



**CITY OF RIVER FALLS WISCONSIN
UTILITY ADVISORY BOARD AGENDA
CITY HALL – COUNCIL CHAMBERS
February 15, 2016**

Call Meeting to Order: 6:30 p.m.

Roll Call

Approval of Minutes: January 18, 2016: January 26, 2016 Joint Workshop

ACTION MAY BE TAKEN ON ANY OF THE FOLLOWING ITEMS

PUBLIC COMMENTS:

CONSENT AGENDA:

1. Acknowledgement of the following minutes:
 - a. West Central Wisconsin Biosolids Facility Commission – 12-15-15
 - b. POWERful Choices Committee – 1-14-16

RESOLUTIONS:

2. Resolution Recommending Bid for Waste Water Treatment Plant Project
3. Resolution to Extend WPPI Contract

REPORTS:

4. Finance Report
5. Utility Dashboards
 - a. Electric
 - b. Water
 - c. Waste Water Treatment Plant
 - d. Powerful Choices
6. Monthly Utility Report

ANNOUNCEMENTS:

ADJOURNMENT:

Post: 02-05-16

Utility Advisory Board Meeting

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REGULAR MEETING

RIVER FALLS UTILITY ADVISORY BOARD

January 18, 2016 6:30 p.m.

Council Chambers, City Hall

The Regular Meeting of the River Falls Utility Advisory Board was called to order by President Hanson at 6:30 p.m. Present: Chris Gagne, Grant Hanson, Diane Odeen, Wayne Beebe, Tim Thum, and Adam Myszewski. Absent: Duane Pederson. Staff present: Kevin Westhuis, Utility Director; Kristi Hartmon, Administrative Assistant; David Keating, Civil Engineer; Mike Noreen, Conservation and Efficiency Coordinator, Wayne Siverling, Electric Operations Superintendent, Greg Koehler, Lead Water Operator and Julie Bergstrom, Finance Director; Other Present: Mark Lundgren, MSA Professional Services, Dave Krause, Krause Power Engineering, Patricia LaRue, River Falls Resident

M/S Beebe/Odeen to approve minutes of the November 16, 2015 Regular Meeting. Motion Carried.

CONSENT AGENDA:

1. Acknowledgment of the following minutes:
West Central Wisconsin Biosolids Facility Commission Meeting – 10-20-15 and 11-17-15
POWERful Choices Committee – 11-12-15 and 12-10-15

M/S Odeen/Beebe to approve Consent Agenda. Motion Carried.

River Falls City Resident, Patricia LaRue addressed the board regarding hydro power; fossil fuel versus clean energy. Ms. LaRue started by saying “I am here to sell you electricity”. Ms. LaRue stated that the City of River Falls is saving money over the life of the hydro dams license. Fuel for the hydro is free and fossil fuel is at a higher cost. LaRue explained that the hydro’s are a valuable assets to the City, are paid for, are making money, and have value. The hydro plants are a 1M dollar asset to the City. Ms. LaRue stated she would like residents to know more about what the hydro’s are. The city puts out a pamphlet of an overview of River Falls and in the Utility section there is nothing on the Hydro’s. LaRue is asking the City to give a shout out to the hydros and give a one-minute city rap. Possibly create a dashboard that shows the community the value in supporting clean energy like generation from the solar garden and generation from hydros. LaRue suggested the City mount cameras on power plant and video stream the upper dams, the ducks and other scenery and put a camera on Lake Louise so the community can view. LaRue suggested inserts in the billing statements to educate the community “who own the hydro power” on how revenue, expenses and PILOT and depreciation are considered. Give the city useful information. LaRue thanked the board for their time. Council Representative Odeen stated to Ms. LaRue that as far as the deadline of the license goes, there will be a lot of information available to the community about what the options are. Odeen also stated that it is not 7 months that our license is good for, we have much longer and the Utility Advisory Board and City Council will take the time necessary for decisions that the entire community can participate in. Gange stated he welcomed the thoughts on this issue and LaRue state a lot of great facts there.

RESOLUTIONS:

2. Resolution Authorizing Purchase of 69KV Transformer and Switchgear for Power Plant Substation Project

3. David Keating, Civil Engineer and Dave Krause with Krause Power Engineering gave a presentation on the purchase of a 69kV Transformer and Switchgear for the Power Plant Substation Project. Keating gave a brief update on the project and stated they have 2 bids in, one for the 69KV Transformer and one for the Switchgear and looking for the board's recommendation to approve those bid awards. Keating stated that they submitted all necessary paperwork to the PSC and received preliminary approval from them with final approval by the end of January 2016. Keating state the variance is within the 20' for an industrial zone from the property boundary and don't anticipate any problems and will meet with that board in March. There are some existing utilities in the way (8" sanitary line – 30 ft. down). Having conversions with the utility department on what we want to do. It is not ideal to build a building on existing utilities and discussions are being continued. Utility Director Westhuis stated that the City is going out for a RFP for a consultant to help with long term planning of potential moving and relocating the lines. Council Member Odeen asked how old the line is. Lead Water Operator Koehler stated that it is 40's vintage. The water department is going to get that line cleaned and televised as soon as possible and the contractors also said there is a stronger lining available if lining was to be done.

Dave Krause gave a design progression update and stated they are in the process of doing the control system design and depending on the review and approvals on the major equipment then that gives them the ability to get drawings from those vendors. The two bids are the two major pieces of equipment. Once we know the answer on the sanitary work they will complete the design of the structures inside the existing fence.

Keating talked about bid package 1 – 69kV Transformer. They received 7 bids and there were 3 sizing options for pricing. The initial bids ranged from \$481,800 to \$795,237. Keating stated that is not as straight forward as looking at the low bidder. Krause spent time calling contractors and firming up their prices and checking their options. The initial budget had about \$750,000 for the transformer. Staff decided to go with mid-sized unit pricing and that's where you will see the discrepancy with not just taking the lowest bid. Based on their bid and follow-up discussions, the recommendation from Krause Power Engineering is for Virginia Transformer for \$572,358. Gange stated after going through the packet it is obvious why you didn't go with the lowest bid and he stated it looks like you went with the 3rd lowest bid because of quality components and the mid-size schedule. Gange appreciates looking at quality components.

Bid package 2 - Switchgear bids. Received 5 bids and the initial bids ranged from \$240,356 to \$490,525. Krause did follow-up with the low bidders. The low bid was Siemens Industries and based on the follow-up discussions with them, Krause is recommending awarding the bid to Siemens for \$240,356. Board member Thum stated that in this case the low bid seems significantly low and stated there must be some reason for that and asked if staff was confident that it is an equivalent bid and the quality of their offerings is comparable. Krause stated yes and stated when you look at switchgear the most significant component is the interrupting device in this case the circuit breaker and there are very few manufacturers of circuit breakers internationally and Siemens happens to be one of those companies. They not only make the assembly, but they are a breaker manufacture. Odeen moved approval for Resolution No. 2016-01 authorizing the purchase of 69kV Transformer and Switchgear for the Power Plant Substation Project, Myszewski seconded the motion, motion passed.

4. Resolution to Amend Commitment to Community Rate Tariff

Mike Noreen, Energy and Efficiency Coordinator presented on an amendment to the Tariff for the Commitment to Community. Since 2005 municipal electric utilities have been ordered to charge each customer a low-income and energy efficiency fee. 50% of that fee goes to low income programming (RFMU administers locally) and 50% goes to energy efficiency (Focus on Energy).

Each municipal electric utility must collect an average of \$16 per meter per year. Each utility is allowed to determine the amount that a particular class of customers is required to pay and may charge different fees to different classes of customers. RFMU periodically adjusts collections as city demographics and populations change. The current estimated average annual collection of fees for the River Falls Municipal Utilities is \$14.76 per meter per year.

The existing rate structure charges a flat 3% of the total electric bill, with not to exceed charges varying by the rate class of customers. Noreen presented 3 options for the Tariff rate for the board to review and decide on. Based on residential customers, the first option is 1.49% with a not to exceed \$2.00; second option is 1.25% with no cap and the third option is 3.00% with a not to exceed \$1.25. Commercial customers would pay a slightly different rate structure than residential customers. Depending on the tariff chosen, a change to a typical residential customer could result in paying approximately 28 cents less per month. After discussions, staff recommends approval of option 1, due to its balance of reduced impact on low energy users with higher not to exceed charges in the residential and commercial rate class. Board member Gagne asked where you would see a residential application of a high energy user as opposed to a low energy user. Noreen stated that you could have a situation where you have a low-income family and have more people living in a house, so it is not always clear on who is going to use more energy. Some of those options that don't have a cap on them can adversely affect some of the low-income users. Utility Director Westhuis also stated that electric heat is another big driver in the winter time. Gagne stated that he is never in favor of not having some type of cap for that reason as you never know what reason someone is using more energy. If the board did choose the 2nd option without a cap, what could be an amount that someone might pay. Noreen stated a high end for option 2 would be around \$3.00. Gagne asked if a resident wanted to help out the community for this type of program, what option would be the most beneficial. Noreen stated he would go back to option 1 because of the cap and because of the industrial customers. Industrial customers pay a little more up front, but they also qualify for programs through Focus on Energy. Noreen stated industrial customers would benefit from incentives like lighting, motors, pumps and refrigeration. RFMU sends in roughly \$48,000 to the state and normally gets back 2 to 1 from Focus on Energy. Board member Thum asked if there was any consideration on increasing the cap for the larger and industrial power customers. Noreen stated that the 3% is what they are maxing out at. Westhuis stated that option 1 was the option they considered because the larger industrial customers can get some of that money back if they are aggressive with incentives. Odeen made a motion to approve Resolution 2016-02 authorizing the Amendment to the Commitment to Community Rate Tariff, Myszewski seconded, motion passed.

