



**CITY OF RIVER FALLS WISCONSIN  
UTILITY ADVISORY BOARD AGENDA  
CITY HALL – COUNCIL CHAMBERS  
October 24, 2016**

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

Roll Call

Approval of Minutes: September 19, 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 – 08-16-16
  - b. POWERful Choices Committee – 09-15-16

**RESOLUTIONS:**

2. Resolutions Recommending Shared Saving Loan
  - a. Resolution Approving Shared Savings Agreement and Promissory Note with WPPI Energy
  - b. Resolution Approving Shared Savings Agreement with Moody's Incorporated

**NEW BUSINESS**

3. Electric Reliability
4. Community Solar Update
  - a. Plan to fully subscribe the project
  - b. Landscape update
5. Power Plant Substation Project Update
6. Waste Water Treatment Plant Project Update

**REPORTS:**

7. Finance Report
  - a. Financial Statements
  - b. Performance Ratio Update
8. Utility Dashboards
  - a. Electric
  - b. Water
  - c. Waste Water Treatment Plant
  - d. Powerful Choices
9. Monthly Utility Report

**ANNOUNCEMENTS:**

**ADJOURNMENT:**

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

Post: City Hall Bulletin Board 10-7-16: 10-13-16: 10-14-16

**REGULAR MEETING**  
**RIVER FALLS UTILITY ADVISORY BOARD**  
**September 19, 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, Tim Thum, and Adam Myszewski. Staff present: Mike Noreen, Conservation and Efficiency Coordinator; Kristi Hartmon, Utility Administrative Assistant; Mike Stifter, Operations Director; Crystal Raleigh, Senior Civil Engineer; Weston Arndt, WPPI Energy Services Coordinator; Ron Groth, Water/Wastewater Superintendent; Julie Bergstrom, Finance Director

**M/S Odeen/Pederson to approve minutes of the July 18, 2016 Regular Meeting. Motion Carried.**

**PUBLIC COMMENTS:**

**CONSENT AGENDA:**

1. Acknowledgment of the following minutes:  
West Central Wisconsin Biosolids Facility Commission – 06-21-16  
POWERful Choices Committee – 07-14-16

**M/S Odeen/Myszewski to approve Consent Agenda. Motion Carried.**

**NEW BUSINESS:**

2. Variable Frequency Drive (VFD) for well pump #5: Wes Arndt gave the board an update and report on the Water Department's consideration of installing a variable frequency drive on well pump #5 located on the west side of the city. Water Department staff received feedback from customers on getting low water pressure surges at various times of the day. Staff put a monitor on the system, gathered data and it showed that these drops in water pressure occurred during the starting and stopping of well pump #5. Arndt talked about installing a Variable Frequency Drive (VFD), a solution that was suggested by Ron Groth and Water Department staff. A VFD can provide smooth transitions and allow for adjustable flow rates. This device is less likely to pump sand and has potential electric cost savings. Arndt estimated with the project cost and installation it would be a simple payback of 6 months. The annual electric costs for Well #5 were \$29,800 in 2015 and the estimated energy cost savings from a VFD installation is over \$13,000 (estimated demand reduction of 86.3kW and estimated energy savings of 64,200kWh). Arndt gave an overview on how a VFD will save the utility money in electric costs. Arndt mentioned other benefits of a VFD including: 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. This item was not in the budget, so staff is investigating and getting proposals for materials and labor and WDNR approval. UAB member Odeen asked for clarification on the cost and simple payback. Arndt stated the savings would be about \$13,000 on the electric side. To retrieve a savings of \$13,000 a year, they estimate \$12,000 to \$15,000 in cost and also get energy efficiency incentives from Focus on Energy and WPPI that would bring that purchase cost down which would mean about a six month payback. UAB member Richter asked for clarification on Focus on Energy

and their programs. Groth stated it's not too often that you see a project that addresses residents' concerns and saves energy and pays for itself in a short amount of time. Richter asked if we wait a while on this project, are residents ok with that? Groth said this has been going on for a while and residents would like to see this resolved sooner than later. Richter supports this project and hopes it goes through quickly. Thum stated he lives on the west side and has noticed surges, but it goes back to normal quickly and agrees putting a VFD makes sense and supports it happening sooner than later as well. Swanson also stated he lives on the west side and has noticed it. It hasn't been a huge deal, but would be nice to take care of it. Staff will report back to UAB with a proposal.

### **RESOLUTIONS:**

3. Resolution Approving Shared Savings Loan for River Falls Industrial Center, LLC. Wes Arndt, WPPI Energy Services Representative for River Falls gave a presentation on the Shared Savings Loan Application for River Falls Industrial Center. Arndt gave a brief update on the program and loan history of River Falls Industrial Centers I & II. 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 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. The default risk is shared between WPPI and RFMU. River Falls Industrial Center I took advantage of their first Shared Savings Loan for \$50,000 for energy efficient lighting and HVAC improvements and was paid off in 2015. River Falls Industrial Center II (loan #2) has a \$50,000 loan from 2014-2019 for service entry upgrades and HVAC improvements and as of August 28, 2016 the balance of that loan is \$31,421.40. The new (loan #3) application is for upgrades of their 140,000 square foot facility with lighting to LED (fixtures, screw-in lamps, and tube retro.). The lighting proposal was provided by Eco Energy Midwest (for full transparency Arndt pointed out that Tom Elbert is an owner of this company) and proposed to save 50% of the lighting costs to the facility. The application was reviewed by WPPI and a credit score was assigned to each of five financial review categories. Based on the financial information provided, the credit score reached a level of automatic eligibility and near the top tier of WPPI standards.

