

**August 4, 2016**

The regular meeting of the New Richmond Utility Commission was held on August 4, 2016 at 7:30 a.m. at the Civic Center.

Pat Becker called the meeting to order at 7:30 a.m.

Members Present: Jerry Frey, Bob Mullen, Dan Casey, and Pat Becker.

A motion was made by Gerry Warner to approve the agenda, seconded by Dan Casey, and carried.

A motion was made by Jerry Frey to approve the minutes of the July 13, 2016 meetings, approve bills and disbursements, seconded by Gerry Warner, and carried.

**Public Comment:**

None

**3-Reel Innerduct Trailer:**

Tom Rickard presented a sample of the two inch innerduct tubing that comes in ten foot spools. The trailer would have capacity to hold three spools of innerduct tubing. Purchasing the heavy duty trailer makes it possible for the trailer to be used for other functions when needed. Money for this purchase was budgeted for in the five year capital plan. Trailer would need to be ordered, with delivery expected in two months. A motion was made by Dan Casey to purchase the Brooks Brothers Trailer Model 3RT from Trenchers Plus for \$16,732.00, seconded by Bob Mullen, and carried.

**Capacity, Management, Operation and Maintenance (CMOM) Program:**

Jeremiah Wendt gave an overview of the CMOM Program. WI DNR implemented a requirement that every community wastewater collection system in the state have a Capacity, Management, Operation and Maintenance (CMOM) program in place this August. City staff worked over the last several months to develop this written program, which provides guidance and documentation for the operation of our collection system, in conformance with WI DNR's requirement. By producing the document in-house, staff saved thousands in potential consultant costs, and developed a program that is custom-fit to our City's needs. A motion was made by Bob Mullen to adopt the CMOM program as developed by staff, seconded by Gerry Warner, and carried.

**Sanitary Sewer Televising:**

Staff advertised for bids for the City's annual sanitary sewer televising program, which has been budgeted for and performed since 2014. On Wednesday, August 3, 2016, sealed bids were received for the 2016 Sewer Televising Program, which calls for televising approximately 38,461 feet of sanitary sewer. Six bids were received for the project, ranging from \$21,180.50 to \$99,998.60. The low bid of \$21,180.50 was submitted by Flow-Rite & Sewer Services of Galesville, WI. Based on experience and review, it is staff's opinion that Flow-Rite Pipe & Sewer Services has the required equipment and expertise to perform the work as outlined in the contract documentation. Televising would take place in the fall. Since the cost per lineal foot is less this year than previous year, Utility Commission recommends doing additional sewer televising. A motion was made by Dan Casey to award the bid to Flow-Rite & Sewer Services, not to exceed \$25,000.00, seconded by Jerry Frey, and carried.

**WWTP Facility Plan:**

In mid-2015, Staff and the Utility Commission interviewed firms for the preparation of an updated Facility Plan for the City's Wastewater Treatment Plant. The result of these interviews was the selection of MSA to do this work for the City.

At that time, the City was still awaiting greater certainty on the future effluent Phosphorus limits that we will be required to meet, and the decision was made to wait to finalize the contract until we had that greater certainty. Based on DNR's current position, we are ready to begin the Facility Planning process, and need to formalize our contract with MSA.

The original proposal for the contract was \$24,500. In addition to the original proposal, Staff asked MSA to add a Phosphorus Optimization analysis at an additional cost of \$1,500.00, bringing the total contract to \$26,000.00. These costs will be covered by the STH 64 Stormwater/Wastewater Coalition funds provided as part of the St. Croix Crossing project. The City's contribution will be in the form of staff time involved in the Facility Planning process. Once the Utility Commission approves the contract with MSA, it will be presented to the Coalition for approval, and delegation of funds. A motion was made by Bob Mullen to approve the contract with MSA for \$26,000.00 for the preparation of a Wastewater Facility Plan, seconded by Gerry Warner, and carried.

### **Department Reports:**

Mike Darrow, Utility Manager:

Absent - no report given. Jeremiah Wendt led the meeting in Mike's absence.

Rae Ann Ailts, Finance Director:

### **Finance Report of the New Richmond Utilities**

Rae Ann extended a thank you to Mike Darrow, the Commission, Council and fellow co-workers for the warm reception and assistance in helping her through the on boarding period. She stated the City and Utility have a dedicated, hard working group which she is proud to be part of. She extended a big thank you to Wes, Utility, Public Works, and City staff for all their hard work in making the Customer Appreciation Picnic and NNO a success. Turnout to both events was down this year with approximately 450 customers attending the picnic, and 200 community members attending NNO. Weather could have been a contributing factor in the lower turnover, however, staff will look into ways to increase participation for next year.

### **On boarding process**

Over the last 30 days Rae Ann has met with department heads, commission members, consultants, and other municipalities to familiarize herself with the processes of the Utility and City. She will continue to work with individuals and departments over the next 30 days to better understand workflows.

### **Financial Reporting and Metrics**

Rae Ann created a simplified Statement of Revenues, Expenses, and Changes in Net Position and is working on creating a balance sheet. These simplified financial reports, coupled with a narrative explaining variances between budget and actual, will allow greater transparency in decision making in the future. Also, Rae Ann will be developing metrics/key performance indicators to add additional transparency on a monthly, quarterly, and yearly basis.

