



May 7, 2018

TO ALL UTILITY COMMISSION MEMBERS:

GERRY WARNER
BOB MULLEN
DAN CASEY
PAT BECKER

This is to inform you that there will be a Utility Commission Meeting on **May 9, 2018 at 3:30 p.m.** in the Administrator's office at the Civic Center.

AMENDED AGENDA

1. Call to order
2. Adoption of agenda
3. Approval of previous commission meeting minutes (April 4, 2018)
4. Approval of bills and disbursements – April 2018
5. Public Comment
6. Commissioner Application review and recommendation
7. Appointments to WPPI Energy Board of Directors
8. Itron Software Upgrade Recommendation
9. Capital Improvement Plan 2018-2022
10. Request to proceed with RFP for water and sewer rate case
11. 4Q17 Financial Report
12. 2018 Street/Utility Projects Bid Results
13. James Place II Electrical Line Extension ***
14. Staff Reports
15. Communications and miscellaneous correspondence
16. Closed Session per Wis. Stat. 19.85(1)(c)
 - a. Electrical Foreman Compensation
17. Adjourn

Mike Darrow
Utility Manager

*** Agenda item added

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.

NEW RICHMOND UTILITY COMMISSION MINUTES

April 4, 2018

The regular meeting of the New Richmond Utility Commission was held on April 4, 2018 at 3:30 p.m. at the Civic Center.

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

Members Present: Bob Mullen, 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 February 21, 2018 meeting, seconded by Bob Mullen, and carried.

A motion was made by Dan Casey to approve February and March 2018 bills and disbursements, seconded by Gerry Warner, and carried.

Public Comment:

None

2018 WPPI Energy Regional Power Dinners:

Weston Arndt gave an update on the Regional Power Dinner to be held on June 14, 2018 in River Falls. Pat Becker, Bob Mullen and Gerry Warner are interested in attending.

Utility Commission Member:

Rae Ann Ailts introduced two citizens interested in filling the vacant position on the Utility Commission. Jeremy Poole, Taco Bell Manager, has been a City resident for 5 years, and is active in the CAP process. Jeremy would like to help serve the needs of the City of New Richmond. Mike Kastens has been a resident of the City for 34 years. He retired from the New Richmond Police Department after serving 37 years. He currently serves on the Plan Commission and Sex Offender Appeal Board. By serving on both the Utility Commission and Plan Commission, Mike's goal is to ensure tax and utility funds are spent in an efficient manner while the City grows. Rae Ann Ailts stated there was also a verbal interest in the commission opening. Bob Mullen moved to table the Utility Commission seat until the next meeting, seconded by Gerry Warner, and carried.

Sewer Backup Policy:

Joel Enders gave background information on sewer backups that took place in 2017.

No definitive cause was determined, and it is likely that several factors caused the backup. Some possibilities included tree roots, rags, and the design of the system itself. Staff and Council members met with each owner shortly after the incident occurred, and the Utility Commission met in special session to review the damage, and discuss possible next steps.

The impacted homeowners indicated that their insurance policies would not cover damages. The City's insurance carrier also indicated there would be no coverage. Although the City is not legally liable for the backup, the Utility Commission and Council expressed a desire to offer some amount of voluntary reimbursement to property owners affected by sewer backups. Joel reviewed the No-Fault Sanitary Sewer Backup Policy that staff is proposing and recommending. Gerry Warner moved to forward the policy to City Council for a resolution, seconded by Bob Mullen, and carried.

Applications for Sewer Adjustment:

a) Phillips Medisize

In February, Phillips Medisize contacted staff regarding a possible sewer credit for excessive water usage, which occurred in December 2017. Staff provided a copy of The Water Leak Sewer Adjustment Policy to the customer. Phillips Medisize submitted a completed sewer credit application on February 16, 2017.

The application submitted by Phillips Medisize provided the required details as outlined in The Water Leak Sewer Adjustment Policy. Staff has evaluated the excess usage, and has determined an excess usage of 517,000 gallons of water amounting to \$3,076.15 in sewer charges.

Gerry Warner moved to deny the application as it does not meet all criteria of the policy, as excess water consumed was processed by the Waste Water Treatment Plant, seconded by Dan Casey, and carried.

b) Sarah Peterson

On March 21, 2017, the Utility received a completed application for sewer credit from Sarah Peterson, following notification from the Utility department regarding high usage on her account. A frozen pipe underground running from the house to an outbuilding was determined to be the issue causing the excessive usage. Utility Staff shut off the valve servicing the line early in the week of February 19, 2018.

The usage history is limited as the residence was recently acquired in September of 2017. However, based upon the limited history and average usage of similar household size an average usage of 5,000 gallons per month has been calculated resulting in an excess usage of 16,000 gallons from 12/5/17-3/5/18, amounting to \$95.20 in sewer charges.

Due to weather, repairs have not been completed; however, all other application criteria was met, and the leak did not add any volume of water to the Waste Water Treatment Plant. Dan Casey moved to issue a sewer credit in the amount of \$95.20 once repairs are completed and confirmed by Utility Staff, seconded by Bob Mullen, and carried.

WWTP Upgrade Design:

The Facility Plan is nearing completion. The final hurdle needed to be completed is the phosphorus compliance portion of the plan, which will spell out how the City plans to comply with the DNR's proposed effluent phosphorus limit of 0.075 mg/L.

Two other facets of the WWTP's effectiveness over the next twenty years were evaluated in the Facility Plan: capacity and upgrades needed to maintain safety/compliance. With regard to capacity, based on current projections, the WWTP should be able to handle the flows and loadings that the expected growth will bring over the next twenty years. However, there are several items that need to be addressed to maintain safety/compliance.

The items identified that need to be addressed in order to allow the WWTP to continue to protect staff, the public, and the environment include:

- Grit removal facilities
- Gravity thickener equipment replacement
- Sludge storage monitoring/decant equipment
- Installation of a second PD blower
- Online phosphorus monitoring/chemical feed
- Control building roof
- Digester piping removal
- Chlorine contact tank cover

It should be noted that all of the major items above have been listed in the City/Utility's draft Capital Improvement Plan over the next few years.

The Facility Planning effort has been funded through the STH 64 Corridor Communities Stormwater/Wastewater Coalition with funds allocated to mitigate growth as part of the St. Croix Crossing project. A limited amount of funds remain to be distributed with a short timeframe to encumber the funds. With this in mind, the City could receive up to \$10,000 toward the design of the facilities mentioned above if we are in a position to start the project now and expend the funds by May of 2019.

Bob Mullen moved to contract with MSA for a total design contract of \$89,900.00, and pursuit of the remaining Coalition funds, which could be up to \$10,000.00, seconded by Gerry Warner, and carried.

Department Reports

Bob Meyer, Water Superintendent:

- Locates have begun
- Meter change outs and cross connections are ongoing
- Upgraded VFD's in lift station at Whispering Prairie
- Jon Evans and Pat Howell attended the Wisconsin Rural Water Conference
- Adam Jackson was on vacation
- Well meters were pulled for testing
- Currently working with contractors on a couple of annexation projects

Steve Skinner, Lead Wastewater Treatment Plant Operator:

- The communication antenna on the North Tower was scheduled to be worked on today, but has been rescheduled for April 16, 2018.
- Staff is working with generator companies to obtain annual service quotes.
- Pat Becker came out to the plant last month. He spoke with the Mayor of Hartford about a Chemtrade chemical they were using at their WWTP. Steve Skinner contacted Hawkins, our chemical supplier, and asked if they have something similar to what Hartford was using, and they do. Hawkins came out to the plant and did some jar testing on sludge at the plant. This chemical is supposed to be more proficient in the settling of phosphorous. The chemical is Poly Aluminum Chloride. New Richmond WWTP is currently using aluminum sulfate.
- When the power outage occurred, power was lost to the South Tower, resulting in the SCADA system only having communication for ten minutes with the battery backup power supply. Staff reached out to St Croix County to see if they would be willing to allow for the South Tower to be connected to their standby generator. Steve will be meeting with St Croix County staff on Friday to discuss the possibility.
- The Effluent Sampler developed a Freon leak. A replacement part has been ordered for the repair of the refrigerator assembly within the sampler.

Kevin Blader, Electric Lead:

- Tree trimming is finished.
- New service for Phillips Plastics has been completed.
- Installation of electrical temps for new construction are taking place.
- Staff servicing equipment, along with ABM Truck Service repairing oil leaks on the booms.
- Pole trailer was sandblasted and painted.
- Chapman Metering is currently in town testing some three phase meters.
- In mid April the north sub will be shut down for maintenance work and repairs.
- A 1200 foot primary extension will begin this spring for Derrick Construction Richmond Prairie Condo's.
- 140th Street lighting project to begin this spring – includes installation of 47 new lights.

Jeremiah Wendt, Director of Public Works:

- Over thirty building permits were issued the first quarter of 2018.
- During a power outage, only the main lift station has backup power. Generators and pumps are used on the remaining sixteen lift stations.
- Kudos to staff for work completed during the Saturday power outage.
- Sprint has indicated an interest in doing an upgrade on the south tower. SEH will do a structural analysis. A \$10,000 escrow is paid upfront. and as the bills come in the escrow is reduced.

- E 4th Street project design is in process. Council will be asked for permission to start the bidding process.
- Bid opening is scheduled for Wednesday, May 2, 2018 (later revised to Monday, May 7, 2018). Plan is to present bids to Utility Commission at the next utility commission meeting, and to City Council the following week.