Arndt discussed that staff have struggled with the appropriateness of exceeding the \$50,000 shared risk/multiple loan scenario (which we have done twice now); RFMU will not be considering multiple loan/excess risk for future "shared savings" loans. Future Shared Savings Loans will be limited to loan amounts of \$50,000, cap default risk at \$25,000 per business (RFMU and WPPI) and maintain 50/50 default risk with WPPI. Because of the acceptable credit score, the positive economic development impacts, and energy efficiency upgrades, staff requested 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. UAB Member Thum asked how old the florescent lights are that they have now. Arndt stated the lights they have now was when they had the first loan and that was paid off and this is for replacement of lights from that 2010 loan. Most of the lights are 4ft T8 florescent lights and 2x2 flat panel LEDs for the troffers. Thum asked is these are Focus on Energy approved and will he get focus dollars for this project. Arndt stated that there will be

approximately \$9,000.00 in Focus on Energy dollars. UAB President Hanson stated with no more questions we will consider Resolution Number 2016-14 Recommending Shared Savings Agreement with River Falls Industrial Center, LLC. M/S Pederson/Odeen. Motion was passed. Resolution Number 2016-15 Recommending Shared Savings Agreement and Promissory Note with WPPI Energy. M/S Odeen/ Myszewski. Motion was passed.

## **REPORTS:**

4. Storm Water Utility and Storm Water Management. Crystal Raleigh, Sr. Civil Engineer for the City of River Falls gave an update on storm water management and storm water utility. Raleigh talked about the significance of storm water management to the Utility Advisory Board. The UAB advises on storm water utility, infrastructure, and facilities. With the upcoming North Interceptor (storm water component to this project) and Kinni River Corridor Plan (maybe a storm water project or two), staff will be looking for input from UAB. The Storm Water Ordinance was enacted in the mid 1990's with periodic updates. There are two parts to the ordinance (construction site erosion control and post construction storm water management). The Construction Site Erosion Control Ordinance ensures that sediment does not leave active construction site (applies to large and small developments), keeps the conveyance systems free from sediment, prevents sedimentation of storm ponds and coals for routine inspections and maintenance of erosion control. The Post Construction Storm Water Management includes permanent storm water controls (wet ponds, dry ponds, rain gardens, etc.). The City has four requirements for design: control rate the water leaves the site, control volume or quantity of water leaving the site, control on how many total suspended solids leaves the site and provides safe emergency overflow. Raleigh asked if there were any questions. UAB Member Richter asked with the 100 year rain we had recently (last year) did that go well. Raleigh stated that it did go very well and staff contributes that to their stringent storm water standards. Hanson asked if that was the function of the Hoffman retention basin. Raleigh stated that is the function of that retention basin and has a huge drainage area that the water can pool up in and slowly release to the rest of the system.
5. Finance Report: Financial reports were included in the UAB packet for review. Finance Director Bergstrom stated that the storm water financial statements are now included for the UAB to review. Bergstrom pointed out that the WPPI power bill is less this month than last year at this time. The water fund is doing great since the rate increase. Staff will show ratios of the first six months at the next meeting to show how the funds are doing in general.
6. Utility Dashboards for, electric, water, wastewater and POWERful Choices were included in the UAB Packets. UAB member Richter asked about POWERful Choices program. Noreen gave a brief explanation and invited him to setup a meeting with him to discuss the program in detail. Noreen will also be presenting POWERful Choices at the next City Council Meeting.

7. Monthly Utility Report was included in the UAB packets for review. Thum asked about the construction progress on the WWTP. Groth stated that they are on schedule and on budget. The precast concrete is on, have the trusses over that, wind and water seal is on and hoping to do the metal roof tomorrow, and the inside piping and pumps are in. Pederson asked about the Golfview Water Tower and the overflow problem that has occurred in some recent weeks or months. Groth stated that during a storm (lightning storm on Labor Day morning) the SCADA system failed and the well pump was running at the time so the controls were not working and there was nothing to tell that well pump to shut off and it overflowed the tower. A neighbor next to the tower has problems with the water flowing into their yard. Groth stated that a resolution (concrete basin around the drain) to that problem will be done in the next couple of weeks. Groth also stated they are looking into systems so this overflow does not happen again (with a backup, a fail-safe, another way to get a signal). Bergstrom stated that we had a lot of electronic failures from that lightning storm.

**ADJOURNMENT:**

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

Reported by: Kristi Hartmon, Utility Administrative Assistant

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Duane Pederson, Secretary

West Central Wisconsin Biosolids Facility

Commission meeting minutes

August 16<sup>th</sup> 2016

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

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

Other present at the meeting were Richard Bignell, Joe Beaudry, and Ron Groth.

**Consent Agenda**

Motion was made to approve bills for the months of July and August totaling \$244,382.92. Motion Passed. M/S Greg/Steve Bills were for two month because no meeting was held in July.

Motion was made to approve the June meeting minutes. Motion passed. M/S John/Kevin

**Financial Report**

Randy discussed the monthly financial reports. Motion was made to approve the financial report. Motion passed. M/S John/Greg

**Facility Report**

Mid-year checkup reveals that we are currently under budget for per pound cost up to June 31<sup>st</sup>.

The Boerger feed pumps have been serviced

Valve to bypass the screener has been installed. We can now bypass if needed but still cannot isolate the screener for maintenance or repair. One more 8 inch valve would be needed for that to work.

Truck scale load cell failed and was replaced by Weigh Rite Scale,

Bioset gearbox replaced by staff

Line of Credit with Bank Mutual is up for renewal. They are working on it and will advise when documents are ready for signatures.

Spoke to Ellsworth Fire Inspector regarding blocking overhead doors in product room if we were to pour permanent concrete walls instead of the portable barriers. He advised that this would meet code as long as we did not block access to the service doors.

Annual maintenance inspection of the centrifuges has been scheduled.

## **Old Business**

Scada project update: There are a few punch list items left to do. Randy would like to see if some fine tuning could be done to the Alfa centrifuge operation. There have been some nuisance alarms there have since been taken care of. Randy has been looking into getting L.W. Allen to connect the polymer system to be controlled by the Scada system.

