

**MARSHFIELD UTILITIES, A MUNICIPAL UTILITY
MARSHFIELD UTILITY COMMISSION**

May 11, 2015

COMMISSION MEETING MINUTES

A regular meeting of the Marshfield Utility Commission was called to order by President Mike Eberl at 4:00 pm on May 11, 2015 in the downstairs meeting room of the utility office. Present were Commissioners Mike Eberl, John Maggitti, Harry Borgman, Kathy Heintz-Dzikowich, and George Holck. Also present were Alderperson Gordon Earll, Alderperson Peter Hendler, Steve Barg, Keith Strey and Utility staff.

UC/15-41 Motion by Borgman, seconded by Holck, to dispense with reading the minutes of the previous meetings and accept them as submitted. All ayes, motion carried.

UC/15-42 Motion by Maggitti, seconded by Borgman, to approve payroll for April in the amount of \$135,974.31 and general bills for April in the amount of \$5,703,094.07. All ayes, motion carried.

UC/15-43 Motion by Holck, seconded by Borgman, to approve the following job orders:

JO #5709	Cedar Avenue (Arnold to Blodgett): Cedar Ave reconstruction	\$43,096.89
JO #5710	Wildwood Court: replace 1035 of 4" cast iron water main with 6" HDPE water main and install 420 feet of new 6" HDPE water main on Wildwood Court	\$124,835.16

All ayes, motion carried.

March 2015 Financial Statement Notes

Electric Utility

- Net loss was \$24 thousand for the month, with a net income of \$541 thousand year-to-date.
- Net operating income was \$110 thousand for the month. Year-to-date net operating income was \$951 thousand, compared to budgeted net operating income of \$859 thousand.
- After removing the effects of the PCAC timing, March showed a net operating income of \$194 thousand, with a year-to-date net operating income of \$894 thousand.
- Operating expenses for the month included the final WRS refunding bond payment to the City for \$70 thousand.
- March consumption was up 2.81% from March 2014, with Industrial Power consumption up 12.17%. Year-to-date consumption was down 0.39%. Year-to-date energy losses were -0.02%, compared to prior year losses of 0.44%.

Water Utility

- Net income was \$27 thousand for March, with a net income of \$151 thousand year-to-date.
- Net operating income was \$55 thousand for the month, compared to budgeted net operating income of \$9 thousand. Year-to-date net operating income was \$237 thousand, compared to budgeted net operating income of \$125 thousand.
- Operating expenses for the month included the final WRS refunding bond payment to the City for \$36 thousand.
- March consumption was up 5.87% from March 2014, with year-to-date consumption up 2.39%. Year-to-date water losses were 14.43%, compared to prior year losses of 13.02%.

Communication Utility

- Net income was \$18,940 for the month, compared to budgeted net income of \$18,077. March year-to-date net income was \$53,731, compared to budgeted net income of \$49,959.
- The Department Managers reviewed noteworthy projects including:

- Electric shared information related to the transmission system and discussed the use of cameras for security.
- Office gave an update on the water simplified rate case and explained a possible service limiter option.
- The Water Superintendent presented educational information on well construction and rehabilitations.
- The General Manager discussed the need for a special commission meeting on the potential integration of other city entities in the building project. Consensus was to schedule a special commission meeting.
- The Office Manager presented the final draft of the capital budget.

UC/15-44 Motion by Borgman, seconded by Holck, to approve the capital budget. All ayes. Motion carried.

- The Office Manager presented information on the deferred payment agreement tariff.

UC/15-45 Motion by Borgman, seconded by Holck, to approve the deferred payment agreement tariff. Eberl, Borgman, Heintz-Dzikowich and Holck voted aye; Maggitti voted nay. Motion carried.

- The Human Resources Manager presented the Power Systems Supervisor wage for approval.

UC/15-46 Motion by Maggitti, seconded by Holck, to approve the Power Systems Supervisor wage of \$82,500. All ayes, motion carried.

- Commissioner Eberl presented information on the Governance Excellence program.
- The General Manager presented information on possible changes to the commission agenda. Consensus was to make the changes as presented.
- The General Manager presented information on appointing a member to the Economic Development Board.

UC/15-47 Motion by Eberl, seconded by Borgman, to appoint the General Manager for a one year term. All ayes. Motion carried.

UC/15-48 Motion by Holck, seconded by Maggitti, to adjourn. All ayes, motion carried. Meeting adjourned at 5:24 p.m.



John Maggitti, Secretary

Department: Office
Manager: Kent S. Mueller
Month: April 2015

- We have seen an increase in customer contacts as the winter disconnection moratorium ended April 15th. Over 1600 payments were made by customers in our office in April. Customer service employees have been working with customers on payment arrangements. In April, 333 payment arrangements were signed by customers, which was the highest number of agreements ever signed in one month, compared to 282 in April 2014. Our past due electric balance is \$65,673 at the end of April, and decreased by over \$82 thousand from the end of March.
- In April, 108 customers were disconnected for non-payment, compared to 112 last April.
- On April 15th, the 2014 payment in lieu of tax (PILOT) totaling \$1,769,896 was sent to the City. Last year, the PILOT payment was \$1,840,920.
- On April 15th, the 2014 dividend payment totaling \$267,409 was sent to the City. The dividend payment for the previous year was \$281,472.
- With the approval from the Commission to file a Simplified Rate Case (SRC) for the water utility, our next steps were to provide notice to our customers and file the application. A notice was placed in the Marshfield News Herald on April 30th informing our customers of the rate increase. We will also notify our customers with a statement message in August, which will be the first month that the rates will be billed. The application to increase the rates was filed with the PSC on May 1st.
- MU and the City are working together for the bonding needs for MU for 2015 and future years.
- A claim was filed by a customer that had water backup into their basement through the sanitary line as a result of a main break, resulting in water damage in their basement. Our insurance company is reviewing this claim. We have a no-fault insurance policy for water backup that covers this type of claim.
- The AMI electric meters in cycle 2 were read and billed using the AMI antennas. From now on, all AMI electric meters will be read using the antennas, and will result in a savings of meter reading costs.
- The Local Government Pooled Insurance Fund (LGPIF), which provides our property and contractors equipment insurance, will still exist through 2016. However, the premiums could increase between 45% and 85% for 2016. The League of Wisconsin Municipal Mutual Insurance is looking into forming a company that could provide this coverage.

