

**NEW RICHMOND UTILITY COMMISSION MINUTES**  
**September 11, 2019**

The regular meeting of the New Richmond Utility Commission was held on September 11, 2019 at 8:00 a.m. at the Wastewater Treatment Plant.

Mike Kastens called the meeting to order at 8:00 a.m.

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

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

A motion was made by Pat Becker to approve the minutes of the August 7, 2019 meeting, seconded by Dan Casey, and carried.

A motion was made by Bob Mullen to approve August 2019 bills and disbursements, seconded by Pat Casey, and carried.

**Public Comment:**

None

**SECOND QUARTER 2019 FINANCIAL RESULTS:**

Joel Enders gave the second quarter financial results. This quarter we saw lower wholesale power costs. Water had an upward trend in expenses. Water main breaks will impact the budget. Water operated with a loss throughout 2<sup>nd</sup> quarter with operating gain to be expected by the end of the year. The sewer is close to budget, with a customer base continuing to increase.

**WASTEWATER TREATMENT PLANT UPGRADE PROJECT:**

MSA is currently under contract with New Richmond Utilities for the design of upgrades to the City's wastewater treatment plant (WWTP), including the addition of grit removal, replacement of gravity thickener equipment, addition of a blower, and enhancement of other items at the WWTP to allow the facility to serve for the next twenty years under the current Facility Plan population/flow projections.

The preliminary design phase has been completed. An overview of the proposed improvements was presented. The schedule for the project includes completion of final design this fall, with bidding in the winter and construction beginning in the spring of 2020. Jeremiah Wendt explained the process for the grit removal system. Jeremiah stated they would like to amend the current contract with MSA. The project schedule is as follows:

Submit Plans and Specifications to WDNR	October 2019
Receive WDNR approval	December 2019
Advertise for Bids	December 2019
Receive Bids, Award Contract	January 2020
Complete Contracts, Secure Funding	February 2020
Begin Construction	March 2020
Complete Construction	December 2020

Bob Mullen moved to amend the contract with MSA in the amount of \$79,400.00 to allow the project to proceed to the final design, bidding and funding phase, seconded by Dan Casey, motion carried.

**PFAS UPDATE:**

The Wisconsin Department of Natural Resources (DNR) is taking steps to begin monitoring and regulating per- and polyfluoroalkyl substances (PFAS), a group of man-made chemicals that has been manufactured and used in a variety of industries around the globe, including in the United States since the 1940s. These chemicals are very persistent in the environment and in the human body – meaning they don't break down and they can accumulate over time. There is evidence that exposure to PFAS can lead to adverse human health effects. Closer to home we have heard about 3M and their issues in the water systems. New Richmond received a letter from the DNR requesting that we sample our wastewater for these chemicals to get a baseline. The DNR is also recommending we test the drinking water for these chemicals. Staff will continue to investigate and provide the commission with updates moving forward.

## **RESIDENTIAL & GENERAL SERVICE TARIFFS – OPTIONAL TIME-OF-DAY RATE AMENDMENT:**

Wes Arndt updated the commission on the optional residential and general service time-of-day tariffs. In an effort to simplify the billing, metering and compliance requirements of the residential and general service optional TOD rates (Rg-2 and Gs-2), the WPPI Rates and Billing staff is recommending New Richmond Utilities close the 7 a.m. to 7 p.m. and 9 a.m. to 9 p.m. on-peak pricing options for new customers. This would leave the 8 a.m. to 8 p.m. on-peak period – which aligns with WPPI Energy’s wholesale on-peak period – available to new customers. Under this proposal, any customers currently taking service on the 7 a.m. to 7 p.m. and 9 a.m. to 9 p.m. on-peak periods would be “grandfathered” and could remain on those on-peak periods going forward. This tariff change as proposed can be filed outside of a full rate study, would be delegated to PSC staff and no hearing would be needed. Once approved by the Utility Commission, WPPI Energy rates staff will file the tariff revisions with the PSC on behalf of New Richmond Utilities. Once filed with the PSC, the revisions can be approved relatively soon – one Member had its revisions approved in 15 days.

Dan Casey moved to approve filing an amendment to the RG-2 and GS-2 rate schedules to close the 7 a.m. to 7 p.m. and 9 a.m. to 9 p.m. on-peak pricing options for new customers, seconded by Pat Becker, motion carried.