Odor control pilot: Odor control system has been running and facility odor has been reduced. The cost of running the system is about \$3,000 in chemicals per month. Kevin motion to continue running the odor control system until December 31. Then look into a contract price for chemical for next year. Motion was seconded by Greg.

## **New Business**

Eleva Strum contract approval: The contract is been sent to them Biosolids is waiting for them to return signed contract.

### Polymer mixing system

Polymer mixing system #2 was not included in the SCADA project and is no longer part of the service agreement with Polydyne Inc. Currently this system will not operate. At a minimum it needs a new 1.5 inch solenoid valve for water control and a new ultrasonic level sensor to allow automatic start and stop. This system was originally installed in 1999 and is not easy to hook up to SCADA control or monitoring.

Polydyne has offered to replace the unit for an increase in our contract price of \$0.10 per pound of polymer for the remainder of the contract, they will have it delivered within the week and we would be responsible for installation.

Our contract with Polydyne goes to September 2018. I estimate that we would use roughly 270,000 pounds of polymer in that time for an added cost of \$27,000

This is roughly the actual cost of the new unit Polydyne quoted in 2010. It is also about the same as other mixing systems from other manufacturers.

**STAFF RECOMMENDATION:** Randy recommended accepting the offer from Polydyne increasing the contract price by \$0.10 per pound for the new mixing system for the following reasons.

### Pros

I. There would be little to no added polymer expense for 2016 as we should not need another load until 2017. If we did need to order prior to Jan 2017 it would be only about 20,000 pounds at the higher price. (\$2,000.00)

2. This would allow us to operate both centrifuges at the same time if needed. 3. Redundancy in our polymer mixing system. If the current unit fails, there is no back up at this time.

4. All polymer equipment would be covered under service agreement.

#### Cons

1. There will be additional cost for installation and connecting to SCADA

2. Additional polymer cost for remainder of contract.

COMMISSION RECOMMENDATION: Commission made a motion to approve staff recommendation for \$0.10 option for getting new polymer equipment. M/S Gary/Kevin

Pure Air Odor Control Proposal: Discussion on proposal was tabled because no one from company was present to explain proposal.

2017 Health Insurance options and rates: Randy talked about J.A. Courtier Health increasing next year about 10%. Randy was going to talk to them about reasoning for increase or see if a representative would come and explain it at a meeting.

Preliminary 2017 budget: There was discussion on needs for next year. No further action was taken at this time.

Annual meeting location and agenda: A meeting date of November 15<sup>th</sup> was set with location to be determined.

#### **Adjournment**

Meeting was adjourned at 10:05 am. M/S Steve/John



## MINUTES

September 15, 2016

Training room – City Hall

12:00 p.m. – 1:00 p.m.

Committee members and guests present: Mike Noreen (RFMU), Kristi Hartmon (RFMU), Katie Feuerhelm (UW-Extension), Mark Klapatch (UWRF), Al Bohl (Focus on Energy), Matt Fitzgerald (UWRF), Greg Koehler (RFMU), Rashmi Magnani (UWRF – Student), Tara Albores (RFSD), Lauren Kaminski (RFSD), Kit Luedtke (RFMU), Dave Engstrom (St. Croix Valley Habitat for Humanity), Debbie Murtha (St. Croix Valley Habitat for Humanity), Pete Morsch (St. Croix Energy Solutions), Patricia LaRue (Resident), Don Richards (St. Croix Valley Habitat for Humanity/ARC of RF), Jill Coleman-Wasik (UWRF), Gabrielle Chapin (UWRF), Aleisha Miller (Miller E.S.C.A.P.E.), Naomi Lugo (River Falls Journal), Gerald & Lori Larson (Facilitators of Mark Kulda's Presentation), Ken Thill (City of River Falls), and Art Tobin (RFSD)

Mike Noreen welcomed everyone and invited attendees to enjoy lunch catered by South Fork. Mike Noreen asked for the approval of minutes from the July 14, 2016 meeting. Matt Fitzgerald made a motion to approve the July 14 minutes and seconded by Pete Morsch.

### **Guest Speaker – Mark Kulda, Vice President for Public Affairs for the Insurance Federation of Minnesota**

Mike Noreen welcomed and introduced Mark Kulda and said it was an opportunity to hear someone on the impact of climate change with a different voice. Mike thanked Jerry and Lori from First Congregational-United Church of Christ for coordinating. Mark Kulda will be presenting at the First Congregation –United Church of Christ on September 15, 2016 from 6:30 p.m. – 8:00 p.m. in the Fellowship Hall. Admission is free.

Kulda presented to the Powerful Choices Committee the impact of climate change on homeowners and property insurance. Kulda stated that storm activity is increasing in our areas (flooding and tornados and gave examples of locations and descriptions of some of the large storms). Kulda explained they are trying to get the word out that premiums are increasing as a result of increasing storms. Kulda stated they are insurers and not scientists (based on risk prediction). Increase storm activity is having an impact on homeowner's insurance rates.

It is not just storms that are the basis of increased premiums; it is also an increase in price of building materials, contractor costs, and new roofs (aggressive storm chasers). Kulda explained some ways to save cost in premiums: promote backup of sewer and drain endorsement, require policy holders to carry more risk (higher deductible for hair, allow more underwriting, and new legislation to curb abuses (prohibit giveaways and incentives).

Kudo talked about re-insurance which is a tool for insurance companies. It is basically insurance for insurance companies. It's a way to spread the risk. Dave Engstrom stated that when they are planning homes in the eco village, they look for ways to keep housing cost down including low maintenance and safety. They put in storm rooms, fire suppression systems, and metal roofs. Insurance premiums are a lot less adding these items. Dave

mentioned his personal experience when installing a metal roof on his house that reduced his insurance premium by a third.

Gabrielle Chapin, a UWRF Student mentioned it would be nice to develop a system to reduce floods in general.

