



October 18, 2016

TO ALL UTILITY COMMISSION MEMBERS:

GERRY WARNER
BOB MULLEN
JERRY FREY
DAN CASEY
PAT BECKER

This is to inform you that there will be a Utility Commission Meeting on **October 18th at 7:30 a.m.** at the **Waste Water Treatment Plant.**

AGENDA:

1. Call to order
2. Adoption of agenda
3. Approval of previous commission meeting minutes (September 7, 2016)
4. Approval of bills and disbursements – September 2016
5. Public Comment
6. Property Tax Equivalent
7. CIP Lift Station Equipment Replacement
8. Staff Reports
9. Communications and miscellaneous correspondence
10. Adjourn

A handwritten signature in black ink, appearing to read "Mike Darrow". The signature is fluid and cursive, with the first name "Mike" and last name "Darrow" clearly distinguishable.

Mike Darrow
Utility Manager

A majority of the members of the New Richmond City Council may be present at the above meeting.

Pursuant to State ex rel. Badke v. Greendale Village Board, 173 Wis. 2d 553, 494 N.W. 2nd 408 (1993) such attendance may be considered a meeting of the City Council and must be noticed as such, although the Council will not take action at this meeting.

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

New Richmond Utilities

SEPTEMBER 2016

Check Register

Check #	Date	Amount	Vendor Name	Description
001255	9/2/2016	55,857.36	CITY OF NEW RICHMOND	PAYROLL 9/2/16
001256	9/8/2016	11,973.85	US BANK CORPORATE PAYMENT SYSTEM	WATER DEPT AUG PCARD INVOICES
001257	9/13/2016	2,373.37	CITY OF NEW RICHMOND	AUGUST MONTHLY BILL
001258	9/13/2016	2,403.91	CITY OF NEW RICHMOND	REIMBURSE-INV# 015314
001259	9/13/2016	5,000.00	CITY OF NEW RICHMOND	SEPTEMBER RENT
001260	9/13/2016	22,738.35	CITY OF NEW RICHMOND	STORM WATER
001261	9/13/2016	7,582.71	CITY OF NEW RICHMOND	RECYCLING
001262	9/13/2016	1,328.94	DAKOTA SUPPLY GROUP INC	ELBOW ARRESTER, ELBOW, CUTOUT
001263	9/13/2016	68.40	MIKE DARROW	REIMB MILEAGE APPA CONF, WPPI
001264	9/13/2016	6,097.06	NEW RICHMOND UTILITIES	AUGUST CTOC COLLECTIONS
001265	9/13/2016	2,464.00	TJADER & HIGHSTROM	DIRECTIONAL BORE-MAPLE MANOR
001266	9/13/2016	539.43	TOTAL TOOL SUPPLY, INC.	SMART SWITCH, RESEVOIR, O'RING
001267	9/16/2016	57,836.24	CITY OF NEW RICHMOND	PAYROLL 9/16/16
001268	9/22/2016	21,336.00	LOCAL GOVERNMENT INVESTMENT POOL	AUG WATER IMPACT & SAC COLLECT
001269	9/19/2016	36,881.63	WI DEPT OF REVENUE	AUG16 SALES TAX