Rae Ann Ailts, Finance Director:

- The onsite audit took place March 19th through March 23rd.
- A formal Audit report will be given in May or June.
- The PSC report was submitted on March 31, 2018. Rae Ann thanked all those who helped in completing the report. The PSC required additional water reporting this year in regards to private laterals.
- The PSC report will be available on the Utility website.
- Capital Improvement Plan responses have been received and are being compiled. Goal is to have this wrapped up by August 2018.
- Utility staff will be marketing the availability of E-billing to residents.
- Rae Ann thanked everyone for their team efforts in response to the power outage.

Weston Arndt, WPPI Energy Services Rep:

No report given.

Mike Darrow, Utility Manager:

No report given.

Motion was made by Gerry Warner to move into closed session per State Statute 19.85 (1)(c), seconded by Dan Casey, and carried.

Motion to approve as discussed in closed session was made by Bob Mullen, seconded by Dan Casey and carried.

There being no further business, a motion was made by Gerry Warner to adjourn, seconded by Dan Casey, and carried. The meeting adjourned at 4:50 p.m.

Pat Becker, President

Gerry Warner, Secretary

New Richmond Utilities

APRIL 2018

Check Register

Check #	Date	Amount	Vendor Name	Description
001945	4/4/2018	16,244.64	CITY OF NEW RICHMOND	REIMB 1ST QTR SALARY R AILTS
001946	4/4/2018	7,709.49	CITY OF NEW RICHMOND	REIMB 1ST QTR WAGE BANNINK
001947	4/4/2018	21,747.21	CITY OF NEW RICHMOND	REIMB 1ST QTR WAGE DARROW
001948	4/4/2018	9,419.80	CITY OF NEW RICHMOND	REIMB 1ST QTR WAGE WIEDENFELD
001949	4/4/2018	2,851.88	CITY OF NEW RICHMOND	REIMB 1ST QTR WAGE THOMPSON
001950	4/4/2018	21,719.85	CITY OF NEW RICHMOND	REIMB 1ST QTR WAGE WENDT
001951	4/4/2018	17,794.59	CITY OF NEW RICHMOND	REIMB 1ST QTR WAGE LAMMERS
001952	4/5/2018	2,133.00	HYDRODESIGNS	AUG CROSS CONNECT INSP & REPOR
001953	4/9/2018	1,245.81	SUPER AMERICA	MARCH GAS BILL
001954	4/9/2018	8,663.89	US BANK CORPORATE PAYMENT SYSTEM	UTILITY OFFICE MAR PCARD INV
001955	4/27/2018	182,262.50	BOND TRUST SERVICES CORP	2016B WATER & SEWER BOND PYMT
001956	4/12/2018	20,025.75	CITY OF NEW RICHMOND	1ST QTR ADMIN
001957	4/12/2018	12,515.21	CITY OF NEW RICHMOND	MONTHLY BILL
001958	4/12/2018	6,353.05	CITY OF NEW RICHMOND	INSURANCE
001959	4/12/2018	5,000.00	CITY OF NEW RICHMOND	RENT
001960	4/12/2018	24,830.48	CITY OF NEW RICHMOND	STORM WATER UTILITY
001961	4/12/2018	7,843.32	CITY OF NEW RICHMOND	RECYCLING
001962	4/12/2018	550.00	COMMERCIAL TESTING LABORATORY	COLIFORM BACT
001963	4/12/2018	300.00	DIGGERS HOTLINE, INC.	SAFETY MTG SPONSORSHIP
001964	4/12/2018	306.84	GOLDCOM VOICE & DATA SUPPLY	SAFETY MARKING PAINT
001965	4/12/2018	371.00	HYDRODESIGNS	CROSS CONNECT INSPECT & REPORT
001966	4/12/2018	2,124.42	INFOSEND, INC	MARCH BILLING AND POSTAGE
001967	4/12/2018	760.35	MAILFINANCE	LEASE PAYMENT
001968	4/12/2018	5,572.38	NEW RICHMOND UTILITIES	MAR CTOC COLLECTIONS
001969	4/12/2018	19,705.00	QUALITY FLOW SYSTEMS, INC.	NEW PUMPS GREATON LIFT
001970	4/12/2018	25.00	WISCONSIN STATE LAB OF HYGIENE	FLUORIDE
001971	4/12/2018	58,997.91	CITY OF NEW RICHMOND	PAYROLL 4/13/18
001972	4/16/2018	19,738.00	LOCAL GOVERNMENT INVESTMENT POOL	MAR18 WATER IMPACT & SAC COLL
001973	4/19/2018	12,447.87	WI DEPT OF REVENUE	MAR18 SALES TAX
001974	4/30/2018	564,838.93	WISCONSIN PUBLIC POWER INC	MAR PURCHASED POWER
001975	4/20/2018	88,420.00	LOCAL GOVERNMENT INVESTMENT POOL	APR18 INVESTMENTS
001976	4/20/2018	51,125.00	LOCAL GOVERNMENT INVESTMENT POOL	APR18 INVESTMENTS
001977	4/27/2018	57,682.31	CITY OF NEW RICHMOND	PAYROLL 4-27-18
001978	4/27/2018	102.25	CITY OF NEW RICHMOND	BEN EXTRAS MONTHLY FSA, HRA
001979	4/27/2018	749.97	CITY OF NEW RICHMOND	EMPLOYER HSA CONTRIBUTION
001980	4/27/2018	21,142.71	CITY OF NEW RICHMOND	HEALTH INSURANCE
001981	4/27/2018	0.60	CITY OF NEW RICHMOND	ADDITIONAL LIFE INSURANCE
001982	4/27/2018	38.62	CITY OF NEW RICHMOND	LIFE INSURANCE
001983	4/27/2018	447.70	CITY OF NEW RICHMOND	LONG TERM DISABILITY INS
001984	4/27/2018	410.30	CITY OF NEW RICHMOND	SHORT TERM DISABILITY INS
001985	4/27/2018	46,440.00	CITY OF NEW RICHMOND	TAX EQUIVALENT
001986	4/27/2018	5,197.20	DAKOTA SUPPLY GROUP INC	GROUND ROD
001987	4/27/2018	22,232.50	TELEMETRY AND PROCESS CONTROLS	LMI ANNUAL LOG ME IN
035555	3/29/2018	0.00	DAN & LAURIE FITZER	VOID CHECK WRONG DATE
035556	3/29/2018	0.00	HAZLE CAIN	VOID CHECK WRONG DATE
035557	3/29/2018	0.00	NICOLE EWING & CARL HEINIG	VOID CHECK WRONG DATE
035558	4/2/2018	7,549.00	DAN & LAURIE FITZER	REIMBURSE SWR BACKUP 730 E 4TH
035559	4/2/2018	6,735.96	HAZLE CAIN	REIMBURSE SWR BACKUP 743 E 4TH
035560	4/2/2018	13,462.40	NICOLE EWING & CARL HEINIG	REIMBURSE SWR BACKUP 718 E 4TH
035561	4/3/2018	956.75	DG ENERGY	TEST STRAIGHT STICK, LINE HOSE

035562	4/4/2018	201.68	BALDWIN TELCOMM	MARCH PHONE BILL
035563	4/12/2018	6,464.92	ACTION BATTERY WHOLESALERS	BATTERY CHARGER, ACCESSORIES
035564	4/12/2018	1,493.29	AMARIL UNIFORM COMPANY	UNIFORM CLOTHING O'FLANNAGAN
035565	4/12/2018	1,045.14	AMERIPRIDE LINEN & UNIFORM SERVICES	WWTP UNIFORM SERVICE
035566	4/12/2018	15,196.00	BAKER TILLY VIRCHOW KRAUSE LLP	FINANCIAL STATEMENT AUDIT, REP
035567	4/12/2018	10.50	CORE & MAIN LP	COVER O-RING
035568	4/12/2018	551.25	ECKBERG LAMMERS BRIGGS WOLFF & VIERLING	LEGAL E 4TH ST COMPENSATION
035569	4/12/2018	306.85	FRONTIER COMMUNICATIONS	MARCH PHONE BILL
035570	4/12/2018	795.00	STUART C IRBY CO	MARKING FLAGS
035571	4/12/2018	361.86	J.H. LARSON COMPANY	WIRE
035572	4/12/2018	311.74	KWIK TRIP	MARCH FUEL BILL
035573	4/24/2018	0.00	MID-AMERICAN RESEARCH CHEMICAL	VOID CHECK WRONG VENDOR
035574	4/12/2018	2,871.10	SHORT ELLIOTT HENDRICKSON INC	N 4TH STREET IMPROVEMENTS
035575	4/12/2018	2,400.00	TCIC, INC	HELIX CABLE, CONN, ANTENNA
035576	4/12/2018	246.72	VERIZON WIRELESS	MAR PHONE BILL
035577	4/12/2018	160.00	WISCONSIN RURAL WATER ASSN	BIOLOGICAL TREATMENT-HERMANSEN
035579	4/24/2018	762.50	MID AMERICA METER, INC	SHOP TEST PROPELLER, REPAIR
035580	4/24/2018	0.00	MID-AMERICAN RESEARCH CHEMICAL	CLEAN, REPAIR, CALIBRATE
035581	4/27/2018	73.60	BRITTANI J KRUGER	CR REF ACCT# 1637400-21
035582	4/27/2018	418.81	BRIAN & SUSAN MAYER	CR REF ACCT# 200000-24
035583	4/27/2018	1,158.18	C & J BUILDERS	CR REF ACCT# 1847100-20
035584	4/27/2018	852.00	CLEAR CHOICE BUSINESS SOLUTIONS LLC	ENVELOPES, CROSS CONNECTION
035585	4/27/2018	129.77	CREATIVE HOMES CONSTRUCTION	CR REF ACCT# 1497400-20
035586	4/27/2018	41.55	CURTIS & SARAH FLUEGEL	CR REF ACCT# 1121300-29
035587	4/27/2018	133.66	DONALD & MARGUERITE MALONEY	CR REF ACCT# 1906900-24
035588	4/27/2018	1,903.29	STUART C IRBY CO	BLANKET, TESTING CHARGE
035589	4/27/2018	69.41	J.H. LARSON COMPANY	WIRE
035590	4/27/2018	211.79	KRISTINA L CANOPY	CR REF ACCT# 1706100-27
035591	4/27/2018	62.78	MARK & SANDRA MCCANCE	CR REF ACCT# 1841000-21
035592	4/27/2018	369.91	MY RECEPTIONIST, INC	ANSWER SVC 04-04 - 05-01
035593	4/27/2018	67.81	NATALIE A STAUFFACHER	CR REF ACCT# 915600-21
035594	4/27/2018	51.31	PEARL A EMERSON	CR REF ACCT# 424300-21
035595	4/27/2018	232.74	REBECCA LUNDIN	CR REF ACCT# 216200-21
035596	4/27/2018	28.28	RIVER STATES TRUCK AND TRAILER, INC	TUBING, FITTING, ADAPTOR
035597	4/27/2018	112.99	SCOTT & JESSICA MORGEN	CR REF ACCT# 1298200-21
035598	4/27/2018	815.19	SHORT ELLIOTT HENDRICKSON INC	WATER MODEL UPDATE
035599	4/27/2018	109.66	STEPHENS SANITATION LTD	GARBAGE SERVICE 2/1-3/31
035600	4/27/2018	1,295.00	TELEDYNE ISCO, INC	REFRIGERATION ASSEMBLY
035601	4/27/2018	30,707.31	WEST CENTRAL WIS BIOSOLIDS FAC	BIOSOLIDS
035602	4/27/2018	1,450.02	WI DEPT OF REVENUE	GROSS REVENUE ASSESS & LICENSE
035603	4/27/2018	1,288.82	XCEL ENERGY	MARCH GAS BILL