5. Resolution to Approve Residential Loan Program for Community Solar

Noreen, Energy and Efficiency Coordinator presented on an option through the renewable energy finance program for residents to take out loans to purchase shares in the community solar project.

Resolution 5921 reallocated the renewable energy finance program last year to a loan program for the community solar project. The City has written a new loan agreement for customers looking to purchase shares in the community solar project, but who cannot afford the initial payment. The agreements states that the loan for the community solar panel would be placed on the property owner's tax roll for a period of up to three years as a special charge. A deposit of \$69 would be collected upfront for each panel. Anyone who pays property taxes in River Falls is eligible.

RFMU would like to provide this loan to allow more people to participate in the program, assist in selling shares and further cement RFMU as a leader in innovation and renewable energy development. Board member Gagne asked if there was any process for credit worthiness. Noreen stated that they would look at a customer's one year billing history. Beebe moved to approve resolution No. 2016-03 approving the community solar loan program. Gagne seconded, the motion passed.

NEW BUSINESS:

7. Water Rate Update - Julie Bergstrom, Assistant City Administrator/Finance Director gave an update on the Water Rates. Bergstrom stated that is has been a year since Trilogy reviewed the rates with the board. PSC received the rate case in May of 2015 and staff has had continuing discussions with PSC staff since that time. In August staff received their first proposal on the rate increase and it was a about a 6% increase. The UAB was updated in September to talk about the proposed rates and also the well #6 issue. The PSC did not want to include an potion of the costs of well #6 in the rates. The water impact fee study was done and the consultant, Christine from Trilogy suggested and recommended part of well #6 be included in the rates. Staff was stuck between two options (PSC and Trilogy). More discussions with the PSC happened this fall. Not a lot of progress was made, but made our case with them that we were concerned. The middle of December the PSC call Bergstrom and said they recently surveyed the sanitary survey report that is prepared every three years by the DNR and felt that the water utility was understaffed considering the number of projects that need to be completed and that were itemized in the survey report. Internal discussion about the report was done with Greg Koehler, Lead Water Operator and Kevin Westhuis, Utility Director. Most if not all were remedied by the end of 2015, however, the water utility does have increasing needs for infrastructure maintenance and could benefit from additional staff in operation. Bergstrom stated that based on that report, the PSC might change their recommendation. At this point staff has received their proposal and would like an answer from the City on how we felt about increasing the rates and still keeping well #6 out of the rates. Bergstrom asked the board how they felt about well #6. Do we continue the fight with well #6, do we except the proposal. There are some things that Bergstrom talked with the PSC about that she wants clarified. Odeen stated that there were 4 points that staff wanted to clarify with PSC (stated in memo to UAB) and asked if staff thinks that can be done. Bergstrom stated that she does.

Bergstrom stated the increase for a minimal water user is \$1.38 and would go to \$2.42 a month. Gagne asked how the water rates would work out with the new soccer fields. Westhuis stated that some of the impacts could affect places like the soccer fields, and ice rink. Gagne asked if there would be anything we could do to work with community sports groups. Westhuis stated that they could possible work something out. Bergstrom stated that the PSC discourages irrigation. Thum asked on a percentage basis, how much total increase is this. Bergstrom stated about another \$200,000 (PSC is proposing a rate of return of 5.25 overall).

Gagne stated that he is never in favor of raising rates on individuals of the community, but at the same point, there has been issues over and over about the water rates and it is about time we do something to take care of our future. Bergstrom stated that we have the expense of the water tower painig and have increase annual spending for main replacement, hydrant replacement, purchased needed equipment for valve exercising. Westhuis stated these are needed to keep our community safe. Odeen asked in the situation we are in now, the PSC will approve a higher water rate than what we actually asked for. And if we want to keep our original lower rate we would have to litigate against the PSC to get the lower rate which will also cost the city. Bergstrom stated that is correct. Gagne stated that this is because of the study they did and we were down manpower. Odeen stated the shortcomings have been addressed. Thum stated we need to

touch on the sanitary survey report as they are suggesting we are 2 positions short. Bergstrom stated that this is something that we would review if we have the funding and needed it we would consider hiring.

Odeen asked if staff needed anything specific from the board on moving forward with the water rate case. Bergstrom asked if the board feels comfortable coming to a consensus to go ahead with the proposal. Gagne stated that he thinks the proposal is an excellent deal for the city. The board agreed for Bergstrom to go ahead with the proposal.

8. Waste Water Treatment Plant Upgrade Project Update

Mark Lundgren from MSA Professional Services gave the board an update on the WWTP project including bidding, bid due dates and potential costs. Lundgren stated that the finished plans and specifications were sent out to potential bidders. Lundgren gave a brief overview of the project improvements including the solids storage, upgrade of the bio solids equipment for safety and ease of operation, scum handling, and final clarifier use. Lundgren showed diagrams of the site plan, solids handling building (lower level and upper level), and elevation views of what the building will look like. Lundgren gave a brief project schedule with bid opening on February 9th, bid recommendations to UAB on February 15th, and if all goes well the City Council will award the construction bid on February 23rd, with final completion of project in December 2015 (with an option of an August 2017 completion date) depending on how bids come in. The engineer's opinion of probable cost for the upgrades is a construction cost of \$3.55M before contingency. A 15% contingency fund would put the total construction cost around \$4M. Westhuis asked Mr. Lundgren to let the board know how many bidders have shown interest. Mr. Lundgren stated that 6 or 7 contractors have engaged in the process. Board member Hanson asked if River Falls continues to grow at the rate it has, how long the facility would be sufficient for these upgrades. Lundgren answered that the solids handling upgrades will be sufficient for many, many years. The hydraulic capacity would need to be addressed in the future depending on the growth. The plant is rated for 1.8M gallons per day and we are doing 1.2M gallons per day.

REPORTS:

9. Finance Report was included in the packets for review. Bergstrom stated that if the board has any questions she could answer those.
10. Utility Dashboards for, Electric, Water, Waste water and Powerful Choices were included in the UAB Packets. Thumb asked about the renewable energy bar graph and does the number 1,022 represent blocks or kWh he was uncertain what it was. Westhuis stated it is the number of blocks.
11. Monthly Utility Report was included in the UAB packets for review. Odeen stated that the recent cold weather had her thinking of the freezing pipes we had a couple years ago. Have we experienced any freeze ups yet? Westhuis stated we only had one issue with UW-River Falls and it was in a construction area. Staff did send out notice to about a dozen customers that have had a history of frozen water pipes. Staff does this every year to be aware of the potential of a freeze-up. Beebe asked about continued electric work being done on Cty. MM for the primary extension to the city building on Mann property. Hanson stated he didn't think there was a building on the property. Westhuis stated that there is a metal shed on the property that does have electricity. Hanson stated that the Solar garden is energized and up and running. Staff is reaching out to

residents and business to purchase solar shares. Gagne asked how soon the Loan Program will be available. Westhuis stated it will be available by the end of the month as soon as it is passed by City Council. Beebe asked about St. Croix gas leak at the WWTP (it was under the road leading into the plant). Staff smelled gas and St. Croix gas came out and fixed it. It did not affect the plant operations. Beebe asked about well #6 on a chemical scale being sent back to the factory for repair. Koehler stated that staff was not getting a constant measurement of the pounds of chlorine gas that were there and the scales were not telling them that, so they were sent it back to the factory for repair and well #6 was off line for a few days (a temporary was brought in). The well was down for about 4 days just to make sure they were in compliance.

Utility Directory Westhuis reminded the board that they are holding a joint workshop on January 26th to discuss the WPPI Contract Extension. Westhuis handed out information on the contract extension to review before the workshop and stated that if any board members have questions to please contact him.. Gagne asked when the current contract expires and what is WPPI looking to extend to. Westhuis stated that it expires in 2037 and they are looking to extend to 2052.

ADJOURNMENT:

M/S Beebe/Thumb moved to adjourn at 8:16 p.m. Unanimous.

Reported by: Kristi Hartmon, Administrative Assistant

Wayne Beebe, Secretary



WPPI CONTRACT EXTENSION WORKSHOP

January 26, 2016 – 4:30 p.m.

