



**CITY OF RIVER FALLS WISCONSIN
UTILITY ADVISORY BOARD AGENDA
CITY HALL – COUNCIL CHAMBERS
September 19, 2016**

Call Meeting to Order: 6:30 p.m.
Roll Call
Approval of Minutes: July 18, 2016

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 – 06-21-16
 - b. POWERful Choices Committee – 07-14-16

NEW BUSINESS:

2. Variable Frequency Drive (FVD) for Well Pump #5

RESOLUTIONS:

3. Resolutions Recommending Shared Saving Loan
 - a. Resolution Approving Shared Savings Agreement and Promissory Note with WPPI Energy
 - b. Resolution Approving Shared Savings Agreement with River Falls Industrial Center, LLC.

REPORTS:

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

ANNOUNCEMENTS:

ADJOURNMENT:

*Council members may be in attendance for informational purposes only.
No official Council action will be taken.*

**REGULAR MEETING
RIVER FALLS UTILITY ADVISORY BOARD
July 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: Kevin Swanson, Patrick Richter, Diane Odeen, Grant Hanson, Duane Pederson, and Adam Myszewski. Absent: Tim Thum Staff present: Kevin Westhuis, Utility Director; Rhonda Davison, Utility Program Coordinator; Julie Bergstrom, Finance Director; Ron Groth, Water/Wastewater Superintendent; Wayne Siverling, Electric Operations Superintendent; Reid Wronski, City Engineer Other: Ron Quanbeck, TKDA

M/S Odeen/Swanson to approve minutes of the June 20, 2016 Regular Meeting. Motion Carried.

PUBLIC COMMENTS:

CONSENT AGENDA:

1. Acknowledgment of the following minutes:
POWERful Choices Committee – 06-09-16

RESOLUTIONS:

2. Resolution Recommending South Fork Relay Replacement Project. Utility Director Westhuis and Electric Operations Superintendent Siverling gave a brief presentation. Siverling talked about the importance of relay equipment in a substation and stated that the existing equipment is outdated, have had failed breaker control switches, and a hard time finding replacements for those. This project includes SCADA equipment replacement and backup battery power (scheduled to be replaced – battery backup is on a 20 year replacement schedule). These are vital pieces that make the substation work properly. Westhuis explained that the timing of this project in 2016 recognizes the increased risk of extended power outages given the 2017 Power Plant Substation construction outages, thus this project is timed to improve the reliability of South Fork in advance of the reconstruction of the Power Plant. The price of the project includes \$55,000 for engineering and \$220,000 for equipment with a total of \$275,000 for this project. Westhuis asked the board to recommend resolution 2016-11 for authorization for professional services and equipment purchases for the South Fork substation control replacements. M/S Pederson/Odeen approved resolution 2016-11. Motion Carried.
3. Resolution Accepting Recommendations of Technical Memorandum Regarding Downstream Interceptor Plan for North Interceptor. Reid Wronski, City Engineer and Ron Quanbeck from TKDA gave a presentation. Wronski stated in March of 2016 the Utility Advisory Board and City Council adopted a resolution to enter into an agreement with TKDA for professional services necessary to complete initial work for the North Interceptor Sewer Project. Wronski stated he wanted to get the downstream interceptor planning and preliminary design to the UAB as soon as possible. This will help with the coordination of the upcoming substation project and the Heritage Park to Division Street trail project. Ron Quanbeck from TKDA stepped through his recommendations as outlined in the Technical Memorandum provided in the Utility Advisory Board packets. Advisory Board Member Swanson asked about the In

Situ techniques and how much can you expand the pipe. Quanbeck answered depending on the method used. Pipe bursting can increase pipes confidently one size and pipe reaming you can increase the pipe size greater (2 or 3 pipe sizes). Swanson also asked if need be how would you go under the river and is this potentially the big area where development will be? Quanbeck responded that would be a challenge and was discussed. There are a couple of options like micro tunneling but after talking with people the most likely way would be open cutting across the river. Westhuis stated our development seems to be going north towards the interstate. Westhuis asked Quanbeck what is the current condition of our pipe. Quanbeck stated the current conditions of the pipe can accommodate out to the urban area boundary. Odeen stated just to clarify it sounds like the two river crossings do not need to be done this time but those would be places to look at in the future. Quanbeck confirmed that is correct. M/S Odeen/Myszewski to accept Resolution 2016-12 accepting recommendations of Technical Memorandum regarding downstream interceptor plan for north interceptor. Motion Carried.

4. Resolution Recommending Purchase of VAC Truck and Camera. This purchase has been on staff's radar for a while and after a year's worth of evaluation, research, and adding additional staff it would be a good time to purchase a VAC Truck and Camera. Utility Director Westhuis explained that a VAC truck is a tank truck that is outfitted with a heavy duty vacuum and is designed to load solids, liquids, and sludge through suction lines. A VAC truck can also be used for cleaning sewers, televising sewers and emergency bypass situations. The truck will be used primarily by the Water Department for a minimum of 384 hours per year cleaning sewers and wet wells and an estimated 64 hours cleaning pump lift stations. The Public Works department will also use the vacuum truck on various projects and the Sewer department will use the truck to clean the two scum pits at the Waste Water Treatment Plant. Westhuis explained that in the last twelve years the City has spent an average of \$38,963 per year and a total of \$467,557 on contracting the sewer cleaning and TV inspection. Currently the City contracts out all of the City's vacuum truck needs. The cost for the 2007 Vactor Vacuum Truck and the televising camera totals \$240,000. Westhuis stated the truck would be purchased from Envirotech with an agreement to give us the right of refusal when they deliver the truck. Staff can look it over and if they are not satisfied Envirotech will take it back. The truck will also have a three month warranty which Ron Groth stated was very uncommon with a used truck. Staff recommended the Utility Advisory Board approve the resolution with a recommendation to City Council approving the purchase of the 2007 Vactor Vacuum Truck and Televising Camera. Pederson asked if this purchase would replace the current trailer VAC. Ron stated that the City would keep the trailer VAC as the Street Department has use for it. Swanson asked if there are any concerns with technology being nine years old on the truck. Groth stated it is not the most up-to-date but the mechanics are the same and the pump is similar technology to the newer models. The camera is a newer camera and was used as a demo camera and has a one year warranty on it. M/S Odeen/Pederson to recommend Resolution 2016-13 recommending purchase of vacuum truck and camera to City Council. Motion Carried.

REPORTS:

5. Utility Project Updates. Utility Director Westhuis gave a presentation on the current Utility Projects. These projects include: The Waste Water Treatment Plant rehabilitation project that is well under way and scheduled to be complete by November 2016; the Power Plant a \$4M

project that will update outdated and inefficient equipment; the Sycamore Water Tower reconditioning project scheduled to be complete first week in August; Radio Road boring a crucial piece of infrastructure for our Electric Utility that moves 3-phase power to Mann Valley and moves us close to redundancy with a loop feed for Sterling Ponds Corporate Park; Chapman Drive, a conduit installation for future 3-phase and street lights; South Fork Relay Replacement Project, the four distribution (feeder) relays are mid 1990's; 2016 Sanitary Sewer Lining scheduled to start on September 6th; and North Interceptor Project in coordination with Reid Wronski, City Engineer. Swanson asked if the Chapman Drive road is being raised. Westhuis and Wronski stated it is not being raised. Pederson asked about the Community Solar Panels and the concerns with the neighbors. Westhuis stated he has met with those concerned neighbors several times and working on resolutions including fencing, landscaping, and safety ideas.

6. Finance Report: Financial reports were included in the Utility Advisory Board packet for review. Bergstrom pointed out that storm water financial statements are now included in the packets as the Utility Advisory Board reviews storm water. Baker Tilly, the City's auditors will be presenting the results of the 2015 audit report at next Tuesday's Council meeting on July 26th. Bergstrom invited board members to come to the meeting or watch online. Bergstrom reported that the outcome of the audit is positive.
7. Utility Dashboards for, Electric, Water, Waste water and Powerful Choices were included in the UAB Packets.
8. Monthly Utility Report was included in the UAB packets for review. Westhuis stated that there have been a high number of electric outages recently. Nothing consistent as the outages have ranged from a car hitting a pole, primary failures, motors burning up in substations and storms. Hats off to the Electric Crews for restoring power. Westhuis handed t-shirts to the board celebrating RFMU being number one in the state for Renewable Energy. Westhuis encouraged board members to wear their shirts at the upcoming Customer Appreciation Event.

ADJOURNMENT:

M/S Myszewski/Pederson moved to adjourn at 7:33 p.m. Unanimous.

Reported by: Kristi Hartmon, Administrative Assistant

Duane Pederson, Secretary

West Central Biosolids

Commission meeting minutes

June 21st 2016

Meeting was called to order by Gary Newton at 8:30 am.

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

Other present: Ron Groth, Chris Moarn

Consent Agenda:

Randy talked about the monthly bills paid. Motion was made to approve bills for the month of May in the amount of \$240,532.80. M/S Greg /John

Motion was made to approve May meeting minutes. M/S Greg/Steve

Financial Report:

Randy discussed financial report as outlined in agenda.

Facilities Report:

Randy said facility operations has been going good. Pounds are up 2.8% and Gallons are up 6.6%. New Scada operation has been working well.

Old Business:

Scada update: Randy said scada project is about rapped up. Thought project went well and is happy with operation with system. He is working on some operational fine tuning.

Carusol odor control pilot: Pilot has been going well. Centrate water phosphorus results have been testing low. Randy was going to monitor water quality to see if results stay low. This is a good benefit in addition to better odor control. Randy is continuing to work on dialing in chemical feed pumps for optimal feed rates. Randy and the employees have been happy with the amount of odor control they have been achieving with the Carusol product.

Blu-Teq Update: Chris Moarn said that he has been in touch with EPA and is discussing treated product results that have been submitted. He talked about a new process he is looking into that will disinfect centrate prior to discharge to effluent stream.

New Business:

Motion was made to approve ECMAR resolution # 2016001 for final submission to the DNR. M/S Kevin/John

Meeting was adjourned at 9:15 am. M/S Greg/Steve



MINUTES

July 14, 2016

Training room – City Hall

12:00 p.m. – 1:00 p.m.

Committee members and guests present: Mike Noreen (RFMU), Erin Tomlinson (Tomlinson Financial Services), Katie Feuerhelm (UW Extension), Mark Klapatch (UWRF), Judy F. Berg (RF Chamber), Travis Roy (UWRF), Dan Hanson (Focus on Energy), Al Bohl (Focus on Energy), Tom Schwalen (City of RF), Matt Fitzgerald (UWRF), Greg Koehler (RFMU), Jennifer Mueller (Resident), Rebecca Furgeson (Resident), Rashmi Magnani (UWRF – Student) and Rhonda Davison (RFMU)

Mike Noreen welcomed everyone and invited us to enjoy the lunch catered by Nesbitt's Nursery and Orchard. Mike asked for the approval of minutes from the June 9th meeting, motion by Matt Fitzgerald and seconded by Al Bohl minutes were approved by all.

1. Customer Appreciation Event

Mike reminded everyone that the Customer Appreciation Event would take place next week Thursday (July 21, 2016 from 11 AM to 1 PM) at City Hall. Mike handed out flyers for the committee members to take and share with their staff and other community members. All are welcome to attend this public event. Mike anticipates about 600 people to attend. Mike asked for volunteers to man the POWERful Choices booth. The booth would be available to inform the guests about POWERful Choices committee and what we do for the community.

The Blue Bike Program will also have a booth at the event and accept bike donations. Mike introduced Rashmi Magnani a UWRF student from India. Rashmi along with other multi-lingual international students prepared a promotional video explaining how the Blue Bike Program works. Rashmi also shared a story about her experience with a Blue Bike.

2. Nest thermostat- demonstration and 2017 programming option

Mike explained the Programmable Thermostat \$50 rebate program which has been available for the past several years. Many contractors and homeowners have installed the programmable thermostats, but even though homeowners have installed them they do not always properly use them to see a benefit or reduction in electric and heating consumption. Mike played some videos of the Nest programmable thermostat and explained that with today's technology and the ability to access your thermostat via your cell phone when you are away customers may be more apt to see a reduction in heating and cooling costs. RFMU is now offering a rebate for 50% or up to \$75 rebate. Al Bohl with Focus on Energy stated that he had recently installed the Nest system and really likes it. There are so many options. The system learns your routine and based on the gps on your phone it knows when you are gone, and you can see or receive alerts if someone overrides the system increasing or decreasing the temperature in the house. You have the ability to reset your routine/schedule. History usage can be accessed from the online portal

(internet access is necessary) for you home system, and the reports are very detailed. Erin Tomlinson had stated that they had some installation issues with an older heating systems wiring. Tom Schwalen briefly talked about the City's new Storm Shelter and the 2 stage heating and cooling system. The City has checked out a couple of different products. Due to the high cost of the Nest system we may offer it through our low income weatherization program, but the thermostat would remain at the property if installed much like the refrigerator replacement program. Mike asked the group their thoughts on both programs.

3. Simple Energy Efficiency – Free LED kit

At the upcoming Customer Appreciation event we will offer a FREE Focus on Energy Pack for single family homes (1, 2 or 3 units). There are 3 packs to choose from. If the customers were to go online they could choose additional packs that have a fee. We decided to offer 2 of 3 free packs this removes any barriers for customers. We had several employees (Bata Testers) sign up to make sure it was easy for the customer. The kits will be mailed directly to the customer. If households have already participated in the express energy program within the past 3 years they are ineligible to participate in this program. Customers will also be able to apply online or call for this program. Mike took a few minutes to explain the Direct Install program for multifamily (4 or more units). The utility is judged based on how much/many Focus programs we participate in and how many dollars out customers get from Focus.

4. Other items of interest

River Falls Chamber - Judy Berg thanked everyone who volunteered and attended the recent River Falls Days celebration. Mark your calendar for the upcoming Bacon Bash **September 17 & 18** – It is sure to be Porktacular!

Blue Bikes – This program has been a great success! The bikes are getting used. We to expanded to the Whitetail Industrial Park. Eventually we hope to add tracking devices mostly to gather data and statistics on how the bikes are being used, one bike found its way to Hudson. It was suggested to add safety rules/rules of the road. Mike said we are looking for unique bikes like tandem and bikes for younger children. There are many repairs being done to these bikes. Bike donations are always welcome, but we only want simple single speed bikes because if they have gears and hand breaks they are more difficult and costly to repair. Bike helmets are available at the UWRF rental center. We currently have about 44 bikes and 15 are in for repairs. Some individuals have decided to claim the bike as their own. We will need to reach out to these individuals and remind them that these are for everyone.

Community Solar – If you go to the River Falls movie theatre you will see a preview for our Community Solar Program. Currently we are at about 37% our goal is to be sold out by December 2016. As part of our developers agreement and new businesses using TIF funds are required to buy 90 blocks. We have sold more than New Richmond!

There is a class for kids ages 11 to 15 to participate in a Seed to Seed grant developing an urban garden through the Carpenter Nature Center. Introducing kids to land use, where food comes from. There is still room the class is the second week in August at the Science Museum. The cost is \$179 for the week.

Habitat for Humanity – They are in the final phase of the Eco Village. Landscaping, installation of the retaining wall, driveways, wood chip trail, and rain garden are all under way and should be completed soon. The DEED research project with the Eco Village, RFMU, UWRF and APPA is complete. The research analyzed information on heating and electrical costs in the Eco Village homes and compared them to similarly sized conventional homes in River Falls.

Pollinator Friendly Program – This DEED research grant is in the beginning stages and the plants have been established under the Community Solar site. The research will continue for at least 2 years

Meeting minutes were taken by Rhonda Davison



MEMORANDUM

To: Utility Advisory Board

From: Ron Groth, Wastewater/Water Superintendent
Weston Arndt, WPPI Energy Services Representative

Date: September 19, 2016

Re: Well Pump #5 Variable Frequency Drive

INTRODUCTION

This memorandum provides background into the water department's consideration of installing a variable frequency drive on well pump #5.

BACKGROUND

Feedback from water customers on the west side of the city have led staff to perform pressure monitoring on this part of the water distribution system. Monitoring revealed that during the starting and stopping of well pump #5, pressure surges and pressure drops were recorded. These events are noticeable to end users which create a poor customer experience, particularly when customers are showering.

DISCUSSION

Since the pressure fluctuations occur during starting and stopping of the pump, a potential solution is to provide smooth starting, ramp up, ramp down and stopping of the well pumps. A common method to accomplish this is to install a variable frequency drive (VFD) to replace across-the-line controllers or soft-starts for the electric motors. VFDs allow for manual or automatic speed changes of the motor that occur gradually, thus eliminating pressure surges. In addition to the gradual changes to the speed of the pump during starting and stopping, the speed can be maintained at any selected speed, offering flexibility to the operators. This can allow operators to choose slower speeds that are less likely to pump sand, open throttling valves that restrict flow, and allow for automated level control of water towers.

Another significant benefit to VFDs is the potential for electrical energy savings. Pump flows, pressures, and power can be estimated based on centrifugal pump affinity laws. These can be summarized as follows:

- A change in pump speed provides a directly proportional change in flow.
- A change in pump speed provides a squared proportional change in head.
- A change in pump speed provides a cubed proportional change in horsepower.

Well #5

Well #5 is rated to produce a flow of 1,550 gpm. The electric motor is rated at 200 hp. Well #5 is currently billed as a Small Power CP-1 electric customer, thus roughly half of the electric charges are from demand components. This offers an opportunity for VFD installation to provide reduced flow at a reduced demand. While the pump may run more hours to achieve the same total gallons pumped, there will be significant cost savings. It is expected that a speed reduction to 1,000 gpm would be acceptable and provide sufficient head. The annual electric costs for Well #5 were \$29,800 in 2015. The estimated energy cost savings from a VFD installation is \$13,000.

Estimated project cost: \$15,000

Estimated Incentive:

Focus on Energy:	\$40 per hp x 200 hp; capped at 50% costs	\$7,500
Focus on Energy Bonus:	20% capped at \$1,000	\$1,000
WPPI Energy UMB: Match of Focus up to 60% of project costs =		<u>\$ 500</u>
		\$9,000

Simple Payback: 6 months

CONCLUSION

Because of the operational benefits, energy cost reductions and efficiency incentives; staff is investigating the installation of a VFD on well #5 and will report back with proposals at a future meeting.



Well #5

Variable Frequency Drive

September 19, 2016

Utility Advisory Board

Ron Groth, Wastewater/Water Superintendent

Weston Arndt, WPPI Energy Services Representative

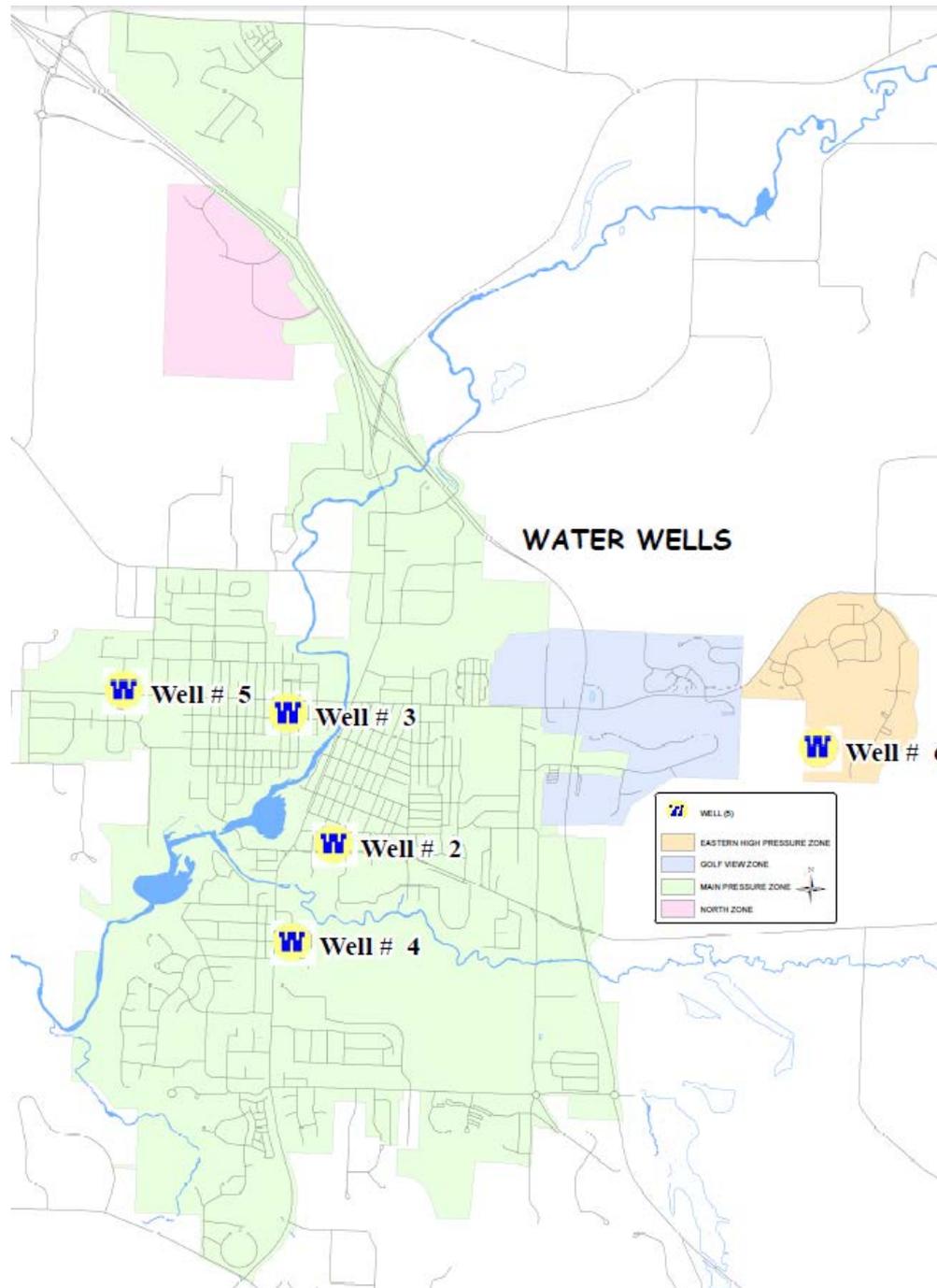


Introduction

Identification of problem

- Feedback from water customers.
- Pressure monitoring on west side of the water distribution system.
- Monitoring revealed noticeable pressure drops and surges.
- Occurs during the starting and stopping of well pump #5.
- Solution and benefits.





