

**MARSHFIELD UTILITIES, A MUNICIPAL UTILITY
MARSHFIELD UTILITY COMMISSION
NOVEMBER 14, 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 November 14, 2016 in the downstairs meeting room of the utility office. Present were Commissioners Mike Eberl, John Maggitti, Harry Borgman, and George Holck. Also present were Alderperson Gordon Earll, Attorney John Adam Kruse, and Utility staff. Absent were Alderperson Peter Hendler and Commissioner Alen Johnson.

- During commissioner, council, and staff comments, John Maggitti questioned the reason for the utility website being down. Mike Eberl confirmed that work being done on Central and Upham was the city and not the utility.
- The Financial Manager presented the operations and maintenance budget for second review.

UC/16-64 Motion by Borgman, seconded by Maggitti, to approve the operations and maintenance budget. All ayes, motion carried.

UC/16-65 Motion by Borgman, seconded by Holck, to approve payroll for October in the amount of \$254,533.06 and general bills for October in the amount of \$3,623,788.48. All ayes, motion carried.

September 2016 Financial Statement Notes

Electric Utility

- Net income was \$444 thousand for the month, with a net income of \$1.199 million year-to-date.
- Net operating income was \$569 thousand for the month, compared to budgeted net operating income of \$165 thousand. Year-to-date net operating income was \$2.091 million, compared to budgeted net operating income of \$1.471 million.
- After adjusting for the PCAC timing, net operating income for the month was \$314 thousand.
- September consumption was down 0.17% from September 2015, with year-to-date consumption down 2.08%. Year-to-date energy losses were 1.38%, compared to prior year losses of 1.62%.

Water Utility

- Net income was \$120 thousand for September and \$914 thousand year-to-date.
- Net operating income was \$155 thousand for the month, compared to budgeted net operating income of \$148 thousand. Year-to-date net operating income was \$1.233 million, compared to budgeted net operating income of \$1.188 million.
- Overall September consumption was down 8.41% from September 2015, with all major classes of customers showing a decrease. Year-to-date overall consumption was down 4.72% from the prior year, with Industrial and Multifamily Residential each showing an approximate 11% increase. Year-to-date water losses were 14.85%, compared to prior year losses of 15.79%.

Communication Utility

- Net loss was \$5,727 for the month, compared to budgeted net income of \$18,805. Year-to-date net income was \$125,385, compared to budget net income of \$160,407.
- There was a revision to the contract for the school district billing, which resulted in decreased revenue of \$16,239 for the quarter. One-third of the estimated quarterly revenue is recorded each month, based on the billing from the prior quarter and the billing schedules. Since two months of revenue had been recorded before the new amount for the school district was known, the adjustment resulted in a net loss for the month.

UC/16-66 Motion by Eberl, seconded by Maggitti, to dispense with reading the minutes of the previous meeting and accept them as submitted. All ayes, motion carried.

- The General Manager and Human Resources Manager reviewed the operations and financial reports.

- The Water Superintendant shared information on hydrant flushing and water main maintenance.

UC/16-67 Motion by Maggitti, seconded by Borgman, to adjourn. All ayes, motion carried. Meeting adjourned at 4:39 pm.

A handwritten signature in black ink, appearing to read 'J. Maggitti', written over a horizontal line.

John Maggitti, Secretary

Operations Report

November 14 2016

On October 17th, water and sewer tax roll notices were mailed to customers and property owners. This is the first step in the tax roll process. The past due water and sewer on these notices totaled almost \$87 thousand, compared to \$97 thousand in 2015. The next step in the process is a 10% penalty that is applied to unpaid balances after November 1st. A final submission to the City for placement on the tax roll is completed after November 15th. As a result of Act 274, a lien is created against the tenant, and the landlord can request that the lien be transferred to them. The landlord will have to go to small claims court to collect on this lien.

Each October, a review is completed to determine which residences that were disconnected due to non-payment are still occupied. A field check was conducted by meter personnel and followed up by office staff to determine which residences are still occupied. Letters were sent to the customer as well as to the address. A notice was also hung on the door of each of these residences requesting that the customer at any occupied residences contact the utility. After November 1st, a status report is provided to the PSC.

The annual fall outage at M-1 was completed between October 10th and the 21st. Cole Eswein and Dustin Oleson completed the annual fall inspection, including the calibration of gauges, pulling oil samples, and ensuring all heating elements are functioning properly. JF Ahern completed the annual fire suppression system maintenance. Energis High Voltage completed the NERC required relay testing. Central Mechanical Systems installed a hydronic heating system to aid in cold weather startups.

All four positions at MEUW have now been filled. Heather Breunig was the first to be hired as Marketing and Members Services Manager. Mike Czuprynko was then hired as Regional Safety Manager. Just last week, Jamie Keough was hired as Office Coordinator and later that same week, Jeff Stone was hired as Executive Director. With the MEUW office now fully staffed, my duties as President of MEUW will be back to normal.

On October 18 we held an all-employee meeting. We discussed the strategic plan and emphasized how it sets the direction for the utility. Employees were encouraged to review it and they were encouraged to challenge us to ensure that our actions align with the plan. We also reviewed the employee survey. We plan to make some changes for the next survey to address employee concerns.