City Council Members: Mayor Dan Toland, David Cronk, Dan Gulick, Scott Morrissette, Diane Odeen, Aaron Taylor, Hal Watson

Utility Advisory Board Members: Tim Thum, Adam Myszewski, Grant Hanson, Wayne Beebe, Chris Gagne

City Staff: Scot Simpson, City Administrator; Kevin Westhuis, Utility Director, Julie Bergstrom, Finance Director/Assistant City Administrator; Ray French, Management Analyst; Keri Schreiner, Management Analyst; Buddy Lucero, Community Development Director; Reid Wronski, City Engineer; Wayne Siverling, Electric Operations Superintendent

Others: Mike Peters, President & CEO, WPPI; Tom Paque, SVP, Services & Business Strategy, WPPI ; Tim Noeldner, VP, Rates and Special Projects, WPPI; Weston Arndt, Energy Services Representative, WPPI

Utility Director, Kevin Westhuis welcomed everyone to the workshop for Council and Utility Advisory Board on the WPPI Contract Extension. Westhuis introduced Mike Peters, President & CEO of WPPI Energy, Tom Paque, WPPI Energy and Tim Noeldner, WPPI Energy.

WPPI President Mike Peters gave a history and overview on WPPI Energy, a not-for-profit; regional power company serving 51 locally owned electric utilities that were incorporated on September 5, 1980. Peters talked about members being stronger together through the WPPI Energy membership. In 1989 WPPI entered the asset ownership phase with 35-year contracts. Peters stated that governance is critical to their success.

Peters discussed the ownership of WPPI Energy and what is in it for River Falls. Reliable, affordable power supply for long-term, with a 75+ member services and customer programs and a seat at the energy policy table. Through joint action, WPPI members are able to do what would otherwise be too difficult or expensive to do alone.

Peters talked about the power supply positioned for tomorrow; coal-fired resources, natural gas-fired resources, unit specific purchases, and other purchases including renewable power purchase agreements, slice of system purchases, curtailable customer contracts, member-owned generation and short term capacity. Peters showed charts and graphs of the diversity of the contract term of WPPI resources and WPPI Energy and capacity position.

Peters discussed support services for members such as purpose, key initiatives and successes. Peters also discussed industry issues today including the changing technology, customer expectations, policy issues that can significantly impact costs and the power supply opportunity's that offer long-term benefit for customers of River Falls Municipal Utilities.

Peters stated that RFMU's current contract expires in 2037 and ownership of WPPI Energy provides shared strength, preserves and enhances the value of RFMU for the long term. WPPI Energy is asking for a contract extension and the timeline for completion is March 31, 2016.

Mike Peters, Tom Paque and Tim Noeldner opened up for discussion with Council and Utility Advisory Board Members.

Alderson Watson inquired about what drives it, the diversity of the contract term. Peters stated that WPPI is a non-profit, not bias to own investment. The driving factor is what is best for the members. The Executive Committee will be at the table to help with decisions.

It was asked if all members are on the same 40 year contract cycle. Peters stated that yes; every member is on the same schedule for contracts.

Alderson Odeen inquired what would happen if there is not enough support from members. An amendment would be made and RFMU would be on their own and in 2037 River Falls would need to find somewhere else to purchase power.

Utility Advisory Board Member Gagne asked what if we wait ten years to see what happens. Peters stated that the offer to extend the contract is open until March 31, 2016. After this date the offer to extend expires. River Falls Municipal Utilities would have to come back to the WPPI Executive Committee Board. Alderson Odeen inquired is this the first request from WPPI to extend the contract. Peters stated that 2002 was the last extension to allow for some debt financing.

Alderson Morrissette inquired why not ladder different members on different intervals for the contract extension. Peters answered because WPPI Energy has 51 members acting as one. Everything is aligned and if we staggered, we would not be aligned. By having everyone on the same contract, we act as one large utility. Example if we build a new Power Plant in 20 or 30 years, same contract affects members the same. Alderson Morrissette stated he is struggling on doubling the commitment for the community and City of River Falls to another 40 years. Peters stated that it is not unusual in the utility industry to extent contracts out 60 years. A shorter contract would affect the ability to plan.

Administrator Simpson stated that WPPI Energy provided a thorough and compressive "what's in it for us" with joint action. Administrator Simpson asked CEO & President, Peters what the biggest risk of extending the contract would be. Peters stated when WPPI Energy was created, Municipal Utilities acted alone and then they all came together. RFMU is pretty small and when you look at the market place they have to play in, an individual municipal utility would not be able to do that alone. RFMU would have to do an RFP for a power supplier. When market energy prices are low, energy suppliers want to service and when market energy prices are high they don't want to serve Municipal Utilities. With WPPI planning resources, you never see prices double overnight or increase 20-30 percent. Utility Director Westhuis is on the WPPI Executive Committee and he is a part of making decisions. Peters stated for a small municipal utility, most support joint action.

Risk to RFMU – After 2038 (18 year period) if energy market is in the tank, RFMU could potentially get better rates over that period of time. If WPPI fails what would happen. The reality is, not sure as staff, we have any clear alternatives besides WPPI. The board decision is March 31, 2016 and will need indicators from UAB and Council on how we move forward.

Watson asked if we don't sign now, could we come back to WPPI in 2038 and extend. It was stated that we are a member until we are not a member; we have a contract until 2038. After that it would need to be brought back to WPPI and the Executive Board to decide.

Peters stated that they are leading in programs and service and having RFMU is good for WPPI. All members can benefit from the collective membership.

Mayor Toland stated we have been with WPPI since 1980. No one knows the future and going on our past experience with WPPI and by renewing the contract he would expect the next 40 years will go as smoothly as the last 35. In the Mayor's opinion at the end of the day, the smartest decision is to sign the contract. Utility Director Westhuis stated the Joint Action has worked well for River Falls.

Mike Peters extended an invitation to come back to River Falls with small groups for further discussion if needed.

Simpson and Westhuis thanked everyone for their input. The workshop was adjourned at 6:05 p.m.

Respectfully Submitted,

Kristi Hartmon
Administrative Assistant

West Central Wisconsin Biosolids Facility

December 15th 2015

Meeting was called to order by Gary Newton at 8:35 am.

Board members present were: Gary Newton, Greg Engeset, John Bond, Kevin Westhuis, and Steve Skinner.

Others present: Joe Beaudry, Richard Bignell, and Chris Moarn.

Consent Agenda:

Approval of the November bills was passed. M/S Greg/John

Approval of the November minutes was passed. M/S Greg/Steve

Financial Reports:

Randy talked about monthly financial reports as outlined in the agenda. Motion was made to approve financial report. M/S Steve/John

Facility report:

Randy said pounds were down from last year at this time and gallons were up. Bioset computer controls were down for a while due to a controller component failure. Problem has been repaired and everything is working fine now. Bioset was able to run in manual while problem was being fixed. Product was being moved around in the storage area last month which caused one odor complaint is checking into sludge storage tank cleaning for the upcoming year. The last time the tanks were cleaned was back in 2012. Auditor will be to the facility sometime in January. Centrifuge budget prices for inspections are being put together for next year. Polymer feed pump stopped working last month. Randy said Polymer Company wasn't able to make it to the facility in a timely manner so they found a place to repair the broken pump. Facility is operating with old spare pump until repairs are complete.

Old business: BluTeq update

Chris reported that a local EPA representative from the St. Cloud area was looking to make a trip to the Biosolids to view the drier processes. He's working to set a meeting up with representatives from JWC (makers of the muffin monster) to see if they can offer a sludge cake delivery system to the drier. Delivery system would be a commutator, to rotary lobe pump, to hopper, then to drier. Drier is designed to dry down a 20% cake. Chris is going to switch current drier at facility with a different one to run some tests. He is hoping to have switch out driers done before December 25th.

New Business:

Election of officers for the 2016

President; Gary Newton

Vice President; John Bond

Secretary; Steve Skinner,

Treasurer; Greg Engeset.

Randy discussed changes in health plan for the New Year. He said that there was deductible reset for the old plan starting December 1st and new health plan does take effect until January 1st. Employees of the Biosolids would be responsible for a full year deductible over the month of December on the old plan and again for the new plan in 2016. Randy was asking if the board would consider helping cover some of the deductible costs for the month of December. Reimbursement discussion to be on January meeting agenda. Contract extension for Porcupine transportation was presented. Contract extension for a one year fuel adjustment from 1/3 to 2/3 reimbursement. Contract was awarded with the exception for adjustment of 1/2 instead of the proposed 2/3. Fuel reimbursement clause change effective immediately. Motion was made to accept fuel reimbursement and passed. M/S Kevin/Greg Porcupine transportation contract for hauling agreement to be extended from 2017 out to 2018 with a rate increase starting June 1st of 2017 was presented. Motion was made to award contract extension and passed. M/S Kevin/Greg. Randy is going to make required changes to contracts to be signed. There was discussion on Christmas party ideas. No decision made at this time.