Well # 5

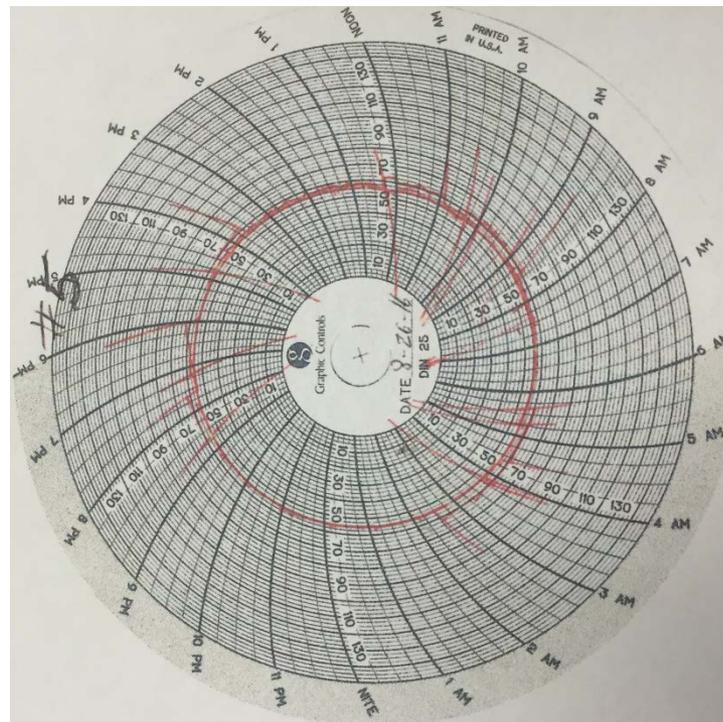
Division Street Well

- Drilled in 1979
- Produces 1,605 gpm
- Depth of 386 feet
- 200 hp motor
- \$29,800 electric cost in 2015



Pressure monitoring

Installed on hydrant: Rolling Hills Lane



Solution

- Provide slower speed changes
- Current motor control is a soft start
 - reduced wear and tear on motor
- Variable Frequency Drive (VFD) could provide smooth transitions and allow for adjustable flow rates
 - Less likely to pump sand
 - Potential electric cost savings



Background

Table 1 Energy Use Rates at Drinking Water Utilities

Type	kWh/1000 Gallons
Class AB (> 4,000 customers)	1.81
Class C (1,000 - 4,000 customers)	1.94
Class D (< 1,000 customers)	2.41
Surface water source (WI)	2.16
Groundwater source (WI)	2.01

25% of Wisconsin's drinking water utilities use less than 1.58 kWh per 1000 gallons¹.

RFMU: 1.61 kWh per 1000 gallons in 2015



Wisconsin State Energy Office. (2015, November). Municipal Water Utility Benchmarking Analysis. Retrieved from WI SEO website <http://www.stateenergyoffice.wi.gov/c>



Centrifugal Pump Theory

Affinity Laws

- Flow is proportional to speed.
- Pressure is proportional to square of speed change
- Power is proportional to the cube of speed change

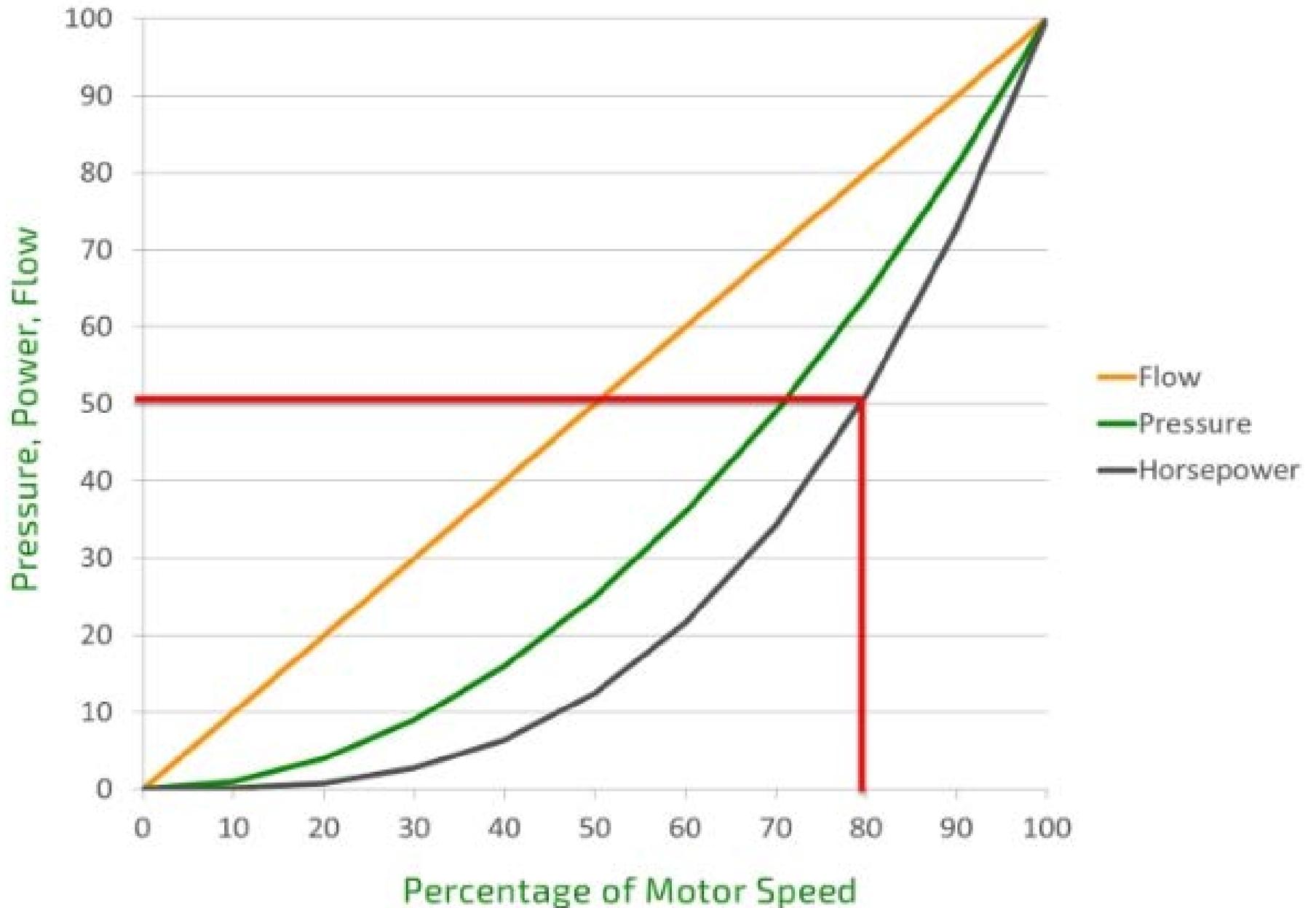
$$\frac{Q_1}{Q_2} = \left(\frac{N_1}{N_2} \right) \quad (1)$$

$$\frac{H_1}{H_2} = \left(\frac{N_1}{N_2} \right)^2 \quad (2)$$

$$\frac{P_1}{P_2} = \left(\frac{N_1}{N_2} \right)^3 \quad (3)$$



Affinity Laws



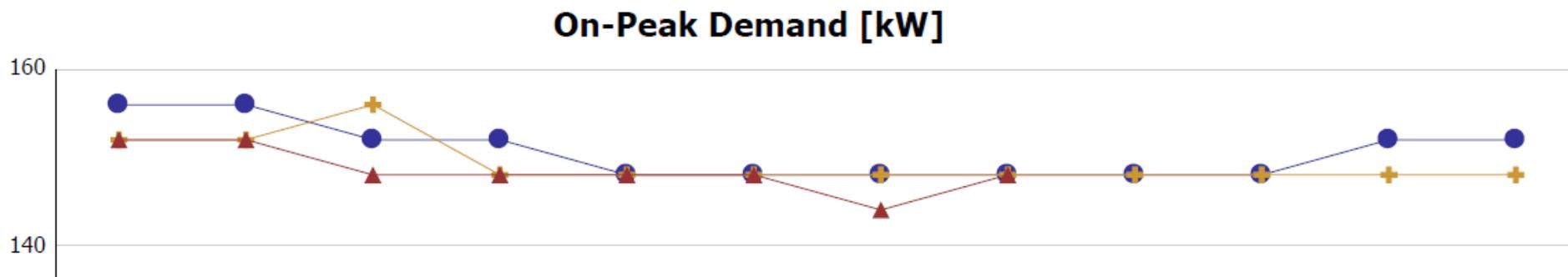
VFD

- Estimated Demand Reduction:
86.3 kW
- Estimated Energy Savings:
64,200 kWh
- Estimated Cost Savings:
\$13,296



Well #5

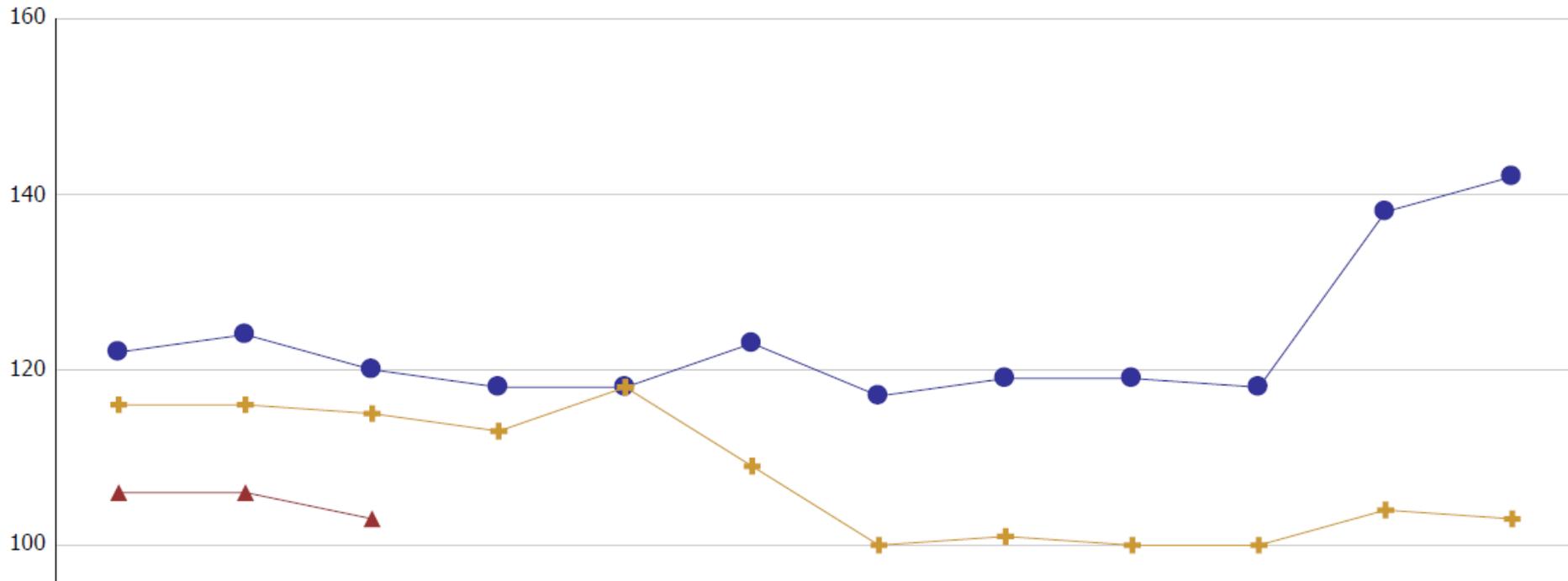
- 2014-2016 Load Profile



Well Pump #6

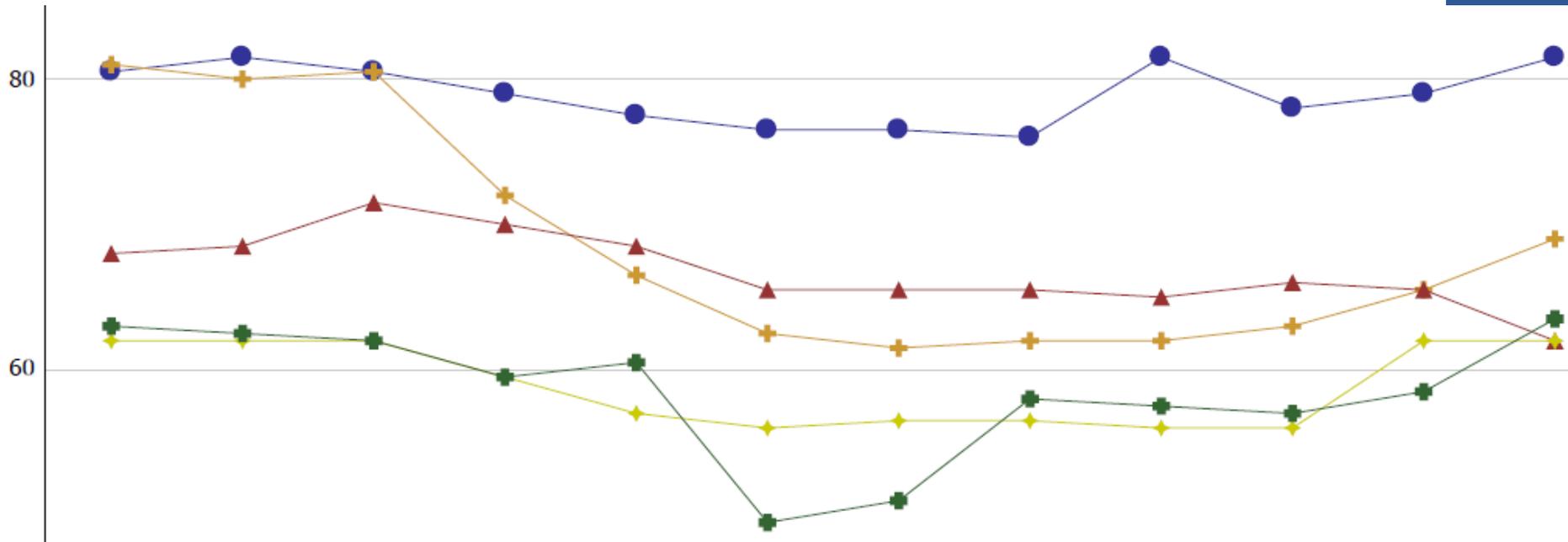
- VFD installed

On-Peak Demand [kW]

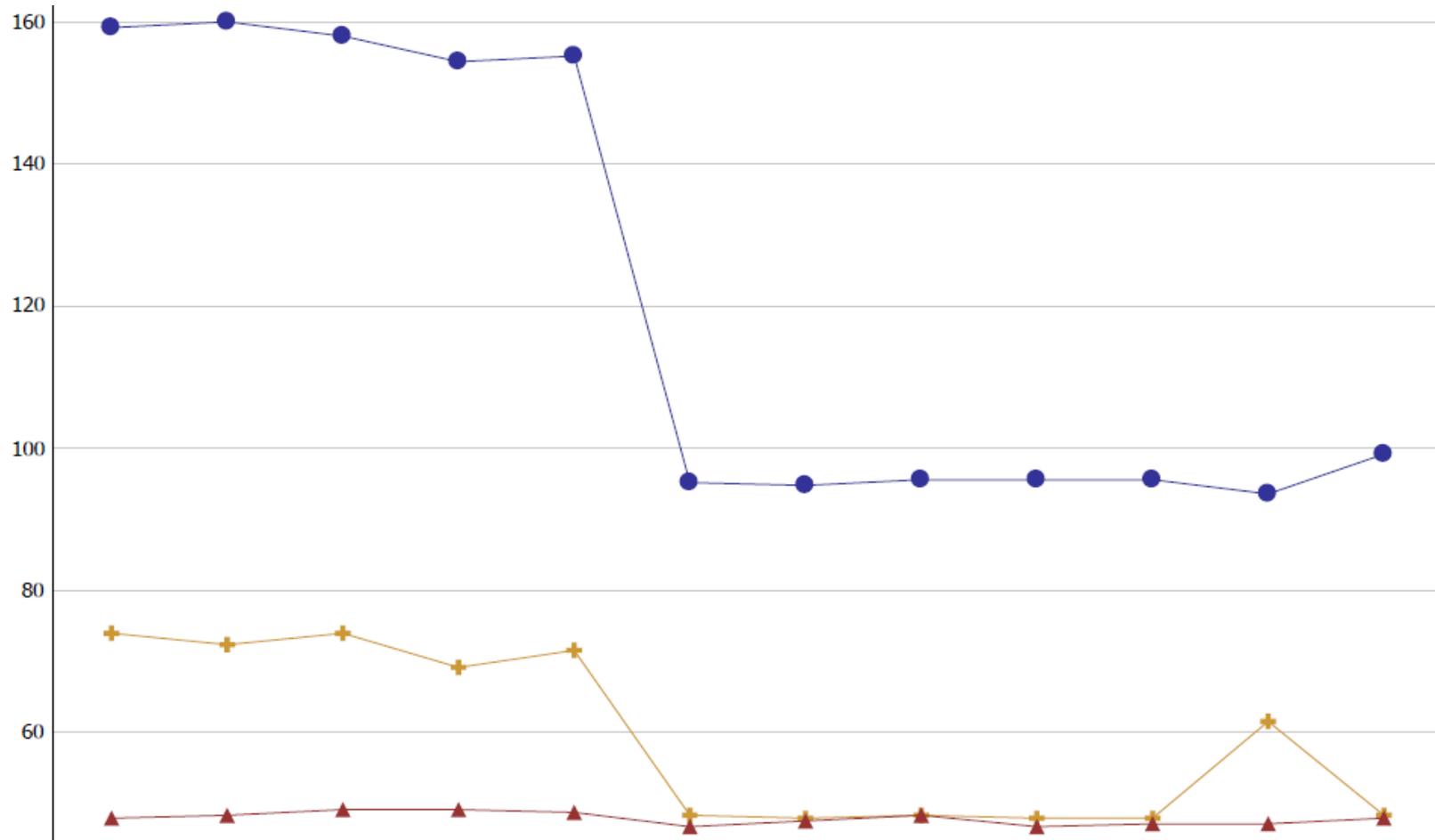


Well Pump #3

- VFD installed in 2010



200 hp well pump - NRU



Benefits of VFD

- Future tie in with PLCs to SCADA
- Lower flow, less likely to pump sand
- Gradual startup, speed change, and shutdown improves pressure seen by end users
- Electric cost savings



Next Steps

- Proposals for materials and labor
- WDNR approval
- Return to Utility Advisory Board
- City Council approval



Questions?

Ron Groth

(715) 426-3428
rgroth@rfcity.org

Weston Arndt

(715)-426-3434
warndt@wppienergy.org





MEMORANDUM

To: Utility Advisory Board

From: Weston Arndt, WPPI Energy Services Representative

Date: September 19, 2016

Re: Shared Savings Loan Approval

INTRODUCTION

This memorandum requests the Utility Advisory Board support a Shared Savings loan for the River Falls Industrial Center, LLC (715 Saint Croix St) and recommendation of loan approval to the City Council.

BACKGROUND

Many businesses delay the replacement or improvement of inefficient equipment and building components because the initial purchase costs are perceived as an obstacle. Despite attractive investment returns and other long-term benefits of energy efficiency projects, customers simply cannot pursue these energy cost reduction opportunities because of the "initial cost" barriers.

In an effort to overcome these initial cost barriers, WPPI Energy has a Shared Savings program that offers WPPI Energy capital to a customer with a 2% loan rate to advance energy efficiency projects costing from \$2,500 up to \$50,000. This program allows a utility customer to receive energy savings in advance to undertake an energy efficiency project and then repay the funding in sixty equal installments on their utility bill. In most cases, the payments are less than the energy cost savings, resulting in a positive cash flow for the customer.