## **2020 BUDGET:**

Rae Ann Ailts thanked everyone for meeting with them on the budget. Rae Ann provided an overview on the 2020 budget priorities which include: continued wellness and safety, health insurance, compensation policy, continued focus on repairs and maintenance of infrastructure, branding and marketing of NRU in the coming year. Rae Ann also highlighted the health insurance renewal for 2020 which is a 3% increase in premiums. Additionally, employees will be receiving personalized compensation and benefits statements later this fall. These statements are based upon the Carlson-Dettmann Compensation and Benefits Study. Draft budget will be reviewed during the October meeting.

## **CAPITAL IMPROVEMENT PLAN 2020-2024:**

Joel Enders gave an overview of the Capital Improvement Plan. The Capital Plan is a comprehensive planning document focused on maintaining, rebuilding, replacing, or adding long-lived capital assets such as:

- Buildings
- Water/Sewer/Electric infrastructure
- Heavy Equipment, machinery, vehicles
- Computers, monitoring and control equipment

It also ensures that City needs are met today and in the future. The Capital Improvement Plan consists of two types of projects:

- Capital Maintenance and Replacement (CMAR) project – maintaining current service levels and quality of life
- Capital Improvement Project (CIP) – expanding service levels to meet current/future needs

Projects are prioritized to align limited resources using the following ratings:

- Critical
- Very Important
- Important

The Capital Improvement Plan is a guide, not a legally-binding commitment (circumstances change!). The plan includes projects carried over from 2019-2023 Capital Plan, with costs, scope, and timing adjusted as necessary. It also includes new projects identified. Projects with uncertain timing and/or funding have been moved to new **Under Discussion** section, including a 3<sup>rd</sup> water tower, airport line extensions, solar shares, etc.

2020 Plan Year Highlights include the following:

- Wastewater Treatment Plant Upgrade Project
  - Approximately \$2.9 million
  - Required to meet State and Federal regulations
  - Increases system efficiency and lowers operating costs
  - Proposed funding includes a combination of impact fees, reserves, and revenue bonding
- Jefferson/Marshall road and utility reconstruction project

Staff are preparing updated cost analyses, descriptions, and funding options. 2020 projects and projects added to the plan this year will be reviewed during the October Utility Commission meeting.

## Department Reports

### **Jeremiah Wendt, Director of Public Works:**

- Jeremiah shared before and after photos of the manhole rehabbing that took place.
- The Starr and Riley Avenue 700 foot sewer lining project has been completed at a cost of \$25,000. To actually dig up and replace the sewer line would have been much more expensive. Life expectancy of the lining is approximately 75 years.

### **Steve Skinner, Lead Wastewater Treatment Plant Operator:**

- Disappointed with how long it is taking to get the variable frequency drive (VFD) at the main lift station in running condition. The VFD has been sent out to see if unit will be covered under warranty. Replacement unit has been shipped.
- SCADA Radio at Well #5 was replaced.
- Spare parts are kept on hand for Telemetry monitoring system. If system goes down, it can usually be repaired the same day.
- Discussion took place with Jeremiah on PFAS.
- Effluent samples have been sent to ECT testing in Superior for whole toxicity testing. Should have those results in a couple of weeks.
- Working with Jeremiah on locating sites within the city to plant the nursery bed trees.
- Steve is now the Vice-Chair for the West Central District WWOA. He will become Chair in 2020. The West Central District is the Wastewater Operators Association for the west side of the state. Three meetings are held per year.

### **Bob Meyer, Water Superintendent:**

- Locates and jetting continue.
- Manhole rehab has been completed.
- Flow Rite's bid for televising was accepted. Televising should be completed by the end of October.
- Well #2 will be pulled for inspection once T-mobile completes their work.
- New construction continues, resulting in continued water and sewer inspections, as well as installation of new meters.