Al Bole asked about unpredictability and is that why flood insurance is expensive. Kulda stated that the cost of flood insurance is why most homeowners don't buy it and most flood insurances have a hard cap. Kulda talked about the difficulties in the state of Florida with high risk insurance and the high premiums.

Gabrielle Chapin expressed that society should do something now to fix the problem of climate change instead of just adapting to the future of higher premiums related to increased storm activity. Kulda stated that they don't know what the fix is (they are not scientists). Reversing the trend and working together was discussed.

Meeting minutes were taken by Kristi Hartmon



## MEMORANDUM

**To:** Utility Advisory Board

**From:** Weston Arndt, WPPI Energy Services Representative

**Date:** October 17, 2016

**Re:** **Shared Savings Loan Approval – Moody’s Inc.**

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### INTRODUCTION

This memorandum requests the Utility Advisory Board support a Shared Savings loan to the Moody’s Inc. (590 S Wasson Ln) and approval of the loan 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

Moody’s Inc. is seeking a shared savings loan to upgrade outdoor lot lighting to LED.

#### Project Overview

Project:	LED Lighting
Monthly Loan Payment:	\$239.90
Monthly energy Savings:	\$456.17

Sources		Uses	
Focus on Energy Incentive	\$ 3,244	Energy Efficient LED Lighting Materials	\$ 11,675
RFMU Bonus Incentive	\$ 3,244	Installation	\$ 8,500
Shared Savings Request	\$ 13,687		
Customer Upfront Capital	\$ 0		
<b>Total Sources</b>	<b>\$ 20,175</b>	<b>Total Uses</b>	<b>\$ 20,175</b>

### Loan Liability Review

Shared Savings loan liability is shared equally between WPPI Energy and the member (RFMU), with each assuming 50% risk for projects capped at \$50,000. WPPI's default exposure to any one customer is capped at \$25,000.

### WPPI Energy Credit Scoring Model Results

The applicant's loan request is reviewed by WPPI in accordance with their loan policies. For loan requests less than \$25,000, credit reviews are not required by WPPI Energy. WPPI delegates all decisions on Shared Savings eligibility, risk assessment, and loan approval to the River Falls Municipal Utilities. With Moody's request limited to \$13,687 and an impeccable utility bill payment history, staff was comfortable foregoing a full financial credit risk review.

### **SUPPORTING DOCUMENTS**

Attached for your review are the:

1. Shared Savings Funding Agreement with WPPI and approving resolution
2. Shared Savings Promissory Note
3. Shared Savings Agreement with Moody's Inc. and approving resolution

### **CONCLUSION**

Because of the spotless utility bill payment history, the positive economic development impacts, and energy efficiency improvements, 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 Moody's, Inc.

**River Falls Municipal Utilities  
SHARED SAVINGS AGREEMENT**

THIS SHARED SAVINGS AGREEMENT (this “Agreement”) is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 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 Moody’s Inc., a Wisconsin registered corporation, having its principal office at 590 S Wasson Lane, River Falls, WI 54022 (“Customer”), relating to property owned by Customer at 590 S Wasson Lane, 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 (1<sup>st</sup>) day of the first (1<sup>st</sup>) 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 (5<sup>th</sup>) 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 (1<sup>st</sup>) 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 **Two Hundred Thirty Nine and 90/100 dollars (\$239.90)** (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  
Moody's Inc.  
590 S Wasson Lane  
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.

**Moody's Inc.**

**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:	Moody's Inc.
Customer Representative:	Mike Moody, Owner
Project Description:	Efficient lighting retrofit
Project Location:	590 S Wasson Lane, 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
Lot Lighting Upgrade	0.0	81,100	\$5,474	\$20,175
<b>TOTAL</b>	<b>0.0</b>	<b>81,100</b>	<b>\$5,474</b>	<b>\$20,175</b>

**Financial Summary**

Total project cost:	\$20,175
Outside Funding (Focus on Energy incentive):	\$3,244
Outside Funding (local utility incentive):	\$3,244
Upfront Customer Contribution:	\$0
Utility Contribution (Shared Savings Funding):	\$13,687
Annual Service Fee (%):	2.00
Repayment Term (months):	60
Monthly Payment:	\$239.90
Monthly Estimated Energy Savings:	\$456
Net Estimated Monthly Cash Flow:	\$216
Annual Payment:	\$2,879
Annual Estimated Energy Savings:	\$5,474
Net Estimated Annual Cash Flow During Repayment Term:	\$2,595

**Shared Savings Program  
River Falls Municipal Utilities  
Appendix B - Installed Equipment  
Moody's Inc.**

<b>Item Number</b>	<b>Quantity</b>	<b>Mfr</b>	<b>Part or Model #</b>	<b>Description</b>
1	2	Altech	AE-L-ALAS-80	80 Watt LED Pole Mounted Fixture
2	2	Altech	AE-L-SBAS-200	200 Watt LED Pole Mounted Fixture
3	13	Altech	AE-L-SBAS-300	300 Watt LED Pole Mounted Fixture

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## **SHARED SAVINGS FUNDING AGREEMENT**

This Shared Savings Funding Agreement (this “Agreement”) is entered into as of this \_\_\_\_\_ day of October, 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. Moody’s Inc., a Wisconsin Corporation, (“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 Thirteen Thousand Six Hundred Eighty-seven and 00/100 dollars (\$13,687.00) (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 28<sup>th</sup> day of the sixty-first (61<sup>st</sup>) 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 Two Hundred Thirty Nine and 90/100 dollars (\$239.90) the (“Monthly Amount Due”). WPPI shall invoice Member on a monthly basis, and the due date of the invoice shall be the 28<sup>th</sup> 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 percent (50%) 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