Funding for projects are based on estimated energy savings over a five-year period, and will not exceed the project cost. Any incentives, grants, tax credits or other outside funding will be deducted from the total available funding amount. Funds will not be released until the project is complete and inspected.

DISCUSSION

River Falls Industrial Center, LLC (RFIC) is seeking a shared savings loan to upgrade the facility to LED lighting. The River Falls Industrial Center I is the 25th largest electric customer in River Falls, with annual revenue of \$55,025. Combined with River Falls Industrial Center II (265 Mound View Rd), the facilities are the 9th largest aggregate electric customer with annual revenue of \$128,789. This is the owner's third loan through the Shared Savings program for the

two facilities. The first loan at RFIC I was for lighting upgrades (\$50,000) and was paid off in 2015. The second loan at RFIC II for HVAC and transformer upgrades (originally \$50,000) from 2014 has an outstanding balance of \$31,421.40. RFIC’s participation in the Shared Savings Program has been successful to date.

The lighting proposal to upgrade fluorescent lamps and fixtures to LED was provided by Eco Energy Midwest. Tom Elbert is an owner of this company, as well as RFIC I & II.

Project Overview

Project:	LED Lighting
Monthly Loan Payment:	\$525.83
Monthly energy Savings:	\$539.00

Sources		Uses	
Focus on Energy Incentive	\$ 9,945	Energy Efficient LED Lighting Materials	\$ 45,330
RFMU Bonus Incentive	\$ 5,000	Installation	\$ 10,765
Shared Savings Request	\$ 30,000		
Customer	\$ 11,150		
Total Sources	\$ 56,095	Total Uses	\$ 56,095

Loan Liability Review

Shared Savings loan liability is typically shared equally between WPPI Energy and the member (RFMU), with each assuming 50% risk. Per the WPPI Official Service Document, Shared Savings loan amounts are capped at \$50,000 per project, and WPPI’s default exposure to any one customer is capped at \$25,000. Multiple projects for the same customer may exceed \$50,000, provided that the member utility assumes all of the default risk for the incremental funding above \$50,000. WPPI will only proceed with the Shared Savings Loan if the River Falls Municipal Utilities approves the credit risk for this project. When the 2014 loan agreement was executed, the City Council authorized exceeding the caps. The agreement with WPPI Energy locks in the default risk percentages as the loan is repaid. Thus the 2014 loan will remain at the greater levels of risk disparity, while the proposed loan is nearly at a 50/50 share.

	Loan #2 2014 (outstanding)	% of Risk	Loan #3 2016 (new)	% of Risk	Total
WPPI	\$10,306.22	32.80%	\$14,693.78	48.98%	\$25,000
River Falls	\$21,115.18	67.20%	\$15,306.22	51.02%	\$36,421.40
Total	\$31,421.40	100%	\$30,000.00	100%	\$61,421.40

WPPI Energy has issued 66 Shared Savings loans since program inception in 2009 and has yet to have one default. The American Council for an Energy Efficient Economy (ACEEE) reports in a study that on-bill financing programs typically have a default rate less than 2%. Additionally, default risk can be considered the cost of delivering cutting edge programs to our customers. If the customer does not default, there are no additional costs. Energy efficiency program funds can be used in the event of customer default. For River Falls Municipal Utilities, this can include Wholesale Commitment to Community funds of roughly \$18,000 per year from WPPI Energy. POWERful Choices! funding can also be used.

In addition to the sharing of default risk, we also ask for a personal guaranty to be signed by the principal owner. Lastly, the loan funds are not issued to the customer until project completion, allowing for verification that the project is completed as proposed.

Important:

Because we as staff have struggle with the appropriateness of exceeding the \$50,000.00 shared risk / multiple loan scenario (which we have done twice now); we will not be considering multiple loan / excess risk for future “Shared Savings” loans. Moving forward, River Falls Municipal Utility will not consider a loan in excess of \$50,000.00 and a loan that will increase our risk to more than 50%.

WPPI Energy Credit Scoring Model Results

The applicant’s loan request is reviewed by WPPI in accordance with their loan policies. A credit score is assigned to each of five financial review categories: utility payment history, personal bureau score, equity analysis, debt coverage analysis and financial trend analysis. Based on the financial information provided by the applicant, the credit score reached a level of automatic eligibility and near the top tier of WPPI standards. Specific credit scores are withheld due to customer confidentiality; however, the score for the applicant was in excess of the minimum required. The scoring analysis was provided to the staff to help assess the level of financial risk of the Shared Savings loan. WPPI delegates all decisions on Shared Savings eligibility, risk assessment, and loan approval to the River Falls Municipal Utilities.

SUPPORTING DOCUMENTS

Attached for your review are the:

1. Exhibit A: Shared Savings Funding Agreement with WPPI and approving resolution
2. Exhibit B: Shared Savings Promissory Note
3. Exhibit C: Shared Savings Agreement with the River Falls Industrial Center, LLC and approving resolution
4. Exhibit D: Personal Guaranty of Tom Elbert
5. Exhibit E: River Falls Industrial Center Shared Savings Application Supporting Information (Q&A’s)

CONCLUSION

Because of the acceptable credit score, the positive economic development impacts, and energy efficiency upgrades, staff requests that the Utility Advisory Board recommend approval of the resolution approving the shared savings funding agreement with WPPI Energy and the resolution approving the shared savings agreement with the River Falls Industrial Center, LLC.

RESOLUTION NO. 2016-14

**APPROVING SHARED
SAVINGS AGREEMENT WITH RIVER FALLS
INDUSTRIAL CENTER, LLC**

WHEREAS, many businesses delay the purchase and installation of energy efficient products because of the seemingly high initial purchase costs, despite the long-term financial and environmental benefits; and

WHEREAS, WPPI Energy has a Shared Savings Loan Program that provides capital to customers of member utilities for energy efficiency projects; and

WHEREAS, customers are then able to repay the funding in sixty equal installments on their utility bill, which are often less than the energy cost savings; and

WHEREAS, WPPI and the River Falls Municipal Utilities have reviewed the loan application of the River Falls Industrial Center, LLC, for the installation of energy efficiency LED lighting; and

WHEREAS, because of the acceptable credit score of the applicant, the impact of the energy efficiency upgrades, and the positive economic development impacts, approving the loan agreement would be in the best interest of the City; and

BE IT THEREFORE RESOLVED that the City of River Falls Utility Advisory Board recommends execution of the Shared Savings Agreement with the River Falls Industrial Center, LLC to the Common Council.

Dated this 19th day of September, 2016.

Grant Hanson, President

Attest:

Lu Ann Hecht, City Clerk

RESOLUTION NO. 2016-15

**APPROVING SHARED SAVINGS AGREEMENT
AND PROMISSORY NOTE WITH WPPI ENERGY**

WHEREAS, many businesses delay the purchase and installation of energy efficient products because of the seemingly high initial purchase costs, despite the long-term financial and environmental benefits; and

WHEREAS, WPPI Energy has a Shared Savings Loan Program that provides capital to customers of member utilities for energy efficiency projects; and

WHEREAS, customers are then able to repay the funding in sixty equal installments on their utility bill, which are often less than the energy cost savings; and

WHEREAS, WPPI and the River Falls Municipal Utilities have reviewed the loan application of the River Falls Industrial Center, LLC, for the installation of energy efficiency LED lighting; and

WHEREAS, because of the acceptable credit score of the applicant, the impact of the energy efficiency upgrades, and the positive economic development impacts, approving the loan agreement would be in the best interest of the City; and

BE IT THEREFORE RESOLVED that the City of River Falls Utility Advisory Board recommends execution of the Shared Savings Funding Agreement and Promissory Note with WPPI Energy to the Common Council.

Dated this 19th day of September, 2016.

Grant Hanson, President

Attest:

Lu Ann Hecht, City Clerk

**SHARED SAVINGS
FUNDING AGREEMENT**

This Shared Savings Funding Agreement (this “Agreement”) is entered into as of this _____ day of August, 2016 by and between WPPI Energy, a Wisconsin municipal electric company (“WPPI”) and River Falls Municipal Utilities (“Member”).

RECITALS

A. Member participates in WPPI’s Shared Savings program, by which WPPI provides money to Members to contribute to retail customers’ eligible energy efficiency and conservation projects, as more fully set forth in Member’s Shared Savings tariff, which has been filed with the Public Service Commission of Wisconsin.

B. River Falls Industrial Center LLC, a Minnesota Limited Liability Company, (“Customer”), is a retail electric customer of Member.

C. Customer has applied for Shared Savings funding for an eligible project, and such application has been approved by both WPPI and Member (the “Project”). The Project is more fully described in the Project Information Worksheet attached to this Agreement as Exhibit A (the “Worksheet”).

D. WPPI has agreed to provide funding to Member, in the principal amount of Thirty Thousand and 00/100 Dollars (\$30,000.00) (the “Loan”), on the terms and conditions set forth in this Agreement.

E. Member has agreed to use all of the proceeds of the Loan to make a contribution to Customer for the Project (the “Customer Contribution”), subject to the terms and conditions of this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals that are incorporated into and made a part of this Agreement, the promises, covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, WPPI and Member promise, covenant and agree as follows:

1. Terms of the Loan.

(a) The Loan.

(i) WPPI agrees on the terms and conditions hereinafter set forth to make the Loan to Member on the date of this Agreement.

(ii) The Loan will mature on the 28th day of the sixty-first (61st) calendar month following the month in which the Loan amount is received by

Member from WPPI (the “Maturity Date”). The entire unpaid balance of the Loan, including principal and accrued interest and all other amounts due under or by reason of this Agreement, if not sooner paid, shall be paid in full by Member to WPPI on the Maturity Date.

(iii) Commencing in the calendar month immediately following the month in which the Loan amount is received by Member from WPPI, Member shall make sixty (60) monthly installment payments of principal and interest to WPPI totaling Five Hundred Twenty-five and 83/100 Dollars (\$525.83) the (“Monthly Amount Due”). WPPI shall invoice Member on a monthly basis, and the due date of the invoice shall be the 28th day of each calendar month. If the due date falls on a holiday or weekend, payments shall be remitted on the first business day after the due date. The Monthly Amount Due is designed to match the monthly amount Member collects from Customer pursuant to the Customer Agreement (as defined in Section 2 of this Agreement). If Customer fails to make a monthly payment or makes only a partial payment, the Monthly Amount Due for such month to WPPI equals the amount, if any, paid by the Customer to Member for such month.

(b) Interest. So long as no Event of Default (as defined below) has occurred, interest shall accrue on the unpaid principal balance of the Loan at a rate equal to two percent (2%) per annum. From and after the occurrence of an Event of Default, interest will accrue on the unpaid principal balance of the Loan and on accrued interest outstanding from time to time under the Loan Documents at a rate of eighteen percent (18%) per annum, until the Event of Default is cured to the reasonable satisfaction of Lender.

(c) Note. Member’s obligation to repay the Loan shall be evidenced by that certain Promissory Note (the “Note”) executed by Member and delivered to WPPI as of the date of this Agreement. This Agreement and the Note are collectively referred to as the “Loan Documents” in this Agreement.

(d) Prepayment. Member may prepay the Loan, in whole in or part, at any time, without penalty or premium. The Loan is not a revolving loan, and as such, amounts prepaid by Member may not be reborrowed.

(e) Payments. The Monthly Amount Due shall be included on Member’s monthly WPPI wholesale power bill. Unless otherwise agreed to in writing, or otherwise required by applicable law, payments will be applied first to accrued, unpaid interest, then to any unpaid collection costs, late charges and other charges, and any remaining amount to principal, provided however, upon delinquency or during the occurrence of an Event of Default, WPPI reserves the right to apply payments among principal, interest, late charges, collection costs and other charges at its discretion.

2. Required Documentation. The obligation of WPPI to make the Loan to Member is subject to WPPI receiving on or before the date the Loan is funded each of the following:

(a) The Note, duly executed by Member;

(b) A fully executed agreement between Member and Customer setting forth the terms and conditions of the Customer Contribution (the "Customer Agreement").

3. Representations and Warranties of Member. To induce WPPI to enter into this Agreement and make the Loan to Member, Member represents and warrants to WPPI that:

(a) Loan Documents Authorized. The execution and delivery of the Loan Documents and the Customer Agreement and the performance or observance of the terms of those documents have been duly authorized by all necessary action of Member's governing body and do not contravene or violate any provision of law or any ordinance or rule or any covenant, indenture or agreement of, or binding upon, Member;

(b) Valid and Binding Obligations. This Agreement is, and the Note when delivered under this Agreement will be, legal, valid, and binding obligations of Member, enforceable against Member in accordance with its terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, and other similar laws affecting creditors' rights generally; and

(c) Customer Agreement. Member will not consent to any changes to the Customer Agreement without WPPI's prior consent, which will not be unreasonably withheld.

4. Not General Obligation Indebtedness. The Loan does not now and shall never constitute an indebtedness of the City of River Falls within the meaning of any state constitutional provision or statutory limitation, and shall not constitute a charge against the City of River Falls' general credit or taxing powers. The Loan is payable only from the income and revenue to be derived from the operation of River Falls Municipal Utilities. Payments on the Loan from the income and revenues of River Falls Municipal Utilities shall be subordinate to payments of principal and interest on any revenue obligations secured by a pledge of the income and revenues of River Falls Municipal Utilities.

5. Covenants. So long as any amount of the Loan is outstanding and remains unpaid, Member covenants that, unless WPPI shall otherwise give its prior consent in writing, which consent may be withheld in the sole discretion of WPPI:

(a) Use of Loan Proceeds. Member shall use the Loan proceeds only for the purposes of making the Customer Contribution in a manner consistent with the Loan Documents. Member shall cause Customer to use the proceeds of the Customer Contribution only for the purposes of implementing the Project in a manner consistent with this Agreement and the Customer Agreement.

(b) Customer Agreement. Member shall timely enforce all terms and conditions of the Customer Agreement, including the exercise of all remedies available in the event of a default by the Customer, and shall not consent or agree to or permit any rescission of or amendment to the Customer Agreement without WPPI's consent, which will not be unreasonably withheld.

(c) Notices. Member will timely provide WPPI with copies of any notices or other material correspondence or information relating to the Project, the Loan, Customer or the Customer Contribution.

6. Default and Remedies. Upon the occurrence of any Event of Default, in addition to all remedies available to WPPI under the Loan Documents, at law or in equity, all principal of and accrued interest on the Loan shall, at the option of WPPI and without notice or demand, become immediately payable. If an Event of Default has occurred and is continuing, WPPI shall have the right to take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and to become due or to enforce the performance and observance of any obligation or agreement of Member. An "Event of Default" shall mean, at the option of WPPI, the occurrence of any one or more of the following:

(a) Payment Default. Subject to Section 7 of this Agreement, Member should fail to pay the principal of, or interest on, the Loan as and when due and payable, whether by acceleration or otherwise, and that failure is not cured within the time period (in no event shorter than three (3) business days) specified in a notice thereof given by WPPI to Member.

(b) Misrepresentation. Any representation or warranty made by Member is false or misleading in any material respect when made or deemed made or at any time;

(c) Non-Payment Default. Member fails to perform or observe any term, covenant, agreement or obligation set forth in the Loan Documents and that failure is not cured within the time period (in no event shorter than ten (10) days) specified in a notice thereof given by WPPI to Member;

(d) Involuntary Default. A court having jurisdiction shall enter a decree or order providing for relief in respect of Member in an involuntary case under any applicable bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Member or for any substantial part of

its property, or ordering the winding up or liquidation of its affairs in such decree or order shall remain unstayed in effect for a period of ninety (90) days;

(e) Voluntary Bankruptcy. Member shall commence a voluntary case under any applicable bankruptcy insolvency reorganization or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of Member or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due or shall take any action in furtherance of the foregoing; or

(f) Cross-Default. Member defaults under any other agreement between Member and WPPI.

7. Loan Forgiveness Due to Shortfall. Subject to Section 5(b) above, if Customer defaults under the Customer Agreement and after exercise of available remedies agreed upon by WPPI and Member to be taken, Member is unable to recover the full amount of the Customer Contribution from Customer, a portion of the Loan equal to fifty-two percent (52%) of the Shortfall (as defined below) shall be forgiven. As used in this Section 7, "Shortfall" means an amount equal to the full principal amount of the Customer Contribution, and all interest accrued up to the time of the Customer default calculated using the 2% per annum interest rate, less the amount principal and interest recovered by Member from Customer.

8. Miscellaneous.

(a) Binding Effect. The parties agree that this Agreement shall be binding upon and inure to the benefit of their respective successors in interest and assigns, including any holder of the Note, provided however, neither party may assign or transfer its interest or obligations under the Loan Documents without the prior written consent of the other, which consent will not be unreasonably withheld.

(b) Governing Law. The Loan Documents and the rights and obligations of the parties thereunder shall be governed by and interpreted in accordance with the laws of the State of Wisconsin.

(c) Notices. Any notices required under this Agreement shall be effective upon mailing by certified mail, return receipt requested or upon deposit with a nationally recognized overnight courier, and addressed as follows:

To WPPI: Vice President – Energy Services
WPPI Energy
1425 Corporate Center Drive

Sun Prairie, WI 53590

To Member: Utility Director
River Falls Municipal Utilities
222 Lewis Street
River Falls, WI 54022

(d) No Waivers. No failure or delay on the part of WPPI in exercising any right, power or privilege under the Loan Documents and no course of dealing between WPPI and Member shall operate as a waiver of any provision of the Loan Documents; nor shall any single or partial exercise of any right, power or privilege under any Loan Document preclude any other or further exercise thereof or the exercise of any other right or privilege.

(e) Headings. The headings of the sections of this Agreement have been inserted for reference and convenience only and shall not be deemed to be a part of this Agreement.

(f) Amendment and Waiver. Neither this Agreement nor any provision of this Agreement may be modified, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

(g) Integration. This Agreement and the Loan Documents contain the entire agreement between the parties relating to the subject matter hereof and supersede all oral statements and prior writings with respect thereto.

(h) Indemnity. WPPI and Member hereby agree to defend, indemnify, and hold each other harmless from and against any and all claims, damages, judgments, penalties, costs, and expenses (including attorney fees and court costs now or hereafter arising from the aforesaid enforcement of this clause) arising directly or indirectly from their activities, their predecessors in interest, or third parties with whom they have a contractual relationship, or arising directly or indirectly from the violation of any environmental protection, health, or safety law, whether such claims are asserted by any governmental agency or any other person in connection with the Loan or the Project. This indemnity shall survive termination of this Agreement.

(i) Further Assurances. WPPI and Member agree to execute and deliver such further documents as may be reasonably requested the other to effectuate the purposes of this Agreement.

(j) Inspection. Member agrees to provide WPPI with reasonable access to its records relating to the Customer Project to which this Loan applies.

(k) Severability. If any provision of this Agreement or any application of that provision is declared by a court of competent jurisdiction to be invalid or unenforceable, that invalidity or unenforceability shall not affect any other application of that provision nor the balance of the provisions of this Agreement which shall, to the fullest extent possible, remain in full force and effect, and such court shall reform such unenforceable provision so as to give the maximum permissible effect to the intentions of the parties as expressed therein.

(l) Conflict Between this Agreement and the Note. In the case of any ambiguity or conflict between this Agreement and the Note, this Agreement will control.

In witness whereof, the WPPI and Member have caused this Agreement to be executed as of the date first written above.

WPPI ENERGY

By:

Print name: _____

Title: _____

RIVER FALLS MUNICIPAL UTILITIES

By:

Print name: _____

Title: _____

By:

Print name: _____

Title: _____

EXHIBIT A

Project Information Worksheet

Shared Savings Program River Falls Municipal Utilities Appendix A - Project Summary				
Customer:	River Falls Industrial Center LLC			
Customer Representative:	Tom Elbert, Owner			
Project Description:	Efficient lighting retrofit			
Project Location:	715 St. Croix Street, River Falls, WI 54022			
<u>Projected Energy Savings Summary</u>				
Project	Est. Annual Demand Savings (kW)	Est. Annual Energy Savings (kWh)	Estimated Annual Energy Dollar Savings	Project Cost
Facility Lighting Upgrade	35.4	69,100	\$6,471	\$56,095
TOTAL	35.4	69,100	\$6,471	\$56,095
<u>Financial Summary</u>				
Total project cost:			\$56,095	
Outside Funding (Focus on Energy incentive):			\$9,945	
Outside Funding (local utility incentive):			\$5,000	
Upfront Customer Contribution:			\$11,150	
Utility Contribution (Shared Savings Funding):			\$30,000	
Annual Service Fee (%):			2.00	
Repayment Term (months):			60	
Monthly Payment:			\$525.83	
Monthly Estimated Energy Savings:			\$539	
Net Estimated Monthly Cash Flow:			\$13	
Annual Payment:			\$6,309.99	
Annual Estimated Energy Savings:			\$6,471	
Net Estimated Annual Cash Flow During Repayment Term:			\$161.01	

Promissory Note**\$30,000****August____, 2016**

For value received, the undersigned, River Falls Municipal Utilities (“Borrower”), which has a mailing address of 222 Lewis Street, River Falls, WI 54022, promises to pay to the order of WPPI Energy (“WPPI”), which has a mailing address of 1425 Corporate Center Drive, Sun Prairie, WI 53590, the principal sum of **Thirty Thousand and 00/100 dollars (\$30,000.00)** (the “Loan”), together with interest on the principal sum from the date of this Promissory Note until paid in full, at the rate and at the times described in this Promissory Note.