Miscellaneous:

Chris Moarn to update on drier project progress. Discussion on health insurance deductible reimbursement.

Adjournment:

Meeting was adjourned at 10:00am. M/S John/Kevin



MINUTES

January 14, 2016

Training room at City Hall

12:00 p.m. – 1:00 p.m.

Committee members and guests present: Mike Noreen (RFMU), Dave Engstrom (SCV-Habitat), Kayla Ludwigson (SCV – Habitat), Anna Luebke (RFHS Student), Chuck Eaton (RFSD), Al Bohl (Focus on Energy), Jill Coleman Wasik (UWRF), Nathan Croes (City of RF), Greg Koehler (RFMU – Water), Peter Morsch (St Croix Energy Solutions), Mark Klapatch (UWRF), Tara Albore (RFSD), Don Richards (SCVH, RFBC), Patricia LaRue (Resident), Steve Preisler (CAB), Jennifer Mueller (RFSD), Matt Fitzgerald (UWRF), Aleisha Miller (Miller Escapes), Lauren Kaminski (RFSD – Community Ed), Jim Cooper (SCV Habitat), Rebecca Ferguson (Resident/First Cong), Alan Symicek (UWRF), and Rhonda Davison (RFMU)

Mike Noreen welcomed everyone reminding us that there is no membership required to participate in this group and how fortunate River Falls is to have so many people interested in sustainability. He encourages everyone to provide input and ideas that will benefit all. Requesting a motion to approve the minutes from the December 10, 2015 meeting Greg Koehler made a motion and Matt Fitzgerald seconded, and all approved.

1. Kinni Consortium – Research and partnership opportunities in River Falls

Mike introduced our guest speaker Jill Coleman-Wasik with UWRF Plant and Earth Science Department who heads up the Kinni Consortium project. The Kinni Consortium links the past present and future with the project initiated in fall of 2014.

What is it, why, what's been done, what's to come, and how to get involved.

What is it – An association between UWRF and watershed organizations that are concerned about the value of the river and the resources it provides within the watershed. Providing a better understanding of the role the river provides in the community. This program is funded as an undergraduate research program.

Why – There is a multitude of scientific research to be found, an outstanding resource, socially valuable resource (artwork), economic value (events around the river, the hydroelectricity produced, and recreation), the Kinni is an important tributary of the Saint Croix River.

What is to come – Many Projects cross multiple sectors which can be a challenge to coordinate and engage the community and those involved with the research. This is being done by providing education and sharing the value in the research being performed. Gathering this data and creating a framework that allows easy access to the information for all stakeholders and engaging them. Developing maps of the watershed areas, and showing where the research is taking place, survey and analysis of the watershed stakeholders helps to provide beneficial information for everyone. The stakeholders consist of about 3 dozen groups with environmental, social and economic concerns many of their concerns overlap. Looking at long-range concerns such as the dams, agricultural

runoff, aquatic life, and plant life, and invasive species ranking each by their importance will help to decide the path to take. Other ongoing projects such as the Eco Village showing cost performance comparison of net zero, water quality of the Kelly Creek Tributary, and Prairie habitat.

What's next – A pilot project called Seed to Seed is a multi-generation approach to increase interest among the community. Taking what they have learned and expanding what kind of land use decisions should be made – Recreational/Aesthetic making it easy to quantify property taxes and industry market commodities. Continuing to reach out to the community with workshops, identifying needs, land use decisions. If you have suggestions and ideas you are encouraged to attend the summit and stakeholder workgroups and focus groups.

March 22 & 23 2016 a summit will be held on the UWRF campus. There will be wide variety of breakout sessions for people to attend. There will be a film festival featuring Wild and Scenic held at Juniors.

Recently the UW received a large grant to continue work with this project.

2. Community Solar

Solar panels are for sale for \$567.00 with a 19 year payback credit on your utility bill. Mike gave examples of how an organization like a church who may want to make a purchase could have multiple people make smaller donations thus making the purchase more affordable.

The loan program is now available to people wishing to purchase but who do not have the upfront capitol. They can pay \$67.00 down and the balance will be collected on the property tax roll in January of 2017.

Currently River Falls is slightly behind New Richmond in sales of the Community Solar panels.

Home performance rebates are available. Incentives are very generous from RFMU with matching dollars towards Focus on Energy rebates making it economically attractive. RFMU has a strong track record of promoting the various programs offered to customers.

3. Other items of

- ✓ St. Croix County - Learn to snowshoe event dates January 23, February 6, and February 20 at area parks.
- ✓ MLK Breakfast will be held at St Bridget's on Monday January 18th the proceeds going to Assistance and Resource Center (ARC)
- ✓ The Eco Village has completed their final home and is planning a community celebration TBA
- ✓ Utility box painting will be on the next POWERful Choices! meeting

Meeting minutes were taken by Rhonda Davison



MEMORANDUM

TO: The City of River Falls Utility Advisory Board

FROM: Kevin Westhuis, Utility Director

DATE: February 15, 2016

TITLE: **Resolution approving the construction bid award and construction services agreement**

RECOMMENDED ACTION

Adopt the resolution approving the construction bid for the Waste Water Treatment Facility modifications to Miron Construction and the construction services proposal to MSA Professional Services.

BACKGROUND

The City of River Falls Municipal Utility has done extensive evaluation of our Waste Water Treatment Facility and has targeted areas for modification based on the need to update antiquated processes, potential safety issues, and the opportunity for gained efficiencies. Sludge handling and storage is the main area to be addressed in this project and is one that has been identified as a prime candidate for modification through studies done and presented by SEH Engineering in 2014 and 2015. Re-routing of piping to the clarifiers will also be part of this project because of the need to have our clarifiers working in concert in the near future and the proximity of this repair to the sludge storage building that will be constructed.

DISCUSSION

Item 1 of 2:

The City of River Falls opened seals bids for the upgrading of the River Falls Wastewater Treatment Facility's (WWTF) Biosolids Facility on February 9th, 2016. Four eligible firms submitted qualifying bids for the upgrades projects (includes base bid and supplemental bid #2S (demolition of sludge storage ditch and oxidation ditch control valve)

Miron Construction	\$3,751,207
Gridor Construction	\$3,767,300
Total Mechanical, Inc.	\$3,964,000
Staab Construction	\$4,090,000

In addition to the base bid construction items, the bidding documents listed two supplemental bid items (demolition of the sludge storage ditch and replacement of an oxidation ditch control valve) and one alternate bid item (extending the final completion date to August 2017). After reviewing the bids and discussing the supplemental items, it is recommended to accept one of the supplemental bid items (replacement of the oxidation ditch valve) and rejecting the alternate bid item to extend the project schedule. Based on this selection criteria, the apparent lowest responsive, responsible bidder for the project is Miron Construction based in Neenah, WI.

Miron Construction's bid for the project with supplemental bid item #2 is \$3,751,207.00. MSA Professional Services has reviewed the bid and supplemental information submitted by Miron Construction and find them to be conforming to the requirements set forth in the bid documents. MSA has direct experience with Miron Construction on a recent 2013 project in Fall River as well as a number of less recent projects. Their work in Fall River was found to be professional and of good quality. We have also contacted references for the firm and found them to have a good track record of performance on projects of similar size and scope of work.

In MSA's experience, they have found that a creation of a contingency fund for a project is an effective means of addressing minor changes in project scope due to unforeseen conditions or project enhancements. For this project, MSA proposes a contingency fund of 5% of the total construction cost or \$187,560. This fund would be used exclusively at the owner's discretion. Minor change orders to the project would be approved by City staff in amounts up to \$50,000 or cumulative change order amounts totaling \$50,000 in order to maintain the project schedule. For change order amounts exceeding \$50,000, a formal request and approval from the UAB and City Council would be required.

Action Requested for item 1 of 2: It is respectfully requested that the Utility Advisory Board (UAB) provide a recommendation to the River Falls City Council in favor of the award of the River Falls Biosolids Upgrades project to Miron Construction in the amount of \$3,751,207 and the establishment of a 5% project contingency fund.

Item 2 of 2:

MSA has also prepared an engineering services contract for the UAB's review and consideration. (See table 3 and table 4) The enclosed proposal outlines the specific tasks necessary to administer and observe the construction progress. The hours shown are estimated based on MSA's experience with similar projects. Based on the discussion with City staff, MSA's intent will be to proceed on a time and materials basis for these services reviewing the status of each task at our monthly progress meeting. It should not be assumed that the hours shown are guaranteed or capped. A time and materials contract allows the City the flexibility to reduce or increase engineering service as dictated by staff's expectations and onsite conditions.

The total estimated fee for MSA and its subcontractors is \$308,872.. The Wisconsin DNR keeps track of construction and bidding fees from consultants on WWTF projects funded by the Clean Water Fund. Based on that dataset, the estimated bidding and construction fees fall in line with the median costs for similar sized projects (see included cost curve). MSA does not base its fees on the total project cost, rather, it develops them from the ground up, based on experience and using the personnel and time necessary to meet the clients expectations and produce a quality project.