Total \$1,451,553.87

Checks & Wires



To: Utility Commission

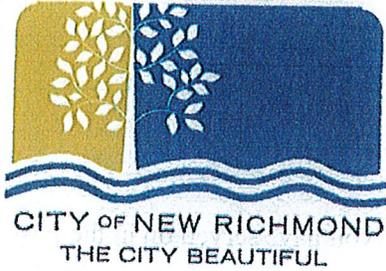
From: Mike Darrow, City Administrator/Utility Manager
Rae Ann Ailts, Finance Director

Date: April 30, 2018

RE: Utility Commissioner Applications

Background

With the resignation of Utility Commissioner, Jerry Frey, in February there is a Commissioner vacancy to be filled. Last month, two candidates attended the Utility Commission meeting and provided an overview of themselves and their interest in serving on the Commission. On Wednesday, the third candidate will attend the meeting to provide an overview of their interest in serving on the Commission.



CITY OF NEW RICHMOND
BOARD, COMMISSION AND/OR COMMITTEE
APPOINTMENT APPLICATION

Date: 4/9/18
 Name: JOHN MIKE
 Home Address: 1723 ST ANDREWS PLACE
 Home Phone: 715-296-3128
 Employer: retired
 Occupation: Dentist
 E-mail: smam@frontier.net.net
 Work Phone: - Cell Phone: 715-781-2465

Please choose which Board/Committee/Commission you would like to apply for:

<u>Board/Committee/Commission Name</u>	<u>Normal Frequency of Meetings</u>	<u>Term</u>
<input checked="" type="checkbox"/> Utility Commission	Once a month	5 years
<input type="checkbox"/> Plan Commission	Once a month	3 years
<input type="checkbox"/> Library Board	Once a month	3 years
<input type="checkbox"/> Park Board	Once a month	3 years
<input type="checkbox"/> Airport Commission	Once a quarter	4 years
<input type="checkbox"/> Board of Appeals	As needed	3 years
<input type="checkbox"/> Police and Fire Commission	As needed	5 years
<input type="checkbox"/> Historic Preservation Commission	As needed	3 years
<input type="checkbox"/> Economic Development Commission	Once a month	5 years
<input type="checkbox"/> Community Development Authority	As needed	5 years
<input type="checkbox"/> Housing Authority	Once a month	4 years

EDUCATION: Indicate the highest year completed and degrees received:

St. Thomas College B.A. Biology
University of Minnesota Dental School D.O.S

VOLUNTEER INFORMATION: Indicate any volunteer organizations you have served on in the past with name, address, phone and your position and title.

Rotary Club, Westfield's Hospital Volunteer, Roberts Lions Club
New Richmond Community Foundation board

PLEASE INDICATE YOUR REASONS FOR WANTING TO SERVE ON A BOARD:

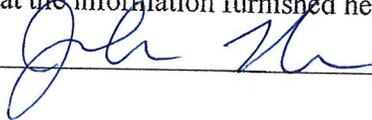
Being active in my community.

QUALIFICATIONS OR EXPERIENCE APPLICABLE TO THE PURPOSE AND SUBJECT MATTER OF THIS BOARD/COMMITTEE/COMMISSION:

Former city council member, and served on the Planning Commission - understand how city government operates

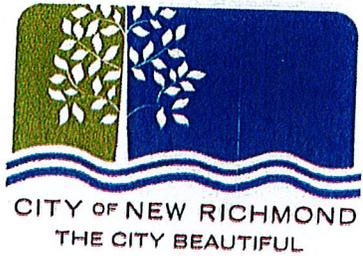
I declare that the information furnished herein above is true and correct to the best of my knowledge.

Signature:



Date: 4/9/18

SUBMIT APPLICATION TO: CITY OF NEW RICHMOND, 156 EAST FIRST STREET, NEW RICHMOND, WI 54017



CITY OF NEW RICHMOND
BOARD, COMMISSION AND/OR COMMITTEE
APPOINTMENT APPLICATION

Date: March 1, 2018
 Name: Michael R Kastens
 Home Address: 936 Hidden Lane New Richmond WI 54017-2619
 Home Phone: 715-246-4114
 Employer: N/A
 Occupation: Retired
 E-mail: mrkastens@gmail.com
 Work Phone: N/A Cell Phone: 715-497-7527

Please choose which Board/Committee/Commission you would like to apply for:

<u>Board/Committee/Commission Name</u>	<u>Normal Frequency of Meetings</u>	<u>Term</u>
<input checked="" type="checkbox"/> Utility Commission	Once a month	5 years
<input type="checkbox"/> Plan Commission	Once a month	3 years
<input type="checkbox"/> Library Board	Once a month	3 years
<input type="checkbox"/> Park Board	Once a month	3 years
<input type="checkbox"/> Airport Commission	Once a quarter	4 years
<input type="checkbox"/> Board of Appeals	As needed	3 years
<input type="checkbox"/> Police and Fire Commission	As needed	5 years
<input type="checkbox"/> Historic Preservation Commission	As needed	3 years
<input type="checkbox"/> Economic Development Commission	Once a month	5 years
<input type="checkbox"/> Community Development Authority	As needed	5 years
<input type="checkbox"/> Housing Authority	Once a month	4 years

EDUCATION: Indicate the highest year completed and degrees received:

1976 - High School, 1978 - United States Army Non-commission Officers Leadership Academy,
1979 - Basic Police Recruit Academy, 1987 - 2004 Numerous Law Enforcement Training Classes

VOLUNTEER INFORMATION: Indicate any volunteer organizations you have served on in the past with name, address, phone and your position and title.

Butler-Harmon American Legion Post 80 1260 Wall Street New Richmond WI 54017 Telephone: 715
246-4980 - Adjutant for the past 9 years. New Richmond Masonic Lodge 195 119 East Second Street
New Richmond WI 54017 - Past Master of the Lodge & Member for 13 years.

PLEASE INDICATE YOUR REASONS FOR WANTING TO SERVE ON A BOARD:

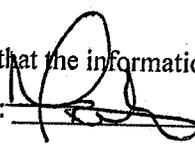
I am interested in being on the Utility Commission for several reasons, the first being it would be a
great opportunity to work on the direction of the New Richmond Utilities as they move forward in the
future. I've been interested in the Commission since moving to New Richmond 34 years ago.

QUALIFICATIONS OR EXPERIENCE APPLICABLE TO THE PURPOSE AND SUBJECT

MATTER OF THIS BOARD/COMMITTEE/COMMISSION:

Current member of the New Richmond Plan Commission; current member of the New Richmond
Sex Offenders Appeal Committee. I am also Area Chairman for the WI Committee of the Employer
Support of the Guard and Reserve covering Northwest Wisconsin.

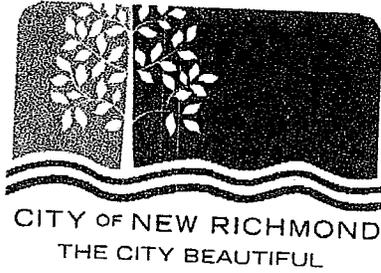
I declare that the information furnished herein above is true and correct to the best of my knowledge.