<b>Shared Savings Program</b> River Falls Municipal Utilities <b>Appendix A - Project Summary</b>				
Customer:	Moody's Inc.			
Customer Representative:	Mike Moody, Owner			
Project Description:	Efficient lighting retrofit			
Project Location:	590 S Wasson Lane, River Falls, WI 54022			
<b><u>Projected Energy Savings Summary</u></b>				
Project	Est. Annual Demand Savings (kW)	Est. Annual Energy Savings (kWh)	Estimated Annual Energy Dollar Savings	Project Cost
Lot Lighting Upgrade	0.0	81,100	\$5,474	\$20,175
TOTAL	0.0	81,100	\$5,474	\$20,175
<b><u>Financial Summary</u></b>				
Total project cost:			\$20,175	
Outside Funding (Focus on Energy incentive):			\$3,244	
Outside Funding (local utility incentive):			\$3,244	
Upfront Customer Contribution:			\$0	
Utility Contribution (Shared Savings Funding):			\$13,687	
Annual Service Fee (%):			2.00	
Repayment Term (months):			60	
Monthly Payment:			\$239.90	
Monthly Estimated Energy Savings:			\$456	
Net Estimated Monthly Cash Flow:			\$216	
Annual Payment:			\$2,879	
Annual Estimated Energy Savings:			\$5,474	
Net Estimated Annual Cash Flow During Repayment Term:			\$2,595	

## Promissory Note

**\$13,687**

**October \_\_\_\_, 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 **Thirteen Thousand Six Hundred Eighty-seven and 00/100 dollars (\$13,687.00)** (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 **Two Hundred Thirty Nine and 90/100 dollars (\$239.90)** (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 28<sup>th</sup> 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 28<sup>th</sup> 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: \_\_\_\_\_

**RESOLUTION NO. 2016-16**

**APPROVING SHARED  
SAVINGS AGREEMENT WITH MOODY'S INC**

**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 Moody's Inc., for the installation of energy efficiency LED lighting; and

**WHEREAS**, because of the acceptable utility bill payment history 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 Moody's Inc. to the Common Council.

Dated this 17th day of October, 2016.

---

Grant Hanson, President

Attest:

---

Lu Ann Hecht, City Clerk

**RESOLUTION NO. 2016-17**

**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 Moody's Inc., for the installation of energy efficiency LED lighting; and

**WHEREAS**, because of the acceptable utility bill payment history 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 17th day of October, 2016.

---

Grant Hanson, President

Attest:

---

Lu Ann Hecht, City Clerk



## MEMORANDUM

**To:** Utility Advisory Board

**From:** Weston Arndt, WPPI Energy Services Representative

**Date:** October 17, 2016

**Re:** Electric Reliability

---

### INTRODUCTION

The summer of 2016 has been a busy season for the electric line crew. In addition to a significant amount of new construction and system improvements, there has been a perceived increase in the number and severity of outages.

### BACKGROUND

Utility staff has been logging the number of interruptions, number of customers impacted, and the duration of outages for several years. This data can be used in several ways to analyze trends and benchmark reliability. The presentation will use industry metrics to frame the discussion on reliability.

### DISCUSSION

Table 1.1 – 2016 Top 10 Outages of the year

Top 10 Outages for the Year				
Address	Customers Interrupted	Duration	Customer Minutes of Interruption	Start Date
SW Cemetery Road	348	210	73,080	09/06/2016
High View Meadows	230	210	48,300	07/21/2016
Hazel, Wasson, Cudd Ave	55	180	9,900	07/06/2016
539 S Wasson	60	60	3,600	06/22/2016
1141 S Main	25	90	2,250	07/11/2016
724 Apollo	9	240	2,160	05/02/2016
Block of E Maple, E Pine, 7th & 8th Streets	13	150	1,950	07/30/2016
West Wood Ridge	14	120	1,680	08/11/2016
East Johnson	14	120	1,680	06/14/2016
N08652/N08644 940th Street	9	180	1,620	06/09/2016

The following system reliability indices are used to benchmark and draw comparisons:

**SAIDI** is defined as the average interruption duration (in minutes) for customers served by the utility system during a specific time period. *For example, a utility with 100 customer minutes of outages and 100 customers would have a SAIDI of 1 minute.*

**SAIFI** is defined as the average number of instances a customer on the utility system will experience an interruption during a specific time period. *For example, a utility with 150 customer interruptions and 200 customers would have a SAIFI of .75 interruptions per customer.*

**CAIDI** is defined as the average duration (in minutes) of an interruption experienced by customers during a specific time frame. *It is calculated by dividing the sum of all customer interruption durations during that time period by the number of customers that experienced one or more interruptions during that time period. This metric reflects the average customer experience (minutes of duration) during an outage.*

**ASAI** is defined as a measure of the average availability of the sub-transmission and distribution systems that serve customers. *This load-based index represents the percentage availability of electric service to customers within the time period analyzed. It is calculated by dividing the total hours service is available to customers by the total hours that service is demanded by the customers.*

## **CONCLUSION**

While the number of interruptions in 2016 is on pace to be relatively average, the number of customers impacted and the duration of the outages reflects that the severity has been greater. When compared to other municipalities in our region, the River Falls system has been quite reliable.



# Electric Reliability Statistics and Trends

October 17, 2016

Utility Advisory Board

Weston Arndt, WPPI Energy Services Representative



# Introduction

- 2016 Storm Season Recap
- Measuring Reliability
- Reliability Trends



# Transmission and Distribution

- Transmission
  - 11 miles of 69 kV overhead
- Distribution
  - Rural
    - 9 miles underground
    - 12 miles overhead
  - Urban
    - 60 miles underground
    - 30 miles overhead