Action Requested for item 2 of 2: It is respectfully requested that the Utility Advisory Board (UAB) consider a recommendation to the River Falls City Council in favor of the proposed engineering service contract as presented. (See table 3 and table 4)

FUNDING CONSIDERATIONS

The wastewater fund is expected to end fiscal year 2015 with a positive cash balance, however, due to the long term nature of the improvements to the plant, it would be reasonable to match costs with the customers that benefit from the improvements. A 20 year sewer revenue bond is proposed for this project, to include the construction costs, contingency and engineering of the project. Estimated annual debt service costs would be \$335,000-\$350,000 per year.

CONCLUSION

It is staff's recommendation that the Utility Advisory Board approve the resolution with a positive recommendation to the City Council approving the bid to Miron Construction in the amount of \$3,751,207.00 and MSA Professional services for construction services in the amount of \$308,872.00 to construct and manage the modifications to our waste water treatment facility.

Table 3 - Preliminary Estimates for Construction Services

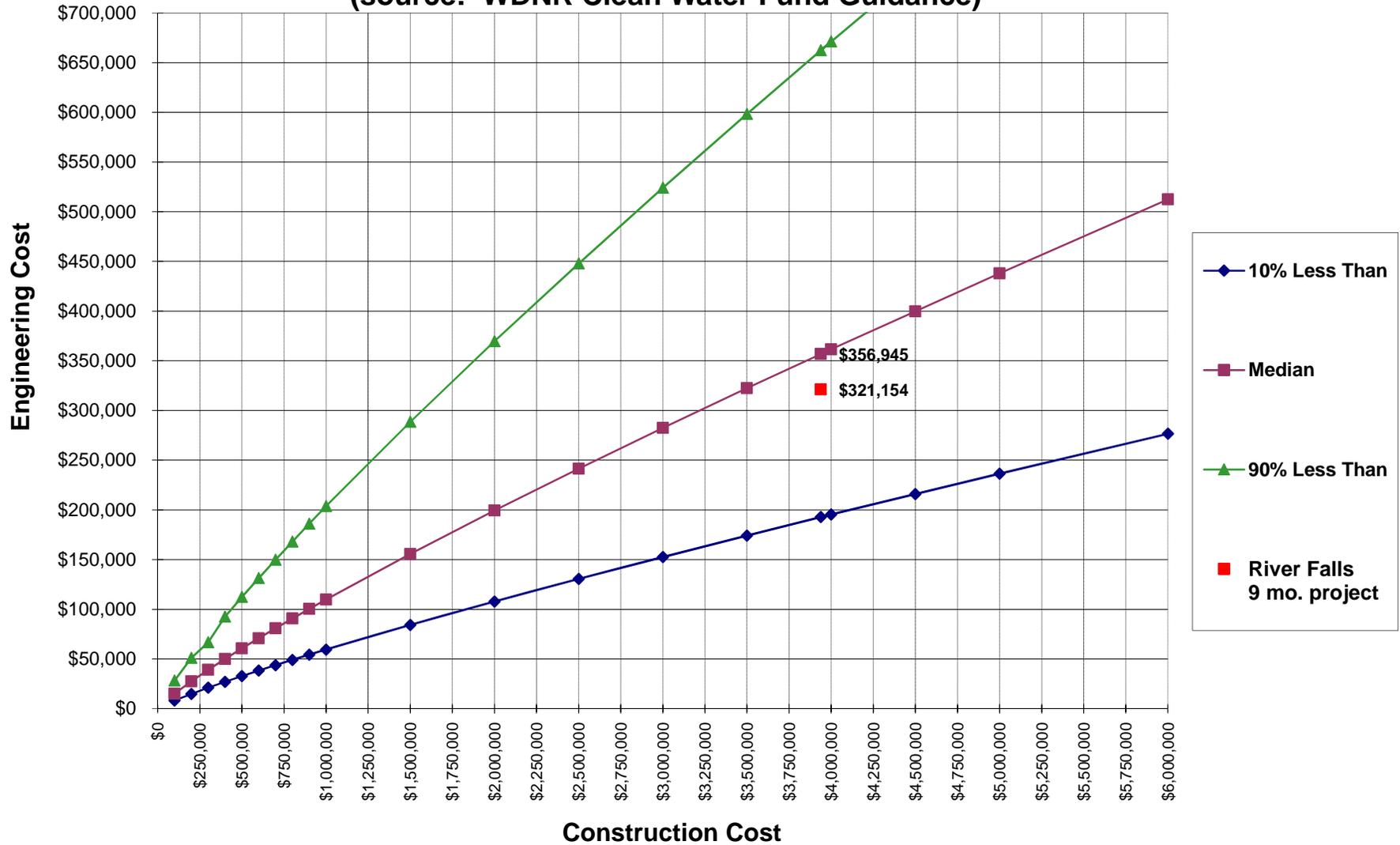
**WWTF - Biosolids Thickening and Storage Facilities
City of River Falls**

**MSA Professional Services
February 8, 2016
9 Month Project**

	Total	Total
Phase 3 - Construction Administration Services	Hours	Fees
Task 1: Project Coordination & Administration	120	\$14,214
Task 2: Review and Approve shop drawings - 80 Total	470	\$61,766
Task 3: Preparation of partial and final pay estimates - 9 Total	78	\$9,814
Task 4: RFI, RFP, Field Orders and Change Orders	147	\$19,413
Task 5: Client Meeting (UAB & Council) - 10 Total	80	\$9,476
Task 6: Monthly Progress Meeting - 9 Total	72	\$8,528
Task 7: O+M Manual	60	\$7,107
	Subtotal Hours	1027
		Subtotal Fees
		\$130,318
		Mileage
		\$1,310
		Postage, reproduction
		\$2,500
	Total Estimated Fees for Construction Admin	\$134,128
	Total	Total
Phase 4 - Construction Field Services	Hours	Fees
Task 8: Weekly construction meetings - 45 Meetings	45	\$5,099
Task 9: Construction Observation - 45 Weeks @ 26 hours/Week	1170	\$132,561
Task 10: Staking - 3 trips	24	\$3,584
Task 11: Prepare final punch list, recommend final project acceptance	96	\$11,676
Task 12: Prepare record drawings of all improvements	136	\$14,263
	Subtotal Hours	1471
		Subtotal Fees
		\$167,183
		Mileage
		\$7,560
	Total Estimated Fees for Construction Field Services	\$174,743
	Total Field Services and Admin	\$308,872

Table 4

Construction Related Services Cost vs. Construction Cost (incl. Bidding Services) (source: WDNR Clean Water Fund Guidance)



WASTEWATER BIOSOLIDS FACILITY

Project Update

CITY OF RIVER FALLS
UTILITY ADVISORY BOARD MEETING

FEBRUARY 15, 2016

The logo for MSA Professional Services, featuring the letters 'MSA' in a large, bold, red, sans-serif font with a slight 3D effect and a shadow.

PROFESSIONAL SERVICES

PROJECT SCHEDULE

MILESTONE	DATE
Bid Opening	February 9, 2016
Bid Recommendation to UAB	February 15, 2016
City Council Awards Construction Contract	February 23, 2015
Substantial Completion	November, 2016
Final Completion	December, 2016

BID RESULTS

CONTRACTOR	BASE BID ITEMS #1 - #3	SUPPLEMENTAL BID ITEMS		ALTERNATE BID ITEM #1A	ADDENDA (Number 1-6)	BID BOND
		#1S	#2S			
Gridor	\$3,742,300	\$35,000	\$25,000	-\$50,000	X	X
Staab Construction Corporation	\$4,070,000	\$58,000	\$20,000	-\$15,000	X	X
Total Mechanical, Inc.	\$3,940,000	\$39,500	\$24,000	-\$5,000	X	X
Miron Construction	\$3,730,266	\$71,778	\$20,941	\$62,000	X	X

Supplemental Bid Item No. 1:

Supplemental Bid Item No. 2:

Alternate Bid Item No. 1A:

Removal of Existing Sludge Storage Ditch

Replacement of Oxidation Ditch Valve

Extending Construction End Date to 8.30.17



BID RESULTS

CONTRACTOR	BASE BID ITEMS #1 - #3	SUPPLEMENTAL BID ITEMS		ALTERNATE BID ITEM #1A	ADDENDA (Number 1-6)	BID BOND
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Miron Construction	\$3,730,266	\$71,778	\$20,941	\$62,000	X	X

~~Supplemental Bid Item No. 1: Removal of Existing Sludge Storage Ditch~~
~~Supplemental Bid Item No. 2: Replacement of Oxidation Ditch Valve~~
~~Alternate Bid Item No. 1A: Extending Construction End Date to 8.30.17~~