Signature: 

Date: _____

March 1, 2018

SUBMIT APPLICATION TO: CITY OF NEW RICHMOND, 156 EAST FIRST STREET, NEW
RICHMOND, WI 54017



**CITY OF NEW RICHMOND
BOARD, COMMISSION AND/OR COMMITTEE
APPOINTMENT APPLICATION**

Date: 2/23/2018
 Name: Jeremy L Poole
 Home Address: 1558 Squirrel Way New Richmond WI 54017
 Home Phone: 608-358-0204
 Employer: Border Foods / Taco Bell
 Occupation: Business Manager
 E-mail: j_poole1@hotmail.com; newrichmondtdb@borderfoods.com
 Work Phone: 715-246-6916 Cell Phone: 608-358-0204

Please choose which Board/Committee/Commission you would like to apply for:

<u>Board/Committee/Commission Name</u>	<u>Normal Frequency of Meetings</u>	<u>Term</u>
<input checked="" type="checkbox"/> Utility Commission	Once a month	5 years
<input type="checkbox"/> Plan Commission	Once a month	3 years
<input type="checkbox"/> Library Board	Once a month	3 years
<input type="checkbox"/> Park Board	Once a month	3 years
<input type="checkbox"/> Airport Commission	Once a quarter	4 years
<input type="checkbox"/> Board of Appeals	As needed	3 years
<input type="checkbox"/> Police and Fire Commission	As needed	5 years
<input type="checkbox"/> Historic Preservation Commission	As needed	3 years
<input type="checkbox"/> Economic Development Commission	Once a month	5 years
<input type="checkbox"/> Community Development Authority	As needed	5 years
<input type="checkbox"/> Housing Authority	Once a month	4 years

EDUCATION: Indicate the highest year completed and degrees received:

Verona Area High School - Diploma

VOLUNTEER INFORMATION: Indicate any volunteer organizations you have served on in the past with name, address, phone and your position and title.

Comprehensive Plan - Volunteer - City of New Richmond

Faith Community Church - Lighting Team / Landscape Team- Board operator / Laborer

PLEASE INDICATE YOUR REASONS FOR WANTING TO SERVE ON A BOARD:

As a citizen of this wonderful city I want to continue to be involved and make positive impacts for all citizens. I feel being a part of the utility commission is an important part of our growing cities infrastructure for and ability to provide the utility need all businesses and residents need

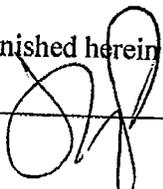
QUALIFICATIONS OR EXPERIENCE APPLICABLE TO THE PURPOSE AND SUBJECT MATTER OF THIS BOARD/COMMITTEE/COMMISSION:

New Richmond Resident of almost 5 years.

Ability to think critically about a situation and provide a positive outcome for all share holders

I declare that the information furnished herein above is true and correct to the best of my knowledge.

Signature: Jeremy L Poole

 Date: 2/23/2018

SUBMIT APPLICATION TO: CITY OF NEW RICHMOND, 156 EAST FIRST STREET, NEW RICHMOND, WI 54017



MEMO

To: Utility Commission

From: Mike Darrow, City Administrator and Utility Manager

Date: May 9, 2018

RE: **Appointments to WPPI Energy Board of Directors**

BACKGROUND

The WPPI Energy Board consists of one Director appointed by each Member. Members also appoint an Alternate Director who may act as the Director at any meeting in the absence of the Member's Director. A Member may remove and replace its Director or Alternate at any time for any reason by a notice in writing signed on behalf of the Member and delivered to the Secretary or the Assistant Secretary of WPPI, consistent with the procedure established by the Member in its adoption of the Formation Contract at the time the Member joined WPPI.

The existing appointments are:

WPPI Director: Mike Darrow, City Administrator / Utilities Manager
WPPI Alternate: Rae Ann Ailts, Finance Director

RECOMMENDATION

With the hire of Weston Arndt as our Electric Superintendent, staff is recommending that the Utility Commission approve the following appointments to the WPPI Energy Board of Directors:

WPPI Director: Weston Arndt, Electric Superintendent
WPPI Alternate: Mike Darrow, City Administrator / Utilities Manager



May 9, 2018

Mr. Mike Peters
Assistant Secretary of WPPI Energy
1425 Corporate Center Dr.
Sun Prairie, WI 53590

RE: WPPI Energy Board of Directors – New Richmond Appointments

Dear Mr. Peters,

With the hiring of Weston Arndt as our Electric Superintendent, beginning May 9, 2018, the following appointments to the WPPI Energy Board have been approved by the New Richmond Utilities Commission to become effective on May 10, 2018:

WPPI Director: Weston Arndt, Electric Superintendent
WPPI Alternate: Mike Darrow, City Administrator / Utilities Manager

Regards,

Pat Becker
New Richmond Utilities Commission President

Tanya Reigel
New Richmond City Clerk



TO: Utility Commission
FROM: Rae Ann Ailts, Finance Director
DATE: April 30, 2018
RE: Meter Reading Software Upgrade

Background

New Richmond Utilities currently uses Itron MV-RS version 8.7.5 for our meter reading software. The software will reach end of life and will not be supported as of December 31, 2021. Itron is encouraging MV-RS customers to upgrade to Itron Field Collection System (FCS) prior to the end of life support period.

Upgrading our MV-RS software to FCS will provide additional features and functions and is also compatible with our current hardware. The cost to upgrade to the Itron FCS software is \$1,500 when done in conjunction with our annual support renewal, which renews on June 1st. The cost of upgrade also includes onsite training. Deferring the software upgrade to a later date would cost an estimated \$7,000 with additional charges for training of \$2,000.

The cost of the upgrade, while not included in the 2018 budget, would significantly reduce future costs associated with upgrading. The cost of the upgrade would be shared by the Utilities and can due to the minimal cost will not impact the 2018 operating budget.

Recommendation

Staff recommends upgrading the meter reading software to Itron FCS at a cost of \$1,500.



TO: Utility Commission

FROM: Rae Ann Ailts, Finance Director
Mike Darrow, City Administrator

DATE: May 9, 2018

RE: Capital Improvement Plan 2018-2022

Background

The capital improvement plan (CIP) is a comprehensive plan focused on maintaining infrastructure and improvements and determining financial resource availability to ensure the health, safety and general welfare needs of the City are met today and into the future. Planning and development of the capital improvement plan is a complex, multi-step process, which is instrumental in ensuring a high quality of life and continued economic vitality is achieved for our community.

As part of the 2018 budgeting process, Utility Commission members and staff began working to update the Utility's five year CIP. Projects from the previous CIP as well as new projects identified by staff, Commission, Council and community input have been included for consideration. Staff prioritized the projects categorizing each project into one of the following three categories:

Red (Critical) = Project is in need of immediate replacement/repair in the year identified. There is a direct impact on the safety or health of staff, residents, etc.

Yellow (Very Important) = Project is in need of replacement/repair soon, but not immediately, and can be addressed in the midterm.

Green (Important) = Project would be nice, but does not directly impact the safety or health of the community.

In January, the Commission was asked to review the projects based upon priority given by staff as well as themes established by council, which include:

- Safety, health, and general welfare
- Preserving the past, engaging the present, and ensuring the future
- Public/private partnerships,
- Economic development
- Fiscal responsibility.

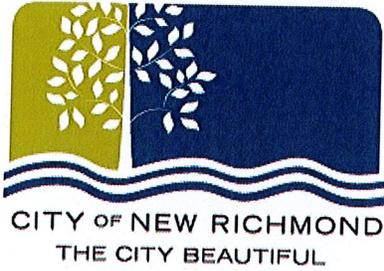
Next Steps

During the meeting, we will focus on establishing critical projects.

Upon consensus of critical projects, staff will present to the Commission sources of funding such as grants, TIF funds, borrowing or other opportunities as well as provide financial projections outlining the impact on the Utility's debt during the June meeting.

In the following months, we will continue to move through the remaining projects not identified as critical with the same process. Below is the proposed timeline for completion of the CIP project.

- June- Sources and uses of funds for critical projects and definition of "very important" projects
- July- Identification of very important projects
- Aug- Sources and uses of funds for critical and very important projects



156 East First Street
New Richmond, WI 54017
715-246-4268
www.newrichmondwi.gov

MEMORANDUM

TO: Utility Commission

FROM: Rae Ann Ailts, Finance Director
Joel Enders, Management Analyst

DATE: May 1, 2018

SUBJECT: Drafting of Water & Sewer Rate Case RFP

BACKGROUND

New Richmond Utility's current water rates have been in place since 2013, while sewer rates have been in place since 2012. Over the intervening 5-6 year period, population growth have increased demand and inflation has increased the costs of operation and maintenance. Our rates are not sufficient to sustain growth and inflation into future years. As discussed during the last budget cycle, an analysis of our rates should be conducted in 2018 to determine if rate adjustments are necessary and, if so, help properly align rates with ongoing costs. Rate studies are also a required component of the Public Service Commission's rate setting process for water utilities.

RECOMMENDATIONS

Staff recommend authorization to draft a water and sewer rate case Request for Proposal. If approved, staff anticipate presenting the RFP at the Commission's June meeting.



TO: Utility Commission

FROM: Rae Ann Ailts, Finance Director

DATE: May 9, 2018

RE: 4th Quarter 2017 Financial Report

Staff will present the 4th Quarter Financial Report for the Electric, Water and Waste Water Funds. First Quarter 2018 will be presented during the regular June 2018 meeting.



