 17th.
- The Common Council will allow the construction of a new water tower . Construction of this project will begin the week of October 6th.
- The September 27th Common Council agenda included an item to discuss the issue of transferring the water department to city control. The item was not discussed and it was put off to some future unspecified meeting.
- The Sensus RNI software indicates 3330 water meters installed and communicating. This is about 40% of the total numbers of meters we need to install.
- Jeff Tisdell has been working with Blu-Sphere Systems, Inc. off and on for the last several weeks. They have been working on developing proper water reports required for our daily and monthly operations and DNR reporting. Blu-Sphere reports that they are about 80% completed with the first and most important report. They are recommending upgrading to the latest version of Wonderware and an upgrade to the operating system be completed prior to finalizing the reporting development.
- The Well House for Well 26 has been constructed. We are now beginning the installation of the electrical, mechanical and control equipment. We should be completed with this project about the end of November.
- The water main on Adler Road is back in service. All that remains to be done for project completion are some road repairs. This project should be totally completed by October 17th.
- Crews spent time winterizing fire hydrants and conducting a leak survey. We have found and repaired 9 leaks. We estimated these leaks totaled about 140 gallons per minute or about 201,600 gallons per day. These leaks were caused by the severe winter last year and there are still more out there to be found.
- The Water Department issued revenue bonds totaling \$3,845,000.00 at 2.95%. Moody's gave us a bond rating of Aa3, which is a very good for a water department.

Groundwater Guardians

Groundwater Guardians sorted meds at the Police Department on September 27th. This was the last DEA funded collection. Bad news. To date Marshfield GWG's have collected well over 7,000 pounds of unused pharms. The good news is that a federal appeals court rejected a challenge Tuesday, September 29th by the pharmaceutical industry to an Alameda County ordinance, the first in the nation to require drug manufactures to pay disposal costs for consumer's unused medications. The ordinance is titled "The Alameda Safe Drug Ordinance."

Drug companies, backed by trade associations and the U.S. Chamber of Commerce, argued that the 2012 ordinance illegally shifts local costs to out-of-state producers and interferes with interstate commerce. But the Ninth U.S. Circuit Court of Appeals in San Francisco said the county's measure treats all manufacturers equally and imposes no substantial burden on interstate businesses.

The ordinance "applies to all manufacturers that make their drugs available in Alameda County — without respect to the geographic location of the manufacturer," Judge N. Randy Smith said in the 3-0 ruling, which upheld a federal judge's decision in the county's favor. "Given that the ordinance applies across the board, it does not discriminate at all," nor does it regulate conduct outside the county, he said.

Smith also noted that pharmaceutical companies collect \$950 million a year in sales revenue in Alameda County and could comply with the ordinance at an annual cost of \$1.2 million, by the companies' estimate, or \$330,000 by the county's estimate. The companies **could recoup their costs by raising prices in Alameda County by one cent for each \$10 in sales, said Arthur Shartsis, a lawyer for the county.**

This court case has received national attention and will likely end up in the Supreme Court. This is worth watching and may lay down the groundwork for future drug collection throughout the United States. It is already done this way in Canada.