APPARENT LOW BIDDER
MIRON CONSTRUCTION
\$3,751,207

Engineer's Estimate: \$3,554,400



CONTINGENCY RECOMMENDATION

- Standard Contingency Fund: 5% of Construction Total
- Recommend Creating Contingency Fund of:
\$187,560
 - To be used for change orders and unforeseen, necessary additions to scope of work due to project conditions or staff preferences
- City Staff will approve change orders up to \$50,000
- UAB and City Council will approve change orders over \$50,000

ACTION REQUESTED

We respectfully request the UAB recommend award to Miron Construction for \$3,751,207 and recommend establishment of a 5% contingency fund

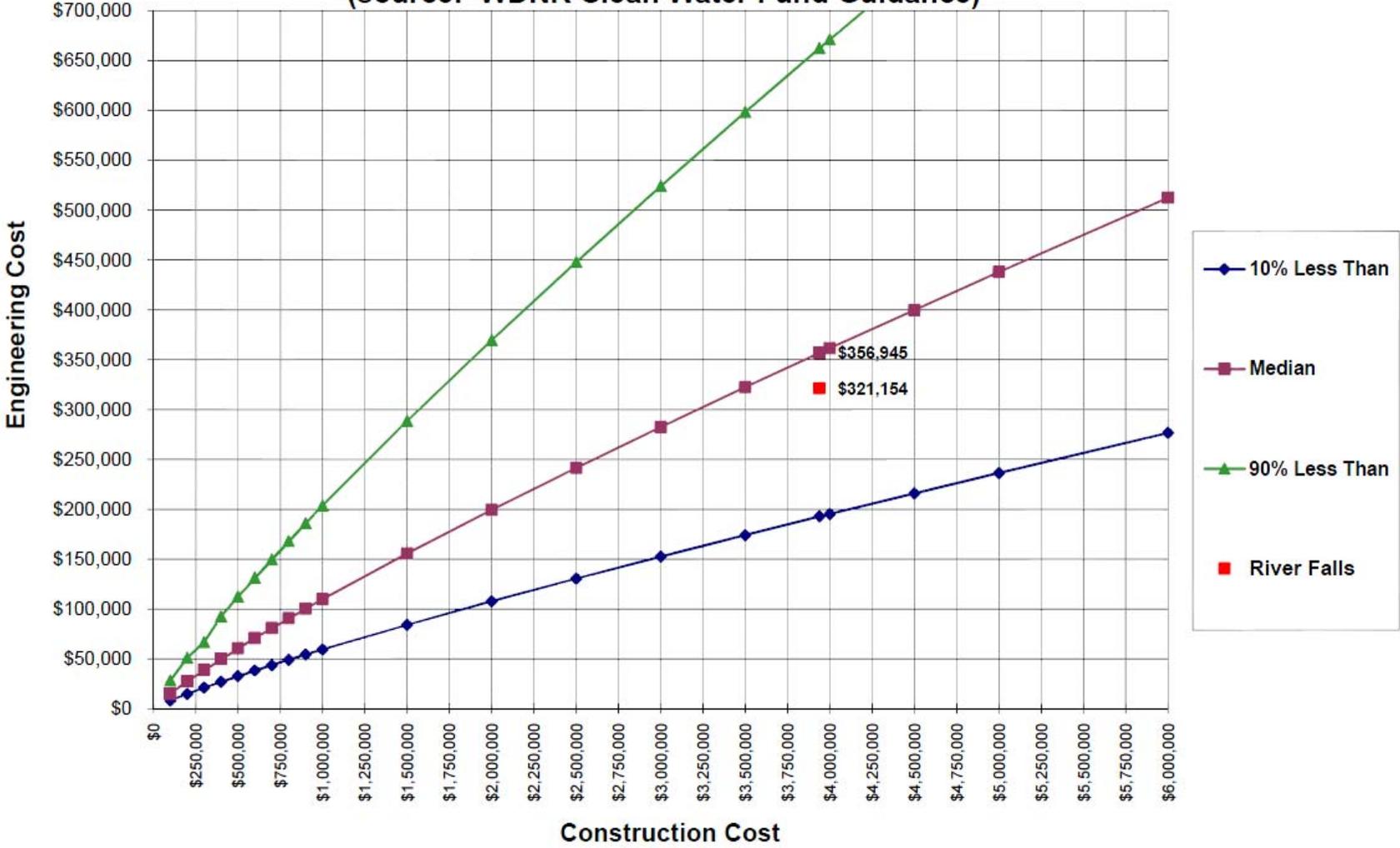
ENGINEERING FEES

- MSA proposes a time and materials contract for construction services of \$308,872
 - Covers construction administration, construction staking and construction observation
 - Time and materials contract will allow the City to change level of service provided based on onsite conditions
 - Expenses will be reviewed with City staff on a monthly basis

DETAILED ENGINEERING FEE BREAKDOWN

	Total	Total
Phase 3 - Construction Administration Services	Hours	Fees
Task 1: Project Coordination & Administration	120	\$14,214
Task 2: Review and Approve shop drawings - 80 Total	470	\$61,766
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Subtotal Hours	1471	
Subtotal Fees		\$167,183
Mileage		\$7,560
Total Estimated Fees for Construction Field Services		\$174,743
Total Field Services and Admin		\$308,872

Construction Related Services Cost vs. Construction Cost (incl. Bidding Services) (source: WDNR Clean Water Fund Guidance)



ACTION REQUESTED

We respectfully request the UAB consider a recommending the proposed engineering service contract in the amount of \$308,872

QUESTIONS/COMMENTS



RESOLUTION NO . 2016-04

RESOLUTION APPROVING THE CONTRACT FOR CONSTRUCTION AND CONSTRUCTION MANAGEMENT SERVICES FOR WWTP MODIFICATIONS

WHEREAS, upgrades to the Waste Water Treatment Plant have been included for construction in the 2016 budget and CIP; and

WHEREAS, through the competitive bidding process Miron Construction was the lowest qualified, responsible bidder; and

WHEREAS, Miron's bid amount is \$3,751,207 with supplemental bid item #2S; and

WHEREAS, a 5% contingency of \$187,560 is proposed to be used at the discretion of the City; and

WHEREAS, MSA Professional Services will provide engineering and construction management services on a time and materials basis with an estimate of \$308,872.00 as part of this project; and

WHEREAS, Staff recommends Miron and MSA work together to complete this project in 2016; and

NOW, THEREFORE, BE IT RESOLVED that the Utility Advisory Board of the City of River Falls hereby recommends award of the construction contract to Miron Construction in the amount of \$3,751,207.00 as well as recommending the Professional Services Agreement with MSA Engineering on a time and materials basis as part of the expenditure to complete this project.

BE IT THEREFORE FURTHER RESOLVED that the funding for the construction improvements and engineering and construction management will be from a sewer revenue bond issue.

Dated this 15th day of February, 2016

Grant Hanson, President

ATTEST:

Lu Ann Hecht, City Clerk



MEMORANDUM

TO: Utility Advisory Board

FROM: Kevin Westhuis, Utility Director

DATE: February 15, 2016

TITLE: **AMENDMENT OF WPPI ENERGY LONG TERM POWER SUPPLY CONTRACT**

RECOMMENDED ACTION

Approve amendment to the existing Long Term Power Supply Contract with WPPI Energy.

BACKGROUND

WPPI Energy has requested that each of its members approve an amendment to their existing Long Term Power Supply Contracts. Without action, all of the Long Term Contracts will expire on December 31, 2037. As described below, the Amendments are necessary so that WPPI has the ability to acquire new power supply resources, issue long-term bonds to finance the costs of these resources, and make other arrangements to continue to provide stable and low cost power supply for its members over the long term.

DISCUSSION

The Amendments include the following changes to the Long Term Contracts for all members:

1. The expiration date set forth in Section 9 of the Long Term Contracts is extended from December 31, 2037 to December 31, 2055.
2. All references to WPPI within the Long Term Contracts have been modified from "Wisconsin Public Power Inc." to "WPPI Energy" to reflect the organization's name change made in 2008.
3. Revisions have been made to a sentence within Section 3 that requires WPPI's rates and charges be set on a uniform "postage stamp" basis except in certain limited instances. The revision conforms, clarifies, and makes consistent existing language within the Long Term Contracts and makes clear that different rates and charges may be assessed for new WPPI members, as is permitted under WPPI's Contract for Establishment and Operation. Having this language within the Long Term Contracts allows flexibility in structuring the entry of new members to WPPI. This language does not change the fact that admission of a new member and the terms of its membership are ultimately subject to approval by WPPI's Board of Directors.

When the non-Wisconsin members first executed their Long Term Contracts, Wisconsin law did not permit those entities to join as full WPPI members. Following a change in Wisconsin law, all of the non-Wisconsin purchasers other than Alger Delta were able to join as full WPPI members. Consequently the Amendments for the non-Wisconsin members also make certain changes, including modifying the contract title and some defined terms, to make clear that the non-Wisconsin purchasers other than Alger Delta are now full members of WPPI.