QUARTERLY FINANCIAL DASHBOARD

Fourth Quarter 2017

ELECTRIC REVENUE & EXPENSES		2017		2016		
		Actuals through 4th Quarter	Budget through 4th Quarter	Over (Under) through 4th Quarter	Percent of Budget through 4th Quarter	Actuals through 4th Quarter
Operating Revenue	9,942,946	9,696,144	246,802	103%	9,715,267	9,966,000
Operating Expenses	9,481,416	9,400,880	80,536	101%	9,295,130	9,644,900
Change in Net Position	477,780	1,132	476,648	42207%	260,054	22,253
REPORTING METRICS		YTD 2015	YTD 2016	YTD 2017	SUMMARY	
Number of Customers	4,461	4,551	4,655	Expenses were slightly higher than budgeted, but more than offset by higher than anticipated revenues. Ending net position is favorable to budget by \$476K.		
kWh Sold	89,690,255	92,514,549	93,203,732			
Daily Operating Cost	23,455	23,824	24,274			

WATER REVENUE & EXPENSES		2017		2016		
		Actuals through 4th Quarter	Budget through 4th Quarter	Over (Under) through 4th Quarter	Percent of Budget through 4th Quarter	Actuals through 4th Quarter
Operating Revenue	1,531,955	1,467,205	64,750	104%	1,567,233	1,415,832
Operating Expenses	1,288,169	1,256,568	31,601	103%	1,167,932	1,212,100
Change in Net Position	299,727	(135,810)	435,537	-221%	144,834	(132,659)
REPORTING METRICS		YTD 2015	YTD 2016	YTD 2017	SUMMARY	
Number of Customers	3,494	3,600	3,651	Revenues and expenses were both marginally above budget through fourth quarter, ending with an operating income of \$243K. Net position is favorable to budget by \$435,537, primarily due to end-of-year capital contributions.		
Gallons Sold (thousands)	314,008	328,917	320,534			
Daily Operating Cost	3,278	2,335	2,619			

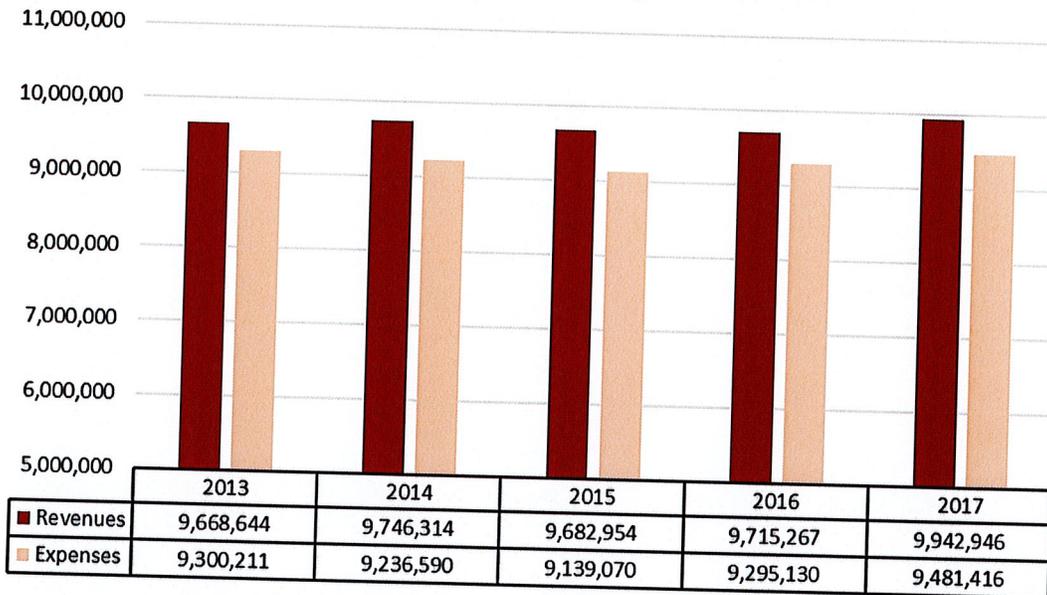
SEWER REVENUE & EXPENSES		2017		2016		
		Actuals through 4th Quarter	Budget through 4th Quarter	Over (Under) through 4th Quarter	Percent of Budget through 4th Quarter	Actuals through 4th Quarter
Operating Revenue	1,469,697	1,480,000	(10,303)	99%	1,445,497	1,464,000
Operating Expenses	1,821,645	1,705,862	115,783	107%	1,863,495	1,688,455
Change in Net Position	116,913	(178,840)	295,753	-65%	(371,060)	(217,814)
REPORTING METRICS		YTD 2015	YTD 2016	YTD 2017	SUMMARY	
Number of Customers	3,477	3,550	3,636	Revenues were slightly less than estimated while expenses ended \$115K over budget. Operating losses for the year were \$126K greater than budgeted. Net position is favorable to budget due to end-of-year capital contributions.		
Gallons Treated (thousands)	192,029	189,521	192,250			
Daily Operating Cost	2,986	3,609	3,467			



Electric Utility Financial Report

Fourth Quarter 2017

Electric 5-Year Actuals through 4th Quarter



OPERATING REVENUES

Actuals vs. Budget

Revenues through December 31, 2017 total \$9.94M, which is approximately 3 percent (\$246K) above budget. Revenues through same period 2016 were \$321K more than the budgeted amount.

Revenue Trend

2017 fourth quarter revenues are \$227K higher than same period 2016 revenues and \$260K higher than same period 2015. These numbers are reflected in year-on-year rises in kWh sold – 93.2 million kWh were sold in 2017, compared to 92.5 million kWh sold in 2016 and 89.6 million kWh in 2015.

Analysis

Revenues over performed in 2017 due to higher than expected Large Power sales. Residential kWh sales have been slowly increasing in line with population growth.

OPERATING EXPENSES

Actuals vs. Budget

Expenses through December 31, 2017 total \$9.48M, which is less than one percent (\$80.5K) above budget. Main cost drivers include:

- Line maintenance wages
- Transformer maintenance wages
- Locating wages
- Substation maintenance

- End-of-year accounting for depreciation
- End-of-year accounting for future benefit liabilities

Expenses Trend

YTD expenses are \$186K higher than same period 2016 expenses. Expenses have been relatively stable over the last 5-year period, showing a slight dip in 2015 followed by increases in 2016 and 2017.

Analysis

Higher than anticipated maintenance/replacement expenses and labor costs associated with increased development activity pushed expenses slightly over budget in 2017. Development activity and the accompanying growth in electric system plant over the last several years increased end-of-year accounting for depreciation. Earned benefits that are future liabilities but reported as current expenses at budget year-end (earned but not used) fluctuated upward due to employees using less comp time, sick time, and/or entering a higher age bracket.

Electric 4th Quarter Actuals to Budget - 5 Year Comparison

Year	2013	2014	2015	2016	2017
Operating Revenues	9,668,644	9,746,314	9,682,954	9,715,267	9,942,946
Operating Expenses	9,300,211	9,236,590	9,139,070	9,295,130	9,481,416
Budgeted Revenues	9,655,999	9,760,124	9,888,500	9,966,000	9,696,144
Budgeted Expenses	9,395,910	9,557,841	9,640,119	9,644,900	9,400,880
Revenues Over (Under) Budget	12,645	(13,810)	(205,546)	(250,733)	246,802
Expenses Over (Under) Budget	(95,699)	(321,251)	(501,049)	(349,770)	80,536
Operating Income (Loss)	368,433	509,724	543,884	420,137	461,530

NET POSITION

Change in net position is \$477.7K through third quarter, which is \$476K above the budgeted net position of \$1,132. Note that end-of-year capital contributions (i.e. the value of infrastructure that is installed by a developer and subsequently transferred to City ownership via developer agreement) account for \$303K of net position. Excluding capital contributions, net position is \$173K above budget.

CAPITAL IMPROVEMENT PROJECTS

At the close of 2017 there two active projects accounting for \$183K, the Marshall Area project and the Richmond Prairie Condos line extension. Both projects are expected to be completed in 2018. Projects completed in 2017 include North 4th Street project line replacements, West Alley transformer rebuild and line installations, Best Western line extension, Hirsch subdivision work, Paperjack Bend line extension, and the Johnson Ford line extension.