1. Interest Rate. So long as no Event of Default (as defined below) has occurred, interest shall accrue on the unpaid principal balance of the Loan at a rate equal to two percent (2%) per annum. Upon the occurrence of an Event of Default, interest will accrue on the entire unpaid balance of principal and accrued interest outstanding from time to time under this Promissory Note at an interest rate equal to eighteen percent (18%) per annum until the Event of Default is cured to the reasonable satisfaction of WPPI.

2. Payments. Commencing in the calendar month immediately following the month in which the Loan amount is received by Borrower from WPPI, Borrower shall make sixty (60) monthly installment payments of principal and interest to WPPI of **Five Hundred Twenty-Five and 83/100 dollars (\$525.83)** (the “Monthly Amount Due”). The Monthly Amount Due is designed to match the monthly amount Borrower collects from Customer pursuant to the Customer Agreement. If Customer fails to make a monthly payment or makes only a partial payment, the Monthly Amount Due for such month to WPPI equals the amount, if any, paid by the Customer to Borrower for such month. WPPI shall invoice Borrower on a monthly basis, and the due date of the invoice shall be the 28th day of each calendar month. If the due date falls on a holiday or weekend, payments shall be remitted on the first business day after the due date. All payments of principal and interest shall be made in lawful money of the United States of America and remitted to WPPI’s banking institution by the due date, or as may be otherwise designated by WPPI from time to time in writing. Unless otherwise agreed to in writing, or otherwise required by applicable law, payments will be applied first to accrued, unpaid interest, then to any unpaid collection costs, late charges and other charges, and any remaining amount to principal, provided however, upon delinquency or another Event of Default, WPPI reserves the right to apply payments among principal, interest, late charges, collection costs and other charges at its discretion.

3. Final Payment. The unpaid principal balance of the Loan, all accrued and unpaid interest, if any, and all other sums due and payable under this Promissory Note, if not sooner paid, shall be paid to WPPI in full on the 28th day of the sixty-first calendar month following the month in which the Loan amount is received by Borrower from WPPI (the “Maturity Date”).

4. Prepayment. The Loan may be prepaid in full or in part at any time without penalty.

5. Loan Agreement. This Promissory Note is given pursuant to and is subject to the terms of a Loan Agreement, dated as of the date of this Promissory Note between Borrower and WPPI (the "Loan Agreement"). All capitalized definitional terms used but not otherwise defined herein shall have the meanings given to them in the Loan Agreement.

6. Not General Obligation Debt. The amounts due under this Promissory Note do not constitute an indebtedness of the City of River Falls within the meaning of any State of Wisconsin constitutional provision or statutory limitation. This Promissory Note shall not be a charge against the general credit or taxing powers of the City of River Falls. This Promissory Note is payable only from the income and revenues to be derived from the operation of River Falls Municipal Utilities. Payments on this Promissory Note from the income and revenues of River Falls Municipal Utilities shall be subordinate to payments of principal and interest on any revenue obligations secured by a pledge of the income and revenues of River Falls Municipal Utilities.

7. Default and Remedies. At the option of WPPI, the occurrence of one or more of the following shall constitute a default by Borrower under this Promissory Note (an "Event of Default"):

(a) Subject to Section 7 of the Loan Agreement, Borrower fails to make any payment to WPPI when due, whether by acceleration or otherwise, under this Promissory Note, and that failure is not cured within the time period (in no event shorter than three (3) business days) specified in a notice thereof given by WPPI to Borrower; or

(b) Borrower is in default beyond any applicable notice and cure period under the Loan Agreement.

Without limiting any rights and remedies of WPPI at law, in equity or under the Loan Agreement, at the election of WPPI upon the occurrence of an Event of Default, the principal balance of the Loan remaining unpaid, together with accrued interest thereon, shall become immediately due and payable. Borrower agrees to pay all costs of collection when incurred, whether suit be brought or not, including reasonable attorneys' fees and costs of suit and preparation therefore, and to perform and comply with each of the covenants, conditions, provisions and agreements of the Borrower contained in this Promissory Note and the Loan Agreement. The rights and remedies herein specified are cumulative and are not exclusive of any rights or remedies that WPPI would otherwise have.

8. Maximum Rate of Interest. No provision of this Promissory Note or the Loan Agreement will be deemed to require Borrower to pay or be liable for the payment of interest in excess of the maximum legal rate of interest (if there is any maximum)

allowable under applicable law. If for any reason interest in excess of the maximum legal rate of interest is paid under this Promissory Note, as a result of acceleration or otherwise, the excess will constitute and be treated as a payment of principal under this Promissory Note, and will reduce the principal balance of this Promissory Note by the amount of the excess, or if in excess of the principal balance, the excess will be refunded to Borrower.

9. Waivers.

(a) Borrower hereby waives presentment and demand for payment, notice of dishonor, protest and notice of protest, and diligence in collection. Borrower hereby agrees that WPPI may: (i) extend the time of payment of the amounts outstanding or due under this Promissory Note; (ii) reduce the payments on this Promissory Note; (iii) release anyone liable for any of the amounts outstanding or due under this Promissory Note; (iv) accept a renewal of this Promissory Note; (v) join in any extension or subordination agreement with respect to the indebtedness evidenced by this Promissory Note; or (vi) agree in writing with Borrower to modify the rate of interest of this Promissory Note. Maker further waives, to the extent permitted by law, the right to plead any and all statutes of limitations as a defense to any demand on this Promissory Note.

(b) Borrower hereby agrees that none of actions specified in the preceding paragraph shall: (i) affect the obligation of Borrower to pay the outstanding principal balance of this Promissory Note and to observe the covenants of Borrower contained in this Promissory Note and the Loan Agreement; (ii) require the giving notice to, or the obtaining the consent from, Borrower, or the successors or assigns of Borrower; or (iii) result in the incurrence of any liability on the part of WPPI.

(c) Neither (i) the failure of WPPI to exercise its option to accelerate this Promissory Note when that option becomes available, nor (ii) any delay or omission on the part of WPPI in exercising any right hereunder or under the Loan Agreement, shall operate as a waiver of that option and right or of any other right hereunder or under the Loan Agreement. WPPI's acceptance of any payment or partial payment after the occurrence of an event of default, even though marked "Payment in Full," shall not constitute waiver of the default or WPPI's rights and remedies upon such default. No waiver by WPPI shall be effective unless it is in writing, signed by WPPI.

10. Choice of Law. This Promissory Note and any proceedings on it shall be governed and construed in all respects and under all circumstances by the laws of the State of Wisconsin.

11. Severability. If any provision of this Promissory Note or any application of that provision is declared by a court of competent jurisdiction to be invalid or unenforceable, that invalidity or unenforceability shall not affect any other application of that provision nor the balance of the provisions of this Promissory Note which shall, to

the fullest extent possible, remain in full force and effect, and such court shall reform such unenforceable provision so as to give the maximum permissible effect to the intentions of the parties as expressed therein.

12. Notices. Whenever WPPI or Borrower desires to give any notice to the other, it shall be sufficient for all purposes if the notice is personally delivered, sent by registered or certified United States mail, postage prepaid, or sent by nationally recognized overnight courier, addressed to the intended recipient at the address listed at the beginning of this Promissory Note for the Borrower, or such other address as hereafter specified in writing, and for WPPI at the address listed at the beginning of this Promissory Note, or such other address as hereafter specified in writing.

13. Successors. Borrower includes any successors, heirs, representatives, or assigns of Borrower, provided that Borrower may not assign or transfer its interest or obligations under this Promissory Note or the Loan Agreement without the prior written consent of WPPI, which consent may be withheld in the sole discretion of WPPI. All rights, powers, privileges and immunities herein granted to WPPI shall extend to its successors and assigns and any other legal holder of this Promissory Note, with full right by WPPI to assign and/or sell the same.

[Signature Page Follows]

IN WITNESS WHEREOF, Borrower has executed this Promissory Note as of the day and year first above written.

RIVER FALLS MUNICIPAL UTILITIES

By:

Print name: _____
Title: _____

**River Falls Municipal Utilities
SHARED SAVINGS AGREEMENT**

THIS SHARED SAVINGS AGREEMENT (this “Agreement”) is made and entered into as of the ____ day of August, 2016 (the “Effective Date”) by and between River Falls Municipal Utilities, a municipal electric utility in the State of Wisconsin having its office at 222 Lewis Street, River Falls, WI 54022 (“Utility”), and River Falls Industrial Center LLC, a Minnesota Limited Liability Company, having its principal office at 715 St. Croix Street, River Falls, WI 54022 (“Customer”), relating to property owned by Customer at 715 St. Croix Street, River Falls, WI 54022 (the “Premises”).

IT IS AGREED AS FOLLOWS:

Section 1. Purpose of Agreement. The purpose of this Agreement is (i) to assist Customer to achieve cost-effective energy efficiency impacts by indentifying certain equipment (the “Equipment”) which, when installed on the Premises in lieu of equipment presently used by Customer or other available equipment, is estimated to reduce Customer’s annual energy consumption (the “Energy Savings”) thereby providing an estimated level of savings to Customer; and (ii) to set forth the obligation of Utility to loan funds for all or a portion of the costs of the initial purchase and installation of the Equipment to Customer (“Utility Contribution”), in exchange for Customer’s agreement to share a portion of the value of the Energy Savings with Utility.

Section 2. Energy Savings. Customer and Utility have, to their mutual satisfaction, analyzed the operating practices of Customer and the corresponding energy consumption characteristics of the Premises and agree that the Energy Savings on all (or a specified portion to which the Equipment may relate, as the case may be) of the Premises for the purposes of this Agreement shall be as set forth in Appendix A to this Agreement. The parties agree that the determination of the Energy Savings set forth in Appendix A is conclusive and each hereby waives any objections to same, whether now existing or hereafter rising. Customer acknowledges that Utility does not guarantee that installation and use of the Equipment will result in the Energy Savings.

Section 3. Equipment Purchase, Installation, Operation and Maintenance.

3.1 **Purchase and Installation.** Within a reasonable period of time after the execution of this Agreement, not to exceed ninety (90) days:

(a) Customer shall purchase the Equipment specified in Part I of Appendix B hereof and the Equipment shall be installed at the Premises in the specific location identified therein.

(b) Customer shall be responsible for obtaining all governmental permits, consents and authorizations necessary for installation of the Equipment at Customer’s sole cost, and Utility shall use its best efforts to assist Customer in obtaining all necessary permits, consents and authorizations.

(c) Promptly after installation of the Equipment, Customer will provide Utility and/or WPPI Energy (“WPPI”) with a certificate of project completion and satisfaction of payment obligations (a “Certificate”) executed by Customer in a form acceptable to Utility and WPPI. At the election of Utility or WPPI, the Certificate will be countersigned by any contractor, architect or other party involved with the purchase and installation of the Equipment.

(d) Utility will pay to Customer the Utility Contribution after receipt of the Certificate and inspection and approval of the Equipment by Utility and/or Utility’s designees, including, without limitation, WPPI.

3.2 Access. As part of the initial installation of the Equipment and continuing thereafter, Customer shall provide Utility and Utility’s designees, including, without limitation, WPPI, with reasonable access to the Premises for the inspection of the Equipment, and with free and reasonable access to lights, heat, power, water, and the like necessary for that inspection and any associated submetering.

3.3 Operation and Maintenance. Customer shall operate and maintain the Equipment in good condition and repair in accordance with all manufacturer specifications and recommendations, all applicable laws, ordinances, rules and regulations and with such additional standards and procedures, if any, set forth in Part II of Appendix B attached to this Agreement. All costs and expenses incurred in connection with the operation and maintenance of the Equipment shall be the sole responsibility of Customer. Customer shall be solely responsible for promptly enforcing any manufacturer’s warranties that accompany the Equipment.

3.4 Notices. Customer will provide Utility with copies of any notices or other material correspondence or information relating to the Premises or the Equipment promptly after Customer’s receipt of the same.

Section 4. **Risk of Loss.** Customer hereby assumes all risks of loss or damage to the Equipment. Customer shall notify Utility within ten (10) days after any loss or damage to the Equipment and shall keep Utility informed of all developments regarding insurance rights and recoveries. Should the Equipment be deemed a total loss and Customer elects not to repair or replace the same, Customer shall pay to Utility the Termination Value and this Agreement shall thereafter terminate (as defined below). Except as set forth in the foregoing sentence, Customer shall proceed with all reasonable diligence to repair and replace the Equipment after any loss or damage thereto.

Section 5. **Insurance.**

5.1 Liability Insurance. Throughout the Term (as defined below), Customer shall provide, maintain, and pay for commercial general liability insurance with limits satisfactory Utility in its sole discretion so as to comply with Section 14. Utility shall be named as an additional insured under the policy maintained pursuant to the foregoing sentence.

5.2 Property Insurance. Throughout the Term, Customer shall also provide, maintain, and pay for all risk property insurance on the Equipment for the full replacement value thereof. In the event of any loss or damage to the Equipment, the proceeds of insurance covering the Equipment shall be applied toward the replacement, restoration, or repair of the Equipment in accordance with Section 4.

5.3 General Insurance Requirements. The insurance policies required under this Section 5 must be in effect from the time that the first item of the Equipment is delivered to Customer until the end of the Term and must be written by companies having a Best's rating of "A" and a financial size category rating of Class X or larger. Customer agrees to provide certificates of insurance as evidence of the required coverage to Utility at the time that the first item of the Equipment is delivered to Customer and promptly at any time thereafter upon Utility's request. Each policy must contain the insurer's agreement to give thirty (30) days written notice to Utility before cancellation or non-renewal of the required insurance. Failure of Utility to enforce the minimum insurance requirements listed above shall not relieve Customer of responsibility for maintaining the coverages set forth in this Section 5.

Section 6. Disclaimer of Warranties. UTILITY MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE CONDITION OR PERFORMANCE OF THE EQUIPMENT OR THE DEGREE OR VALUE OF ENERGY SAVINGS, AND SPECIFICALLY DISCLAIMS ANY AND ALL SUCH REPRESENTATIONS AND WARRANTIES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. CUSTOMER AGREES THAT IN NO EVENT SHALL UTILITY BE LIABLE FOR ANY INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH THE EQUIPMENT.

Section 7. Billing Commencement Date and Term. The "Billing Commencement Date" shall be the first (1st) day of the first (1st) Billing Period beginning after Utility reimburses Customer for the Utility Contribution as provided in Section 3. The "Term" of this Agreement shall begin on the Effective Date and run continuously (unless this Agreement is terminated by the parties at an earlier date pursuant to the terms hereof) until the fifth (5th) year anniversary of the Billing Commencement Date. "Billing Period" shall mean any period of approximately one (1) month's duration coincident with the normal billing cycle between Utility and Customer, and "Annual Billing Period" shall mean a series of twelve (12) consecutive Billing Periods, the first (1st) of which shall begin with the Billing Period that begins on the Billing Commencement Date.

Section 8. Compensation and Billing. Customer agrees to pay Utility an amount equal to **Five Hundred Twenty-five and 83/100 dollars (\$525.83)** (the "Monthly Payment") in each Billing Period during the Term of this Agreement, for a total of sixty (60) billing periods. The Monthly Payment reflects a sharing by Customer of the value of Energy Savings estimated to be realized from the operation and use of the Equipment at the Premises as outlined in Appendix A with the present energy charge in effect under Utility's applicable Rate Schedule. The Monthly Payment will appear as a separate line item labeled "Shared Savings" on Customer's utility bill from Utility during each Billing Period, and shall be payable by Customer upon the same terms and conditions as are applicable to the normal utility bill. The Monthly

Payment shall not vary due to change in Utility's rates, returns or charges authorized by the Public Service Commission of Wisconsin ("PSC"). Upon the final determination of the Monthly Payment, at the request of either party, Customer and Utility will confirm in writing the actual amount of the Monthly Payment.

Section 9. Conditions Beyond Control of Utility. If Utility shall be unable to carry out any of its obligations under this Agreement due to events beyond its control, including, without limitation, acts of God, governmental or judicial authority, insurrections, riots, labor disputes, labor or material shortages, fires, explosions, or floods, this Agreement shall remain in effect but Utility's obligations shall be suspended until the uncontrollable event terminates.

Section 10. Remedies Upon Default by Customer.

10.1 Utility's Remedies. If Customer fails to pay Utility the Monthly Payment when due, or any other Event of Default by Customer occurs (defined as a failure by Customer to timely perform any of its obligations under this Agreement), Utility may, without an election of remedies:

(a) Declare the Termination Value (as defined below) immediately due and payable from Customer and exercise all remedies available at law or at equity or other appropriate proceedings including bringing an action or actions from time to time for recovery of amounts due and unpaid by Customer, and/or for damages which shall include all costs and expenses reasonably incurred in exercise of its remedy (including reasonable attorney's fees), and/or for specific performance; or

(b) Without recourse to legal process, terminate this Agreement by delivery of a notice declaring termination, whereupon Utility may enter the Premises and dismantle and/or remove the Equipment from the Premises, without liability in any suit, action or other proceeding to Customer or any Lessor of the Premises, if any, on account of such actions.

10.2 Costs and Fees. Without limiting Section 10.1 above, in the event Utility terminates this Agreement due to an Event of Default, at Utility's request, Customer shall pay to Utility the Termination Value, plus all costs and expenses reasonably incurred in exercise of Utility's remedy, including reasonable attorney's fees.

10.3 Termination. Without limiting Section 10.1 above, Utility may terminate this Agreement and declare the Termination Value immediately due and payable if:

(a) Customer ceases use of the Equipment or the conduct of commercial operations at the Premises;

(b) Any creditor of Customer commences legal proceedings against Customer invoking any debt or obligation of Customer for which the Equipment, the Premises or any portion thereof is pledged as collateral;

(c) Customer commences or has commenced against it any proceedings in bankruptcy, receivership, or insolvency, or makes any assignment for the benefit of its creditors; or

(d) Customer ceases to take or receive electric service from Utility.

10.4 Termination Value. The “Termination Value” shall equal the Monthly Payment multiplied by the number of Billing Periods then remaining in the Term.

Section 11. Remedies Upon Default by Utility. In the event of material default by Utility which remains uncured thirty (30) days after Utility received notice thereof from Customer, Customer shall as its sole and exclusive remedy, all others being hereby waived, have the right to terminate this Agreement by (a) providing written notice thereof to Utility, and (b) paying the Termination Value to Utility. Following termination of this Agreement pursuant to the foregoing sentence, Utility and Customer shall have no further rights, obligations or claims under this Agreement.

Section 12. Assignment. Utility may (a) transfer or assign all or any part of its rights and obligations herein to any party, (b) pledge its rights hereunder to its creditors, or (c) utilize contractors or subcontractors, provided that any assignee or transferee agrees to honor the terms of this Agreement. Unless otherwise approved in advance by Utility in writing, which approval may be withheld in Utility’s sole discretion, Customer may not transfer or assign this Agreement and its rights and obligations herein. If an assignment by Customer is permitted, the assignee must assume in writing all of Customer’s rights and obligations under this Agreement.

Section 13. Indemnification. Customer agrees to indemnify, defend and hold Utility harmless from any and all claims, actions, costs, expenses, damages and liabilities, including reasonable attorney’s fees, and claims of third parties arising out of, connected with, or resulting from Customer’s operation, installation, use, maintenance or repair of the Equipment, or from the negligence or misconduct of its employees or other agents in connection with their activities within the scope of this Agreement. However, Customer shall not be obligated to indemnify Utility against claims, damages, expenses or liabilities solely to the extent such claims, damages, expenses or liabilities directly result from the negligence or willful misconduct of Utility or its employees or agents. The duty to indemnify will continue in full force and effect notwithstanding the expiration or early termination of this Agreement with respect to any claims based on facts or conditions which occurred prior to termination.

Section 14. Security Agreement. To secure all payments due from Customer to Utility, Customer pledges to Utility and grants to Utility a security interest in the Equipment. Customer consents to the filing by Utility of a Uniform Commercial Code financing statement relating to said Equipment in such manner and in such places as Utility may elect. At Utility's request, customer shall timely execute such financing statement and deliver such other documents as deemed necessary by Utility to perfect the security interest. Utility shall release such security interest following payment in full of the amount owed.

Section 15. Representations and Warranties of Customer. Customer hereby represents and warrants to Utility as follows:

15.1 Customer owns fee simple title to the Premises;

15.2 Customer has not purchased or installed any of the Equipment prior to the date of this Agreement;

15.3 The description of the Equipment and all other information contained in Appendix B attached to this Agreement is true and correct;

15.4 The execution and delivery of this Agreement and the performance or observance of the terms of this Agreement have been duly authorized by all necessary action of Customer's governing body and do not contravene or violate any provision of law or any ordinance or rule or any covenant, indenture or agreement of, or binding upon, Customer; and

15.5 This Agreement is a legal, valid, and binding obligation of Customer, enforceable against Customer in accordance with its terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, and other similar laws affecting creditors' rights generally.

