

September 2, 2015

The regular meeting of the New Richmond Utility Commission was held on September 2, 2015 at 3:30 p.m. at the Civic Center.

Jerry Frey called the meeting to order at 3:30 p.m.

Members Present: Jerry Frey, Bob Mullen, Dan Casey, Pat Becker, and Gerry Warner.

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

A motion was made by Pat Becker to approve the minutes of the July 8, 2015 meeting, approve bills, and disbursements, seconded by Dan Casey, and carried.

Public Comment – None

2014 Financial Audit Presentation – Amanda Mboga, CPA, Baker Tilly Virchow Krause, LLP, gave a presentation on the 2014 Financial Audit. A report was handed out containing the highlights and key data information. The information came from the PSC and the Audit Financial Statements. Electric usage is very stable. Water has experienced some variability, but fairly consistent overall. Sewer usage was up 5% from 2011 to 2014.

WPPI Contract Extension – The WPPI Contract Extension will be on the Utility Commission Agenda over the next few months. The current agreement with WPPI goes through 2037. WPPI is looking to extend this contract through 2050. Pros and cons are being looked at to extend the contract for purchased power with WPPI. A decision will not need to be made until the end of the year.

Department Reports:

Bob Meyer, Water Superintendent:

A new water line was installed on East 2nd Street. This was a result of a broken curb stop caused during winter disconnects, and the fact that it was a lead line needing replacement. There was a leak on West 7th Street that was repaired. Bob attended the Preconstruction meeting. Marty Powers will be doing inspections for the 115th Street/175th Avenue, and High Street/N Pierson projects. This will include replacing two water services to existing homes. Jetting, and meter replacement is ongoing. Televising should be done during the month of September.

Steve Skinner, Lead Wastewater Treatment Plant Operator:

Steve has attended two Biosolids Meetings. The Biosolids Facility in Ellsworth, WI will be installing a new Scada system. One of the fans for the VFD at the Nature Center Lift Station failed. A secondary fan made it possible to keep the lift station in service until the original fan is repaired. The communication radio also malfunctioned. The cause is unknown, although it could have been a possible lightning strike. Waiting for quotes to see if it is feasible to have the radio repaired, or if it will need to be replaced. The standby generators have been serviced for the year. Dave Pufall continues to do an excellent job.

Tom Rickard, Electric Superintendent:

The reconstruction in the Marshall and Jefferson area has begun. Some directional drilling is being done by Tjader Highstrom. Five poles for lighting and temporary power was installed for the Moving Wall. Simon Electric donated the temp services for this event. Kevin Blader was highlighted in the Motor Week TV show on his involvement with Hurricane Sandy. The Electric Department is working to complete the Madison Avenue lighting project. A new feeder line is scheduled for construction this fall from Paperjack Drive down 140th Street to East Richmond Way. The Lakeside Foods road project will require the relocation of one pole.

Jeremiah Wendt, Director of Public Works: Jeremiah was absent.

Mike Darrow gave a brief report for Jeremiah in his absence. The City Council accepted bids for 115th, 175th, and High Street projects. These projects should begin within the next couple of weeks. The design process

for East and West River Drive, North Starr Avenue, North Shore Drive, and Paperjack Drive will take place in 2015. Bids are expected to take place in 2016 for these projects. Jeremiah has applied for a grant from the DOT for the N. 4th Street Project, with a projected start date of 2017 or 2018. The City is expecting between ten and twenty thousand people for the Moving Wall event. All departments have been helping with the preparation.

Nancy Petersen, Finance Director:

Lien Processing – 2015 - Lien processing is just around the corner and with the changes in Act 274 this year, there are some new requirements that need to be followed in order to continue our ability to use the tax roll as a tool for collecting delinquent residential tenant utility bills. Diane Thielke and I have met to discuss the changes that need to be made and the additional work required. We have also developed a list of questions that we will bring to the MEUW Accounting and Customer Service Seminar in September.

Letters will still be mailed on October 15. Last year we sent \$5,616 as compared to \$9,134 in 2013 and as always we will strive to do our best at collecting to lower this amount even further. As of August 31, 2015 our >60 days past due A/R was at 1% or \$12,269.