Why a contract extension?

WPPI's revenues under the Long Term Contracts have been pledged to secure bonds issued to finance ownership of generating units and transmission assets. In addition, WPPI routinely seeks other contractual arrangements in order to provide its members with stable and low cost power supply over the long term. WPPI's power purchase contracts and general business strategies have already seen the impact of the relatively short remaining existing term of the Long Term Contracts.

The all-requirements, long-term power supply agreement between WPPI Energy and all of its 51 members, including River Falls Municipal Utilities, is a visible sign of financial stability that allows our joint-action agency to negotiate cost-effective power purchases and access lower-cost power plant financing to meet our community's needs.

The Long Term Contract of any member that does not approve an Amendment will still expire in 2037. At that time, the member will be responsible for obtaining its power requirements from other sources and WPPI will have no obligation to continue providing power to the member.

Fundamentally, a Long Term Contract extension will enable a member, through WPPI, to continue to own a share of generating resources and a well-diversified power supply portfolio, while receiving services that allow member utilities to operate efficiently and successfully for the benefit of their customers.

River Falls Municipal Utility was one of the original founders of WPPI Energy just over 35 years ago. The model of and decision to develop, join, and support "joint action" and bulk power supply purchasing has been advantageous for our City. Being a member of WPPI Energy has created a stable rate environment for River Falls that businesses can depend on and presents an overall value proposition through competitive rates and high levels of service that residents have come to expect.

FINANCIAL CONSIDERATION

For context, River Falls Municipal Utilities has bought about 9.7 million dollars' worth of electricity from WPPI each of the past two years. We have sold this electricity for approximately 13.3 million dollars each of these years. Adding 15 years to the WPPI contract will translate into 150 to 200 million dollars' worth of additional energy purchases if usage trends continue steady. Keep in mind that if we do not purchase from WPPI as we have done, we will need to purchase from somewhere. The wholesale power purchases from WPPI will continue to translate into sales for our local non-profit utility that will pay for our day to day electric operations, ongoing maintenance, capital expenses, a payment in lieu of taxes to the city each year, and a contribution to a reserve fund for

ongoing replacement costs. Wholesale power purchase portfolios need to be diverse and closely managed to not only meet demand but regulated standards. It is vital to the citizens and businesses of River Falls that we as a local Municipal Electric Utility continue to provide stable, reliable, and price competitive electric energy. WPPI has met these criteria over the past 35 years and has been a dependable wholesale power provider.

River Falls also pays WPPI energy approximately \$24,000.00 each year for support of our Northstar customer information system, low income assistance administration, and Meter Data Management services for some of our large customers.

CONCLUSION

Staff has evaluated options regarding future power supply for the City of River Falls as well as engaged in conversations with the community and WPPI Energy. The potential contract extension with WPPI was also deliberated during a joint workshop with the UAB and City Council that answered questions, addressed concerns, and discussed future power supply scenarios. After evaluation, we feel it is in the best interest of the City of River Falls and its citizens to commit to the long term partnership and ownership of the “joint action” model with WPPI Energy. Staff’s recommendation is to approve the amendment to the existing Long Term Power Supply Contract with WPPI Energy.

**AMENDMENT NO. 2 TO LONG TERM POWER SUPPLY CONTRACT
FOR PARTICIPATING MEMBERS**

This Amendment No. 2 to Long Term Power Supply Contract for Participating Members (this “Amendment”), dated as of _____, 20__ (the “Effective Date”), is made by and between WPPI Energy, a municipal electric company formerly known as Wisconsin Public Power Inc. (“WPPI”), and the City of River Falls (the “Member”). WPPI and the Member are sometimes referred to in this Amendment individually as a “Party” and collectively as the “Parties”.

RECITALS

A. The Member is a member of WPPI and, like all other Participating Members, takes long-term all-requirements electric service from WPPI pursuant to a long term power supply contract (each, a “Long Term Contract”).

B. In this Amendment, the term “the Member’s Contract” refers to the Long Term Power Supply Contract for Participating Members between WPPI and the Member dated as of March 14, 1989, as amended by that certain Amendment No. 1 to Long Term Power Supply Contract for Participating Members between WPPI and the Member dated as of September 24, 2002.

C. The current term of the Member’s Contract and each other Long Term Contract will expire immediately following December 31, 2037.

D. WPPI’s revenues under the Long Term Contracts have been pledged to secure the bonds issued by WPPI to finance ownership of WPPI’s generating units and transmission assets, including Boswell 4, South Fond du Lac Units 1 and 4, the Elm Road Generating Station and the CapX2020 La Crosse Transmission Project.

E. It is necessary that Participating Members extend the existing terms of the Long Term Contracts in order to enable WPPI to plan for, obtain, contract for, purchase and finance new long term power supply resources, including, but not limited to, new generating plants.

F. The Member desires that WPPI be able to secure and finance new long term power supply resources so that WPPI is able to continue serving the Member and all other Participating Members reliably and at competitive and stable rates under the Long Term Contracts over the long term, and WPPI wishes to be able to make new long term commitments in order to be able to do so.

G. The Parties desire to further amend the Member’s Contract on the terms and conditions set forth in this Amendment, to, among other things, extend the term of the Member’s Contract.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals that are incorporated into and made a part of this Amendment, the promises contained in this Amendment and the Member’s Contract and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

1. Definitions. All capitalized definitional terms used but not otherwise defined in this Amendment shall have the meanings given to those terms in the Member’s Contract.

2. Name; References.

(a) The name “Wisconsin Public Power Inc.” in the introductory paragraph of the Member’s Contract is hereby changed to “WPPI Energy”.

(b) Section 1 of the Member’s Contract is hereby amended so that the definition of “WPPI” is deleted and replaced in its entirety with the following:

“WPPI” shall have the meaning given to this term in the introductory paragraph of this Contract.

3. Initial Term and Termination. The first sentence of Section 9(a) of the Member’s Contract is hereby deleted and replaced in its entirety with the following:

This Contract shall take effect upon the date first written above and shall remain in effect for an initial term that ends at midnight on December 31, 2055, and thereafter until terminated by notice as provided in this subsection (a).

4. Rates and Charges. The second sentence of the third paragraph of Section 3 of the Member’s Contract is hereby deleted and replaced in its entirety with the following:

With the exception of different rates and charges for a new Participating Member under its specific Long Term Power Supply Contract for Participating Members, as permitted by the Contract for the Establishment and Operation of WPPI, WPPI’s rates and charges shall be set on a uniform postage stamp basis as to all production and transmission costs for all Participating Members; provided, however, that the rates and charges may vary between Participating Members to reflect differences in delivery voltage level and delivery facilities costs and may contain ratchets, load factor requirements and other provisions which affect all Participating Members or only Participating Members which obtain a portion of their requirements from any other source.

5. Effective Date. This Amendment, upon execution by the Parties, shall take effect as of the Effective Date, provided however, that if, by March 31, 2016, less than thirty-four (34) Participating Members have executed an amendment extending the terms of their respective Long Term Contracts to midnight on December 31, 2055, this Amendment shall be null and void and shall have no force and effect. Prior to May 1, 2016, WPPI shall certify in writing to each Participating Member that has executed such an amendment (including the Member) whether this threshold has been met.

6. Conflict. In the event of conflict between the provisions of the Member’s Contract and the provisions of this Amendment, the provisions of this Amendment shall control.

7. Full Force and Effect. Except as specifically set forth herein, no other amendments to the Member’s Contract are being made between the Parties, and all other provisions of the Member’s Contract remain in full force and effect.

8. Execution and Delivery. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, WPPI and the Member have duly approved and executed this Amendment as of the Effective Date.

WPPI ENERGY

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

CITY OF RIVER FALLS

By: _____
Mayor

By: _____
City Clerk

By: _____
City Administrator

**RESOLUTION NO. 2016-05 OF THE RIVER FALLS UTILITY
ADVISORY BOARD RECOMMENDING THAT THE RIVER FALLS
COMMON COUNCIL APPROVE AMENDMENT NO. 2 TO LONG
TERM POWER SUPPLY CONTRACT FOR PARTICIPATING
MEMBERS**

WHEREAS, the City of River Falls (the “Member”) is a member of WPPI Energy (“WPPI”) and, like all other Participating Members, takes long term all-requirements electric service from WPPI pursuant to a long term power supply contract (each, a “Long Term Contract”);

WHEREAS, the Long Term Contract between the Member and WPPI is that certain Long Term Power Supply Contract for Participating Members dated as of March 14, 1989, as amended by that certain Amendment No. 1 to Long Term Power Supply Contract for Participating Members between WPPI and the Member dated as of September 24, 2002 (the “Member’s Contract”);

WHEREAS, the current term of the Member’s Contract and each other Long Term Contract will expire immediately following December 31, 2037;

WHEREAS, WPPI’s revenues under the Long Term Contract have been pledged to secure the bonds issued by WPPI to finance ownership of WPPI’s generating units and transmission assets, including Boswell 4, South Fond du Lac Units 1 and 4, the Elm Road Generating Station and the CapX2020 La Crosse Transmission Project;

WHEREAS, the City of River Falls has vested in the River Falls Utility Advisory Board authority and responsibility for management of River Falls Municipal Utilities;

WHEREAS, the River Falls Utility Advisory Board has determined it is in the best interest of the City of River Falls to approve and execute the amendment referred to in the caption of this Resolution (the “Amendment”) and that such approval and execution is necessary in order to enable WPPI to plan for, obtain, contract for, purchase and finance new long term power supply resources, including but not limited to new generating plants;

WHEREAS, the River Falls Utility Advisory Board desires that WPPI be able to secure and finance new long term power supply resources so that WPPI is able to continue serving the Member and all other Participating Members reliably and at competitive and stable rates under the Long Term Contracts over the long term and WPPI wishes to be able to make new long term commitments in order to be able to do so; and

WHEREAS, in addition to extending the term of the Member’s Contract, the Parties desire to make certain other changes to the Member’s Contract, as set forth in the Amendment.