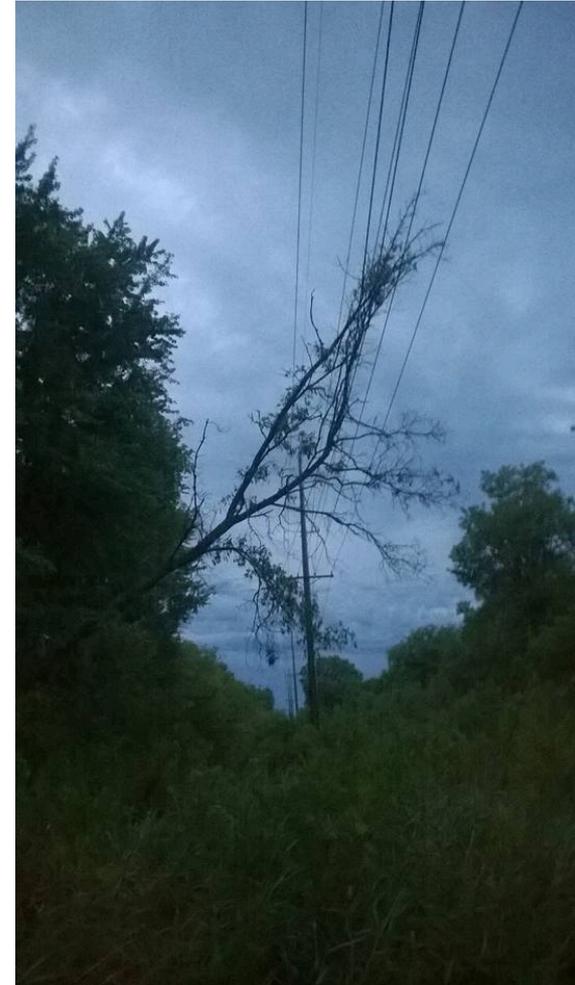


6,400 Customers

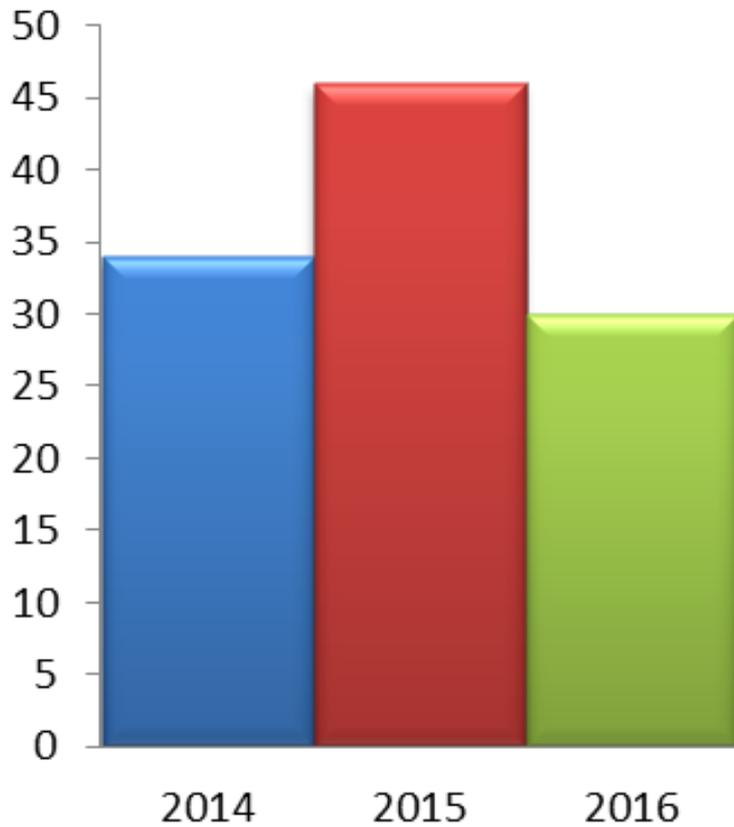


# 2016 - YTD

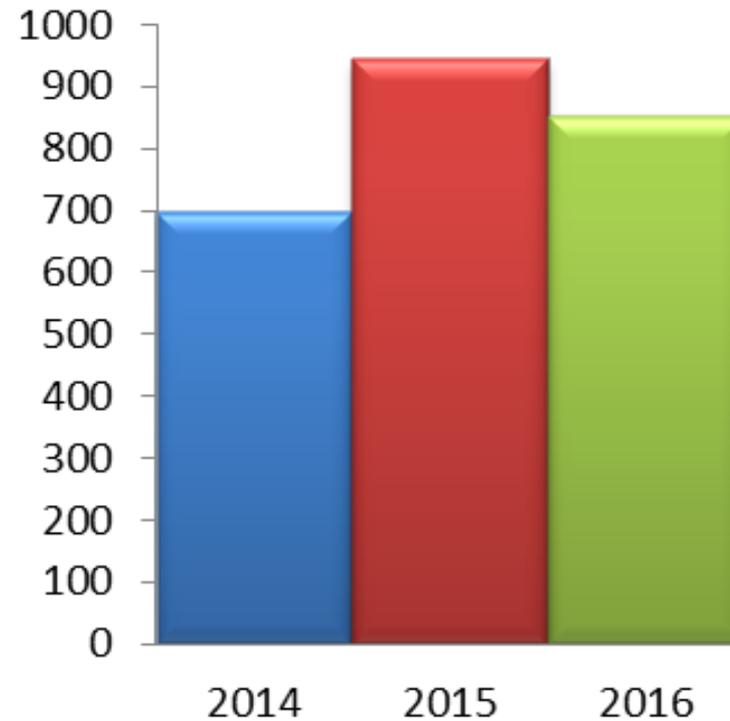
- 30 interruptions
- 854 affected customers



