

**MARSHFIELD UTILITIES, A MUNICIPAL UTILITY
MARSHFIELD UTILITY COMMISSION
JUNE 6, 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 June 6, 2016 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, Attorney John Adam Kruse, and Utility staff. Absent were Commissioner Harry Borgman and Alderperson Peter Hendler.

- During commissioner, council, and staff comments Commissioner Maggitti shared that his water meter was recently upgraded to the AMI meter and he complimented the staff and whole process. The Electric, Communications & Gas Manager showed the gold level safety award received from MEUW for the utility safety program. The General Manager shared that the utility may qualify and is applying for a DNR grant that helps the customers pay for lead service replacement.
- Andy Busscher was presented with an award for ten years of service.
- The General Manager presented information on a proposed employee wage policy.
- The Human Resources Manager presented a proposed General Manager review process.
- The General Manager and Financial Manager presented information on water facility finance options.

UC/16-34 Motion by Maggitti, seconded by Johnson, to recommend moving forward with the proposal. All ayes, motion carried.

- Commissioner Johnson left at 5:01 p.m.

UC/16-35 Motion by Maggitti, seconded by Holck, to approve the following job orders:

5731	Installation of Water Main on Veterans Parkway, 34 th St to Heritage Dr.	\$376,686.40
5732	Replace Water Main & Appurtenances on 2 nd St, Between Central & Maple Ave	\$63,852.47
7453	VMWare Hosts Update for Primary Site	\$155,140.00

All ayes, motion carried.

UC/16-36 Motion by Holck , seconded by Maggitti, to approve payroll for May in the amount of \$247,994.26 and general bills for May in the amount of \$3,212,825.50. All ayes, motion carried.

April 2016 Financial Statement Notes

Electric Utility

- Net income was \$547 thousand for the month, with a net income of \$996 thousand year-to-date.
- April's net operating income was \$534 thousand, and was \$198 thousand after adjusting for PCAC timing, compared to budgeted net operating income of \$124 thousand. Year-to-date net operating income was \$1.375 million, and \$937 thousand after adjusting for PCAC timing, compared to budgeted net operating income of \$946 thousand.
- Operating expenses for the month included \$4 thousand for M-1 environmental software reports, \$6 thousand for M-1 Borescope testing and \$9 thousand for M-1 water meters calibration.

- The 2015 dividend payment was sent to the City on April 8th, and it is shown under the Equity section of the Balance Sheet. The amount allocated to the electric utility was \$149,482, compared to the prior year amount of \$179,164.
- April consumption was down 1.78% from April 2015, with year-to-date consumption down 4.92%. All major classes showed a decrease in consumption for the year. Year-to-date energy losses were 0.04%, compared to prior year losses of -0.40%.

Water Utility

- Net income was \$100 thousand for April, with a year-to-date net income of \$309 thousand.
- Net operating income was \$135 thousand for the month, compared to budgeted net operating income of \$122 thousand. Year-to-date net operating income was \$452 thousand, compared to budgeted net operating income of \$413 thousand.
- Operating expenses for the month included \$7 thousand for a VFD replacement at the Southside Booster Station and \$5 thousand for the Wood County clean sweep program.
- The City dividend payment amount allocated to the water utility was \$67,158, compared to the prior year amount of \$88,245.
- April consumption was down 0.78% from April 2015. Year-to-date consumption was down 1.88% from the prior year, with all major customer classes showing a decrease. Year-to-date water losses were 15.28%, compared to prior year losses of 17.28%.

Communication Utility

- Net income was \$18,213 for the month, compared to budgeted net income of \$18,805. Year-to-date net income was \$67,472, compared to budget net income of \$70,801.

UC/16-37 Motion by Maggitti, 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 shared a financial analysis of M-1.

UC/16-38 Motion by Holck, seconded by Maggitti, to adjourn. All ayes, motion carried. Meeting adjourned at 5:15 p.m.



John Maggitti, Secretary

Operations Report June 2016

We are always looking for ways to improve the customer payment process and to reduce costs in the process. Customers that pay their bill through their online banking services will soon have the payment deposited in our bank and a payment entry automatically created in our Cashiering module. Currently, the banks send us paper checks that we manually process. We estimate that up to 400 payments are provided to us monthly for these bank bill payments. Payment Services Network, a partner with PCS, our billing and accounting software provider, has the ability to take customer payments with an automated phone system, and be assisted by a live operator if needed. Customers will be able to choose this payment method when they call us. Both of these changes will be happening in the next several months, and will result in increased efficiency.

Since we started promoting the PowerPay program in December, 203 customers have signed up for PowerPay. The promotion, which included incentives for customers to sign up, ends at the end of May. We will continue to promote PowerPay by including a brochure in the first bill of each new customer so that they are aware of all of our payment options, including PowerPay. We may have another incentive driven campaign later in the year.

ATT and Verizon have removed their equipment from Grant Tower and the painting project has started. FAA approval for the temporary tower to hold the equipment took about 6 weeks longer than anticipated and as a result the project is 6 weeks behind schedule. Overhead power and fiber lines were relocated to avoid conflicts with the shrouding that will be used to prevent paint overspray.

The Upham Street water main project started on May 23rd. There were some issues with insurance between the prime and sub that took about a month to get worked out. This project is about a month behind the schedule we had planned, but we should still be able to complete it in time for the city to get the overlay project completed on time.

M-1 ran in May for annual and five year testing. There was a problem with water injection which required us to do some additional tuning on the engines to get the control software to operate properly. That has been completed and the unit is now ready to resume testing.