Section 16. Miscellaneous.

16.1 Taxes and Assessments. Notwithstanding anything contained herein to the contrary, Customer shall pay and discharge, when due, all taxes, assessments and other government charges upon the Premises and Equipment, as well as claims for labor and materials which, if unpaid, might by law become a lien or charge upon the Premises or the Equipment.

16.2 Choice of Laws. This Agreement shall be governed by and interpreted pursuant to the laws of the State of Wisconsin, without regard to its conflict of laws' provisions.

16.3 Binding Effect. The parties agree that this Agreement shall be binding upon and inure to the benefit of their respective successors in interest and assigns.

16.4 Notices. Any notices required under this Agreement shall be effective upon mailing by certified mail, return receipt requested or upon deposit with a nationally recognized overnight courier, and addressed as follows:

To Utility: Utility Director
 River Falls Municipal Utilities
 222 Lewis Street
 River Falls, WI 54022

To Customer: Owner
 River Falls Industrial Center
 715 St. Croix Street
 River Falls, WI 54022

16.5 Entire Agreement; No Modification. This Agreement constitutes the entire understanding and agreement between the parties, and supersedes any and all prior representations and agreements, whether written or oral between the parties as to the subject matter hereof. No waiver, alteration, consent or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of all parties hereto bound.

16.6 Further Assurances. Customer agrees to execute and deliver such further documents as may be reasonably requested by Utility to effectuate the purposes of this Agreement.

16.7 Headings. The headings of the sections of this Agreement have been inserted for reference and convenience only and shall not be deemed to be a part of this Agreement.

16.8 No Waivers. No failure or delay on the part of Utility in exercising any right, power or privilege under this Agreement and no course of dealing between Utility and Customer shall operate as a waiver of any provision of this Agreement, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right or privilege.

16.9 Time of the Essence. Time is of the essence with respect to this Agreement and all obligations hereunder.

[Signature Page Follows]

IN WITNESS WHEREOF and intending to be legally bound, the parties hereto subscribe their names to this instrument as of the date first above written.

River Falls Industrial Center

River Falls Municipal Utilities

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ATTEST:

ATTEST:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

DRAFT

Shared Savings Program
River Falls Municipal Utilities
Appendix A - Project Summary

Customer:	River Falls Industrial Center LLC
Customer Representative:	Tom Elbert, Owner
Project Description:	Efficient lighting retrofit
Project Location:	715 St. Croix Street, River Falls, WI 54022

Projected Energy Savings Summary

Project	Est. Annual Demand Savings (kW)	Est. Annual Energy Savings (kWh)	Estimated Annual Energy Dollar Savings	Project Cost
Facility Lighting Upgrade	35.4	69,100	\$6,471	\$56,095
TOTAL	35.4	69,100	\$6,471	\$56,095

Financial Summary

Total project cost:	\$56,095
Outside Funding (Focus on Energy incentive):	\$9,945
Outside Funding (local utility incentive):	\$5,000
Upfront Customer Contribution:	\$11,150
Utility Contribution (Shared Savings Funding):	\$30,000
Annual Service Fee (%):	2.00
Repayment Term (months):	60
Monthly Payment:	\$525.83
Monthly Estimated Energy Savings:	\$539
Net Estimated Monthly Cash Flow:	\$13
Annual Payment:	\$6,309.99
Annual Estimated Energy Savings:	\$6,471
Net Estimated Annual Cash Flow During Repayment Term:	\$161.01

**Shared Savings Program
River Falls Municipal Utilities
Appendix B - Installed Equipment
River Falls Industrial Center LLC**

Item Number	Quantity	Mfr	Part or Model #	Description
1	150			2x4 LED Troffer light fixture
2	12			2x2 LED Troffer light fixture
3	25			6W A9 LED lamps
4	1500			TLED lamps

DRAFT

CONTINUING GUARANTY (Unlimited)
(For Consumer or Business Transactions)

Dated _____

GUARANTY. For good and valuable consideration, the receipt of which is acknowledged, and to induce _____ of _____ ("Lender"), to extend credit or to grant or continue other credit accommodations to _____ ("Debtor"),

the undersigned ("Guarantor," whether one or more) jointly and severally guarantees payment of the Obligations defined below when due or, to the extent not prohibited by law, at the time any Debtor becomes the subject of bankruptcy or other insolvency proceedings. "Obligations" means all loans, drafts, overdrafts, checks, notes, and all other debts, obligations and liabilities of every kind and description, whether of the same or a different nature, arising out of credit previously granted, credit contemporaneously granted or credit granted in the future by Lender to any Debtor, to any Debtor and another, or to another guaranteed or endorsed by any Debtor. Obligations include interest and charges and the amount of payments made to Lender or another by or on behalf of any Debtor which are recovered from Lender by a trustee, receiver, creditor or other party pursuant to applicable federal or state law, and to the extent not prohibited by law, including, without limitation, the Wisconsin Consumer Act, if applicable, all costs, expenses and attorneys' fees at any time paid or incurred before and after judgment in endeavoring to collect all or part of any of the above, or to realize upon this Guaranty, or any collateral securing any of the above, including those incurred in successful defense or settlement of any counterclaim brought by Debtor or Guarantor or incident to any action or proceeding involving Debtor or Guarantor brought pursuant to the United States Bankruptcy Code (collectively the "Costs of Collection"). Unless a lien would be prohibited by law or would render a nontaxable account taxable, Guarantor grants to Lender a security interest and lien in any deposit account Guarantor may at any time have with Lender. Lender may, at any time after the occurrence of an event of default and notice and opportunity to cure, if required by §425.105, Wis. Stats., set-off any amount unpaid on the Obligations and Costs of Collection against any deposit balances Guarantor may at any time have with Lender, or other money now or hereafter owed Guarantor by Lender. This Guaranty is also secured (to the extent not prohibited by law) by all existing and future security agreements between Lender and Guarantor and by any mortgage stating it secures guaranties of Guarantor. This Guaranty is valid and enforceable against Guarantor even though any Obligation is invalid or unenforceable against any Debtor.

WAIVER. To the extent not prohibited by applicable law, including, without limitation, the Wisconsin Consumer Act, if applicable, Guarantor expressly waives (a) notice of the acceptance of this Guaranty, the creation of any present or future Obligation, default under any Obligation, notice of acceleration or intent to accelerate any Obligation, proceedings to collect from any Debtor or anyone else, (b) all diligence of collection and presentment, demand, notice and protest, (c) any right to disclosures from Lender regarding the financial condition of any Debtor and any guarantor of the Obligations or the enforceability of the Obligations, and (d) all other legal and equitable surety defenses. To the extent not prohibited by the Wisconsin Consumer Act, if applicable, Guarantor's performance under this Guaranty is continuing, absolute and unconditional, irrespective of any circumstances whatsoever which might otherwise constitute a legal or equitable discharge or defense. No claim, including a claim for reimbursement, subrogation, contribution or indemnification which Guarantor may, as a guarantor of the Obligations and Costs of Collection, have against a co-guarantor of any of the Obligations and Costs of Collection or against any Debtor shall be enforced nor any payment accepted until the Obligations and Costs of Collection are paid in full and no payments to or collections by Lender are subject to any right of recovery.

CONSENT. To the extent not prohibited by applicable law, including, without limitation, the Wisconsin Consumer Act, with respect to any of the Obligations, Lender may from time to time before or after revocation of this Guaranty without notice to Guarantor and without affecting the liability of Guarantor for the full amount of the unpaid Obligations (a) surrender, release, impair, sell or otherwise dispose of any security or collateral for the Obligations, (b) release or agree not to sue any guarantor, surety or Debtor, (c) fail to perfect its security interest in or realize upon any security or collateral, (d) fail to realize upon any of the Obligations or to proceed against any Debtor or any guarantor or surety, (e) renew or extend the time of payment, (f) increase or decrease the rate of interest or the amount of the Obligations, (g) accept additional security or collateral, (h) determine the allocation and application of payments and credits and accept partial payments, (i) apply the cash proceeds of disposition of any collateral for the Obligations to any obligation of Debtor secured by such collateral in such order and amounts as it elects, (j) determine what, if anything, may at any time be done with reference to any security or collateral, (k) settle or compromise the amount due or owing or claimed to be due or owing from any Debtor, guarantor or surety, (l) accept a deed in lieu of foreclosure or make a credit bid of any part or all of the amount of the unpaid Obligations at the sale of any collateral for the Obligations which results in the transfer or sale of the collateral to Lender, and (m) sell, assign or otherwise transfer all or part of its interests in the Obligations and in any collateral or security for the Obligations. Guarantor expressly consents to and waives notice of all of the above. Guarantor consents to and authorizes Lender or its agents to obtain information concerning Guarantor's financial condition, including credit reports.

PERSONS BOUND. This Guaranty benefits Lender, its successors and assigns, and binds Guarantor, and Guarantor's respective heirs, personal representatives, successors and assigns. This Guaranty shall continue in full force and effect notwithstanding any change in structure or status of Debtor or Lender, whether by merger, consolidation, reorganization or otherwise, or assignment of this Guaranty to a successor or assignee of Lender. This Guaranty includes additional provisions on the reverse side.

NOTICE TO GUARANTOR

You are being asked to guarantee the payment of the past, present and future Obligations of Debtor. You may also have to pay Costs of Collection. Lender can collect the Obligations and Costs of Collection from you without first trying to collect from Debtor or another guarantor or from any collateral for the Obligations.

X _____ (SEAL) X _____ (SEAL)

(Address)

(Address)

For Wisconsin Married Residents Only: Each Guarantor who signs below represents that this obligation is incurred in the interest of his or her marriage or family.

X _____ X _____

FOR LENDER CLERICAL USE ONLY

If any transaction guaranteed is a consumer transaction or subject to the Federal Reserve Regulation AA ("Reg AA"), each guarantor should also sign a Consumer WBA 156 "Explanation of Personal Obligation." Alternatively, if the guaranty is not subject to Reg AA, the guarantor may receive copies of documents which evidence the customer's obligation to pay.

Acknowledgment of signature on reverse side.

Copies of documents or WBA 156 Documents Delivered: or may be required..... 156 Delivered

ADDITIONAL PROVISIONS

ENTIRE AGREEMENT. This Guaranty is intended by Guarantor and Lender as a final expression of this Guaranty and as a complete and exclusive statement of its terms, there being no conditions to the full effectiveness of this Guaranty. To the extent not prohibited by the Wisconsin Consumer Act, if applicable, this Guaranty may not be contradicted or varied by evidence of prior, contemporaneous or subsequent oral agreements or discussions of Guarantor and Lender. There are no oral agreements among Guarantor and Lender. This Guaranty may not be supplemented or modified except in writing.

REPRESENTATIONS. Guarantor acknowledges and agrees that Lender (a) has not made any representations or warranties with respect to, (b) does not assume any responsibility to Guarantor for, and (c) has no duty to provide information to Guarantor regarding, the enforceability of any of the Obligations or the financial condition of any Debtor or guarantor. Guarantor has independently determined the creditworthiness of Debtor and the enforceability and all circumstances bearing upon the risk of nonpayment of the Obligations that diligent inquiry would reveal, and until the Obligations are paid in full will independently and without reliance on Lender continue to make such determinations.

REVOCACTION. This is a continuing guaranty and shall remain in full force and effect until Lender receives written notice of its revocation signed by Guarantor or actual notice of the death of Guarantor. Upon revocation by written notice or actual notice of death, this Guaranty shall continue in full force and effect as to all Obligations contracted for or incurred before revocation, and as to them Lender shall have the rights provided by this Guaranty as if no revocation had occurred. Any renewal, extension or increase in the interest rate of any such Obligation, whether made before or after revocation, shall constitute an Obligation contracted for or incurred before revocation. Obligations contracted for or incurred before revocation shall also include credit extended after revocation pursuant to commitments made before revocation. Revocation by one Guarantor shall not affect any of the liabilities or obligations of any other Guarantor and this Guaranty shall continue in full force and effect with respect to them.

JURISDICTION. To the extent not prohibited by applicable law, including, without limitation, the Wisconsin Consumer Act, Guarantor irrevocably consents with respect to any suit, action or proceeding relating to this Guaranty or any of the other loan documents relating to the Obligations, that venue for any legal proceeding relating to the collection of this Guaranty shall be, at Lender's option, the county in which Lender has its principal office in Wisconsin, the county and state in which any Guarantor resides or the county and state in which this Guaranty was executed by Guarantor, and Guarantor waives any objection it, she or he may have at any time to the venue of any such proceeding brought in any such court, waives any claim that any such proceeding has been brought in an inconvenient forum and waives the right to object with respect to any such proceeding that such court does not have jurisdiction over such party.

INTERPRETATION. The validity, construction and enforcement of this Guaranty are governed by the internal laws of Wisconsin except to the extent such laws are preempted by federal law. To the extent not prohibited by the Wisconsin Consumer Act, if applicable, invalidity of any provision of this Guaranty shall not affect the validity of any other provision of this Guaranty. All terms not otherwise defined have the meanings assigned to them by the Wisconsin Uniform Commercial Code.

ACKNOWLEDGMENT

STATE OF WISCONSIN

COUNTY OF _____

} ss.

This instrument was acknowledged before me on _____, by _____

_____ (as _____ (if not signing in individual capacity, indicate type of authority: e.g., officer, trustee, etc.

of _____ and name of corporation, partnership or other party on behalf of whom guaranty was executed.)

(Notary Signature)

Notary Public, _____ County, Wis.

My Commission (Expires) (is) _____

River Falls Industrial Center Shared Savings Application

Supporting Information

8/29/16

1. Why wasn't it referenced in the memo that Tom's lighting company will be providing the lights?

The relationship was considered by staff upon initial inquiry by the customer. Ultimately somebody needs to pay for the lights that are most likely coming from out of the country, and for the workers performing the installation. It was considered that there is an opportunity for Tom to make the paperwork look like the project is much more expensive so he can get \$30k of low-interest money. The question asked was how could we prove anything? What type of documentation or agreement could we require that would prevent this? Regardless of ownership, both businesses have the right to charge free-market prices and accept or reject said pricing. The material and labor costs are in line with other projects. The customer has excellent payment history on two other loans and there are real energy savings in the project. To be accusatory of the potential borrower, even in a memo to the City Council was not something staff was willing to do.

2. Is this information about his lighting company pertinent to the loan? Why or Why not?

The reference to Eco Energy Midwest was not included because in most energy efficiency programs, the source of the materials is irrelevant. Simply put, a customer may choose their own contractor and/or supplier of the materials. We simply verify eligibility of the equipment and require invoices to show the proof of and amount of the purchases. The loan funding is not paid to the customer until the project is complete and a paid invoice is submitted.

3. Is this a perceived conflict of interest or an actual conflict of interest?

Would both companies benefit from the project proceeding? Yes

Does Tom Elbert have ownership in both companies? Yes

The fact that this is a win-win for an individual probably makes this an actual conflict of interest. However, staff does not feel that the conflict of interest impacts the eligibility for the loan or the default risk to the City. Similar situations are evident throughout private business and government. Businesses often set up a separate legal entity for ownership of facilities that house operations. Businesses contract with other entities for which family and friends are owners or employees.

4. Why do feel it is important we (RFMU) take on additional risk for this customer?

The Shared Savings program is available for all commercial and industrial electric customers served by River Falls Municipal Utilities. The program is designed to provide low-interest financing so energy efficiency projects that wouldn't otherwise be implemented move forward. The additional default risk can be considered the cost of delivering cutting edge programs to our customers. If the customer does not default, there are no additional costs. In event of default, energy efficiency program funding can be used to repay WPPI. These efficiency program funds include the WCTC funding from WPPI that is roughly \$18,000 per year.

5. Is this customer in our Top 15 for electricity usage?

- a. The River Falls Industrial Center I is the 25th largest electric customer in River Falls, with annual revenue of \$55,025.
- b. Combined with River Falls Industrial Center II, the facilities are the 9th largest aggregate electric customer with annual revenue of \$128,789.

Sources		Uses	
Focus on Energy Incentive	\$ 9,945	Energy Efficiency LED Lighting Materials	\$ 45,330
RFMU Bonus Incentive	\$ 5,000	Installation	\$ 10,765
Shared Savings Loan	\$ 30,000		
Customer	\$ 11,150		
Total Sources	\$ 56,095	Total Uses	\$ 56,095

6. Additional Information

WPPI Energy has issued 66 Shared Savings loans since program inception and has yet to have one default.

The American Council for an Energy Efficient Economy (ACEEE) reports in a study that on-bill financing programs typically have a default rate less than 2%.



MEMORANDUM

TO: Utility Advisory Board

FROM: Crystal M. Raleigh, PE - Sr. Civil Engineer 

DATE: September 19, 2016

TITLE: Storm Water Management and Storm Water Utility

BACKGROUND

Several years ago, when the Utility Commission became an Advisory Board, making recommendations on the storm water utility as well as storm water facilities and infrastructure became the duty of the Utility Advisory Board. We feel that it is important to keep you up to date as to what is happening in storm water in order for you to be as informed as possible when it comes to decision making. There aren't a lot of opportunities for this board to advise on storm water as most work done in the City is routine maintenance. However, with the North Interceptor project as well as planning for the Kinni River Corridor, the opportunity to participate in storm water decisions is coming.

DISCUSSION

The City storm water ordinance has been in place since the mid-90s. It was most recently updated in April of 2016. The ordinance and supplemental management standards outline the storm water management considerations developers must take during construction phases and those permanent measures that are required for the life of the development.

Storm water management during construction requires that the owner place erosion and sediment control best management practices in order to keep soil particles from traveling offsite.

Long term storm water management practices include storm water ponds, rain gardens, infiltration or dry ponds, and others. When designing long term storm water measures for a particular site, our technical standards require developers to control the rate and volume (or quantity) of water leaving the site. Another requirement is to limit the amount of total suspended solids (TSS) that leaves the site.

It is also critical that any permanent storm water measures that are implemented are designed to have a safe overflow route in the event that we get a very large rainfall in a short amount of time and outlets or other devices are, for whatever reason, not usable. It's important that downstream impacts are minimized as much as possible.

I look forward to discussing these concepts in further detail with you at the meeting on Monday evening.



Storm Water Overview

Crystal Raleigh, PE
Senior Civil Engineer

Storm Water Management

- Significance to the Utility Advisory Board
- Storm Water Ordinance
 - Construction Site Erosion Control
 - Post Construction Storm Water Management
- Questions

Significance to U.A.B.

- Utility Commission to Utility Advisory Board
- Advise on Storm Water Utility, Infrastructure and Facilities
- Why Only Now?
 - North Interceptor
 - Kinni River Corridor Plan

Storm Water Ordinance

- Enacted in mid 1990's with periodic updates
 - Construction Site Erosion Control
 - Post Construction Storm Water Management
- Technical Standards

Construction Site Erosion Control

- Ensure that sediment does not leave active construction site
- Applies to large and small development
- Keeps our conveyance systems free from sediment
- Prevents sedimentation of storm ponds
- Calls for routine inspections and maintenance of erosion control devices

Post Construction Storm Water Management

- Permanent storm water controls
 - Wet ponds, dry ponds, rain gardens, etc.
- 4 requirements for design
 - Control Rate water leaves site
 - Control Volume or Quantity of water leaving the site
 - Control how much total suspended solids (TSS) leaves the site
 - Provide safe emergency overflow

Post Construction Storm Water Management

- Rate Control
 - Control how fast the water leaves your site
 - Storm Events – 2 year, 10 year, 100 year
 - 100 year storm means there's a 1/100 (or 1%) chance of that storm on any given rain event
- Volume Control
 - Slow the rate but eventually all the water will still leave the site, like a bathtub
 - Infiltration

Post Construction Storm Water Management

- Total Suspended Solids (TSS)
 - Dirt that comes off the site after it is established
 - Parking/Driving surface vs. Lawn/Roof surface
 - Wet ponds, grass swales, bio-filters or rain gardens
 - Can carry phosphorus which is a concern here
- Emergency
 - Prepare for “doomsday”
 - Heavy, intense rain, frozen ground, outlets clogged

Questions?



MS4 Storm Water Permit 2015 Annual Report

Crystal Raleigh, PE
Senior Civil Engineer

2015 Annual Report

- MS4 Permit Overview
- 2015 MS4 Activity
- TMDL Implementation in 2016
- Updates to Ordinance and Standards
- Questions

MS4 Permit Overview

- Federal Regulation from Clean Water Act
- States Administered
 - 1997 Phase 1 – Individual permits for large communities
 - 2006 Phase 2 – General permit for smaller communities
 - River Falls
 - 2014 Added more communities to program based on data from 2010 census
 - City of Hudson, Town of St. Joseph

2015 MS4 Activity



- 6 Minimum Control Measures
 - 1, 2: Public Education, Outreach, & Involvement
 - Presentations to area schools, Plinko
 - Adopt-A-Pond, Rain Barrels
 - 3: Illicit Discharge Detection & Elimination
 - 4, 5: Erosion Control and Storm Water Management Ordinance
 - Permitting process for development
 - Erosion Control Inspections

2015 MS4 Activity Cont'd

- 6 Minimum Control Measures Cont'd
 - 6: Pollution Prevention
 - Infrastructure inspection
 - Street sweeping, deicing
 - Staff training, vehicle maintenance
 - Public Works Garage SWPPP
 - Additional Measures
 - Annual reporting
 - Storm sewer system map

2015 MS4 Activity Cont'd

- July 6th Flood
 - 7-9 Inches over 24 Hours
 - System designed to pass 6 Inches in 24 Hours
 - Damage was minimal
 - Bartosh Canyon
 - Devin Lane Outfall
 - River Oaks Pond



TMDL Implementation in 2016

- Lake St. Croix is impaired for Phosphorus
 - TMDL – Total Maximum Daily Load
- 2015 – Researched TMDL modeling requirements
 - 47% Phosphorus Removal from no controls
- 2016 – Model City for Phosphorus output
 - We expect that our system will meet or exceed 47%
- 2017 – If our system doesn't meet 47%, develop a plan to get there.