## Interruptions



## Customers Affected



# Methods



# eReliabilityTracker™

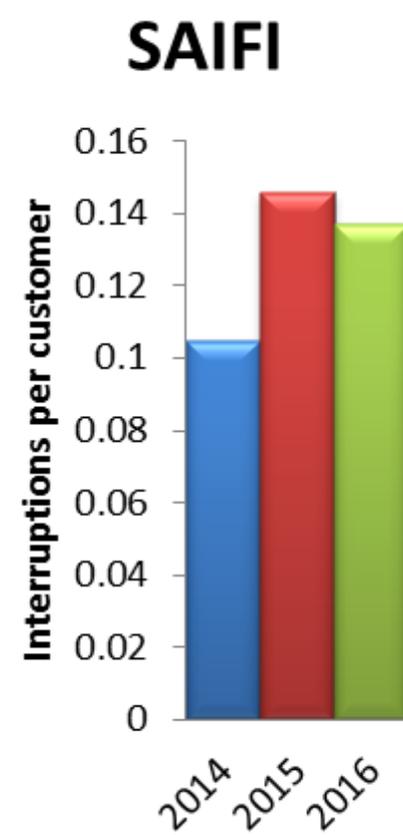
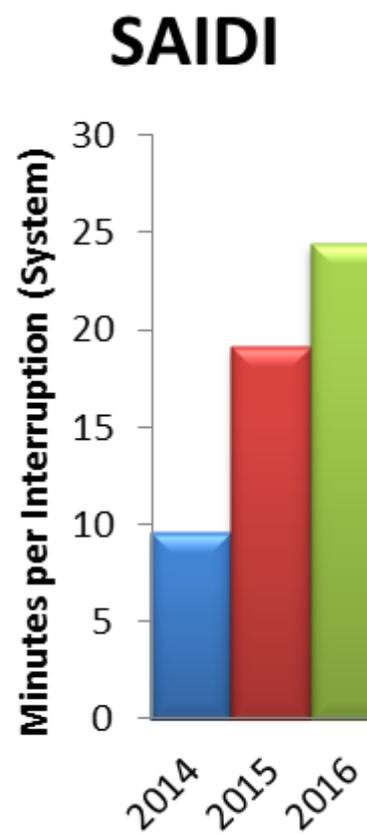
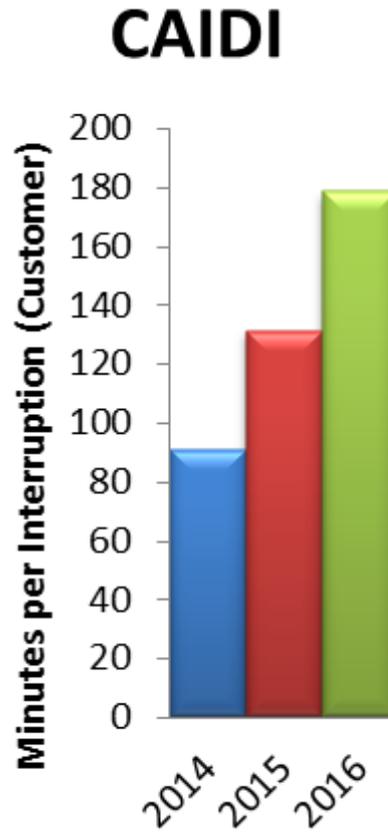
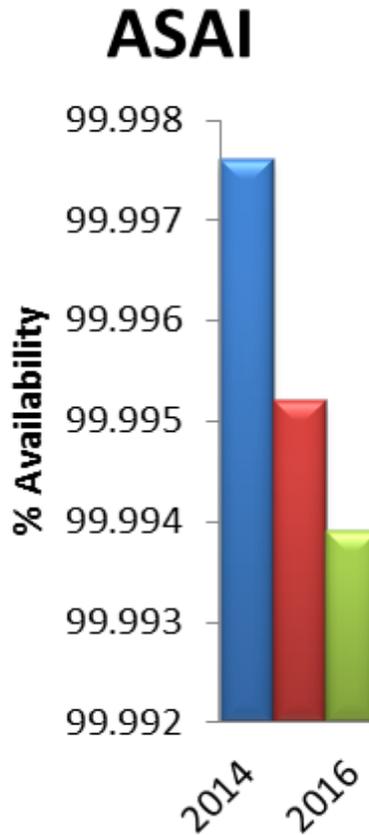
A thick, dark grey horizontal line spans across the width of the text below it. At the right end of this line is a solid purple circle.