ELECTRIC DEPARTMENT

Budget & Actual
For the Twelve Months Ending 12/31/2017

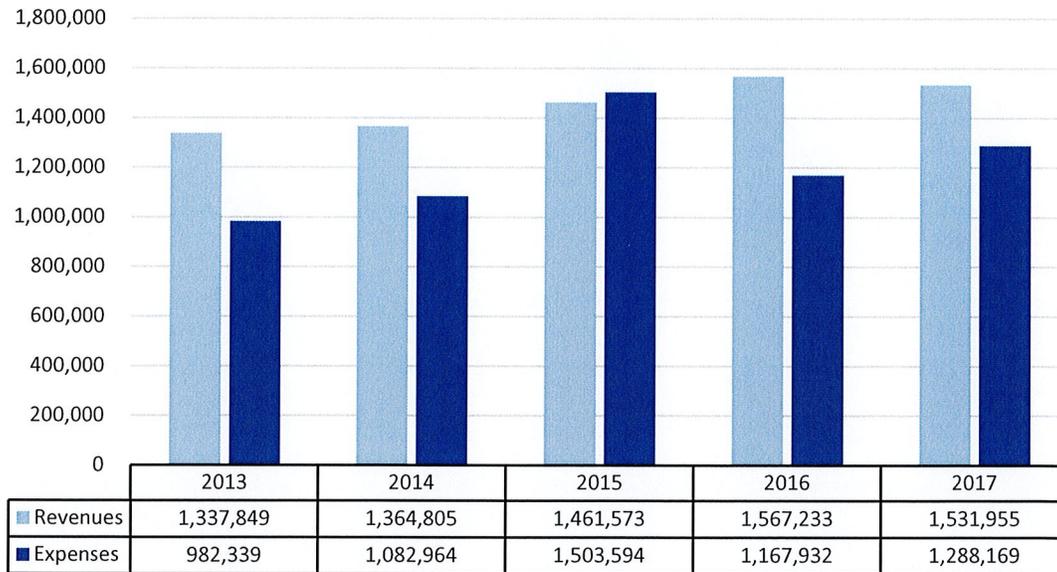
	Quarter 2016		Quarter 2017		Quarter 2017		December 2017		December 2017		December 2017		2017	
	Actual	Actual	Actual	Budget	Actual-Budget	Actual YTD	Actual YTD	Actual YTD	Budget YTD	Budget YTD	Actual-Budget	Budget	Budget	
OPERATING REVENUES														
Metered Sales (Res, Small, Large, Indust)	\$2,284,534	\$2,482,982	\$2,415,873	\$2,415,873	\$67,109	\$9,684,954	\$9,893,611	\$9,663,492	\$9,663,492	\$230,119	\$9,663,492	\$9,663,492	\$9,663,492	
Miscellaneous Revenue	6,128	18,926	8,163	8,163	10,763	30,313	49,335	32,652	32,652	16,683	32,652	32,652	32,652	
Total Operating Revenue	2,290,662	2,501,908	2,424,036	2,424,036	77,872	9,715,267	9,942,946	9,696,144	9,696,144	246,802	9,942,946	9,696,144	9,696,144	
OPERATING EXPENSES														
Wholesale Purchased Power														
WPP														
Local Operating Expenses	1,864,382	1,806,445	1,939,230	1,939,230	(132,785)	7,550,819	7,677,126	7,556,920	7,556,920	(79,794)	7,556,920	7,556,920	7,556,920	
Substation Expenses	42	29,701	9,051	9,051	20,650	15,133	58,521	36,204	36,204	22,317	36,204	36,204	36,204	
Locating Expenses	9,804	8,226	6,999	6,999	1,227	37,406	40,602	27,996	27,996	12,606	27,996	27,996	27,996	
Overhead Line Maintenance	13,721	9,917	21,375	21,375	(11,459)	92,164	102,058	85,500	85,500	16,558	85,500	85,500	85,500	
Transformer Maintenance	9,303	7,165	2,373	2,373	4,792	27,016	18,974	9,492	9,492	9,482	9,492	9,492	9,492	
Street Lights & Signals Maintenance	15,485	640	6,474	6,474	(5,834)	35,877	6,675	25,896	25,896	(19,221)	25,896	25,896	25,896	
Meter Maintenance	6,035	1,443	6,501	6,501	(5,058)	24,951	24,582	26,004	26,004	(1,422)	26,004	26,004	26,004	
Meter Reading	2,042	1,549	1,398	1,398	151	6,491	6,105	5,592	5,592	513	5,592	5,592	5,592	
Miscellaneous Distribution Expenses	5,327	5,540	7,626	7,626	(2,086)	23,182	27,369	30,504	30,504	(3,135)	30,504	30,504	30,504	
Supplies	5,387	3,835	4,233	4,233	(398)	17,650	15,642	16,932	16,932	(1,290)	16,932	16,932	16,932	
Shop Expenses	5,631	5,362	3,411	3,411	1,951	19,014	16,235	13,644	13,644	2,591	13,644	13,644	13,644	
Miscellaneous Expenses	7,276	3,146	8,628	8,628	(5,482)	43,188	34,754	34,512	34,512	242	34,512	34,512	34,512	
Rent	3,000	3,000	3,000	3,000	0	12,000	12,000	12,000	12,000	0	12,000	12,000	12,000	
Utilities	1,509	2,114	1,500	1,500	614	5,166	6,010	6,000	6,000	10	6,000	6,000	6,000	
Vehicle Repairs & Maintenance	4,604	1,121	9,249	9,249	(8,128)	34,316	20,027	36,996	36,996	(16,969)	36,996	36,996	36,996	
Vehicle Fuel	1,502	2,443	3,615	3,615	(1,172)	7,216	8,760	14,460	14,460	(5,680)	14,460	14,460	14,460	
General & Administrative Wages	75,522	63,732	69,738	69,738	(6,006)	282,313	281,206	278,952	278,952	2,254	278,952	278,952	278,952	
State & Payroll Taxes	25,524	22,383	16,251	16,251	6,132	70,787	67,382	65,004	65,004	2,378	65,004	65,004	65,004	
Employee Benefits	135,628	167,940	69,342	69,342	98,598	333,129	377,310	277,368	277,368	99,942	277,368	277,368	277,368	
Professional Services	3,523	2,271	7,251	7,251	(4,980)	23,415	23,279	29,004	29,004	(5,725)	29,004	29,004	29,004	
Telephone/Cell	235	167	225	225	(58)	784	668	900	900	(332)	900	900	900	
Insurance	5,149	3,717	2,625	2,625	1,092	13,597	14,020	10,500	10,500	3,520	10,500	10,500	10,500	
Safety & Training	5,226	4,938	5,250	5,250	(312)	20,102	20,711	21,000	21,000	(289)	21,000	21,000	21,000	
Depreciation	165,164	187,130	144,872	144,872	42,258	599,414	621,360	579,500	579,500	41,880	579,500	579,500	579,500	
Subtotal Local Operating Expenses	506,639	537,480	410,987	410,987	126,493	1,744,311	1,804,290	1,643,960	1,643,960	160,328	1,643,960	1,643,960	1,643,960	
Total Operating Expenses	2,371,021	2,343,925	2,350,217	2,350,217	(6,292)	9,295,130	9,481,416	9,400,880	9,400,880	80,535	9,400,880	9,400,880	9,400,880	
OPERATING INCOME (LOSS)	(80,359)	157,984	73,819	73,819	84,165	420,136	461,531	295,264	295,264	166,267	295,264	295,264	295,264	
Non-Operating Revenues (Expenses)														
Investment Income	251	4,185	2,499	2,499	1,686	8,474	13,523	9,996	9,996	3,527	9,996	9,996	9,996	
Interest Expense	1,328	549	(6,625)	(6,625)	9,174	(38,425)	(33,900)	(34,500)	(34,500)	600	(34,500)	(34,500)	(34,500)	
Non-Utility Expenses	(453)	(599)	(2,001)	(2,001)	1,402	(5,002)	(4,959)	(8,004)	(8,004)	3,045	(8,004)	(8,004)	(8,004)	
Total Non-Operating Revenues (Expenses)	1,125	4,136	(8,127)	(8,127)	12,263	(34,953)	(25,335)	(32,508)	(32,508)	7,173	(32,508)	(32,508)	(32,508)	
Contributions & Transfers														
Capital Contributions	59,285	241,718	0	0	241,718	130,886	303,415	0	0	303,415	0	0	0	
Transfers Out (Tax Equivalent)	(70,984)	(69,817)	(65,406)	(65,406)	(4,411)	(256,015)	(261,832)	(261,624)	(261,624)	(208)	(261,624)	(261,624)	(261,624)	
Total Contributions & Transfers	(11,699)	171,901	(65,406)	(65,406)	237,307	(125,129)	41,583	(261,624)	(261,624)	303,207	(261,624)	(261,624)	(261,624)	
CHANGE IN NET POSITION	(90,933)	334,021	286	286	333,735	260,054	477,780	1,132	1,132	476,648	1,132	1,132	1,132	



Water Utility Financial Report

Fourth Quarter 2017

Water 5-Year Actuals through 4th Quarter



OPERATING REVENUES

Actuals vs. Budget

Revenues through December 31, 2017 total \$1.53M, which is approximately four percent (\$64.7K) above budget. Revenues through same period 2016 were \$151K more than the budgeted amount.

Revenue Trend

2017 fourth quarter revenues are \$35K less than same period 2016 revenues but \$70K higher than same period 2015. These numbers align with year-on-year water sales; 320 million gallons sold in 2017 versus 328 million in 2016 and 314 million in 2015.

Analysis

Fourth quarter metered sales were driven by industrial water consumption, coming in \$72.8K above budget. Water revenues ended \$64.7K above budget for 2017, due mainly to fourth quarter performance. Note that residential sales, by far the largest sale category, ended \$18.6K under budget. A year-on-year comparison shows that residential revenues have been slowly increasing by approximately \$8K a year, but may not be rising fast enough to offset increased expenses associated with population growth.

OPERATING EXPENSES

Actuals vs. Budget

Expenses through December 31, 2017 total \$1.28M, which is approximately 2.5 percent (\$31.6K) above budget. Main cost drivers include:

- Well maintenance

- End-of-year accounting for depreciation
- End-of-year accounting for future benefit liabilities

Expenses Trend

YTD expenses are \$120K higher than same period 2016 expenses. Expenses have increased at a rate of around ten percent annually over the last five-year period; maintenance expenses spiked in 2015 due to water tower refurbishment, but returned to the average in 2016.

Analysis

Well maintenance expenses were eleven percent higher than anticipated, due in part to Well #6 pump repairs and well power consumption. Development activity and the accompanying growth in water system plant over the last several years increased end-of-year accounting for depreciation. Earned benefits that are future liabilities but reported as current expenses at budget year-end (earned but not used) fluctuated upward due to employees using less comp time, sick time, and/or entering a higher age bracket.

Water 4th Quarter Actuals to Budget - 5 Year Comparison

Year	2013	2014	2015	2016	2017
Operating Revenues	1,337,849	1,364,805	1,461,573	1,567,233	1,531,955
Operating Expenses	982,339	1,082,964	1,503,594	1,167,932	1,288,169
Budgeted Revenues	1,321,132	1,348,601	1,391,507	1,415,832	1,467,205
Budgeted Expenses	1,107,694	1,099,096	1,152,441	1,212,100	1,256,568
Revenues Over (Under) Budget	16,717	16,204	70,066	151,401	64,750
Expenses Over (Under) Budget	(125,355)	(16,132)	351,153	(44,168)	31,601
Operating Income (Loss)	355,510	281,841	(42,021)	399,301	243,786

NET POSITION

Change in net position is \$299K through fourth quarter, which is \$435K above the budgeted net position of -\$135,810. Note that end-of-year capital contributions (i.e. the value of infrastructure that is installed by a developer and subsequently transferred to City ownership via developer agreement) added \$386K to net position. The Water Department had an operating income of \$243.7K for 2017.

CAPITAL IMPROVEMENT PROJECTS

At the close of 2017 there is one active project accounting for \$27K, the antenna co-location project with St. Croix County. When completed in 2018, the County will reimburse the Utility for project costs. Major projects completed in 2017 include the installation of mains, hydrants and services as part of the North 4th Street project and main replacements on Paperjack Drive.