Updates to Ordinance & Standards

- 1st Reading tonight, Resolution for Technical Standards tonight, 2nd Reading April 12
 - Ordinance updates are mostly grammatical in nature
 - 2 Changes in Technical Standards
 - NOAA Atlas 14 Rainfall Data – Industry Standard
 - Minimum grade in clay areas – 2%

Summary

- MS4 Permit Overview
 - 2015 MS4 Activity
 - TMDL Implementation in 2016
 - Updates to Ordinance and Standards
-
- Questions?



Storm Water Management

Crystal Raleigh, PE
Senior Civil Engineer

Storm Water Management

- MS4 Permit Activities
- TMDL Implementation in 2016
- Updates to Ordinance and Standards
- Questions

MS4 Activity

- River Falls MS4 permitted since 2006
- 6 Minimum Control Measures
 - 1, 2: Public Education, Outreach, & Involvement
 - Presentations to area schools, Plinko
 - Adopt-A-Pond, Rain Barrels
 - 3: Illicit Discharge Detection & Elimination
 - 4, 5: Erosion Control and Storm Water Management Ordinance
 - Permitting process for development
 - Erosion Control Inspections



MS4 Activity Cont'd

- 6 Minimum Control Measures Cont'd
 - 6: Pollution Prevention
 - Infrastructure inspection
 - Street sweeping, deicing
 - Staff training, vehicle maintenance
 - Public Works Garage SWPPP
- Additional Measures
 - Annual reporting
 - Storm sewer system map

TMDL Implementation in 2016

- Lake St. Croix is impaired for Phosphorus
 - TMDL – Total Maximum Daily Load
- 2015 – Researched TMDL modeling requirements
 - 47% Phosphorus Removal from no controls
- 2016 – Model City for Phosphorus output
 - We expect that our system will meet or exceed 47%

Updates to Ordinance & Standards

- Technical Standards Adopted March 22
- Ordinance Adopted April 12
 - Ordinance updates were mostly grammatical in nature
 - 2 Changes in Technical Standards
 - NOAA Atlas 14 Rainfall Data – Industry Standard
 - Minimum grade in clay areas – 2%

Questions?



September 14, 2016

To: Utility Advisory Board

From: Tracy Biederman, Accountant

Re: **August 2016** Financial Statements (Electric, Water, Sewer, Storm Water)

Electric fund: Total revenue for the eight months ending is \$9,213,628. Year to date total expenses are \$8,825,195; generating a net income of \$388,434.

- Electric kWh sales have increased 2.1% as compared to the prior year-to-date reporting period.
- WPPI's wholesale power bill for the eight months ending has a \$130,183 savings as compared to 2015.
- The utility expended \$98,175 for directional boring during the month of August.
- Period ending cash and investments balance is a positive \$7.42 million.

Water fund: Total revenue for the water fund is \$1,208,007. Year to date total expenses are \$1,137,114; generating a net income of \$70,893.

- Water sales in gallons have increased 5.3% as compared to the prior year-to-date reporting period.
- Industrial has a 72% cumulative increase over the prior year-to-date period followed by irrigation revenue having a 23% increase in sales.
- Period ending cash and investments balance is a positive \$1.05 million.

Sewer fund: Year to date revenue for the sewer fund is \$2,250,233. Year to date total expenses are \$1,734,184; generating a net income of \$516,049.

- Charges for services have increased in correlation to domestic water sales.
- Maintenance of Treatment plant and Biosolids handling are still at a decline for the period ending as compared to 2015.
- Debt Service is higher due to the 2016A Revenue Bond issuance costs.
- Period ending cash and investments balance is a positive \$6.9 million.

Storm Water fund: Year to date revenue for the storm water fund is \$357,673. Year to date total expenses are \$321,885; generating a net income of \$35,788.

- Expenses are higher in 2016 due to the timing of Curb and Gutter and catch basins replacements paid during June whereas 2015 was paid in September.
- Period ending cash and investments balance is a positive \$321,322.

Please contact me if you have any questions regarding the monthly financial reports.



Balance Sheet

August 2016

F ND	Description	Period Net Change	Account Balance
610 Electric			
Assets	Total Assets	275,183 05	21,838,245 55
	Cash and investments	101,463 46	7,425,343 18
	Accounts Receivable	39,287 24	1,498,939 11
	Prepaid Inventory	101,800 94	959,042 06
	Construction in Progress	45,865 90	670,317 83
	Capital Assets	47,363 28	24,387,645 52
	AD Capital Assets	(60,597 77)	(13,211,904 15)
	Deferred Resources	0 00	108,862 00
Liabilities	Total Liabilities	(120,299 65)	(1,452,805 47)
	Accounts Payable	(95,939 67)	(1,333,426 83)
	Non-Current Liability	0 00	(89,405 75)
	Debt Outstanding	822 65	(105,519 78)
	Deferred Resources	(25,182 63)	75,546 89
Fund Balance	Total Fund Balance	(154,883 40)	(20,385,440 08)
	Fund Balance	(154,883 40)	(20,385,440 08)
	Total Liabilities Fund Balance	(275,183 05)	(21,838,245 55)



Balance Sheet

August 2016

F ND	Description	Period Net Change	Account Balance
620 Water			
Assets	Total Assets	(391,088 64)	15,700,828 94
	Cash and investments	(336,081 64)	1,058,025 70
	Accounts Receivable	(10,429 95)	165,818 94
	Prepaid Inventory	2,657 19	60,216 81
	Non-Current Assets	66 34	337,752 08
	Construction in Progress	(10,400 00)	698,621 43
	Capital Assets	0 00	18,892,461 55
	Accumulated Depreciation Capital Assets	(36,900 58)	(5,556,863 57)
	Deferred Resources	0 00	44,796 00
Liabilities	Total Liabilities	422,131 20	(1,908,856 98)
	Accounts Payable	427,495 30	(36,748 01)
	Non-Current Liability	14 86	(29,286 01)
	Debt Outstanding	(5,378 96)	(1,842,822 96)
Fund Balance	Total Fund Balance	(31,042 56)	(13,791,971 96)
	Fund Balance	(31,042 56)	(13,791,971 96)
	Total Liabilities Fund Balance	391,088 64	(15,700,828 94)



Balance Sheet

August 2016

F ND	Description	Period Net Change	Account Balance
630 Waste Water			
Assets	Total Assets	(217,585 11)	27,470,722 54
	Cash and investments	(186,662 70)	6,909,217 17
	Accounts Receivable	(2,564 28)	319,329 52
	Prepaid Inventor	0 00	17,200 00
	Non-Current Assets	148 30	411,644 57
	Construction in Progress	14,931 26	1,355,084 08
	Capital Assets	0 00	27,811,941 54
	AD Capital Assets	(43,437 69)	(9,414,530 34)
	Deerred Resources	0 00	60,836 00
Liabilities	Total Liabilities	295,771 26	(9,522,202 99)
	Accounts Payable	316,032 95	(72,613 49)
	Non-Current Liability	1,976 00	43,992 29
	Debt Outstanding	(20,224 08)	(9,651,993 68)
	Deerred Resources	(2,013 61)	158,411 89
Fund Balance	Total Fund Balance	(78,186 15)	(17,948,519 55)
	Fund Balance	(78,186 15)	(17,948,519 55)
	Total Liabilities Fund Balance	217,585 11	(27,470,722 54)



Balance Sheet August 2016

F ND	Description	Period Net Change	Account Balance
640 Storm Water			
Assets	Total Assets	20,304 11	6,181,396 84
	Cash and Investments	25,563 89	321,322 50
	Accounts Receivable	(435 58)	47,369 66
	Construction in Progress	8,079 73	21,947 09
	AD Fixed Assets	(12,903 93)	5,774,381 59
	Deferred Resources	0 00	16,376 00
Liabilities	Total Liabilities	(7,820 57)	(200,144 28)
	Accounts Payable	(7,820 57)	(34,209 53)
	Debt Outstanding	0 00	(165,934 75)
Fund Balance	Total Fund Balance	(12,483 54)	(5,981,252 56)
	Fund Balance	(12,483 54)	(5,981,252 56)
	Total Liabilities Fund Balance	(20,304 11)	(6,181,396 84)



Financial Statement August 2016

	Current Year				
	Budget	Month	Y-T-D	% Budgeted	
610 - Electric					
Revenue					
Charges for Services	\$14,189,533	\$1,339,615	\$8,907,174	63%	\$9,052,718
Interest	\$15,000	\$1,308	\$21,984	147%	\$13,732
Miscellaneous	\$622,488	\$34,587	\$279,712	45%	\$264,924
Other Financing	\$30,000	\$(146)	\$4,759	16%	\$185,319
Deferred Resources	\$0	\$0	\$0	0%	\$0
Total Revenue	\$14,857,021	\$1,375,365	\$9,213,628	62%	\$9,516,694
Expense					
Hydraulic Power Generation	\$32,569	\$2,038	\$37,446	115%	\$43,482
Purchased Power	\$10,866,597	\$918,463	\$6,427,978	59%	\$6,558,161
Transmission	\$25,997	\$641	\$7,835	30%	\$51,397
Distribution	\$1,106,753	\$86,124	\$594,735	54%	\$563,323
Customer Accounts	\$621,039	\$46,574	\$347,650	56%	\$331,551
Administrative & General	\$394,911	\$18,278	\$214,908	54%	\$228,222
Other Operating Expenses	\$764,700	\$66,728	\$541,550	71%	\$517,533
Debt Service	\$277,008	\$25,183	\$201,461	73%	\$0
Transfers to Other Funds	\$767,447	\$56,454	\$451,631	59%	\$423,530
Total Expense	\$14,857,021	\$1,220,481	\$8,825,195	59%	\$8,717,199
Net Total 610 - Electric	\$0	\$154,883	\$388,434	61%	\$799,495



Financial Statement August 2016

	Current Year				Prior Y-T-D
	Budget	Month	Y-T-D	% Budgeted	
620 - Water					
Revenue					
Special Assessments	\$0	\$0	\$0	0%	\$0
Charges for Services	\$1,313,137	\$153,368	\$998,198	76%	\$926,468
Interest	\$3,474	\$525	\$4,243	122%	\$1,482
Miscellaneous	\$459,145	\$7,781	\$95,210	21%	\$90,476
Other Financing	\$85,080	\$11,130	\$110,357	130%	\$94,109
Total Revenue	\$1,860,836	\$172,804	\$1,208,007	65%	\$1,112,534
Expense					
Transmission	\$437,754	\$32,391	\$243,886	56%	\$268,368
Pumping	\$139,492	\$9,892	\$75,456	54%	\$92,503
Water Treatment	\$75,901	\$4,045	\$57,766	76%	\$50,701
Customer Accounts	\$117,111	\$6,577	\$53,242	45%	\$51,289
Administrative & General	\$187,321	\$10,650	\$110,493	59%	\$106,564
Other Operating Expenses	\$365,844	\$36,901	\$265,379	73%	\$246,285
Debt Service	\$66,119	\$5,364	\$43,363	66%	\$45,619
Transfers to Other Funds	\$471,294	\$35,941	\$287,529	61%	\$267,628
Total Expense	\$1,860,836	\$141,761	\$1,137,114	61%	\$1,128,957
Net Total 620 - Water	\$0	\$31,043	\$70,893	63%	\$(16,423)



Financial Statement August 2016

	Current Year				Prior Y-T-D
	Budget	Month	Y-T-D	% Budgeted	
630 - Waste Water					
Revenue					
Special Assessments	\$0	\$0	\$0	0%	\$0
Charges for Services	\$3,079,754	\$272,281	\$2,107,984	68%	\$2,038,381
Interest	\$4,500	\$880	\$13,123	292%	\$6,009
Miscellaneous	\$36,614	\$4,167	\$38,662	106%	\$36,775
Other Financing	\$59,480	\$7,815	\$90,465	152%	\$80,186
Total Revenue	\$3,180,348	\$285,143	\$2,250,233	71%	\$2,161,351
Expense					
Operation	\$529,477	\$29,462	\$252,114	48%	\$280,577
Maintenance	\$558,637	\$49,070	\$209,512	38%	\$247,845
Bio Solids	\$394,000	\$25,935	\$222,495	56%	\$243,858
Customer Accounts	\$285,187	\$6,806	\$101,088	35%	\$96,127
Administrative & General	\$360,773	\$16,821	\$197,912	55%	\$185,540
Other Operating Expenses	\$493,000	\$43,438	\$371,119	75%	\$385,209
Debt Service	\$99,737	\$20,262	\$258,647	259%	\$101,170
Transfers to Other Funds	\$459,537	\$15,162	\$121,298	26%	\$121,298
Total Expense	\$3,180,348	\$206,957	\$1,734,184	55%	\$1,661,624
Net Total 630 - Waste Water	\$0	\$78,186	\$516,049	63%	\$499,727



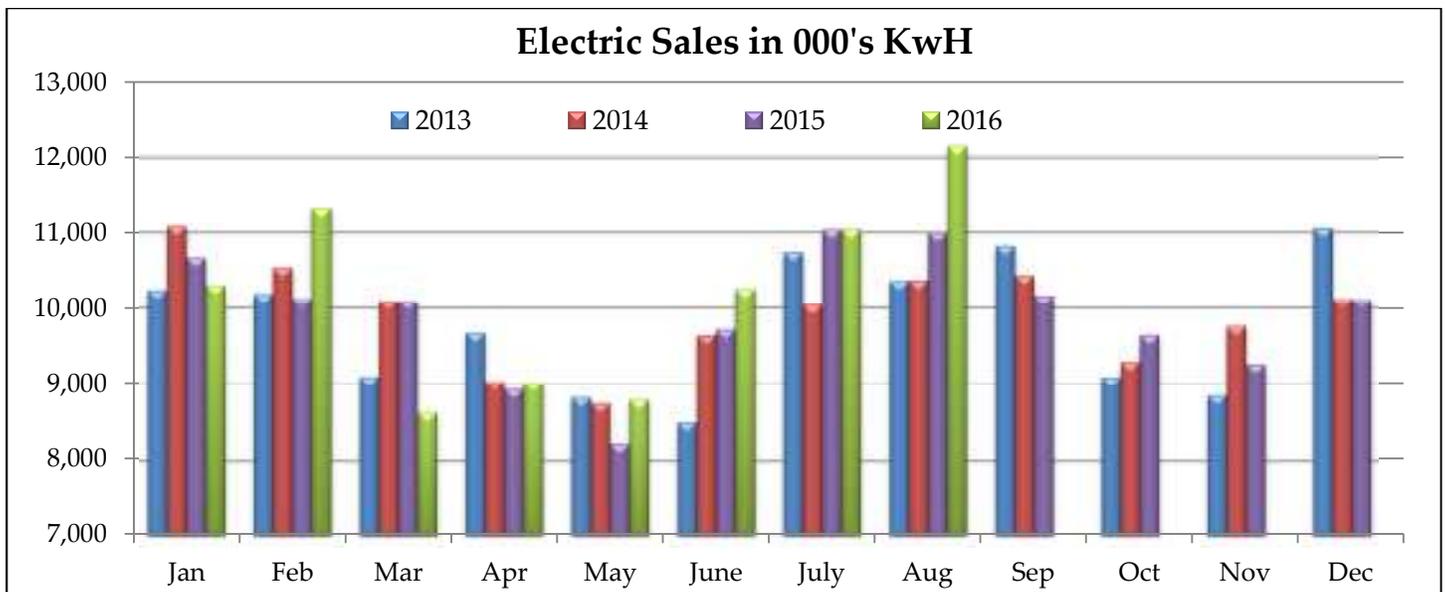
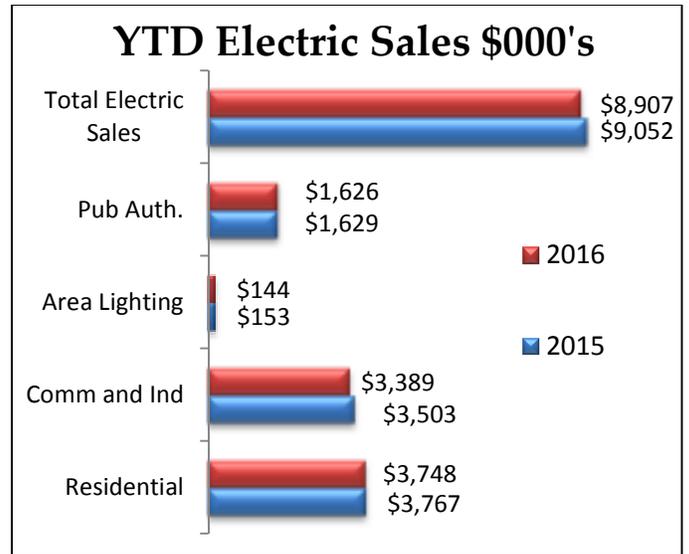
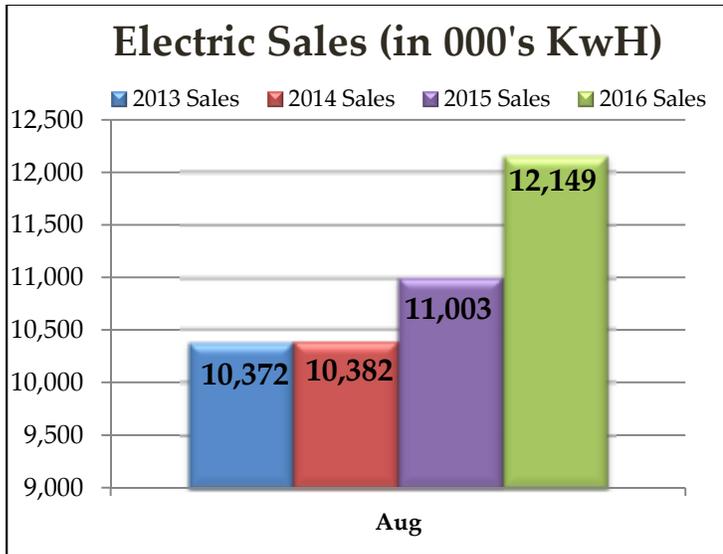
Financial Statement August 2016

	Current Year				
	Budget	Month	Y-T-D	% Budgeted	
640 - Storm Water					
Revenue					
Charges for Services	\$505,000	\$45,185	\$354,638	70%	\$342,595
Interest	\$500	\$0	\$(298)	(60)%	\$119
Miscellaneous	\$77,136	\$0	\$0	0%	\$0
Other Financing	\$5,000	\$417	\$3,333	67%	\$3,333
Total Revenue	\$587,636	\$45,602	\$357,673	61%	\$346,047
Expense					
Storm Water	\$587,636	\$33,118	\$321,885	55%	\$283,197
Total Expense	\$587,636	\$33,118	\$321,885	55%	\$283,197
Net Total 640 - Storm Water	\$0	\$12,484	\$35,788	58%	\$62,850

