

**MARSHFIELD UTILITIES, A MUNICIPAL UTILITY  
MARSHFIELD UTILITY COMMISSION  
JANUARY 16, 2017**

**COMMISSION MEETING MINUTES**

A regular meeting of the Marshfield Utility Commission was called to order by President Mike Eberl at 4:00 pm on January 16, 2017 in the downstairs meeting room of the utility office. Present were Commissioners Mike Eberl, John Maggitti, Alen Johnson and George Holck. Also present were Alderperson Gordon Earll, City Administrator Steve Barg and Utility staff. Absent were Alderperson Peter Hendler, Commissioner Harry Borgman and Attorney John Adam Kruse.

- During commissioner, council and staff comments, Commissioner Maggitti informed that he was appointed to the APPA Public Policy Makers Council. He also shared that he had difficulties reaching our after-hours service during a recent power outage and asked staff to look at the process. Commissioner Eberl asked that an update be given on a customer comment from December's meeting. Alderperson Earll asked if the staff knew why the cable TV was not there to film the meeting and stated he would follow up.
- The Financial Manager gave an update on the water rate case.

**UC/17-01** Motion by Maggitti, seconded by Holck, to approve payroll for December in the amount of \$358,856.85 and general bills for December in the amount of \$3,101,358.28. All ayes, motion carried.

**November 2016 Financial Statement Notes**

Electric Utility

- Net income was \$118 thousand for the month, with a net income of \$1.277 million year-to-date.
- Net operating income was \$243 thousand for the month, compared to budgeted net operating income of \$84 thousand. Year-to-date net operating income was \$2.294 million, compared to budgeted net operating income of \$1.555 million.
- Operating expenses for the month included \$11 thousand for relay testing and calibration at the Mill Creek Substation and \$25 thousand for landscaping work for the State Street project.
- After adjusting for the PCAC timing, net operating income for the month was \$111 thousand.
- November consumption was down 4.97% from November 2015, with year-to-date consumption down 2.20%. All major customer classes, other than Residential, are showing a decrease for the year. Year-to-date energy losses were 1.99%, compared to prior year losses of 2.07%.

Water Utility

- Net income was \$73 thousand for November, with a net income of \$1.055 million year-to-date.
- Net operating income was \$108 thousand for the month, compared to budgeted net operating income of \$130 thousand. Year-to-date net operating income was \$1.443 million, compared to budgeted net operating income of \$1.442 million.
- Operating expenses for the month included \$24 thousand for main break street repairs.
- November consumption was up 3.03% from November 2015. Year-to-date consumption was down 4.12% from the prior year, with all major customer classes showing a decrease. Year-to-date water losses were 15.15%, compared to prior year losses of 15.59%.

Communication Utility

- Net income was \$12,750 for the month, compared to budgeted net income of \$18,805. Year-to-date net income was \$150,757, compared to budgeted net income of \$197,843.

**UC/17-02** Motion by Johnson, seconded by Holck, 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 General Manager gave an update on the strategic plan.

- The Water Manager discussed information on thawing frozen services.

**UC/17-03** Motion by Maggitti, 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 employment incentive plans and General Manager review.

Closed session per Wisconsin State Statutes 19.85(1)(g) conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved for the purpose of discussing DNR notice of violation update.

All ayes, motion carried. Closed session at 5:04 p.m.

**UC/17-04** Motion by Holck, seconded by Johnson, to resume in open session. All ayes, motion carried. Open session resumed at 5:46 p.m.

**UC/17-05** Motion by Holck, seconded by Johnson, to adjourn. All ayes, motion carried. Meeting adjourned at 5:47 pm.



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John Maggitti, Secretary

Operations Report  
January 9 2017

The Water Department is in the process of creating a Lead Service Line Replacement Program. Marshfield Utilities has a \$300,000.00 grant from the Wisconsin DNR to replace Lead Service Lines on the private side of the service that will be spent in the summers of 2017 and 2018. The program will detail the contribution per service replacement and the priority of those replacements. We are also working in conjunction with the City of Marshfield Engineering Department to coordinate possible main replacements with future street projects. We are looking for options to reduce the street replacement costs which add significantly to our construction costs.

The winter main break season has begun. The crews fixed 5 main breaks in the month of December. This compares to 7 main breaks in December of 2015, 2 main breaks in 2014, and 9 in 2013. More to come.

The DNR conducted an Air Inspection on December 8<sup>th</sup> with Tony, Kathy, Cathy, and Nick. MU received the DNR's inspection summary report on December 15<sup>th</sup> which concluded that there were no new findings of noncompliance. It was also noted that MU was very organized and the DNR looked forward to continued organization at MU. The inspector provided a few general comments in process improvements, many of which have already been implemented. Thanks to those whose diligent efforts brought about this result.

Nick attended the UWEX Broadband & E-Commerce Education, Broadband Boot Camp 2016: Talk to Action on December 6<sup>th</sup> in Wisconsin Rapids. He continues to look for ways to develop our fiber utility.

Insurance renewals were finalized during the month. We will continue our coverage for liability, auto liability, auto physical damage, and workers' compensation s with the League of Wisconsin Municipalities Mutual Insurance (LWMMI) group. We will also continue with Cincinnati Insurance as our provider of crime insurance for 2016. The total premium for these policies in 2017 is \$125,432, compared to \$109,351 for 2016. Workers' compensation accounted for \$14,211 of this increase, due to changes in workers' compensation rates and a higher experience ratio.

Our property insurance in 2017 will continue to be provided by Municipal Property Insurance Company (MPIC). The premium for 2016 is \$63,108, compared to \$55,296 for 2016. This includes coverage for the electric distribution system. Starting in 2017, MPIC has begun offering equipment breakdown insurance (also known as boiler insurance). This will include all of our property, including the M-1 combustion turbine unit. After negotiating with MPIC, they have agreed to make changes to the calculation of the deductible for the M-1 (\$100,000, which is the same as our previous deductible), and also remove any exclusions for testing for the M-1. With recommendation from our insurance consultant, we will be switching to MPIC for our equipment breakdown insurance for 2017. This will replace a separate policy for the M-1 and a joint policy with the City and school district for the non- M-1 property. The MPIC premium for 2017 will be

55,000, compared to an estimated \$81 thousand if we would have used our existing insurance companies.

As part of the agreement with the City of Marshfield on the water tower space leases for cell phone antennas, 10% of the yearly revenues are given to the City. For 2016, this amount was \$6,903, compared to \$6,303 in 2015. We continue to work with both ATT and Verizon with contract issue related to the installation of upgraded facilities, which has be frustrating.

Starting in December, PSN, our partner for processing debit card, credit card, and e-check payments from customers, has expanded to include capturing bank bill payments. In the past, we received paper checks for customers that used their bank to make online payments to Marshfield Utilities. Now, these payments are being captured electronically and deposited to our bank, along with a batch that includes the customer information and payment amount. This saves our Cashier from having to process the paper checks. In December, we received 524 bank bill pay payments.