001270	9/28/2016	765,964.66	WISCONSIN PUBLIC POWER INC	AUG16 PURCHASED POWER & EMAIL
001271	9/22/2016	42,401.00	CITY OF NEW RICHMOND	TAX EQUIVALENT
001272	9/22/2016	99.50	CITY OF NEW RICHMOND	BENEFIT EXTRAS FSA, HRA ADMIN,
001273	9/22/2016	454.61	CITY OF NEW RICHMOND	SEPT DISABILITY INSURANCE
001274	9/22/2016	20,981.11	CITY OF NEW RICHMOND	HEALTH INSURANCE
001275	9/22/2016	39.94	CITY OF NEW RICHMOND	LIFE INSURANCE
001276	9/22/2016	190.00	COMMERCIAL TESTING LABORATORY	COLIFORM BACT
001277	9/22/2016	2,047.17	INFOSEND, INC	AUGUST BILLING & POSTAGE
001278	9/22/2016	217.80	MIKE DARROW	REIMBURSE WPPI CONF
001279	9/22/2016	457.18	RAE ANN AILTS	REIMBURSE WPPI ANNUAL MEETING
001280	9/22/2016	51,351.00	TJADER & HIGHSTROM	BM60, SPLICE POINTS, PWR BOXES
001281	9/23/2016	33,000.00	LOCAL GOVERNMENT INVESTMENT POOL	LGIP #5, 8, & 10 INVESTMENT
001282	9/27/2016	81,850.00	LOCAL GOVERNMENT INVESTMENT POOL	LGIP #7, 9 & 11 INVESTMENT
001283	9/30/2016	158,112.50	BREMER BANK, N.A.	15 ELECTRIC REV BOND
001284	9/30/2016	55,495.45	CITY OF NEW RICHMOND	PAYROLL 9/30/16
001285	9/29/2016	8,741.60	CITY OF NEW RICHMOND	INSURANCE
001286	9/29/2016	9,566.11	CITY OF NEW RICHMOND	REIMB A LAMERS 7/1-9/30
001287	9/29/2016	21,141.50	CITY OF NEW RICHMOND	REIMB J WENDT 7/1-9/30
001288	9/29/2016	11,016.52	CITY OF NEW RICHMOND	REIMB K KRAFT 7/1-9/30
001289	9/29/2016	7,277.27	CITY OF NEW RICHMOND	REIMB M BANNINK 7/1-9/30
001290	9/29/2016	20,801.20	CITY OF NEW RICHMOND	REIMB M DARROW 7/1-9/30
001291	9/29/2016	5,400.63	CITY OF NEW RICHMOND	REIMB N WIEDENFELD 7/1-9/30
001292	9/29/2016	2,710.44	CITY OF NEW RICHMOND	REIMBURSE B THOMPSON 7/1-9/30
001293	9/29/2016	254.50	DAKOTA SUPPLY GROUP INC	FUSE LINK, FUSE UNITS
001294	9/29/2016	285.00	HYDRODESIGNS	CROSS CONNECT INSPECT SVC
001295	9/29/2016	200.00	KEVIN BLADER	REIMBURSE SAFETY SHOES
001296	9/29/2016	25.00	WISCONSIN STATE LAB OF HYGIENE	FLUORIDE
034540	9/2/2016	-92.16	VOID CHECK-ERIK & AMY SALOMONSEN	VOID - CR REF ACCT# 711900-25
034561	9/2/2016	92.16	ERIK SALOMONSEN	CR REF ACCT# 711900-25
034562	9/2/2016	113.86	NEW RICHMOND UTILITIES	CORN FEST UTILITY BILL
034563	9/8/2016	182.13	BALDWIN TELCOMM	AUGUST PHONE BILL
034564	9/8/2016	841.47	FLEET ONE LLC	AUGUST FUEL BILL
034565	9/13/2016	197,828.95	A-1 EXCAVATING, INC.	APPLICATION FOR PAYMENT #3
034566	9/13/2016	802.16	AMERIPRIDE LINEN & UNIFORM SERVICES	AUGUST UNIFORM SERVICE