River Falls Municipal Utility

⚡ Electric Dashboard ⚡

August 2016

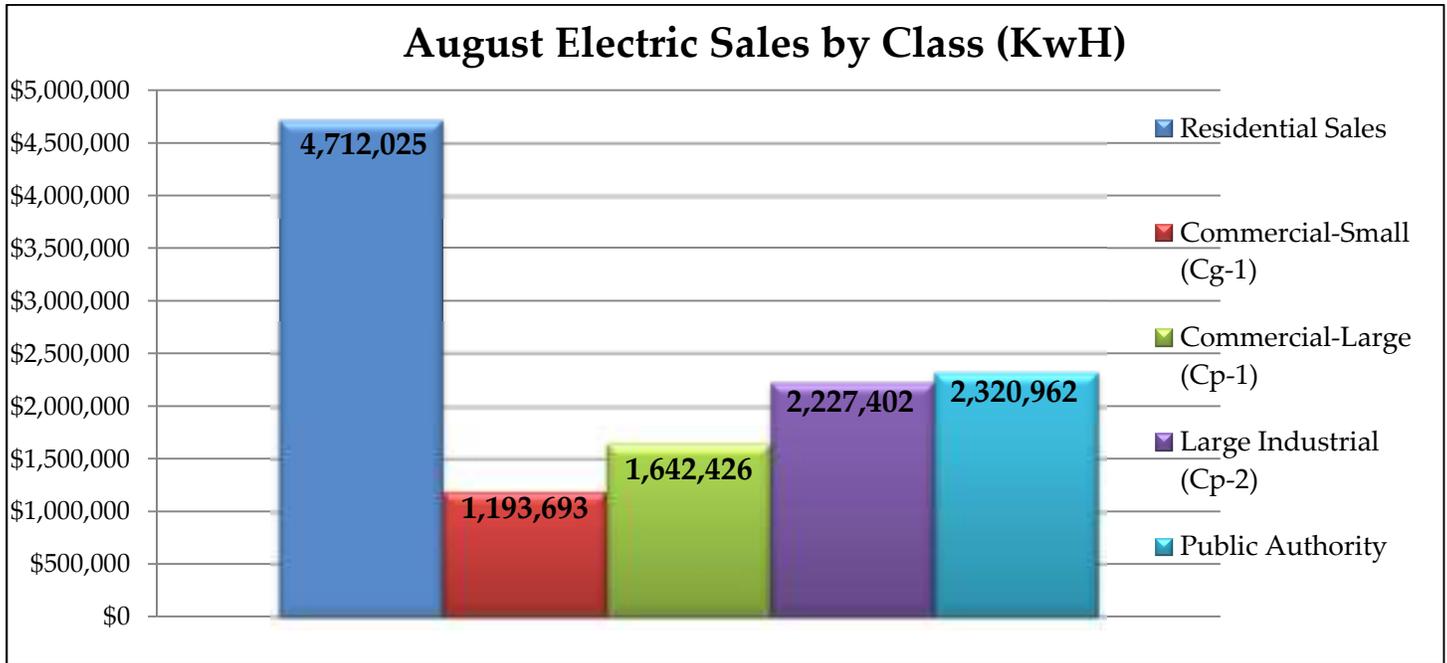


The Power of Community

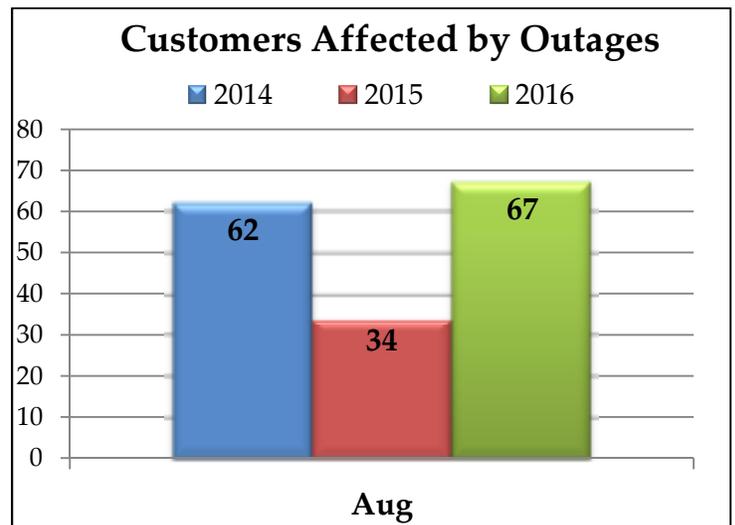
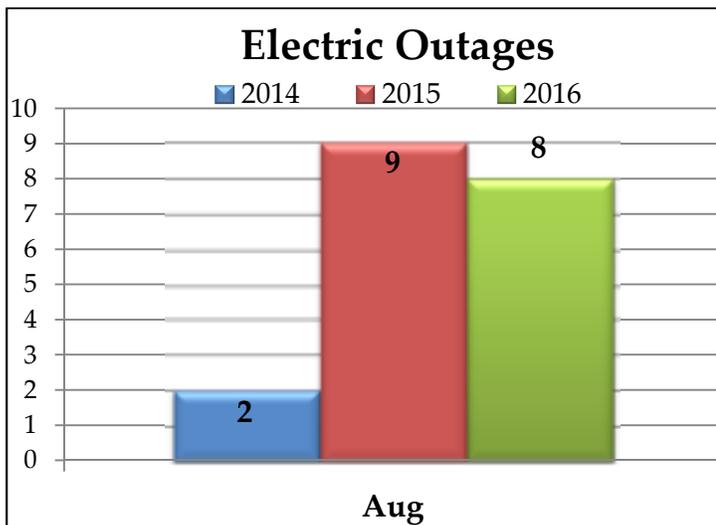
River Falls Municipal Utility

Electric Dashboard

August 2016



Electric Outages



For more information please contact: Kevin Westhuis
(715) 426-3442 or kwesthuis@rfcity.org

River Falls Municipal Utility

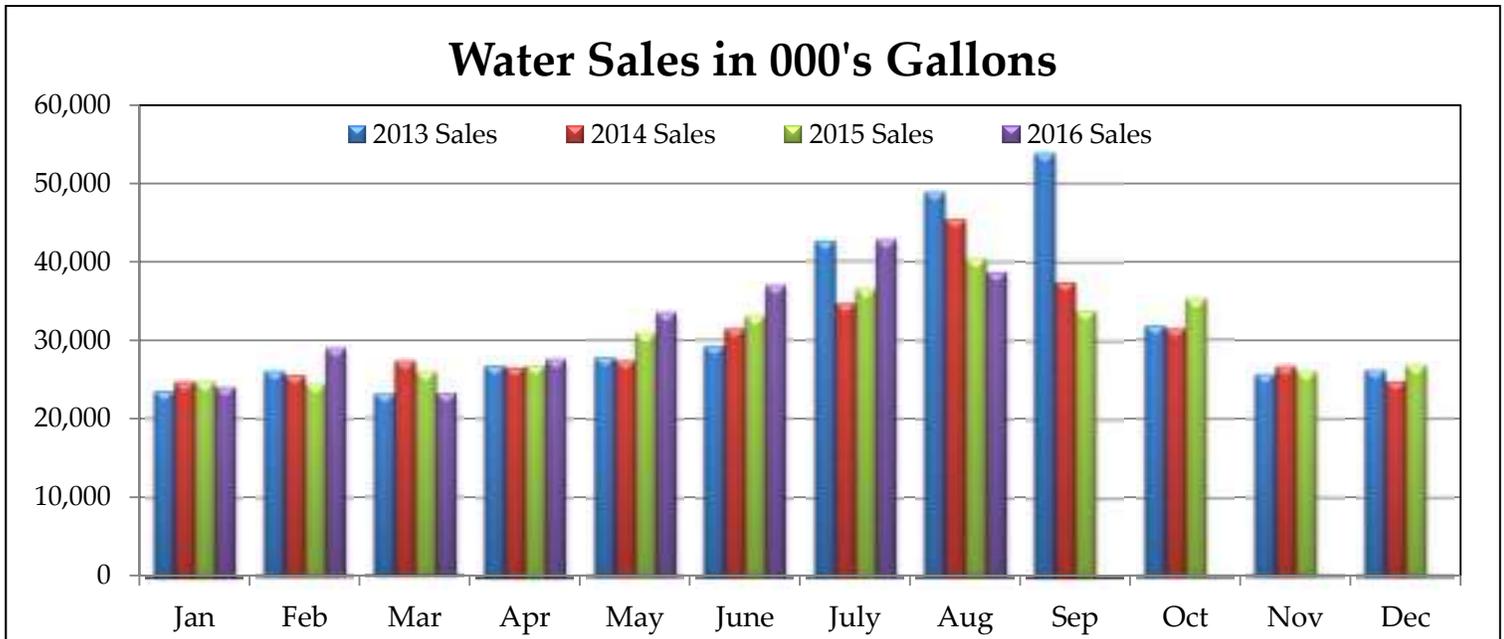
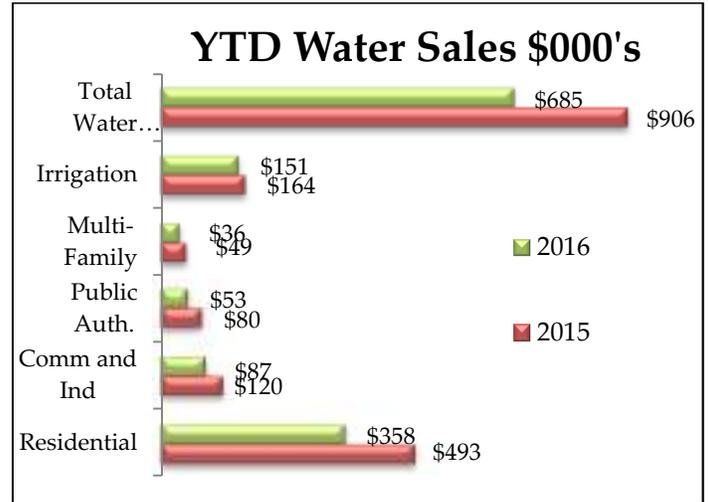
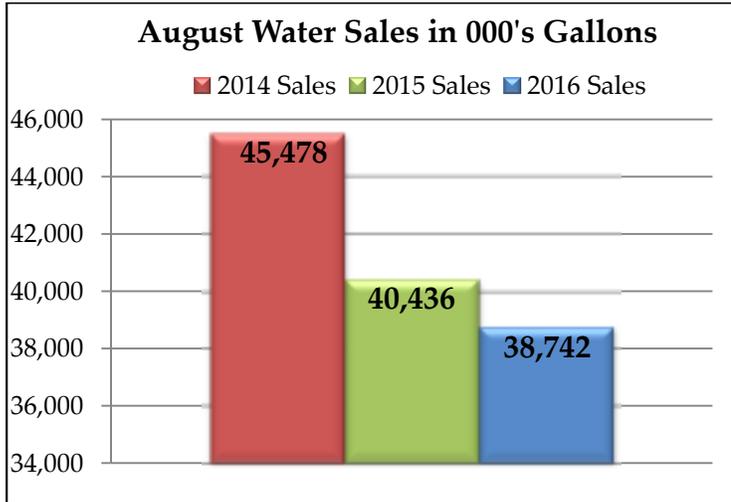


Water Dashboard



August 2016

Water Sales



Providing a safe and reliable supply of high quality water to the River Falls community we serve.

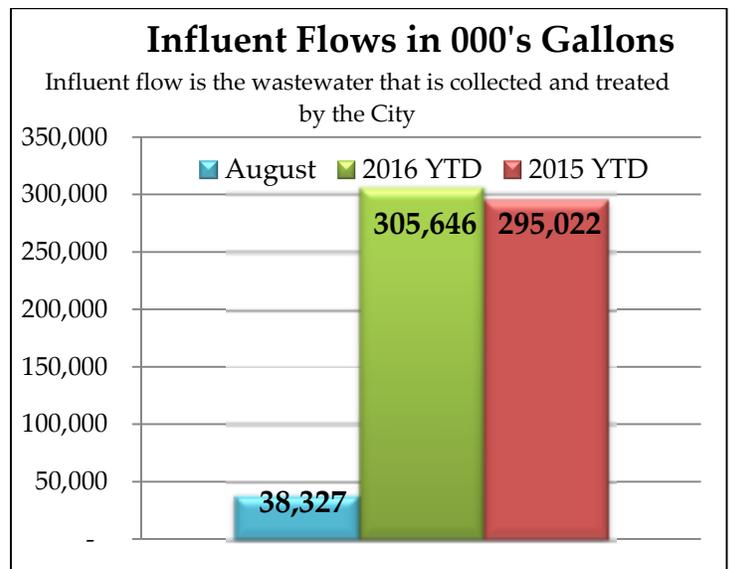
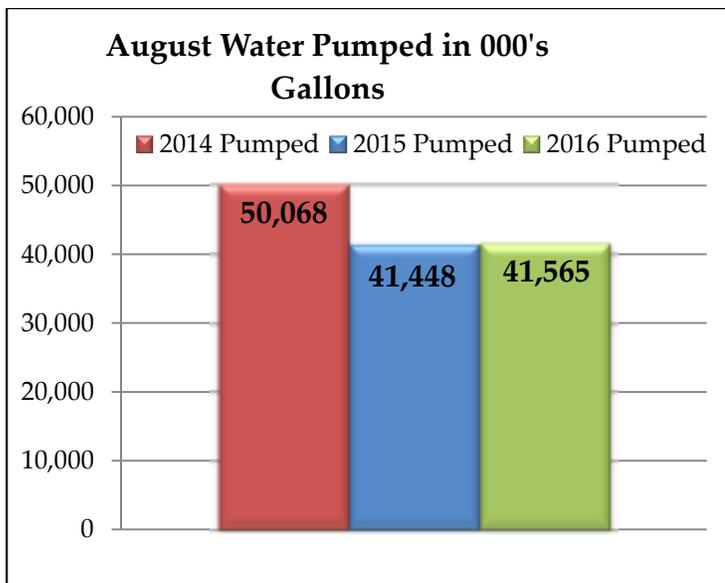
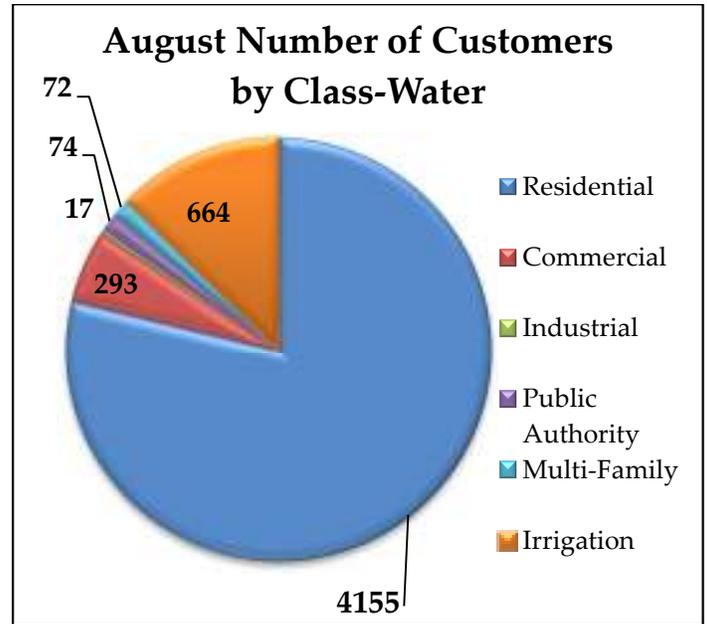
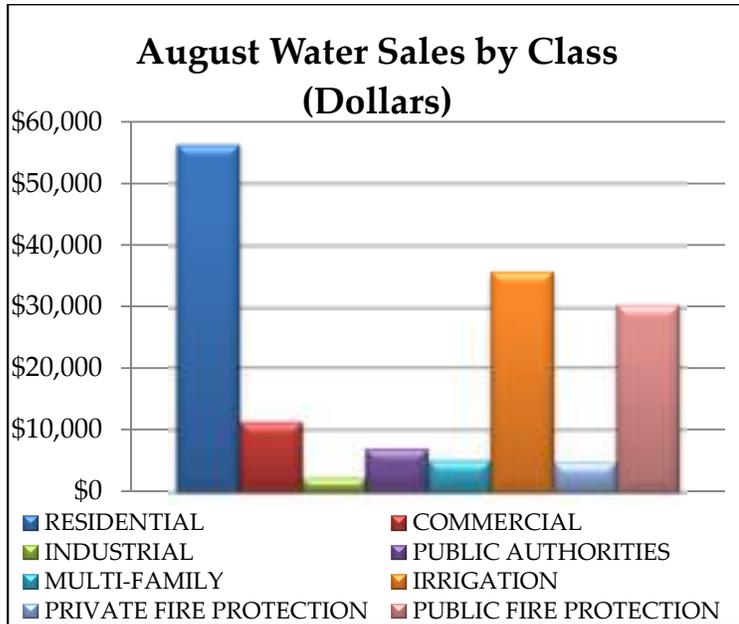
River Falls Municipal Utility



Water Dashboard



August 2016



Used as a comparison between water pumped versus water treated.

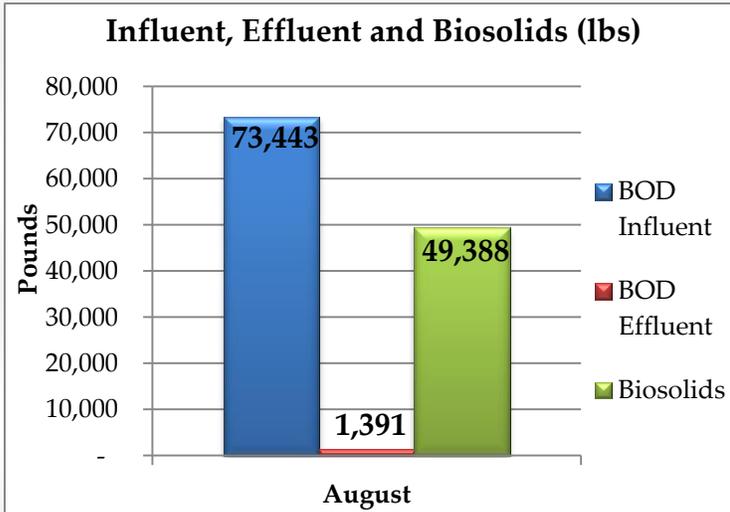


For more information please contact: Kevin Westhuis
 (715) 426-3442 or kwesthuis@rfcity.org

River Falls Municipal Utilities Waste Water Treatment Plant

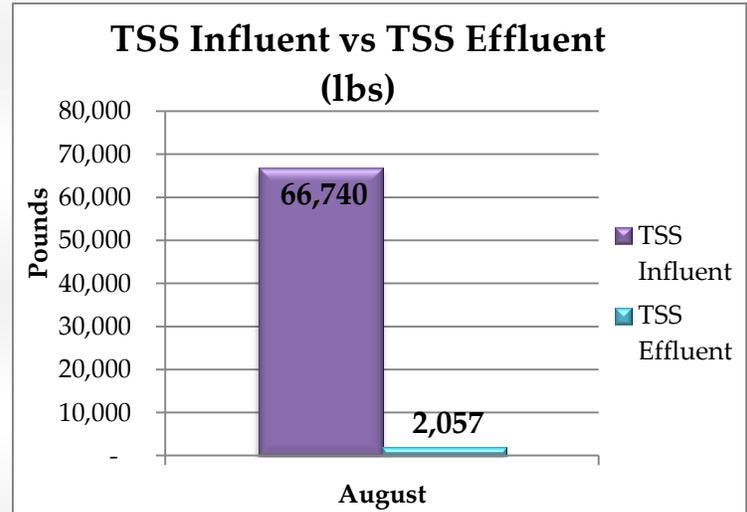
For August 2016

Influent, Effluent and Biosolids (lbs.)



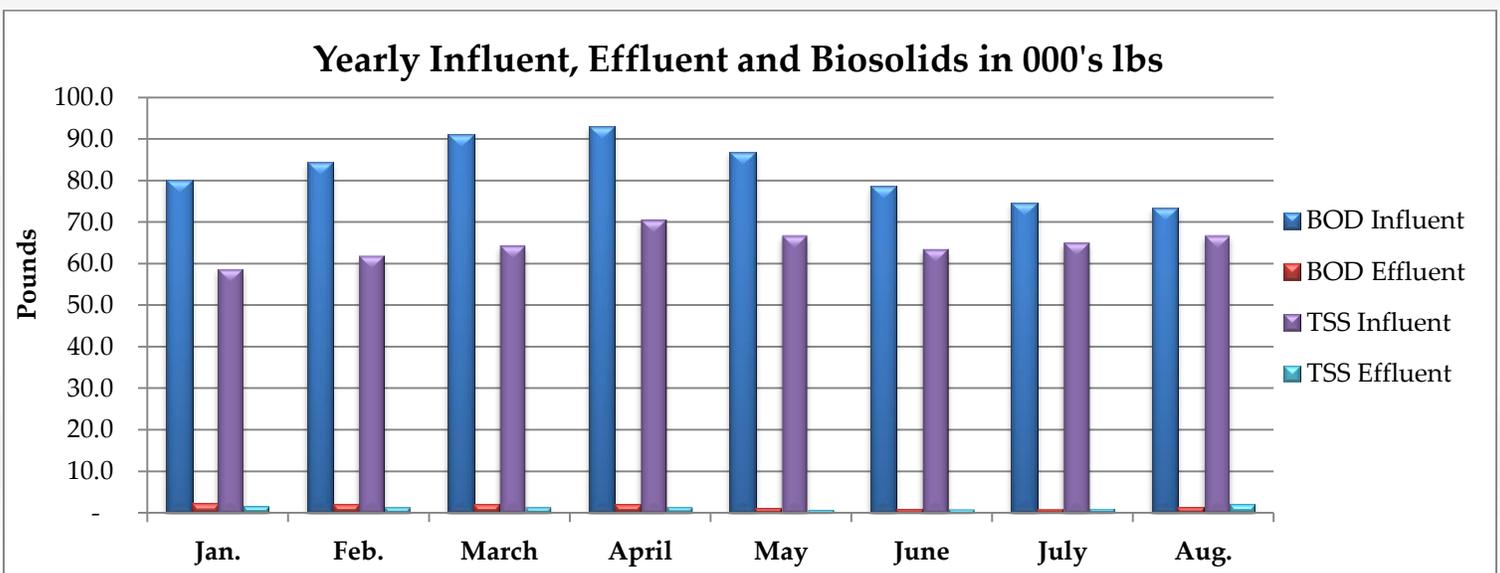
The Biochemical Oxygen Demand (BOD) Influent and BOD Effluent pounds represent pounds of oxygen needed for treatment.