Department: Water
Manager: Dave Wasserburger
Month: April 2015

- Sensus RNI Software shows 3922 water meters installed at this time. This represents a 47.7% completion rate. We have had to put the project on hold due to a reconfiguration of the firmware in the Sensus radio resulting in a compatibility issue with other software. We are working with Sensus to resolve the issue.
- John and Dave met with J&R Underground to plan the water main replacement project on Wildwood Court. The new water main will be installed by directionally boring and pulling in fused HDPE pipe. The water services will then be tied over from the old water main to the new water main by open excavation.
- The water service to Hamus Park was turned on and the Park bathroom facilities were opened up for the summer.
- Nick Kumm and I met with Wonderware representatives. The reporting software for the SCADA system has become obsolete and must be updated. Wonderware has teamed up with Allmax to provide reporting. Madison Water is currently undergoing installation of Allmax and their comments have been positive.
- Hydrocorp has been doing our commercial/industrial cross connection inspections since 2004. On occasion we come across a business which does not respond to appointments or who fail to bring their plumbing into compliance when violations are found. We sent out 13 noncompliance letters in April. These facilities must bring their facilities into compliance by the middle of May or they will be disconnected.
- The Maple Avenue reconstruction project has started. Joe Dierickx will be handling the majority of the Water Department inspection duties on this project.
- Aaron Paun has been attending classed at the Rural Water Training Facility in Plover. He is learning about groundwater, wells, pumps, treatment, distribution repairs and cross connection inspections. Aaron will be taking the DNR Operator Groundwater and Distribution Certification tests in November to become a Certified Water System Operator in Wisconsin.
- John attended a training session held at Chippewa Valley Technical College for iron removal. John will be taking the DNR Iron Removal Certification test in November to become certified in iron removal. This is a requirement of him and will allow him to file required water reports to the State of Wisconsin.

Groundwater Guardians

Pharmaceuticals were sorted at the Police Department in April. After sorting out the products from the containers there was 604 pounds collected. These unused pharmaceuticals will be hauled to St. Louis and will be properly incinerated.

Department: Electric

Manager: Nicolas Kumm

Contributing: Derrek Caflisch

Month: April 2015

- M-1 ran once for testing purposes during the month of April.
- Electric AMI meters installed: 3,881 out of 13,100 (29.8%). Bruce Ackerman, Al Derge, Cole Eswein, and Dustin Oleson have completed all of the meter change-outs thus far. Ray Burrill has helped with check reads and transfers to allow others to focus on meter change outs.
- Sean Wall with MEUW provided electric department staff training on lockout tagout procedures on April 13th.
- April 18th was National Lineman Appreciation Day. MU included a press release denoting the special day.
- Disconnects for non-payment resumed after the winter moratorium. Staff disconnected about 100 meters during the month without incident.
- Cole attended the Train the Trainer at Northcentral Technical College in Wausau on April 21st.
- The linemen demoed a back yard machine that has the ability to install poles and attached a bucket for linemen to complete aerial work. The machine can fit through a 36" wide opening and can install a 50' pole.
- Randy Ayer, Jeff Irish, and Ryan Steffen attended a CVTC Underground School in Eau Claire April 21st-23rd.
- Tim Habermeyer, Jeff Holbrook, Mike Vanderwyst, Jeff Irish, Randy Ayer, and Ryan Steffen have been working the CTH E project. The Northerly most mile is nearing completion.
- Dean Bohman and Robert Olwell have been working services and many small projects.

Department: Technical Services

Manager: Cathy Lotzer

Contributing: Heather Young, Shawn Marsh, Jim Benson

Month: April 2015

- Cathy, Bob, Nick, and Kent met with WPS wholesale representatives to discuss rates, transmission, renewables, generation, and equipment ownership.
- Sean from MEUW assisted staff with conducting a Severe Weather Warning drill. Employees were timed as they made their way to the shelter area - 2 minutes and 15 seconds.
- Groundwater Guardians conducted a semi-annual drug sort which collected over 600 pounds of meds in the past six months. This brings our community collection total to nearly 8,000 pounds.
- Cathy and Shawn met with Axis camera and Per Mar representatives to plan the first installation of cameras at the Water Treatment Facility.
- Shawn has been working with Priority Business Systems on our fiber redundancy project.
- Shawn has been working with Cascade software representatives to get our new field laptop to communicate with the remote database.
- Jim provided department managers with comparable pricing for two utility vehicles that were in the budget and also prepared for resale bucket truck 506.
- Jim has resumed weekly retention pond inspections which will continue until new vegetation growth can be confirmed by the DNR and the project can be deemed complete.