

September 7, 2016

The regular meeting of the New Richmond Utility Commission was held on September 7, 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, Gerry Warner, and Pat Becker.

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

A motion was made by Gerry Warner to approve the minutes of the August 4, 2016 meeting, approve bills and disbursements, seconded by Jerry Frey, and carried.

Public Comment:

None

Presentation of Annual Report & Metrics Kim Shult:

Kim Shult, CPA, Baker Tilly Virchow Krause, LLP presented a condensed handout of the Annual Report to the Commissioners. She then gave a brief overview of the report. Electric sales have been consistent, decreasing a total of 1% from 2012 to 2015. Water volume has remained fairly consistent, increasing 5% from last year and 4.4% since 2012. Sewer volumes have remained consistent overall, decreasing 4% from 2012 to 2015. Residential customer volumes decreased by 5.8% during this time while interdepartmental volumes decreased 16.9%. Kim ended her presentation by stating overall there are no red flags or significant concerns.

Appointment of Alternate to WPPI Energy Board of Directors:

The WPPI Energy Board consists of one Director appointed by each Member. Mike Darrow is New Richmond Utilities' Member Director. Members also appoint an Alternate Director who may act as the Director at any meeting in the absence of the Member's Director. Staff is recommending that the Utility Commission approve the appointment of Rae Ann Ailts as New Richmond's Alternate. A motion was made by Dan Casey to approve Rae Ann Ailts as New Richmond's Alternate to the WPPI Energy Board of Directors, seconded by Bob Mullen, and carried.

Payment Processing Fee Structure:

New Richmond Utilities has contracted with Payment Service Network (PSN) since 2009 as our online payment processing solution. Currently credit, debit and eCheck payments are processed through PSN. Historically, the fees associated with processing these forms of payment have been absorbed by the Utility. Additionally, these costs cannot be recovered in rates as they are disallowed in the rate base calculation by the PSC. As the number of customers continues to grow, processing fees are also expected to increase. In 2015 the Utility paid \$18,600.00 in fees, and project fees to reach \$19,700.00 in 2016.

Staff recommends the processing fee associated with credit and debit card transactions be borne by the customer. The fee, which would be administered by PSN, would be 2.75% of the bill. Utility bills under \$100.00 would be charged 2.75% + \$0.50. The fee for eCheck would continue to be paid by the Utility, as a no cost option to the customer to encourage continuation of automated payment options. The processing fee for eCheck is \$0.43 per transaction, with an estimated annual cost of \$4,500.00. Staff recommends Utility Commission approve credit and debit card fees to be borne by the customer effective January 1, 2017, at the PSN rate in effect at that time.

A motion was made by Bob Mullen to approve credit and debit card fees to be borne by the customer, effective January 1, 2017 at the PSN rate in effect at that time, seconded by Dan Casey, and carried.

Water Service Agreement:

A Water Service Agreement was prepared as part of the Landfill mediation in 2010, but was never signed. Scott Counter from Town of Star Prairie brought this to Mike Darrow's attention, requesting the Agreement be signed. Before this takes place, the City Attorney needs to review it. The Agreement references exhibits that are not included with the Agreement, and would need to be procured. There are also some changes being proposed in sections referencing water costs, and how service could be extended if the need occurs. Jeremiah Wendt also stated the Agreement needs to allow our Staff to complete work necessary to comply with DNR regulations. No action is required of the Commissioners at this time.

WWTP Phosphorus Optimization Plan:

The Utility Commission recently approved a contract with MSA for the preparation of a Facility Plan for the City's Wastewater Treatment Plant (WWTP). An additional planning process will be required by the City's WPDES permit, when it is renewed, will be a Phosphorus Optimization Plan. The original intent was to wait to complete this effort until the permit is renewed, but staff is recommending a change to that timeline.

With the date of permit renewal still unknown, and efficiencies to be gained by preparing the Phosphorus Optimization Plan concurrently with the Facility Plan, and with funding available through the STH 64 Stormwater and Wastewater Coalition, staff has asked MSA to provide a contract for preparation of the Phosphorus Optimization Plan right away.

The cost of the contract, \$23,500.00 would be covered by the STH 64 Stormwater and Wastewater Coalition funds, provided as part of the St. Croix Crossing project. The City's contribution would be in the form of staff time involved in the Phosphorus Optimization process. The end result of the Phosphorus Optimization Plan would be a more efficient phosphorus removal process, as the Plan will evaluate and provide recommendations for the most efficient and cost-effective techniques.

A motion was made by Gerry Warner to approve a contract with MSA for \$23,500.00, with funds coming from STH 64 Coalition Funds, for the preparation of a Wastewater Phosphorus Optimization Plan, seconded by Dan Casey, and carried.