NOW, THEREFORE, be it resolved by the Utility Advisory Board of the City of River Falls that the Utility Advisory Board recommends that the River Falls Common Council approve the Amendment and take all action necessary to execute and deliver the Amendment.

Introduced by _____

Moved by _____

Seconded by _____

Approved this 15th day of February, 2016.

River Falls Utility Advisory Board

By _____

Grant Hanson
President, River Falls Utility Advisory Board

Print Name

State of Wisconsin)
) ss
County of Pierce)

I, _____, City Clerk of the City of River Falls, Wisconsin, hereby certify that I have compared the above Resolution with the original instrument on file in my office and that the same is a true, complete and correct copy of said document.

IN WITNESS HEREOF, I have hereunto set my hand and affixed the Corporation Seal of the City of River Falls, Wisconsin, this _____ day of _____, 20__.

LuAnn Hecht, City Clerk

Print Name



MEMORANDUM

To: Utility Advisory Board

From: Kristi Hartmon, Administrative Assistant

Date: February 10, 2016

Re: Finance Report

The January 2016 Finance Report will be available at Monday's Utility Advisory Board Meeting.



MEMORANDUM

To: Utility Advisory Board

From: Kristi Hartmon, Administrative Assistant

Date: February 10, 2016

Re: Utility Dashboards for January 2016

Utility January 2016 Dashboards for Electric, Water, Waste Water Treatment Plant and Powerful Choices will be available at Monday's Utility Advisory Board Meeting.



River Falls Municipal Utilities Monthly Report

January 2016



ELECTRIC

- Maintenance repairs performed. This is maintenance work found through our required system inspections.
- Substation monthly inspections completed.
- Underground services - the winter lateral fee for these new services is still in effect.
- Primary extension to the City building on the Mann Valley Property. Primary has been energized.
- Replacing street lights with LED fixtures.
- Meter readings continue monthly.
- Yearly transmission inspections have started for both transmission lines.
- Yearly underground inspections have started. This is a five year rotation between our feeders.
- Yearly overhead inspections have started. This is a five year rotation for our feeders.
- Highview Meadows – new lots in this addition. The overhead primary that feeds Well #6 has been moved for new home construction.
- Found through required inspections that an insulator on a structure was hit with lightning and was broken. This has been replaced.
- Brian Hatch was having equipment issues with his meter tester (around the early 1970's version). Virgil Johnson jumped in to help Brian and did his due diligence by shopping several locations for a replacement, including eBay. While on eBay he located two testers that were the same name brand as our three-phase tester and were supported by the same manufacture. After doing some background checking on these testers, we found out that these came from Idaho Power and then also followed up by calling the manufacture on these pieces of equipment. We did bid on these for \$450.00 each, plus shipping with a total just shy of \$1,400.00. These testers are normally \$20,000 each if purchased new. The testers have been operational for about 3-4 weeks now and have been working great! Over \$38,000.00 of savings by creative buying.



RIVER FALLS WASTE WATER TREATMENT FACILITY

- Sludge storage mixer electrical problems (motor starters tripping out). Found a bad coil, fixed the problem and the mixers are all back online.
- On January 10th a call out early morning three phase monitor alarm. Problem turned out to be a bad monitoring device. Replaced with new parts and restarted equipment.
- On January 11th, an influent screener tripped out in overload. Found ice buildup on basket and thawed with water and reset screener and auger. Placed insulation around gate valve outside of building to prevent cold air from getting in channel. The entrance gate to the plant was not operating properly; took chain off drive and operated manually until it was repaired.
- Ken from E & B Scale Services came down and recertified our lab scales for the year 2016.
- Mark from General Sprinkler Comp. was at plant to perform annual back flow preventer inspections.
- Sent first quarter total nitrogen sample in for analysis.
- Ran lab proficiency tests for year 2016 compliance.
- MSA Engineering came to plant for a meeting to go over final plans and construction sequences for new solids handling facilities.
- Mark Dykes calibrated flow meters for 2016 DNR compliance.
- Main lift pump #2 tripping out on motor overload. Disassembled pump to remove buildup of rags and plastic around wear ring, which was causing excessive drag on pump.



WATER/SEWER

- Frozen water lines inside 237 Broadway Apartment Building. Caused us to turn water off at service valve. We had to dig early Tuesday morning to gain access to said valve.
- New Falcon Center meters (4" compound and 3" irrigation) froze up and are being replaced at contractor expense (\$4,000.00).
- Finished upgrading chlorine booster pump at well #2. One well left to install new booster pump in.
- Spring Creek lift station starting to rag-up again after early December cleaning from non-flushables in line.
- Moved Scada system from lobby area to Water Department room making room for new office and to promote more efficient use of Scada.
- Replaced pressure switches in South Main lift station.
- Working on year-end reports for DNR & PSC.
- Cross training is continuing with new employees, as well as existing employees.
- Chemicals were delivered to wells in compliance of DNR regulations for maintaining a 60 day maximum storage time limit.
- Finalizing sanitary sewer lining bid packet.

ENGINEERING TECH WORK

- Started work on 2016 sanitary lining and manhole projects
- Worked on updating sanitary main ratings from field crew
- Finish 2015 electric work orders (i.e. all electric map changes for 2015 completed)
- Make primary UG age maps and UG inspection map books for Electric Dept



CONSERVATION AND EFFICIENCY

- Community Solar
 - Currently 112 panels under contract
 - Applied for an APPA – Demonstrations in Energy Efficiency Developments (DEED) grant with the UWRF Agriculture department on research to determine appropriate pollinator friendly plant mix to be used at the community solar site.
 - Working with St Bridget's to develop a matching program for the congregation.
- Loan program
 - Loan program was approved by the Utility Advisory Board and City Council in January of 2016.
 - Marketing of the loan will include a poster at the front counter, newspaper ad, website, Facebook, and an insert in the March bill.
 - The loan will be featured in articles in the River Falls Journal and Falcon Daily.
 - One of three property assessed clean energy loan programs available in the state of Wisconsin.
- Green Block Program
 - The city of River Falls customer participation rate continues to climb to record levels which is now greater than 8%.
- LED Light Recycling
 - The City has recycled over 1500 strands of old holiday lights.
- Large Power Customers
 - Continue to visit and assist multiple customers regarding energy efficiency, advanced metering infrastructure, community solar and Focus on Energy programming.
- Schools
 - Hunter Henk, an unpaid high school intern began in January.
 - Working with 3 elementary principals, school staff, Focus on Energy and the K12 Elementary Education Program to bring Delivering Energy Efficiency Together (DEET) into 3 of the 4 elementary schools in spring of 2016.
 - The 3 schools will also be playing the energy education/behavior change game *Cool Choices* to help in the success of the DEET program.
- Non profits
 - Met with Faith leaders of two River Falls churches to assist with sustainability measures to be undertaken by their congregations over Lent.
- Guest Speaking Engagements and Committees
 - Forward Foundation
 - POWERful Choices!
 - Blue Bike Program
 - Green Teams
 - Healthy Foundations



For December 1, 2015 – December 31, 2015

Move in applications = 187
New Access My Account = 73
Disconnected Services = 0
Reconnected Services = 1

As of **1-27-16** we had a total of 6660 Active utility Accounts.

Explanation

Move in applications - Customers that came into the office to sign up for service or submitted an online application. This information also would include new construction, customers new to River Falls, and customers moving within town. Anytime we need the meters read to end one account and begin a new account.

Access My Account - This is customers logging into the utilities E-Care for the first time. E-Care is an online utility dashboard where the customers can access their individual utility account to view information and make payments.

Disconnected – These are the number of services (electric or water) disconnected for non-payment and or properties in foreclosure with outstanding balances.

Reconnected – These are the number of services (electric or water) reconnected. Customers have paid, landlords have taken over, or new owner on foreclosed properties.