

NEW RICHMOND UTILITY COMMISSION MINUTES

September 6, 2017

The regular meeting of the New Richmond Utility Commission was held on September 6, 2017 at 3:30 p.m. at the Civic Center.

Pat Becker called the meeting to order at 3:30 p.m.

Members Present: Jerry Frey, Bob Mullen, Dan Casey, 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 Jerry Frey to approve the minutes of the August 1, 2017 meeting, and bills and disbursements from August 2017, seconded by Dan Casey, and carried.

Public Comment: None

2016 Auditor's Report – Baker Tilly:

The Utility engages an independent accounting firm on an annual basis to conduct an audit of all funds managed by the City. The audit provides assurance to taxpayers, council, board and commissions, and municipal bond investors, that the financial reports of the City can be relied upon as they are properly accounted for under the requirements of GAAP (Generally Accepted Accounting Principles) and GASB (Governmental Accounting Standards Board).

The Utility Commissioners received a copy of Baker Tilly's presentation. Amanda Mboga, CPA, Senior Manager with Baker Tilly Virchow Krause, LLP gave an overview of the presentation. A motion was made by Bob Mullen to approve the audit, seconded by Dan Casey, and carried.

Sewer Leak Policy:

In 2009, the Utility Commission approved a Water Leak Sewer Adjustment Policy which addresses consideration for a sewer adjustment on leaks based on certain criteria. In 2017, staff received two applications requesting consideration for a sewer credit, and were denied. During the review of the applications, the Commission directed staff to review the policy and advise if any changes were necessary to clarify the policy.

Staff reviewed the policy, and also consulted with other municipalities regarding their leak policies. Based upon this review staff recommends the policy remain in place with minor language modifications. The proposed policy eligibility states: "This policy is intended to address leaks which may be considered for a sewer adjustment. Only water pipe breaks (leaks) that develop after metering which do not add any volume of water to the WWTP may be considered for a sewer adjustment. There will be no adjustment to the water portion of the bill." A motion was made by Bob Mullen to accept the recommended change to the Sewer Leak Policy as outlined in the memo, seconded by Jerry Frey, and carried.

2017 Second Quarter Financial Report:

Rae Ann Ailts presented the 2nd Quarter Financial Report for the Electric, Water, and Waste Water Funds. A copy of the reporting metrics presentation was given to the Commissioners. Overall growth has been steady averaging 1.6% annually amongst all utilities since 2012. The revenue and operating expenses were reviewed for the Electric, Water, and Sewer Utilities.

2018 Budget Update:

Mike Darrow and Rae Ann Ailts gave an update on the 2018 Budget. The budget process began in late spring with department heads reviewing operations and associated service costs while identifying future needs within City and Utility operations. This process resulted in the development of a vision statement which focuses attention on how the needs identified in the budget will be accomplished in the coming year. The 2018 vision statement is:

The City of New Richmond strives to bridge our heritage with the current and future needs of our growing community. We will accomplish this through:

- Providing reliable, safe and convenient services
- Striving to be leaders in local government through the use of innovation, sustainable best practices and fiscal responsibility
- Fostering transparency through community engagement
- Acknowledging the significant return on investment to our economy through the support of local programs and services
- Retaining and attracting staff to meet the growing expectations of our community

The identification of needs has led to an essential core value in FY2018: the need for staffing level increases to keep pace with New Richmond's growing community and expectations of core services.

The draft budget for the Utility will be completed and presented during the October Commission meeting. Commissioners were encouraged to participate in BudgetLab2018, along with Council members and key stakeholders. Staff is looking for feedback and innovative ideas from those who make up our community.

5 Year Capital Improvement Projects

Mike Darrow gave an update on the 5 Year Capital Improvement Projects. Projects identified within the draft 2018-2022 Capital Improvement Plan (CIP), incorporate projects identified in the previous 2015-2019 CIP. It also includes new needs as identified by Staff, Council members, Commissioners, and through input from the community from various engagement processes. Projects totaling approximately 33 million dollars have been identified. The proposed plan provides an opportunity for Council and Commission to not only consider projects, but to assess and rate projects by assigning priority levels. Staff is looking for feedback within the next few months.

Department Reports

Bob Meyer, Water Superintendent:

Locates continued throughout the summer, partly due to all the projects taking place within the city. Derrick Construction will be moving forward with Richmond Prairie condos. Paperjack Bend project inspections are nearing completion. A pre-construction meeting took place for Cassandra Drive, with construction expected to begin near the end of the month. Jon Evans spent some time helping Star Prairie with a bad water sample, and working through protocol to get back online. Star Prairie will be billed for these services. Jetting of mains continues. Hydrant maintenance took place on Knowles Ave. Staff repaired a leaking hydrant at Freedom Park. Meters and cross connections continue. Staff is working on the completion of a major report on water sampling of all wells. North 4th Street Project should be completed by mid October.

Steve Skinner, Lead Wastewater Treatment Plant Operator:

Pump #1 at the Main Lift Station has been installed, and is in operation. Removal of trees will be done around Well #3. This will open an area for the new standby generator to be installed. The actual installation of the generator could be delayed six to eight weeks due to a fuel permit requirement. The WWTP passed the DNR plant inspection, which was completed last month. A broken underground wire going to one of the mixers was repaired. All back up generators have been serviced for 2017 with no major issues. Trees will be planted before the ground freezes.

Tom Rickard, Electric Superintendent:

No report given.

Jeremiah Wendt, Director of Public Works:

No report given.

Rae Ann Ailts, Finance Director:

Public Power Week is October 2nd through October 7th. Since the Utility Picnic Appreciation was fore gone in lieu of the John Doar History Trail event, some activities will take place during public power week. The Electric Department will be recognized for receiving the APPA Safety Award, along with some activities to reflect customer appreciation. Staff is currently working on the Utility website. This involves going through old content, along with looking at new information to update to the new platform. The plan is to go live with the new website in October/November. Rae Ann reported one update for Weston Arndt. Stated the EPS generation was retested and went well.

Weston Arndt, WPPI Energy Services Rep:

No report given.

Mike Darrow, Utility Manager:

Mike Darrow stated the John Doar event went well. Good feedback was received from the community. Approximately three hundred people were served at the community picnic. Mike commended Noah Wiedenfeld on all his work in putting the event together. MEUW notified members asking for help to assist Florida and Houston recover from the hurricane damage. It will be left to the discretion of the electric department to determine if there is crew available to send. Mike extended a thank you to Rae Ann Ailts and all department heads for the time spent on the budget process. Mike will be attending the upcoming WPPI Annual Conference. The quiet zone is still being looked into as part of the Comprehensive Planning Process.

Closed Session per State Statute #19.85 (1)(c), Non-union Wages & Salaries:

A motion was made by Dan Casey to move into closed session, seconded by Jerry Frey, and carried.

A motion was made by Bob Mullen to approve the items discussed in closed session, seconded by Pat Becker, and carried. A call to vote was taken, and passed unanimously.

There being no further business, a motion was made by Dan Casey to adjourn, seconded by Bob Mullen, and carried. The meeting adjourned at 5:25 p.m.

Pat Becker, President

Gerry Warner, Secretary