### **Training & continuing education**

WPPI will be conducting in house training August 22 & 23<sup>rd</sup> on the Dynamics Software. Rae Ann and Diane Theilke will be attending the MEUW Accounting and CS Seminar on September 13<sup>th</sup>. Rae Ann will also be visiting WPPI in the coming months, and will attend the ICMA conference in September.

### **2015 Audited Financial Statements**

2015 Audited financial statements were distributed during the last commission meeting. Kim Shult of Baker Tilly will be reviewing 2015 results during the September 7<sup>th</sup> meeting.

### **2016B Water & Sewer Revenue Bond**

The 2016B Water & Sewer Revenue Bond will close today, August 4<sup>th</sup>, with repayment of the 2007 Revenue Bond occurring on August 15<sup>th</sup>. The bond size was reduced from \$3,345,000 to \$3,260,000

due to premium bid, lower debt service reserve requirement, and lower total cost of issuance. Moody's upgraded the Utilities rating from A2 to A1 due to strong liquidity, and modest debt burden. Refinancing of the 2007 Revenue Bond resulted in a debt service savings of \$267,910.00.

### **2017 Budget**

Budgeting teams have been formed, and are actively working on presentations for the August tour. As part of the budgeting process, Council, Commission, and department heads will tour the City via bus, observing various projects throughout the community. The bus will stop at a few departments (Fire Department, Police Department, and Airport) for presentations. The tour is scheduled for August 29<sup>th</sup> at 5:00pm during the Council's working session.

Bob Meyer, Water Superintendent:

Andrea Meisner, summer help, will be leaving in approximately one week. Andrea did a good job through the summer. Bid requests have been sent for the Mallard Lift Station rebuild. Bids are due back August 15, 2016. Staff is working on completing the well permits by October 1, 2016. Duke's On July 20, 2016, Duke's Root Control treated approximately 2000 feet of sewer pipe. Duke's also treated 130 feet for the School District of New Richmond. New Richmond Utilities will bill the school for their portion. Dave Pufall has been working full-time on the street projects. Locates and new construction continue.

Steve Skinner, Lead Wastewater Treatment Plant Operator:

Jeremiah Wendt gave a brief update in Steve's absence. Main Lift station pump is back up and running. A thank you was extended to the Electric Department for their help. The clarifier recoating is scheduled to begin in September. The annual servicing of the WWTP and municipal site generators will be completed by the end of August. WWTP submitted their Compliance Maintenance Annual Report (CMAR) to the DNR, and has received good feedback from them. The Street Department helped clear the path from the WWTP down to the river. This is to keep access open to the buried outflow pipe for any necessary maintenance and/or monitoring.

Tom Rickard, Electric Superintendent:

Tom Rickard gave an update on the street projects. S. Starr and Hughes Avenue have been rebuilt. N. Shore Drive is approximately 75% complete. New service for the Balsam Millwork extension is scheduled to begin on Tuesday. Tjader Highstrom is doing directional drilling in the vicinity of 8<sup>th</sup> Street and Monette Avenue. This is the first step in replacing very old, failing wire in that area. There were no electric outages due to the extreme heat. New construction throughout the City continues.

Jeremiah Wendt, Director of Public Works:

The concrete work on Paperjack Drive is nearing completion. Concrete crosswalks will be poured on Monday. These crosswalks are located at Hallewood Boulevard, and the trail connection on the east end of Paperjack Drive. Paperjack Drive will be closed during this process. The first lift of pavement should take place the following week. Completion is expected before September 1<sup>st</sup>. The water and sewer work on North Shore Drive has been completed. The storm sewer should be finished within a few days. Pulverizing will begin on East and West River Drive in mid-August.

Weston Arndt, WPPI Energy Services Rep:

### **Picnic Recap**

The 15<sup>th</sup> annual customer appreciation picnic was held on Tuesday, August 2<sup>nd</sup>. Roughly 450 attendees braved the heat and chance of storms to partake in the festivities. This is down from previous years, where we capped out between 600 and 700 attendees.

### **Focus on Energy**

Utility Incentives and Savings information from Focus on Energy was shared. Large measures with the industrial customers, including Phillips Medisize and St Croix Press, were significant factors in the 2016 incentives to date exceeding \$100,000.

Residential programs typically lag. We have been promoting the Simple Energy Efficiency packs that are a mail order kit available to customers in single family, duplex, or triplex homes. Apartments and condos of 4 units or more are eligible for a similar program through a different implementer.

**WPPI Energy**

WPPI Energy staff have been working with members to develop our new business plan. This business plan will be a 5 year strategic plan.

The WPPI Energy annual meeting will be Thursday, September 15 at the Heidel House Resort in Green Lake, WI. Elected and appointed officials are invited. New this year, WPPI Energy will provide one hotel accommodation scholarship per member for an elected or appointed public official attending the Annual Meeting.

**Customer work**

Recent work has focused on the promotion and utilization of the New Construction Design Assistance program.

There being no further business, a motion was made by Gerry Warner to adjourn, seconded by Pat Becker, and carried. The meeting adjourned at 8:25a.m.

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Pat Becker, President

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Gerry Warner, Secretary