MARSHFIELD UTILITIES, A MUNICIPAL UTILITY MARSHFIELD UTILITY COMMISSION

November 9, 2009

COMMISSION MEETING MINUTES

A regular meeting of the Marshfield Utility Commission was called to order by President Harry Nienaber at 4:00 pm on November 9, 2009 in the upstairs meeting room of the utility office. Present were Commissioners Marvin Spletter, Harry Nienaber, Chris Jones, Wayne Johnson, and Russ Wenzel. Also present were Alderperson Donald Krueger, Alderperson Gordon Earll, attorney John Adam Kruse, and the utility staff.

• During citizens' comments, Commissioner Jones commended Lee Babcock and Kent Mueller for doing an excellent job of handling the rate case hearing last week.

<u>UC/09-99</u> Motion by Wenzel, seconded by Jones, to dispense with reading the minutes of the previous meetings and accept them as submitted. All ayes, motion carried.

<u>UC/09-100</u> Motion by Wenzel, seconded by Johnson, to approve payroll for October in the amount of \$193,598.06 and general bills for October in the amount of \$4,357,778.27. Roll call vote, all ayes, motion carried.

<u>UC/09-101</u> Motion by Johnson, seconded by Spletter, to approve the following job order(s):

JO #7428 N-144 & A-157 Easement Acquisitions \$1,389,530 JO # 17491 5th Street rebuild – Holly Ave – UW Marshfield \$147,830 (\$53,195 deposit) All ayes, motion carried.

September 2009 Financial Statement Notes

Electric Utility

- Net loss was \$4 thousand for the month, with a net loss of \$284 thousand year-to-date.
- In December, the net interest expense (interest expense less the interest income) will be capitalized as part of the costs of the combustion turbine. As of September 2009, the year-to-date net interest expense was \$930 thousand, which would increase net income by this amount.
- Net operating income was \$158 thousand for the month. Year-to-date net operating income was \$834 thousand, compared to budgeted net operating income of \$625 thousand
- After removing the effects of the PCAC timing, the net operating income was \$12 thousand for the month and \$935 thousand year-to-date.
- September consumption was down 6.43% from September 2008, with year-to-date consumption down 4.09%. Year-to-date energy losses were 1.35%, compared to prior year losses of 1.36%.

Water Utility

- Net income was \$35 thousand for September and \$394 thousand year-to-date.
- Net operating income was \$58 thousand for the month, compared to budgeted net operating income of 92 thousand. Year-to-date net operating income was \$542 thousand, compared to budgeted net operating income of \$629 thousand.
- September consumption was down 11.22% from September 2008, with year-to-date consumption down 5.40%. Year-to-date water losses were 7.98%, compared to prior year losses of 5.10%.

Communication Utility

- Net income was \$14,254 for the month, compared to budgeted net income of \$14,111. Year-to-date net income was \$19,577, compared to budgeted net income of \$25,635.
- The revenue for September reflects the billing for the third quarter.

<u>UC/09-102</u> Motion by Wenzel, seconded by Jones, to receive and place on file department reports. All ayes, motion carried.

- The Commission President appointed Russ Wenzel and Chris Jones as negotiating committee members with Wayne Johnson as an alternate.
- The Utility Manager discussed and recommended a resolution authorizing sale of transmission assets to the American Transmission Company.

<u>UC/09-103</u> Motion by Wenzel, seconded by Spletter, to approve the Resolution authorizing sale of transmission assets to the American Transmission Company, LLC. Roll call vote, all ayes, motion carried.

• The Utility Manager discussed the need for a Systems/Network Administrator position.

<u>UC/09-104</u> Motion by Jones, seconded by Spletter, to approve authorization for a Systems/Network Administrator position. All ayes, motion carried.

- The 2010 Operations and Maintenance Budget was reviewed.
- Changes to the 2010 Capital Budget were reviewed.
- The Utility Manager recommended rescheduling the December 7th meeting to December 14th.
- The Utility Manager reviewed generator bids and made recommendations.

<u>UC/09-105</u> Motion by Wenzel, seconded by Spletter, to approve the Natural Gas Metering Station Installation Services bid from Michels Corporation for the total price of \$356,750.00. Roll call vote, all ayes, motion carried.

<u>UC/09-106</u> Motion by Jones, seconded by Johnson, to approve the Supply and Delivery of the Substation Control Building bid from Heyrman Construction Company, Inc. for the total price of \$112,429.00. Roll call vote, all ayes, motion carried.

<u>UC/09-107</u> Motion by Jones, seconded by Wenzel, 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 labor negotiations.

Roll call vote, all ayes, motion carried. Closed session at 4:56 p.m.

<u>UC/09-108</u> Motion by Wenzel, seconded by Spletter, to go into open session. Roll call vote, all ayes, motion carried. Open session at 5:08 p.m.

<u>UC/09-109</u> Motion by Jones, seconded by Spletter, to adjourn. All ayes, motion carried. Meeting adjourned at 5:09 p.m.

Christopher Jones, Secretary

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