WATER DEPARTMENT

Budget & Actual

For the Twelve Months Ending 12/31/2017

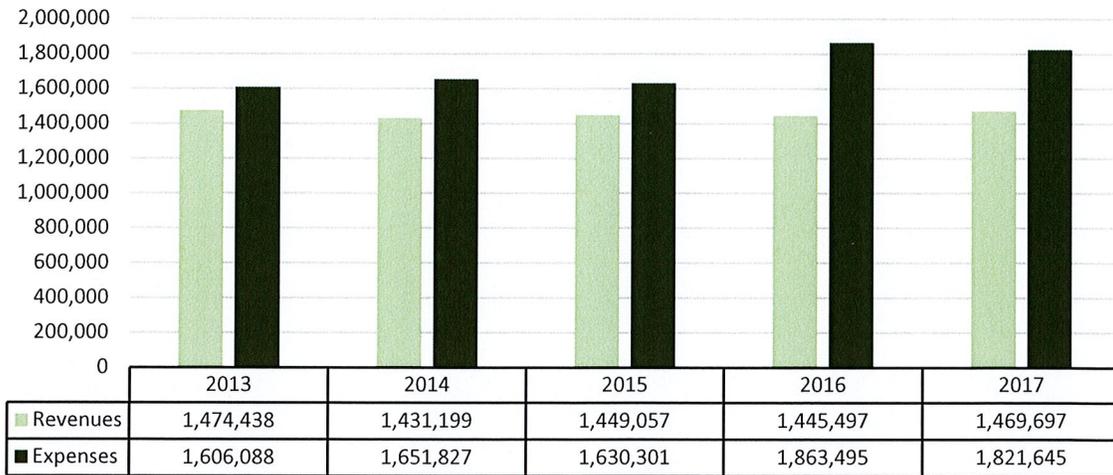
	Quarter 2016 Actual	Quarter 2017 Actual	Quarter 2017 Budget	Quarter 2017 Budget	Variance Actual-Budget	December 2016 Actual YTD	December 2017 Actual YTD	December 2017 Budget YTD	Variance YTD Actual-Budget	2017 Budget
OPERATING REVENUES										
Metered Sales (Res, Small, Large, Indust)	\$398,312	\$404,619	\$331,782	\$1,401,079	\$72,837	\$1,402,514	\$1,327,130	\$1,327,130	\$75,384	\$1,327,130
Miscellaneous Revenue	47,511	65,462	35,019	166,154	30,443	129,441	140,075	140,075	(10,634)	140,075
Total Operating Revenue	445,823	470,081	366,801	1,567,233	103,280	1,531,955	1,467,205	1,467,205	64,750	1,467,205
OPERATING EXPENSES										
Building/Grounds Maintenance	574	722	1,250	3,129	(528)	1,366	5,000	5,000	(3,634)	5,000
Well Maintenance & Power Consumption	22,764	62,438	28,285	98,775	34,153	125,737	113,141	113,141	12,596	113,141
Tower Maintenance	597	4,874	7,150	8,537	(2,276)	6,158	28,600	28,600	(22,442)	28,600
Water Main Maintenance	5,967	22,518	12,954	9,564	32,154	51,097	51,815	51,815	(718)	51,815
Water Service Maintenance	9,649	13,524	12,019	39,352	1,505	51,387	48,075	48,075	3,312	48,075
Meter Maintenance	4,631	2,866	13,002	25,877	(10,136)	26,858	52,010	52,010	(25,152)	52,010
Hydrant Maintenance	1,514	1,274	3,700	6,175	(2,426)	5,011	14,800	14,800	(9,625)	14,800
Water Testing	4,030	4,583	6,691	18,652	(2,108)	26,286	26,765	26,765	(479)	26,765
Treatment Chemicals	3,608	4,319	3,750	15,812	569	17,565	15,000	15,000	2,565	15,000
Meter Reading Expenses	1,069	1,162	1,175	4,407	(13)	4,579	4,700	4,700	(121)	4,700
Rent	9,750	9,750	9,750	39,000	0	39,000	39,000	39,000	0	39,000
Utilities	1,275	1,618	1,500	4,438	118	5,129	6,000	6,000	(871)	6,000
Supplies	4,855	3,491	4,165	17,406	(673)	15,111	16,659	16,659	(1,547)	16,659
Miscellaneous Expenses	3,123	11,225	3,337	17,203	7,888	19,199	13,348	13,348	5,851	13,348
Shop Maintenance	1,844	1,304	620	4,482	684	4,482	2,480	2,480	2,002	2,480
Vehicle Repairs & Maintenance	859	3,010	1,091	2,907	1,919	7,204	4,365	4,365	2,839	4,365
Vehicle Fuel	1,741	1,822	2,075	6,968	(253)	7,371	8,300	8,300	(929)	8,300
Safety & Training	5,715	4,494	6,750	21,289	(2,256)	21,396	27,000	27,000	(5,604)	27,000
General & Administrative Wages	53,257	52,894	59,235	212,369	(6,340)	223,965	236,939	236,939	(12,974)	236,939
Employee Benefits	95,860	114,096	44,093	217,425	70,003	239,024	176,372	176,372	62,652	176,372
Professional Services	2,886	1,873	4,750	20,897	(2,877)	16,543	19,000	19,000	(2,457)	19,000
Contract Services	508	403	969	3,223	(566)	3,358	3,875	3,875	(517)	3,875
Telephone/Cell	605	518	500	1,895	18	2,180	2,000	2,000	180	2,000
Insurance	4,462	3,708	2,856	13,291	852	13,291	11,424	11,424	2,381	11,424
Payroll & PSC Taxes	(1,933)	(848)	4,950	19,264	(5,798)	21,083	19,800	19,800	1,283	19,800
Depreciation (C.I.A.C.)	82,635	99,011	77,525	315,735	21,486	332,111	310,100	310,100	22,011	310,100
Total Operating Expenses	321,845	426,649	314,142	1,167,932	112,507	1,288,169	1,256,568	1,256,568	31,601	1,256,568
OPERATING INCOME (LOSS)	123,979	43,433	52,660	399,301	(9,228)	243,788	210,639	210,639	33,149	210,639
Non-Operating Revenues (Expenses)										
Investment Income	(1,115)	7,902	6,250	19,417	1,652	28,604	25,000	25,000	3,604	25,000
Interest Expense (GAAP)	(1,940)	(26,776)	(15,168)	(50,861)	(11,608)	(63,269)	(60,674)	(60,674)	(2,595)	(60,674)
Non-Utility Expense	0	0	(331)	0	331	0	(1,325)	(1,325)	1,325	(1,325)
Total Non-Operating Revenues (Expenses)	(3,054)	(18,874)	(9,250)	(31,445)	(9,624)	(34,665)	(36,999)	(36,999)	2,334	(36,999)
Contributions & Transfers										
Capital Contributions	21,307	306,673	0	65,241	306,673	386,035	0	0	386,035	0
Transfers Out (Tax Equivalent)	(91,667)	(79,387)	(77,363)	(288,263)	(2,025)	(295,431)	(309,450)	(309,450)	14,019	(309,450)
Total Contributions & Transfers	(70,360)	227,286	(77,363)	(223,022)	304,649	90,604	(309,450)	(309,450)	400,054	(309,450)
CHANGE IN NET POSITION (GAAP)	50,564	251,845	(33,952)	144,834	285,797	299,727	(135,810)	(135,810)	435,537	(135,810)



Sewer Utility Financial Report

Fourth Quarter 2017

Sewer 5-Year Actuals through 4th Quarter



OPERATING REVENUES

Actuals vs. Budget

Revenues through December 31, 2017 total \$1.46M, which is less than 1 percent (\$10K) below budget. Revenues through same period 2016 were 1.2 percent (\$18.5K) less than the budgeted amount.

Revenue Trend

2017 fourth quarter revenues are \$24.2K more than same period 2016 revenues. Over the last five-year period, revenues have averaged \$1.45M, peaking at \$1.47M in 2013.

Analysis

Commercial metered sales over performed by \$19.5K for the year, but were offset by less than expected Public Authority sales (\$20K under budget). Overall, 2017 revenues were less than one percent under budget.

OPERATING EXPENSES

Actuals vs. Budget

Expenses through December 31, 2017 total \$1.82M, which is approximately 7 percent (\$115.7K) above budget. Cost drivers include:

- Biosolid removal costs
- Lab supplies & testing services
- Lift station maintenance
- Treatment & disposal equipment maintenance
- Joint meter allocation

- End-of-year accounting for depreciation
- End-of-year accounting for future benefit liabilities

Expenses Trend

YTD expenses are \$41.8K less than same period 2016 expenses, but still higher than the five-year average.

Analysis

Biosolid removal was the main cost driver in 2017 due to a higher number of pounds processed (602,534 in 2017 vs. 545,758 in 2016) and a processor rate increase (+1.6 cents/pound).

Maintenance costs were elevated by unanticipated pump and control equipment repairs, control panel screens that needed replacement, and damages from the June hailstorm. Lab supplies and testing services were also over budget, due to the WWTP Facility Plan project and new DNR restrictions on phosphorous discharge. Development activity and the accompanying growth in sewer system plant over the last several years increased end-of-year accounting for depreciation. Earned benefits that are future liabilities but reported as current expenses at budget year-end (earned but not used) fluctuated upward due to employees using less comp time, sick time, and/or entering a higher age bracket.