034567	9/13/2016	919.68	APADANA	LED LIGHTS
034568	9/13/2016	225.12	BORDER STATES ELECTRIC SUPPLY	LEATHER GLOVES
034569	9/13/2016	95.00	COUNTRYSIDE PLUMBING & HEATING	BACKFLOW TEST WELL HOUSE #6
034570	9/13/2016	155.10	ENERGY FEDERATION INC	SMART POWER STRIPS
034571	9/13/2016	718.90	EXPRESS EMPLOYMENT PROFESSIONALS	WAGE R JORSTAD 8/21/16
034572	9/13/2016	292.87	FRONTIER COMMUNICATIONS	AUGUST PHONE BILL
034573	9/13/2016	35.31	GIRARD'S BUSINESS SOLUTIONS	INK CARTRIDGE
034574	9/13/2016	5,934.99	STUART C IRBY CO	INNERDUCT
034575	9/13/2016	803.21	KWIK TRIP	AUGUST FUEL
034576	9/13/2016	113.36	MY RECEPTIONIST, INC	ANSWER SVC 8/24 - 9/20
034577	9/13/2016	11.89	NORTHERN BUSINESS PRODUCTS, INC	NAME BADGE
034578	9/13/2016	397.11	PROFESSIONAL SERVICE INDUSTRIES, INC	SERVICE FOR STREET PROJECTS
034579	9/13/2016	9,016.52	SHORT ELLIOTT HENDRICKSON INC	2016 STREET PROJECTS
034580	9/13/2016	16.59	SPEE-DEE DELIVERY SERVICE INC	ON CALL SHIPMENT
034581	9/13/2016	100.00	ST CROIX COUNTY	DONATION
034582	9/13/2016	20,502.00	T & R ELECTRIC	KVA SINGLE PHASE PAD MOUNTS
034583	9/13/2016	1,000.00	UNIVERSITY OF ST THOMAS	PUBLIC PWR SCHOLARSHIP-WERNER
034584	9/13/2016	341.00	UP-RITE DOOR CO	REPAIR - ELECTRIC WAREHOUSE
034585	9/13/2016	306.08	VERIZON WIRELESS	AUGUST CELL PHONE BILL
034586	9/15/2016	517.97	BORDER STATES ELECTRIC SUPPLY	TRANSFORMER TERMINAL BAR
034587	9/22/2016	153.63	ALLISON L DAVIS	CR REF ACCT# 844100-26
034588	9/22/2016	94.97	BRENDA M JOHNSTON	CR REF ACCT# 843800-28
034589	9/22/2016	189.18	BRIAN D BRULZ	CR REF ACCT# 726800-24
034590	9/22/2016	60.53	COLETTE RUTLEDGE	CR REF ACCT# 1485400-20
034591	9/22/2016	145.60	EXPRESS EMPLOYMENT PROFESSIONALS	WAGE R JORSTAD 9/11/16
034592	9/22/2016	187.97	HANNAH JACOBSON & LARS HEGGERNES	CR REF ACCT# 900900-22
034593	9/22/2016	151.82	HEIDI & PAUL COLBETH	CR REF ACCT# 1462600-23
034594	9/22/2016	3,441.38	STUART C IRBY CO	WASP & HORNET SPRAY
034595	9/22/2016	225.28	JAMES & SHIRLEY LIND	CR REF ACCT# 572000-20
034596	9/22/2016	563.27	J.H. LARSON COMPANY	WIRE 12-2W/GROUND CU UF
034597	9/22/2016	195.80	JILL FINNIGAN	CR REF ACCT# 1391500-21
034598	9/22/2016	152.11	JILL M & LON MACRAE	CR REF ACCT# 218500-21
034599	9/22/2016	213.75	JOSHUA J NAESSEN	CR REF ACCT# 701900-22
034600	9/22/2016	120.47	JUSTIN TIMM	CR REF ACCT# 414100-21
034601	9/22/2016	1,361.98	KODIAK POWER SYSTEMS	GENERATOR SERVICE
034602	9/22/2016	207.25	LISA M COX	CR REF ACCT# 303900-22
034603	9/22/2016	629.00	OPTICAL NEW RICHMOND	SAFETY GLASSES - RICKARD
034604	9/22/2016	50.00	RIVERWALK MERCANTILE/THE MILL DAIRY	PICNIC-ICE CREAM CART RENTAL
034605	9/22/2016	287.04	ROBERT BYRD	CR REF ACCT#1609200-22
034606	9/22/2016	43.81	STEVEN CODY	CR REF ACCT# 1383000-23
034607	9/22/2016	5.81	TOM TROST	CR REF ACCT# 920600-20
034608	9/22/2016	159.40	VAL & JANICE DIERKS	CR REF ACCT# 1507600-21
034609	9/22/2016	159.48	WILLIAM D & BEATRICE EVANS	CR REF ACCT# 1122500-21
034610	9/22/2016	210.20	XCEL ENERGY	AUGUST GAS BILL
034611	9/23/2016	90.00	HIDDEN FENCE OF WESTERN WISCONSIN	SVC CALL- 994 N SHORE DR
034612	9/23/2016	1,365.00	LOCATORS & SUPPLIES, INC	FLAME RESISTANT SWEATSHIRTS
034613	9/29/2016	5,247.23	HD SUPPLY WATERWORKS, LTD	BREAKABLE KIT FLG
034614	9/29/2016	265.00	JAY P FLAHERTY	CR REF ACCT# 1620000-34
034615	9/29/2016	11.11	LOCATORS & SUPPLIES, INC	WASP & HORNET SPRAY
034616	9/29/2016	118.72	MARYANNE B WHALL	CR REF ACCT# 1109300-39
034617	9/29/2016	446.50	RACOM CORPORATION	SERVICE LABOR/ANTENNA, CONNECT
034618	9/29/2016	4,596.00	SUPERIOR SEALERS, LLC	CITY/UTIL PARKING LOT-SEALCOAT
034619	9/29/2016	20,298.38	WEST CENTRAL WIS BIOSOLIDS FAC	AUGUST BIOSOLIDS
034620	9/29/2016	25.00	DNR	WASTEWATER EXAM-HERMANSEN