### **Weston Arndt, Electric Superintendent:**

- **Electric Operations Intern** – This summer's GIS intern, Josh Miller, started with us, planning to work 12-16 hours per week through his first semester.
- **East 5<sup>th</sup> Overhead Improvements Complete.** This work between Green Ave and Rounds Ave addresses reject poles from last year's pole inspections. The project is now complete.
- **Railroad Directional Drill** – Tjader and Highstrom directionally drilled under the railroad at 140<sup>th</sup> St on August 29. A second drill was completed across 140<sup>th</sup> south of the railroad right of way. The two remaining street lights on 140<sup>th</sup> will be energized soon and we'll be positioned for serving three phase to the growing Fox Run and Whispering Prairie subdivisions.
- **Hurricane Dorian** – On Wednesday, August 28, MEUW received an indication that Kissimmee Utility Authority in Florida requested mutual aid. MEUW requested commitments from Wisconsin Crews, and later in the day on Thursday, August 29, made a more dire recruitment effort. We committed two linemen and a bucket truck, with plans that they'd leave over the weekend to stage in Tennessee. However, with Dorian nearly stalling and expected to take a turn north up the coast, Kissimmee requested Wisconsin crews stay on standby in Wisconsin. As Dorian made its way north, it was determined that Wisconsin crews would not be needed for this event.
- **Pole Testing** – We'll be beginning work soon at Oak and East 7<sup>th</sup> St, addressing reject poles and moving facilities underground. Karscz Utility Services is currently performing work for St Croix Electric, and expect to be able to complete our pole testing in about one month.
- **Xcel Energy Equipment Failure** – Xcel Energy experienced a failure of a voltage regulator that caused a large bang and a subsequent outage of customers served from their distribution lines coming from Knowles Substation. The event had no effect on our system or any of our equipment within the substation facility.
- **Primary Extensions** – We continue to design and plan for multiple residential developments, including Trail View on 115<sup>th</sup> St, Willow River Bluffs and Whispering Prairie.

### **Stacie Running, WPPI ESR:**

- Focus on Energy
  - Incentives paid January-August, 2019 = \$50,986
    - \$1,316.14 paid last month
  - 1150 customer incentives
    - 22 commercial/industrial

- 1116 residential
  - 12 school & government
- Estimated contribution < \$40,000/year
- 866,481 first year kWh savings
- 11,142,255 kWh lifecycle savings
- WPPI/New Richmond Utilities
  - Public Power Week plan will be similar to last year with cookies at the Utility office and a prize drawing.
  - October 22 – New Construction Design Assistance Lunch and Learn will be held at the Innovation Center, River Falls, WI.
  - Customer Connections
    - Dance Explosion
    - Isometric Tool
    - Bernard's
    - National Refund
    - FNCB
    - WITC Foundation
    - Phillips
  - WPPI Annual meeting -
    - September 19 in Elkhart Lake.
  - Small-Midsize Business Customer Survey – WPPI members ranked #1.
  - Rob Stafsholt recognition received for recent donation.

**Rae Ann Ailts, Finance Director:**

- PSC water application has been pulled. Once August billing information is completed, it will be sent over to the PSC and the process can resume.
- Tax lien processing and winter electric moratorium begin in October.
- PSC billing audit – still ongoing process.

**Mike Darrow, Utility Manager:**

Not present.

**COMMUNICATION AND MISCELLANEOUS:**

New Richmond Utilities is sponsoring the Community Meal at the Methodist Church on September 17<sup>th</sup> from 5-7 p.m. This is sponsored through WPPI funds.

Public information meeting on Monday, September 16<sup>th</sup> from 5:30 – 7:00 p.m. to start discussion on the Bike & Pedestrian accommodations between East 1<sup>st</sup> Street & Knowles Avenue, and West 8<sup>th</sup> Street to County Road A trail. The County Road A trail design will begin soon by Cedar Corporation, with construction planned for 2021. Proposals are being solicited for design of the Nature Center to Doar Prairie Trail, which is slated for construction in 2020.

Dan Casey moved to go into closed session per WIS. STAT. 19.85 (1)(C), seconded by Bob Mullen , motion carried.

**OPEN SESSION:**

Pat Becker moved to approve the 2019 job posting as discussed in closed session, seconded by Dan Casey, motion carried.

Dan Casey moved to approve the 2020 job positions as discussed in closed session, seconded by Pat Becker, motion carried.

There being no further business, Pat Becker motioned to adjourn, seconded by Dan Casey, and carried. The meeting adjourned at 9:50 a.m.

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Mike Kastens, President

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Gerry Warner, Secretary