Public Utility Art:

At a previous Utility Commission meeting, City staff discussed the possibility of painting the utility box located at the intersection of Knowles Avenue and 4th Street, near Advance Auto Parts. Staff was directed to meet with the business owners to determine if they were in favor of the artwork.

City staff met with the owner of Advance Auto Parts, who stated that he loved the idea, and it would be a nice improvement. City staff met with over twenty five additional downtown businesses to discuss public art, resulting in extremely positive support. The Economic Development Commission also voted unanimously in favor of painting two planter boxes/benches in the downtown.

The cost to paint the utility box is approximately \$700.00, which includes labor, paint, and supplies. If approved, funds for the project would come from the WPPI Community Contribution Fund.

A motion was made by Bob Mullen to approve the painting of the Utility box located at the intersection of Knowles Ave and 4th Street, with funds coming from WPPI's Community Contribution Fund, seconded by Pat Becker. Motion passed with a 3-2 vote.

Department Reports:

Mike Darrow, Utility Manager:

The budget tour was completed two weeks ago. Feedback on the tour was positive. It's easier to understand things when you add a visual perspective. Staff is working in teams of three in order to have a fresh set of eyes reviewing department budgets. Health insurance is predicted to have a

double digit increase, which will affect all departments. Currently there are two large teams working with additional information, and delving into more detail. Mike proposed holding the next Utility Commission meeting onsite at either the Electric, Water, or Sewer Department. By doing this, Commissioners will be able to look more in depth at the capital side, as well as the operational side of department operations. During the next meeting, an update will be given on department large scale capital projects, and the current status in the five year strategic plan. The five year strategic plan is to provide the Council, Staff, and Community with a road map of areas that are important, and to help maintain levy limits. Mike would like to meet with Commissioners individually to obtain a utility perspective on the strategic plan. A major focus over the next three months will be budgets and strategic planning. Rae Ann Ailts and Mike Darrow will be attending the WPPI Annual Meeting next week.

Rae Ann Ailts, Finance Director:

2017 Budget – Next Steps

Last week Staff, Council, Commission and community members participated in the budget bus tour, which involved presentations given by Staff, department tours, and current projects. The tour was well received. Staff has begun the next steps of the budgeting process, digging deeper into the finite details. Teams will be bringing budget presentations to local groups for feedback and questions.

Training & Continuing Education

Utility office participated in onsite training given by WPPI on the Dynamics financial software. Training was well received by staff. It opened some new opportunities for us, which will enable us to become more efficient in daily tasks – this includes work orders and payroll. Diane Thielke and Rae Ann will be attending the MEUW accounting and CS seminar next week. Rae Ann will also be attending the WPPI Board Meeting next week, as well as the ICMA conference at the end of the month.

Bob Meyer, Water Superintendent:

Quality Flow had the low bid to retro-fit the Mallard Lift Station and will begin soon. They will also be doing the annual lift station inspections. Televising of the sewer mains will begin on Monday. Meter installs, well permits, and cross connection inspections are ongoing. Curb stops that were broken during the winter months due to snow plowing are being repaired. The jetting process continues.

Steve Skinner, Lead Wastewater Treatment Plant Operator:

The annual maintenance service of all generators has been completed. All generators were found to be in good working order. One of the pumps at the WWTP will need to be replaced. The inside of the pump is corroding, causing it to leak. Both #3 clarifiers will be taken out of service for recoating. Due to the high cost of replacing the clarifiers, the decision was made to recoat them. The clarifiers will be monitored to see what kind of extended life can be obtained by recoating.

Tom Rickard, Electric Superintendent:

Staff has completed N Starr and Hughes Avenue line rebuild, along with new street lighting. Balsam Millwork extension has been completed. Staff has completed the North Shore Drive line rebuild. New street lights will be installed on North Shore Drive in the near future. Early Tuesday morning, a lightning strike took out power to approximately half the town. Power was restored to all customers, but the lightning strike resulted in some ongoing issues that are being looked into. Staff will be looking at possibility of turning the damage caused by the lightning strike into the insurance company. Staff is currently working with Jimmy Johns, Aldi's, and Taco Bell. Also hope to begin replacing all the old wire in the vicinity of Marshall Road soon. Installation of new services is ongoing.

Jeremiah Wendt, Director of Public Works:

The utility work on East Hughes and North Starr is completed. The utility work is currently under construction on East and West River Drive, Summit Road, and Fairfield Road. Completion is

expected in approximately one month. North Shore Drive utility work is almost wrapped up. Paving of North Shore Drive is expected to be completed by early October. Paperjack Drive is completed.

Weston Arndt, WPPI Energy Services Rep:
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 7:36 a.m.

Pat Becker, President

Gerry Warner, Secretary