TSS Influent vs TSS Effluent (lbs)



The TSS Influent and TSS Effluent represent the pounds of Total Suspended Solids entering the Waste Water Treatment Plant versus going out into the Kinnickinnic River.

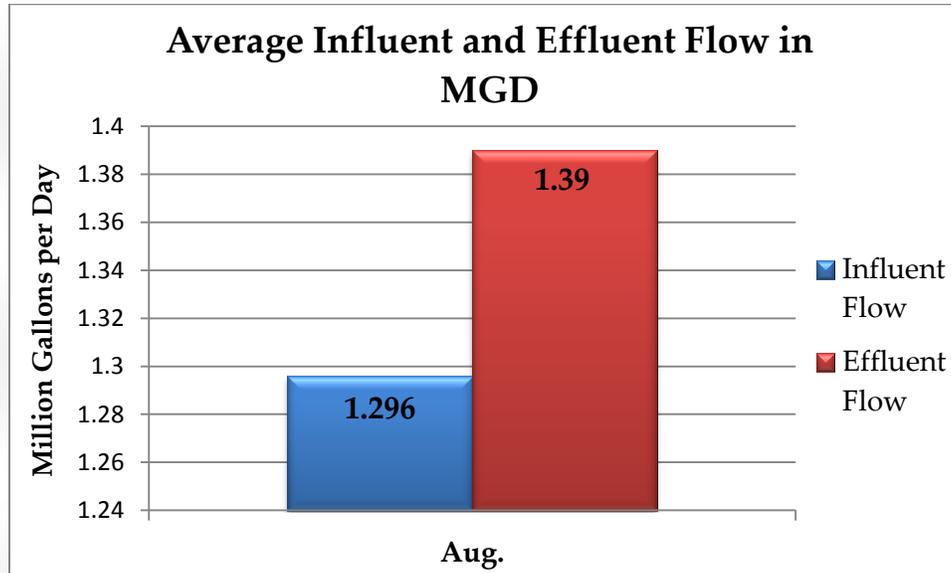
Yearly BOD and TSS Influent and Effluent (in 000's lbs.)



This graph represents the average monthly pounds of both BOD and TSS coming into the plant and being discharged at the plant's outfall into the Kinnickinnic River for the year 2016.

River Falls Municipal Utilities Waste Water Treatment Plant

Average Influent and Effluent Flow in MGD



This graph represents the average daily flow into the treatment plant as well as the average daily flow discharged into the Kinnickinnic River. The design flow for the Treatment plant is 1.8 million gallons per day (MGD).

WWTP Facts

Vocabulary:

BOD: Biochemical Oxygen Demand represents pounds of oxygen needed for treatment.

EFFLUENT: Water and waste flowing out of the Waste Water Treatment Plant.

INFILTRATION: to pass into or through (a substance) by filtering or permeating. Infiltration numbers are self-induced and not leak related.

INFLUENT: Water and waste flowing into the Waste Water Treatment Plant.

TSS: Total Suspended Solids are solid materials, including organic and inorganic, that are suspended in the water and have to be removed.

Did You Know....

- Excess bacteria removed from the Treatment Plant is called Bio-Solids which can be land spread or treated more to become a fertilizer or soil conditioner.

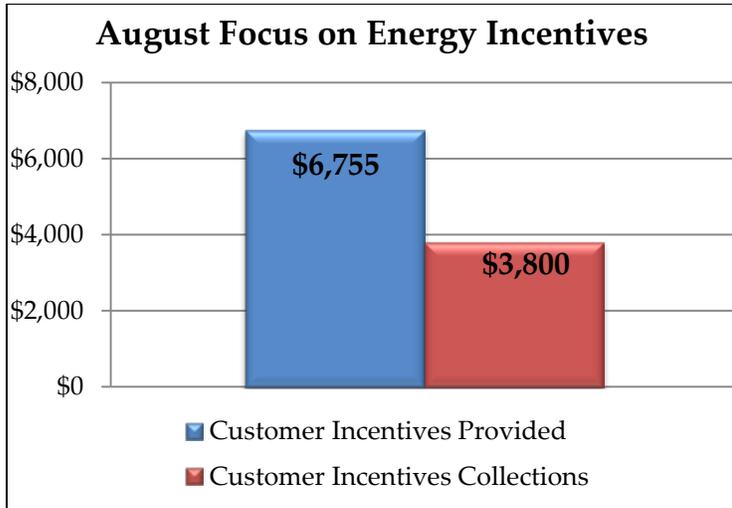


For more information please contact: Bill Swenson
(715) 426-3531 or wswenson@rfcity.org

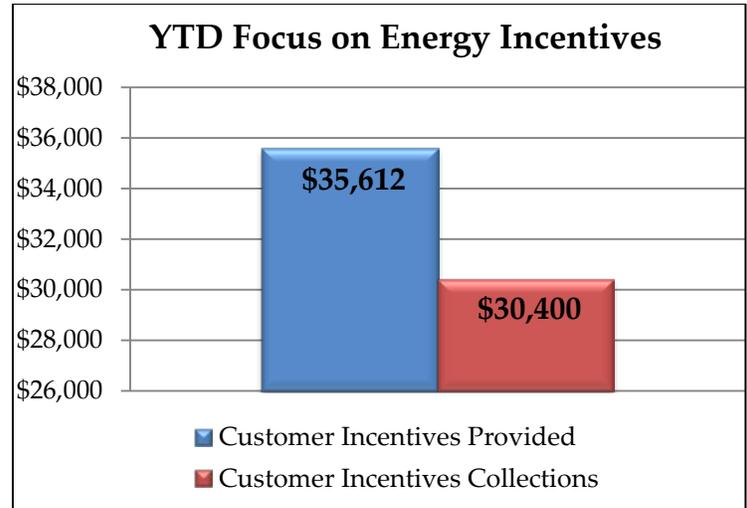
POWERful Choices! Dashboard

For August 2016

Focus on Energy Program

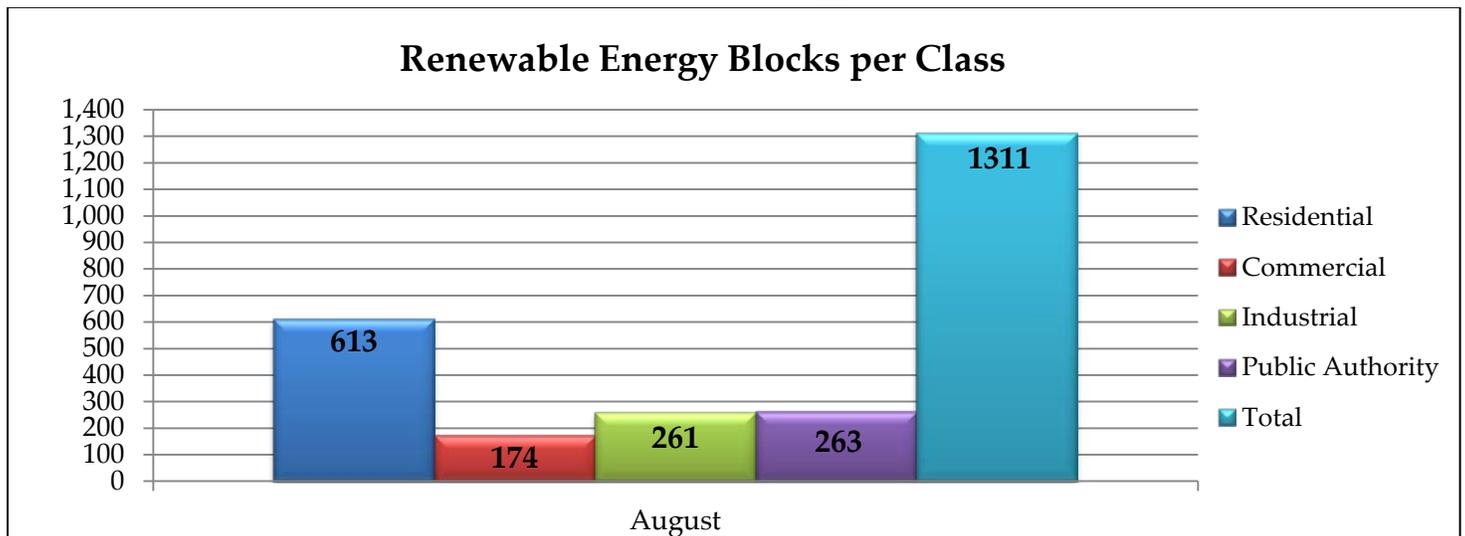


The total customer incentives provided for January compared to the customer incentives collections from Focus on Energy.



The year-to date customer incentives provided compared to the customer incentives collections from Focus on Energy.

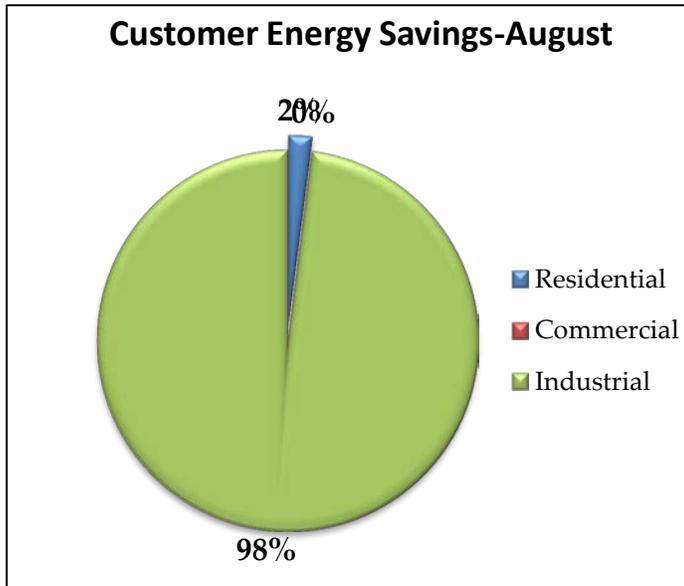
Renewable Energy Blocks



Renewable energy blocks are sold at \$3 for 300kWh of renewable energy.

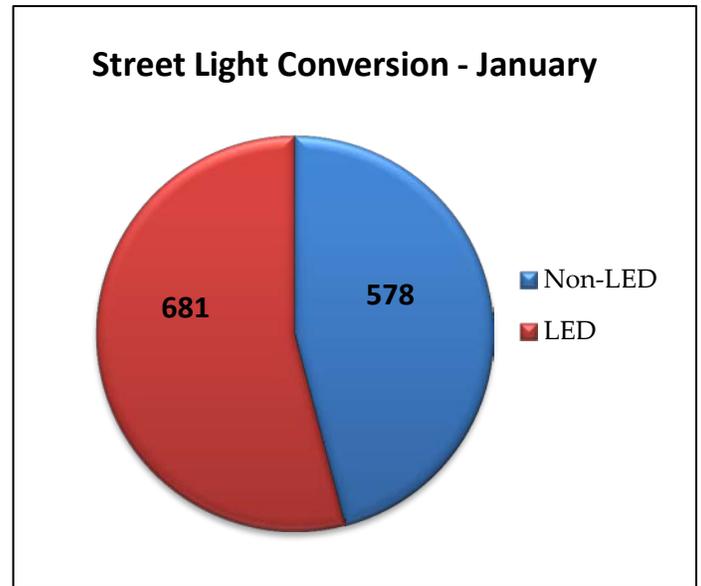
POWERful Choices! Dashboard

Energy Savings



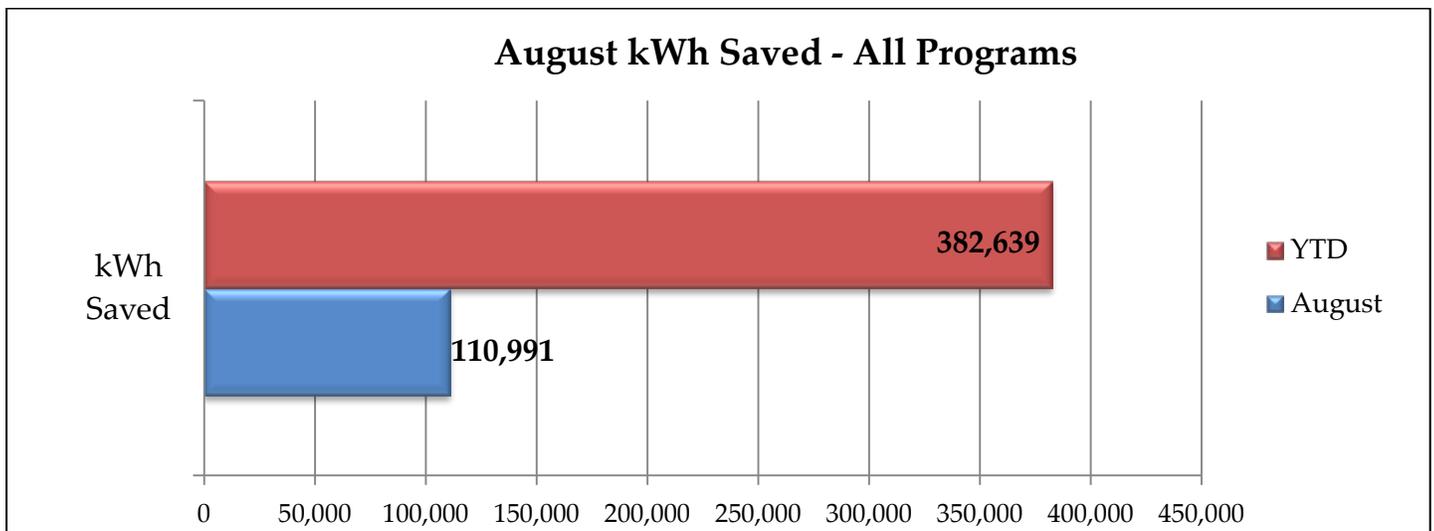
Monthly cumulative percentage of kilowatt hours saved per customer sector.

Street Light Conversion Program



This change is another example of our City leading by example in energy efficiency and environmental stewardship. The goal is to have 70 percent of the street lights converted to LED by 2018.

kWh Saved



Energy savings resulting from programs such as upgrades to lighting, motors, HVAC, variable frequency drives, and refrigeration. All customer sectors are included.

POWERful Choices! Dashboard

Renewable Energy Block Participation



River Falls currently ranks 5th in the nation for customer participation and 1st in Wisconsin. The 2016 goal to become first in the state has been achieved! The current level of customer participation in Renewable Energy Blocks is 8.19 percent. The goal is to reach 10 percent customer participation.



River Falls Municipal Utilities Monthly Report

August 2016



ELECTRIC

Maintenance / Inspections

- Maintenance repairs performed. This is maintenance work found through required system inspections.
- Substation monthly inspections.
- Hydro's checked on daily.
 - Junction Hydro: Confine space entry into junction falls to inspect and reset the bearings.
 - Powell Falls Hyrdo: Was shut down to remove debris from the intake and was started back up the same day slowly.

Projects

- Radio Road project started this month.
- Installed three-phase on Mann Valley property for anticipation of the Winfield project.
- Replaced some primary underground to the River Falls School District - Westside school.
- Installed primary on the west side (along the fence of property) of the River Falls School District - Westside School.
- Installed temporary power to TW Vending.
- Chapman Drive street light installation has started.
- Started moving some load around in the High View and Royal Oaks areas. There was an overload situation in July. Installed a Primary pedestal.
- Primary fault in the Woodridge devolvement. This cable was replaced.

Misc.

- Underground services continue on a monthly basis.
- Replaced street lights with LED fixtures. Repaired the ones we could replace with bulbs and photo eyes.
- Meter readings continue monthly with meter reads.
- Disconnects have continued this month and will continue throughout the fall.



RIVER FALLS WASTE WATER TREATMENT FACILITY

- Changed out 20” valve on east oxidation ditch. Staff had to pump around bio-P tanks and transfer the east ditch to the west (started at 6:00 a.m. and finished at 8:30 p.m.).
- Dropped bio-P tank and cleaned rags off mixer shafts.
- Fed Alum to help phosphorous removal after getting bio-P tank back online.
- Transferred contents of north clarifier to south clarifier.
- Changed out small and large mixers in sludge storage tank.
- Contractor installed finish block and precast roof on bio-solids building.
- Contractor installed 14” RAS line to bio-P tank to new building.
- New 6” water line to feed bio-solids building installed.
- Changed out pressure tank on chlorination system.
- Roof of new building being prepped for setting trusses.
- Monthly progress meeting with contractors and project engineer.



WATER/SEWER

Routine Maintenance

- All August routine and new service samples were safe and in compliance.
- Yearly hydrant flushing is complete. Water staff found one private hydrant that was broken clean off at the flange and just propped up for looks. The City has a contract to maintain this hydrant, so the customer and fire department was notified until it was repaired. The customer will be billed for repairs.

Projects

- Sterling Ponds phase 2B water looping is complete and turned on. This includes hydrants as a safety precaution for the construction in the area. The final walk through will still need to take place.
- Sanitary manhole rehab is complete for this year (total of 11) and bids are being taken to restore asphalt around the castings. Universal Services is also offering a bid for this job.
- New chemical scales at wells 4 and 5 are installed and are working great.
- A new waterproof box was installed by the bulk water drops at the city garage for easier access for bulk water users. Users write down the totals of their usage to be billed to them. They no longer need to come inside the facility to do this and allows them to do it after hours and on weekends. This honor system has proven to be very reliable.

Service Work

- A private sanitary lateral was hit by the contractor working on the new hiking trail by Dairy Queen. The service line will have to be dug deeper into the bank from the trail.
- River Falls High School called and asked for help to fill the pool they had drained for the first time in 15 years. There is no good way to fill it from inside the school (they had three garden hoses trying to fill a 255,000 gallon pool). Water staff hooked to a hydrant just outside and the pool was filled in about 10 hours. It was perfect timing as staff had just finished flushing hydrants to clean the system in that part of the City. The water looked great and they were very appreciative for the help.
- Universal Services, the boring company hired by the City pushed a rock through the sewer main at the intersection of Division and Apollo. Emergency dig was done and was back in order in three hours. Universal Services took care of all costs associated with dig and restoration and were a pleasure to work with.

ENGINEERING TECH WORK

GPS and Map Work

- Installation of the new Sterling Ponds Corporate Park Phase 2B –water and sanitary
- Chapman street light conduit and poles
- WWTP valves and MH's
- Radio Road boring project

Plan Reviews

- Five plan reviews (Alina Clinic, Knollwood plat, CSM – Cedar/Freemont, Verizon West, and Spring Creek 1st Addition)

Inspections/walk-throughs

- Four new home lateral inspections
- Final walk-through and send to council (Highview 4th Addition)

Misc.

- Three abandonments (206 Union Street –for library parking, 128 W Cascade, and University water vault)
- One wet tap (First National Bank addition)
- Finish up Hydro-Kleen MH Rehab project (Scan final documents, and inspect)
- Attend sewer demo in Chippewa Falls hosted by SEH
- Attend Infrastructure Rating Lunch and Learn in Twin Cities hosted by SEH



CONSERVATION AND EFFICIENCY

River Falls School District

Three elementary schools elected to participate in the Demonstrating Energy Efficiency Together (DEET) program. DEET provides incentives from Focus on Energy for energy savings based on behavioral changes. Participation is free and if there is no energy savings, the school is not penalized. All three schools also elected to use the Cool Choices online energy education game as a method to reduce energy consumption and to implement Stem Hero, an online platform that allows kids to use meter data in research.

Had meeting with the High School maintenance staff to schedule efficiency upgrades at the High School.

Residential customers

Making a push for residential customers to sign up for a free energy savings from Focus on Energy. Approximately 120 customers signed up for the free kit at the Customer Appreciation Event.

Landlords

Had meetings with multiple landlords to assist them in utilizing local and state energy efficiency programs.

Large customers

Met with various large customers to verify project eligibility. Many large efficiency projects continue to wrap up over the summer and Focus on Energy custom incentives is being processed.

Non profits

A new church enrolled in the new construction design assistance program. Assisted in ecumenical meeting to bring in a public speaker from the Minnesota Insurance Association.

Weatherization program

Two homes of income qualified homeowners have been weatherized with seven homes currently in the weatherization program. All homeowners have agreed to allow the Nest thermostat to be installed and data collected. This data will be used to help staff develop a Nest thermostat program for energy efficiency.

Blue Bike program

Thirty free bikes were added to the Blue Bike program from Free Bikes4Kids. Bikes are being prepped to be added to the fleet.

Utility Box Beautification project

All four boxes are complete. A utility box on the River Falls State Bank property is in the process of being painted. The art was provided by the POWERful choices!/CAB partnership. The art was submitted in 2016, but not one of the original 4 chosen for the public boxes. Funding came solely from the River Falls State Bank.

Committees & Training

Forward Foundation, Healthy Foundations, Blue Bike Program, Green Teams, UW-River Falls Energy Management Team, and School Supply Give Away Night.



For July 1, 2016 – July 31, 2016

Move in applications = 200
New Access My Account = 113
Disconnected Services = 19
Reconnected Services = 25

As of **8-25-16** we had a total of 6694 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.