Sewer 4th Quarter Actuals to Budget - 5 Year Comparison

Year	2013	2014	2015	2016	2017
Operating Revenues	1,474,438	1,431,199	1,449,057	1,445,497	1,469,697
Operating Expenses	1,606,088	1,651,827	1,630,301	1,863,495	1,821,645
Budgeted Revenues	1,418,000	1,479,800	1,470,000	1,464,000	1,480,000
Budgeted Expenses	1,633,507	1,678,522	1,806,056	1,688,455	1,705,862
Revenues Over(Under) Budget	56,438	(48,601)	(20,943)	(18,503)	(10,303)
Expenses Over(Under) Budget	(27,419)	(26,695)	(175,755)	175,040	115,783
Operating Income (Loss)	(131,650)	(220,628)	(181,244)	(417,998)	(351,948)

NET POSITION

Change in net position is \$116K through fourth quarter, which is \$295K above the budgeted net position of -\$178,840. Note that end-of-year capital contributions (i.e. the value of infrastructure that is installed by a developer and subsequently transferred to City ownership via developer agreement) added \$469.9K to net position.

CAPITAL IMPROVEMENT PROJECTS

The WWTP Facility Plan and Phosphorus Optimization project remained active at the end of 2017; all other capital improvement projects scheduled for 2017 and rollover projects from 2016 were completed. The North 4th Street project accounted for the majority of capital improvement expenditures in 2017. Other major projects included lift station pump and controls upgrade (\$22.9K) and projects carried over from 2016 (\$74.2K).

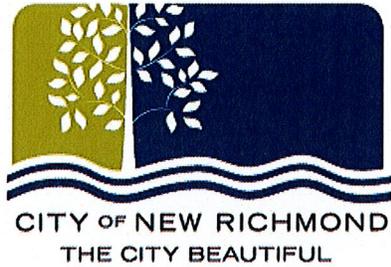


SEWER DEPARTMENT

Budget & Actual

For the Twelve Months Ending 12/31/2017

	Quarter 2016		Quarter 2017		Quarter 2017		December 2016		December 2017		December 2017		2017	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
OPERATING REVENUES														
Metered Sales	\$356,051	\$374,632	\$366,000	\$366,000	\$1,431,247	\$1,431,247	\$1,458,285	\$1,464,000	\$1,458,285	\$1,464,000	(\$5,715)	\$1,464,000	\$1,464,000	
Miscellaneous Revenue	5,197	3,509	4,003	4,003	14,250	14,250	11,412	16,000	11,412	16,000	(4,588)	16,000	16,000	
Total Operating Revenues	361,248	378,141	370,003	370,003	1,445,497	1,445,497	1,469,697	1,480,000	1,469,697	1,480,000	(10,304)	1,480,000	1,480,000	
OPERATING EXPENSES														
Lab Analysis & Tank Cleaning	10,585	10,111	10,328	10,328	37,758	37,758	45,856	41,270	45,856	41,270	4,586	41,270	41,270	
Utilities	21,852	22,965	24,244	24,244	91,667	91,667	89,411	97,000	89,411	97,000	(7,589)	97,000	97,000	
Biosolid Removal	85,500	78,999	72,394	72,394	276,634	276,634	319,751	289,600	319,751	289,600	30,151	289,600	289,600	
Phosphorus Removal Chemicals	17,553	19,377	15,000	15,000	61,091	61,091	67,520	60,000	67,520	60,000	7,520	60,000	60,000	
Rent	2,250	2,250	2,250	2,250	9,000	9,000	9,000	9,000	9,000	9,000	0	9,000	9,000	
Lab Supplies & Testing Services	7,185	7,783	4,669	4,669	23,728	23,728	29,996	18,700	29,996	18,700	11,296	18,700	18,700	
Vehicle Maintenance	15	878	169	169	263	263	945	700	945	700	245	700	700	
Vehicle Fuel	216	807	427	427	1,195	1,195	1,599	1,750	1,599	1,750	(151)	1,750	1,750	
Collection System Maintenance	7,263	5,808	5,691	5,691	22,819	22,819	16,999	22,800	16,999	22,800	(5,801)	22,800	22,800	
Lift Station Maintenance	20,088	19,220	17,885	17,885	90,296	90,296	81,032	71,507	81,032	71,507	9,525	71,507	71,507	
Treatment & Disposal Equipment Maintenance	6,781	5,196	9,017	9,017	117,085	117,085	48,577	36,080	48,577	36,080	12,497	36,080	36,080	
WWTP Building & Equipment Maintenance	6,290	4,779	5,578	5,578	25,957	25,957	19,156	22,300	19,156	22,300	(3,144)	22,300	22,300	
Jet Truck Operation & Maintenance	5,030	749	1,689	1,689	7,355	7,355	3,609	6,765	3,609	6,765	(3,156)	6,765	6,765	
Meter Reading Expenses	1,069	1,162	778	778	4,405	4,405	4,578	3,100	4,578	3,100	1,478	3,100	3,100	
Safety & Training	2,334	2,155	3,244	3,244	12,010	12,010	10,107	13,000	10,107	13,000	(2,893)	13,000	13,000	
Administrative & General Expenses	49,563	47,494	48,099	48,099	198,161	198,161	200,641	192,360	200,641	192,360	8,281	192,360	192,360	
Employee Benefits	95,894	76,004	33,550	33,550	173,572	173,572	167,754	134,170	167,754	134,170	33,584	134,170	134,170	
Professional Services	3,393	28,394	11,250	11,250	37,389	37,389	40,554	45,000	40,554	45,000	(4,446)	45,000	45,000	
Insurance	8,442	3,800	3,959	3,959	21,259	21,259	19,394	15,830	19,394	15,830	3,564	15,830	15,830	
Miscellaneous Expenses	51,289	39,538	11,207	11,207	71,814	71,814	54,902	44,930	54,902	44,930	9,972	44,930	44,930	
Payroll Taxes	15,221	15,839	8,747	8,747	33,845	33,845	34,147	35,000	34,147	35,000	(853)	35,000	35,000	
Depreciation (CIAC)	141,192	150,926	136,250	136,250	546,192	546,192	556,117	545,000	556,117	545,000	11,117	545,000	545,000	
Total Operating Expenses	558,385	544,234	426,425	426,425	1,863,495	1,863,495	1,821,645	1,705,862	1,821,645	1,705,862	115,784	1,705,862	1,705,862	
OPERATING INCOME (LOSS)	(197,738)	(166,090)	(56,422)	(56,422)	(417,999)	(417,999)	(351,950)	(225,862)	(351,950)	(225,862)	(126,088)	(225,862)	(225,862)	
Non-Operating Revenues (Expenses)														
Investment Income	(5,650)	9,297	11,250	11,250	31,379	31,379	38,486	45,000	38,486	45,000	(6,514)	45,000	45,000	
Interest Expense	(5,260)	(14,038)	(8,246)	(8,246)	(50,825)	(50,825)	(39,539)	(32,978)	(39,539)	(32,978)	(6,561)	(32,978)	(32,978)	
Non-Utility Expenses														
Total Non-Operating Revenues (Expenses)	(10,910)	(4,742)	3,004	3,004	(19,446)	(19,446)	(1,053)	12,022	(1,053)	12,022	(13,075)	12,022	12,022	
Contributions & Transfers														
Capital Contributions	20,603	390,386	8,747	8,747	66,386	66,386	469,916	35,000	469,916	35,000	434,916	35,000	35,000	
Transfers Out (Tax Equivalent)														
Total Contributions & Transfers	20,603	390,386	8,747	8,747	66,386	66,386	469,916	35,000	469,916	35,000	434,916	35,000	35,000	
CHANGE IN NET POSITION	(188,046)	219,554	(44,671)	(44,671)	(371,060)	(371,060)	116,913	(178,840)	116,913	(178,840)	295,753	(178,840)	(178,840)	



156 East First Street
New Richmond, WI 54017
715-246-4268
www.newrichmondwi.gov

MEMORANDUM

TO: Utility Commission

FROM: Jeremiah Wendt, Director of Public Works
Joel Enders, Management Analyst

DATE: May 1, 2018

SUBJECT: 2018 Street & Utility Projects

BACKGROUND

Staff will present bid results for the 125th Street reconstruction project, East 4th Street utility improvements, Country Road A Trail (Phase 1) and the 125th Street/Paperjack Creek Nature Trail. Bid openings will take place at 1:00pm on Monday, May 7.

RECOMMENDATIONS

Staff recommends consideration and recommendation of utility bid results.



156 East First Street
New Richmond, WI 54017
715-246-4268
www.newrichmondwi.gov

MEMORANDUM

TO: Utility Commission

FROM: Rae Ann Ailts, Finance Director
Joel Enders, Management Analyst

DATE: May 4, 2018

SUBJECT: James Place PHII Electrical Line Extension

BACKGROUND

In 2004, the City approved Phase I of James Place, the first 18 lots of a planned 61 lot residential development. In June 2017, the City approved a development agreement for Phase II of James Place, authorizing the development of an additional 22 lots. The developer, Bass Lake Inc., elected to contract with the City Utility for the extension of electrical lines and the installation of three streetlights in Phase II. The formal estimate communicated to the developer for this work totaled \$16,724. In late July / early August, a private utility contractor was hired to assist with line installation and expedite project completion, resulting in final project costs that were \$6,099.13 higher than initially estimated. However, the request for and/or communication of this change order was not formally documented, causing a billing dispute between the City and the Developer when the work invoice was received in late October. Staff met with the developer on May 4, 2018, to discuss this issue, whereupon the developer offered to pay \$4,000 of outstanding project costs. While this amount is approximately \$2,000 less than the billed amount, litigating this dispute would be an even less cost-efficient option.

RECOMMENDATIONS

Staff recommend accepting payment in the amount proposed by the developer of \$4,000, absorbing the remaining \$2,099.13.

ATTACHMENTS