

**MARSHFIELD UTILITIES, A MUNICIPAL UTILITY
MARSHFIELD UTILITY COMMISSION
AUGUST 8, 2016**

COMMISSION MEETING MINUTES

A regular meeting of the Marshfield Utility Commission was called to order by President Mike Eberl at 4:00 pm on August 8, 2016 in the downstairs meeting room of the utility office. Present were Commissioners Mike Eberl, John Maggitti, Alen Johnson, and Harry Borgman. Also present were Alderperson Gordon Earll, Attorney John Adam Kruse, and Utility staff. Absent were Alderperson Peter Hendler and Commissioner George Holck.

- Randy Ayer was presented with an award for five years of service.
- The Human Resources Manager presented a final draft of the strategic plan.

UC/16-44 Motion by Maggitti, seconded by Borgman, to approve the strategic plan. All ayes, motion carried.

- The General Manager reviewed the employee wage policy documents.

UC/16-45 Motion by Borgman, seconded by Johnson, to approve the General Manager's proposal to replace existing employee wage policy (quintile system). All ayes, motion carried.

UC/16-46 Motion by Borgman, seconded by Johnson, to approve the following job order:

| | | |
|-------|--|-------------|
| 17857 | Replace Failed Single Phase Underground Primary and Secondary at 19 th St and Butternut Parkway | \$43,542.00 |
|-------|--|-------------|

All ayes, motion carried.

UC/16-47 Motion by Maggitti, seconded by Borgman, to approve payroll for July in the amount of \$253,032.78 and general bills for July in the amount of \$3,771,458.78. All ayes, motion carried.

June 2016 Financial Statement Notes

Electric Utility

- Net loss was \$379 thousand for the month, with a net income of \$346 thousand year-to-date.
- Net operating loss was \$252 thousand for the month, compared to budgeted net operating loss of \$97 thousand. Year-to-date net operating income was \$978 thousand, compared to budgeted net operating income of \$932 thousand.
- After adjusting for the PCAC timing, the net operating loss for the month was \$35 thousand.
- Operating expenses for the month included \$4 thousand for M-1 software modification changes and \$170 thousand for fuel oil, engineering support and testing for M-1 emissions stack testing. The DNR requires us to do this testing once every five years.
- June consumption was up 1.97% from June 2015, while year-to-date consumption was down 3.65%. Year-to-date energy losses were 1.61%, compared to prior year losses of 0.95%.

Water Utility

- Net income was \$110 thousand for the month, with a net income of \$531 thousand year-to-date.
- Net operating income was \$145 thousand for the month, compared to budgeted net operating income of \$157 thousand. Year-to-date net operating income was \$745 thousand, compared to budgeted net operating income of \$706 thousand.
- June consumption was down 3.47% from June 2015, with all major customer classes showing a decrease. Year-to-date consumption was down 3.53% from the prior year. Year-to-date water losses were 16.06%, compared to prior year losses of 16.96%.

Communication Utility

- Net income was \$18,075 for the month, compared to budgeted net income of \$18,805. Year-to-date net income was \$102,902, compared to budget net income of \$108,411.

UC/16-48 Motion by Borgman, seconded by Johnson, to dispense with reading the minutes of the previous meeting and accept them as submitted. All ayes, motion carried.

- The General Manager reviewed the operations and financial reports.
- The Financial Manager reviewed information on PCAC.

UC/16-49 Motion by Johnson, seconded by Maggitti, to adjourn. All ayes, motion carried. Meeting adjourned at 4:47 pm.



John Maggitti, Secretary

Operations Report August 2016

As you may know, I have been busy as President of MEUW interviewing candidates for the various open positions. We have a separate search committee set up for each of three positions; the Executive Director, Marketing and Member Services Manager, and the Regional Safety Manager. We are on the second round of interviews for the first two so we are very close to a selection. On the safety manager, we expect to start interviewing in the next week. We will also soon be underway for the advertising and selection of interview candidates for the office position. MU will be coordinating this position. The ED position was coordinated by Mycoff and the other two by QTI of Madison.

Storms rolled through the area on July 20th and 21st. MU experienced numerous outages due to wind, lightning, and downed trees. We had some improper relay settings that caused an additional two feeders to trip. Staff worked to restore power as quickly as possible with all customers' power being restored the same day. The greatest amount of tree damage was located along the bike path between State and Adams Avenue along with an area South of McMillan Ave and West of St. Joseph's. The relay settings issue relates to equipment that was updated this past spring at Hume Substation. Two close coils failed as a result of the improper timing related to the settings. As a result, we had the Hume substation out of service for a few days. The consultants responsible for the erroneous settings have been assisting with the corrections at no cost to MU. Testing has been completed at Hume and the station has been returned to normal operation.

On July 22nd, our voluntary additional capital call amount of \$141,942 was sent to ATC. This was our third capital call this year, with year-to-date additional investment of \$255,495. On July 29th, an ATC cash distribution totaling \$109,761 was received. Since our initial investment in 2001, we have received almost \$6.6 million in ATC earnings distributions.

Our first non-net metering solar customer went online in July. The customer is not applicable to net metering because of the size of the system being over 20KW. It is almost 100KW. Any excess generation from the system is purchased by the utility at our avoided cost rate which is our prior year average cost per kilowatt hour from Wisconsin Public Service Corporation. This rate is around \$0.055 compared to the normal retail buy back rate of \$0.085.

The electric and water rate cases were submitted to the Public Service Commission of Wisconsin on July 28th. We would expect to have approved rates by the end of the year. We will be having a discussion with the PSC on the water ROR and it may require additional effort such as a presentation before the full commission. At that time we may request support from the utility commissioners and/or the mayor.

I am sure that you saw the press release on the water samples for lead detection. We have collected 29 of the 30 required lead and copper samples. We have tested below the required level on all 29 of these. We are still waiting for the homeowner to collect the final lead and copper sample so we can send it to the lab for analysis. If we get no response by mid August we will ask the DNR to allow us to use a different sample site. We have already passed a sufficient number of samples so this one will not change the overall outcome. We are good for another three years.