Total \$ 1,817,306.88
Total Checks & Wires



To: Utility Commission
From: Rae Ann Ailts, Utility Finance Director
Date: October 18, 2016
RE: Property Tax Equivalent Calculation

Background

During the budgeting process, the Utility property tax equivalent (PTE) was reviewed. Based upon this review, it was observed certain new residential and industrial development costs borne by the Utility have been excluded from the calculation for monies due to the City for the PTE.

In 2010, resolution 041002 (attached) approved the exclusion for certain developments from the PTE calculation for a period of 10 years at which time the developments would be reviewed and evaluated.

The purpose of resolution 041002 was to lessen the tax burden borne by the Utility due to significant infrastructure development which did not result in immediate building; thus the Utility did not generate revenue in return for the cost outlay in infrastructure development.

Under State Statute 66.0811(2), the governing body of the municipality does have the right to approve a lower payment. However, in the past few years a number of the developments have experienced growth and in turn the Utility is now generating revenue from the investment. Below is a summary of development excluded from the PTE calculation:

<u>Development</u>	<u>Total Plant in Service</u>	<u>Lots Built</u>	<u>Total Lots</u>	<u>Occupancy %</u>
Rich River Trails - 2004	223,976	21	99	21%
Willowind - 2004	241,939	49	164	30%
Evergreen Valley II & III - 2005	241,670	87	128	68%
Willow River Bluffs - 2006	140,920	-	43	0%
Fox Run Phase II - 2006	303,297	-	29	0%
Whispering Prairie - 2006	584,783	26	51	51%
Dakota Pines - 2007	22,236	-	6	0%
Industrial Park-TIF#6 - 2006	990,121	90 (acres)	190 (acres)	47%
Landfill (City portion only for Water) - 2008	294,804	-	47	0%

Recommendation

Staff recommends City Council and the Utility Commission review the previously excluded developments for further consideration for inclusion in the PTE calculation for the 2016 tax year payable in 2017. If resolution 041002 were to be repealed this would result in an additional \$57K in PTE due to the City from the Utility.

This was approved by the city council on 4/12/10. It is effective for PTE beginning 2009.

RESOLUTION # 041002
REDUCING THE TAX EQUIVALENT PAYABLE TO THE CITY
FROM THE NEW RICHMOND ELECTRIC AND WATER UTILITY

WHEREAS, the New Richmond Electric and Water Utility are a municipally owned public utility and are required to pay to the City of New Richmond local and school tax equivalent as per State Statutes 66.0811(2)(3);

WHEREAS, Section 66.0811(2) authorizes the municipal governing body the ability to reduce the tax equivalent;

NOW, THEREFORE, BE IT RESOLVED THAT, the City Council of the City of New Richmond hereby excludes from the value used to determine the Tax Equivalent amount of the Plant in Service for the Electric and Water Utility all new residential and Industrial Park developments for a period of 10 years from date of acceptance of development by the City, and the Plant in Service for the City portion of the water mains extended to the Township residents near the Landfill in the Town of Star Prairie for a period of 10 years. At the end of the 10 year period, each development will be reevaluated to determine if the Plant in Service value should be added to the tax equivalent calculations.

Approved this 12th day of April 2010.

Mayor David Schnitzler

Attest:

Joseph Bjelland
Clerk/Treasurer



TO: Utility Commission

FROM: Jeremiah Wendt

DATE: October 18, 2016

RE: CIP Lift Station Equipment Replacement

Background

The CIP Lift Station, located near the intersection of CTH K and N 4th Street/185th Avenue, has recently experienced a mechanical failure with one of its submersible pumps. In the past, the repair/replacement of equipment in this lift station was deferred because it was thought that new development might necessitate a larger lift station in the future. At the current rate of development, staff no longer feel that deferring replacement is realistic.

Because this lift station is overdue for replacement of the pumps and controls, which are over 20 years old, staff evaluated several options for repairing/replacing the failed pump. The options and costs are presented below:

- Cost to repair one pump: \$6,800.00
- Cost to replace one pump: \$9,575.00
- Cost to replace both pumps and controls: \$22,950.00

The benefit of replacement pumps is that the modern impeller is more energy efficient, and causes much less clogging than the single-vane impellers in the lift station's current pumps. Replacing the controls would modernize the system, resulting in less maintenance and greater reliability.

Recommendation

Staff is recommending replacing both pumps and controls at a cost of \$22,950.00, plus up to \$3,000 for the services of a master electrician to install the control panel. The costs would be paid from savings, and would shift the planned upgrade to the Fox Run lift station in 2017 out to 2018. The costs would be paid in 2017, but by entering the contract now, the City can rent a replacement pump and have the controls manufactured over the winter at a lower price than an emergency replacement.