MEUW Accounting and Customer Service Seminar – Diane Thielke and I will be attending MEUW's Accounting and Customer Service Seminar on September 23 in the Dells. This year's seminar will update utility personnel on regulatory and legislative issues that impact utilities, provide best practices to improve operations including a complete review of the provisions in place for Act 274, and the new tax roll procedures in 2015.

2015 Northstar User Conference – Debbie Powers was selected as the winner for the 2015 Annual Northstar User Conference scholarship on October 21-23rd in Atlanta, GA. This is a full scholarship to attend the conference paid by WPPI.

Woodbridge Trailer Park – The loan to Woodbridge Trailer Park for \$14,861.76 which began in 2011 has been paid in full. This loan was for the installation of a 6" meter pit for a 4 year period at 5% interest.

Collecting Unpaid Utility Bills – Towns of Richmond and Star Prairie – We have some customers that we serve outside of the City limits in the Town of Richmond and Star Prairie. If these customers have unpaid utility bills as of September 30, in the past we have not been able to send these to the tax roll. I have been working with Nick Vivian, City Attorney, and in order for New Richmond Utilities to collect through the tax roll process, these two Towns must adopt a Resolution Authorizing the Town of Richmond and Star Prairie to Impose a Special Charge under Wis. Stats. §66.0809. A cover letter and resolution were sent to the Towns to be included at their next meeting. I have heard back from Star Prairie stating that this will be included at their meeting on September 1, but have yet to hear back from Richmond.

Moody's Bond Rating – On August 7, Moody's assigned an A2 rating to the City of New Richmond, WI's \$1.8M Electric Utility Revenue Refunding Bonds, Series 2015B, therefore maintaining the same rating previously issued for the 2006 Electric Revenue bonds. The rationale for the rating is based on the following:

- System's modestly-sized but growing service area
- Satisfactory financial operations with strong debt coverage and low levels of liquidity
- Adequate legal provisions
- Modest debt burden with no future borrowing plans

Reliance on the PSC to approve rate increases is also incorporated into the rating. A copy of the Sale Day Report was distributed to the commissioners.

Refinancing 2006 Electric Revenue Bond Results – The Electric Utility's 2006B Revenue Bond was refunded on August 10, 2015. The principal reduced from \$1,800,000 to \$1,765,000. The \$1,765,000 Electric Utility Revenue Refunding Bonds, Series 2015B was awarded to the low bidder, Bremer Bank, NA, New Richmond, WI at a 2.2276% true interest rate which equates to almost \$200,000 in debt service savings.

2016 Budgeting - We are just beginning to work on the 2016 budgets.

Focus on Energy Incentives (FOE) – Utility Projects– We received \$14,400 for the 190W LED conversion from 400W project and \$4,250 for the VFD for Well No. 3 project.

Year-to-date \$51,922.22 in FOE incentives have been received in our community - \$33,391.77 Business and \$18,530.45 Residential.

Weston Arndt, WPPI Energy Services Rep: Wes was absent.

Mike Darrow gave a brief update for Wes in his absence. Wes met with staff from Domain on an incentive for a compressed air and lighting project. The Wisconsin LED lighting project has been completed. Wes is meeting with Westfields to discuss their renovation plans, and possible incentive and grant opportunities. The Cox Motors large lighting project has also been completed.

Mike Darrow, Utility Manager:

Mike Darrow extended congratulations to Jeremiah Wendt and his family on the birth of their fourth daughter. Mike Peters, CEO from WPPI will be meeting with the City Council on October 12, 2015 to discuss the contract extension. The New Richmond Utility Commission will be invited to attend the presentation. The Public Service Commission has approved the New Richmond Utility Community Solar Project. Groundbreaking for this project is expected to take place this fall. Nancy Petersen will be attending the WPPI Annual meeting in September. Mike asked the Utility Commissioners if there would be an interest in going from a paperless format to iPads. The annual Utility Commission dinner will be held in October. The 2016 Budget process has begun. Time will be spent going over budgets and capital projects during the next few meetings.

Communications and miscellaneous correspondence – None

There being no further business, a motion was made by Dan Casey to adjourn, seconded by Gerry Warner, and carried. The meeting adjourned at 4:15 p.m.

Jerry Frey, President

Bob Mullen, Secretary