

**NEW RICHMOND UTILITY COMMISSION MINUTES
AUGUST 1, 2018**

The regular meeting of the New Richmond Utility Commission was held on August 1, 2018 at 8:00 a.m. at the Civic Center.

Pat Becker called the meeting to order at 8:00 a.m.

Members Present: Bob Mullen, Dan Casey, Gerry Warner, Mike Kastens, and Pat Becker.

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

A motion was made by Gerry Warner to approve the minutes of the July 11, 2018 meeting, seconded by Dan Casey, and carried.

A motion was made by Mike Kastens to approve July1-24, 2018 bills and disbursements, seconded by Gerry Warner, and carried.

Public Comment:

None

2018 Financial Report:

Joel Enders presented the 2nd quarter financial results.

- **Electric-** Expenses were \$371K under budget due to wholesale electric prices, but revenues were \$429K under budget due to seasonal trends and lower than expected commercial and industrial sales.
- **Water-** YTD expenses \$59K under budget, but were more than offset by revenues that were \$132K under budget. Revenues are expected to increase relative to budget in Q3 as irrigation sales increase.
- **Sewer-** YTD revenues and expenses tracked close to budget, but second quarter only expenses were \$29K over budget due to lift station roof replacements and sewer backup reimbursements.

Capital Improvement Plan:

Joel Enders presented Capital Improvements that are ranked important. Important projects are defined as “A capital project that would be nice, but does not directly impact the safety or health of the community.”

- Meter Reading Equipment, project year 2018, estimated cost Water-\$5,700, Sewer-\$5,700 and Electric-\$7,600. This would be funded through Water/Sewer/Electric Utility.
- Replacement of Remaining Lead Fittings, project year 2019 – 2022, estimated cost \$100,000 per year. This would be funded through the Water Utility.
- Lab Sanitizing Washer, project year 2018, estimated cost \$10,000. This would be funded through the Sewer Utility.
- Purchase of Solar Shares, project year 2018, estimated cost \$350,000, unfunded.
- Knowles & Highview Substation Aesthetic Improvements, project year 2020, estimated cost \$60,000. This would be funded through the Electric Utility

Water & Sewer RFP:

Rae Ann Ailts gave an overview of the RFP. Bids were received from three firms. Ehlers - \$27,000, Trilogy Consulting, LLC - \$31,735, and Baker Tilly - \$39,000. Proposals were evaluated on multiple criteria including firm qualifications, experience, cost and timeline. Interviews were held with Trilogy and Ehlers. Both firms have extensive experience in water and sewer rate cases within Wisconsin and experience in leading rate cases with the PSC. The interview committee was

impressed with both firms experience. However, Trilogy's communication approach and visual presentation of information was well received by the interview committee. The interview committee recommends awarding the water and sewer rate case to Trilogy Consulting, LLC. Motion was made by Bob Mullen to move forward with Trilogy Consulting, LLC, with a bid of \$31,375, seconded by Mike Kastens, motion carried.

Pole Attachment Agreement with Baldwin Telecom Inc.:

In mid-June, the City received an application from Baldwin Telecom to attach fiber optic cables to NRU overhead lines along a portion of South Minnesota Avenue and the alleyway in between Minnesota and Knowles from West 1st to West 3rd. Private telecom and electric utility attachments are commonplace throughout the US, but have been declining in favor of underground installations. New Richmond currently has four companies that attach lines and/or equipment to municipal utility poles, including Xcel Energy, Frontier Communications, Cellnet Technology, and Northwest Communications. In exchange for the use of municipal poles, cities usually charge a rental fee that is based on a standard space allocation percentage, and the revenue that must be generated annually to cover the cost of owning and maintaining the poles upon which attachments are made. Gerry Warner moved to approve the agreement as presented, seconded by Bob Mullen, motion carried.

Wood Pole Testing update:

Three firms that perform wood pole testing were contacted to receive quotes and discuss scope of work and schedule availability. The three firms were Osmose, Mi-Tech, and Karscz Utility Services. All have performed comparable work with investor-owned utilities, municipalities, and electric cooperatives. All of the firms also shared availability would be late summer or into the fall based on existing workload. Based on discussions with the firms, Karscz Utility Services, based in Pulaski, WI was chosen to perform this work. Partial excavation with sound and bore is the method that will be most utilized to identify rejects, and Karscz offered the best pricing for this service. From a timing standpoint, we expect to complete roughly one-third of our system when their technicians are performing similar work for St Croix Electric. This is scheduled for late August. Additional testing may be accomplished later this fall, or will continue in the spring of 2019.

Private Water and Sewer Request – 1745 115th Street:

Rae Ann Ailts reviewed the request Greg Anderson submitted to Community Development for put in a private well and septic system at 1745 115th Street. This property was recently annexed into the City. The request is being made due to the excessive cost for hook up to city water and sewer. Jeremiah Wendt stated they are looking at \$90,000 for excavation costs alone. Dan Casey moved to instruct staff to proceed with the proper agreements for well and septic as done in the past, seconded by Mike Kastens, motion carried.

Department Reports

Jeremiah Wendt reported for Bob Meyer, Water Superintendent:

- Staff are busy with locates, and meter installations.
- Water Service replacement is taking place in the alley between W 1st Street & W 2nd Street.

Steve Skinner, Lead Wastewater Treatment Plant Operator:

- MSA came to the WWTP to review equipment to obtain information to help put together the facility design.
- Greg Hermansen tested for wastewater certification.
- Staff is looking into the cost to replace a bad Aqua guard fine screen brush assembly.

Rae Ann Ailts reported for Weston Arndt, Electric Superintendent:

- Busy with new residential extensions
- Busy with commercial extensions, Bakken Young & Federal Foam
- 94 new dwelling permits have been issues vs 100 for the year of 2017

- 140th Street lighting to be completed this year, 36 new light poles to be installed along County Rd K to Richmond Way

Rae Ann Ailts, Finance Director:

- The 2019 budget is in full swing. Some of the key notes are:
 - Safety and family first
 - How do we become a destination employer
 - Keeping health care costs affordable for employer and employee, as salaries and benefits account for 70% of the budget
 - Focus on staffing levels and technology needs
- Two different software systems are currently being used by the Utility office. Staff are researching opportunities to become more efficient.
- Budget meeting with department heads will take place today to review where needs are
- Staff is looking into additional ways to increase E-billing participation
- WPPI is offering to have a professional photographer come in and photograph the community with no cost to the municipality. These photos can be used on the website.
- Itron software upgrade and training take place tomorrow

Jeremiah Wendt, Director of Public Works:

- 125th Street project is scheduled to start this week
- Staff are working on water and sewer replacements
- East 4th street project is expected to begin in late August

Mike Darrow, Utility Manager:

Not present

There being no further business, a motion was made by Gerry Warner to adjourn, seconded by Dan Casey, and carried. The meeting adjourned at 9:00 a.m.

Pat Becker, President

Gerry Warner, Secretary