# Metrics

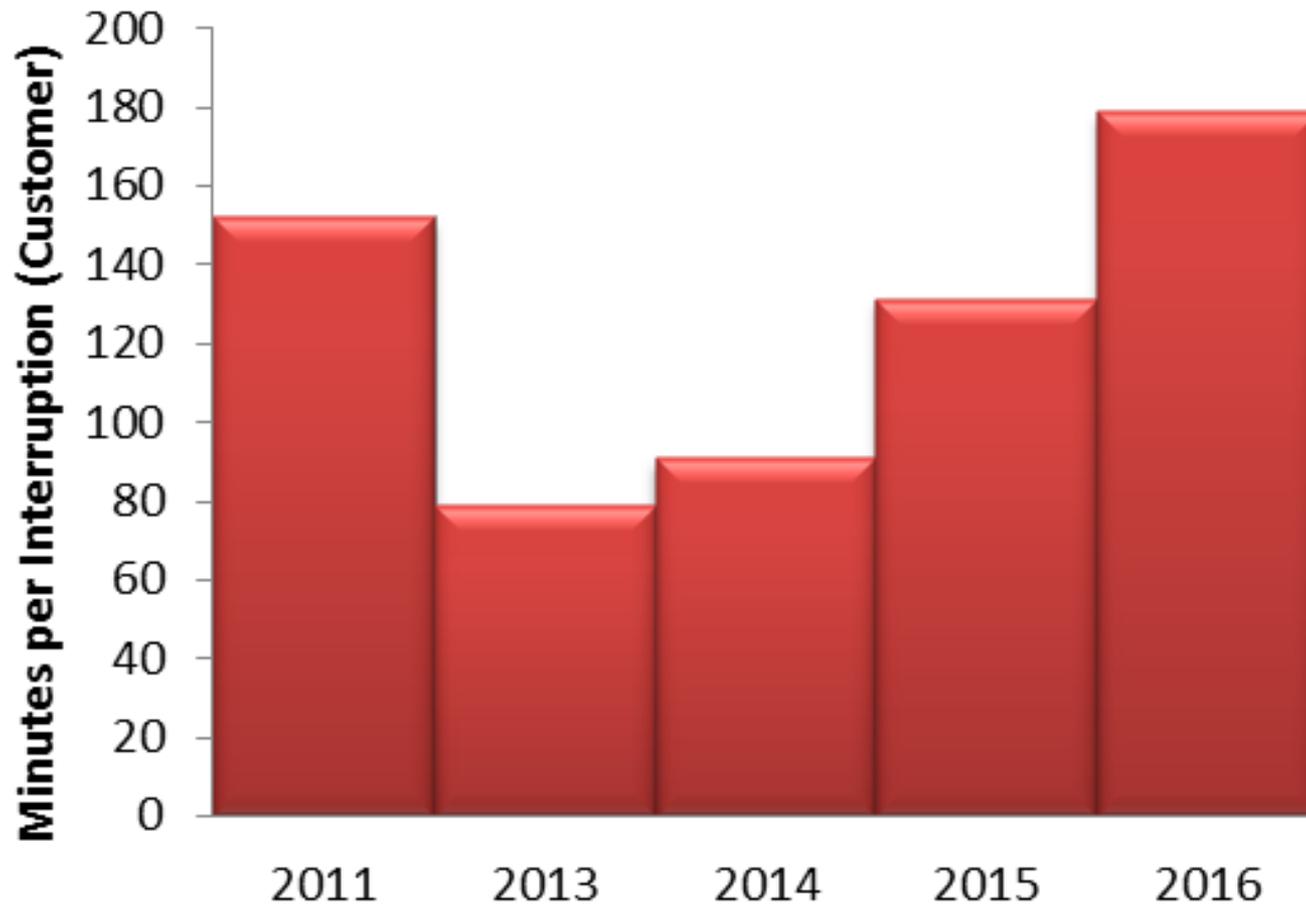
- ASA I – Average Service Availability Index (%)
- SAIDI – System Average Interruption Duration Index
  - (in minutes)
- SAIFI – System Average Interruption Frequency Index
  - (interruptions per customer)
- CAIDI – Customer Average Interruption Duration Index
  - (in minutes)



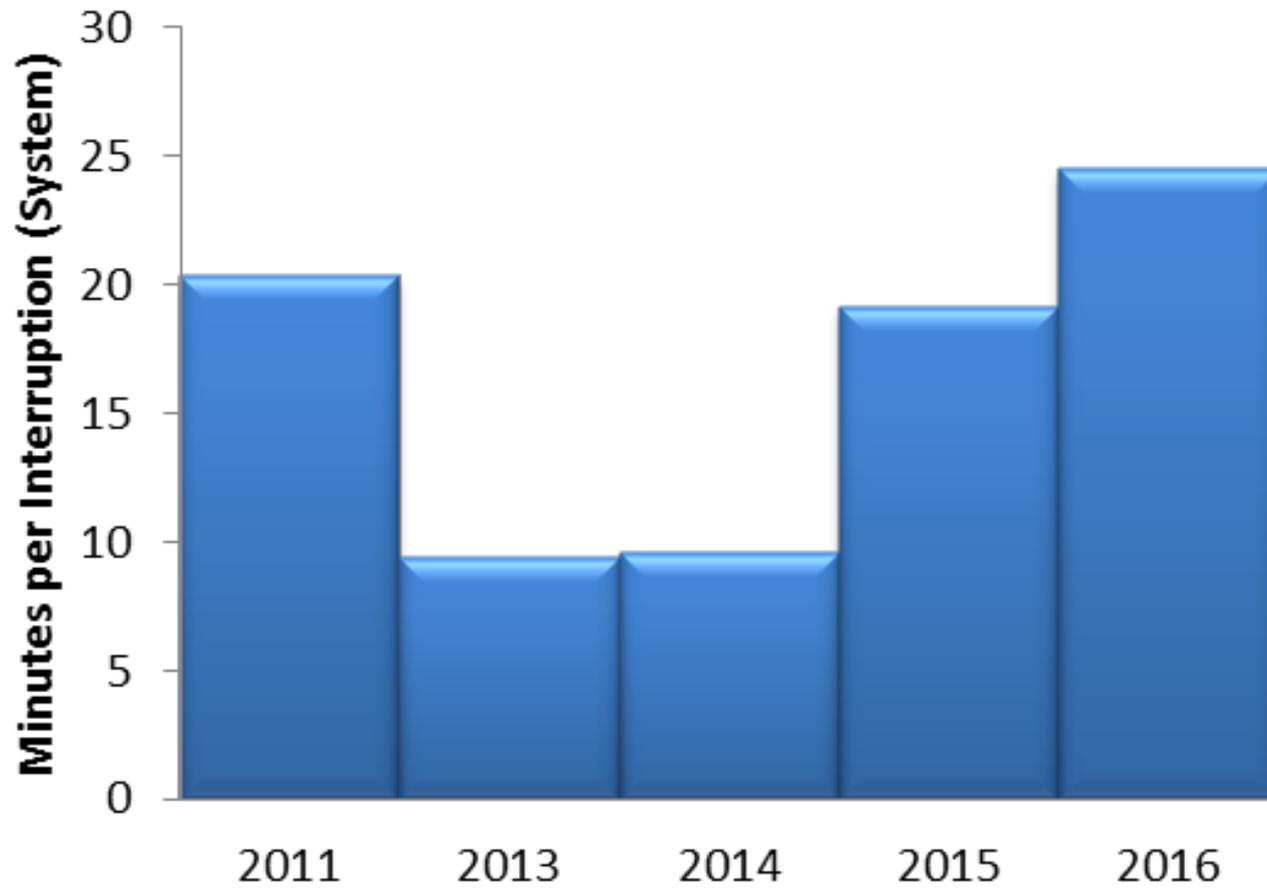
# Three-year trend



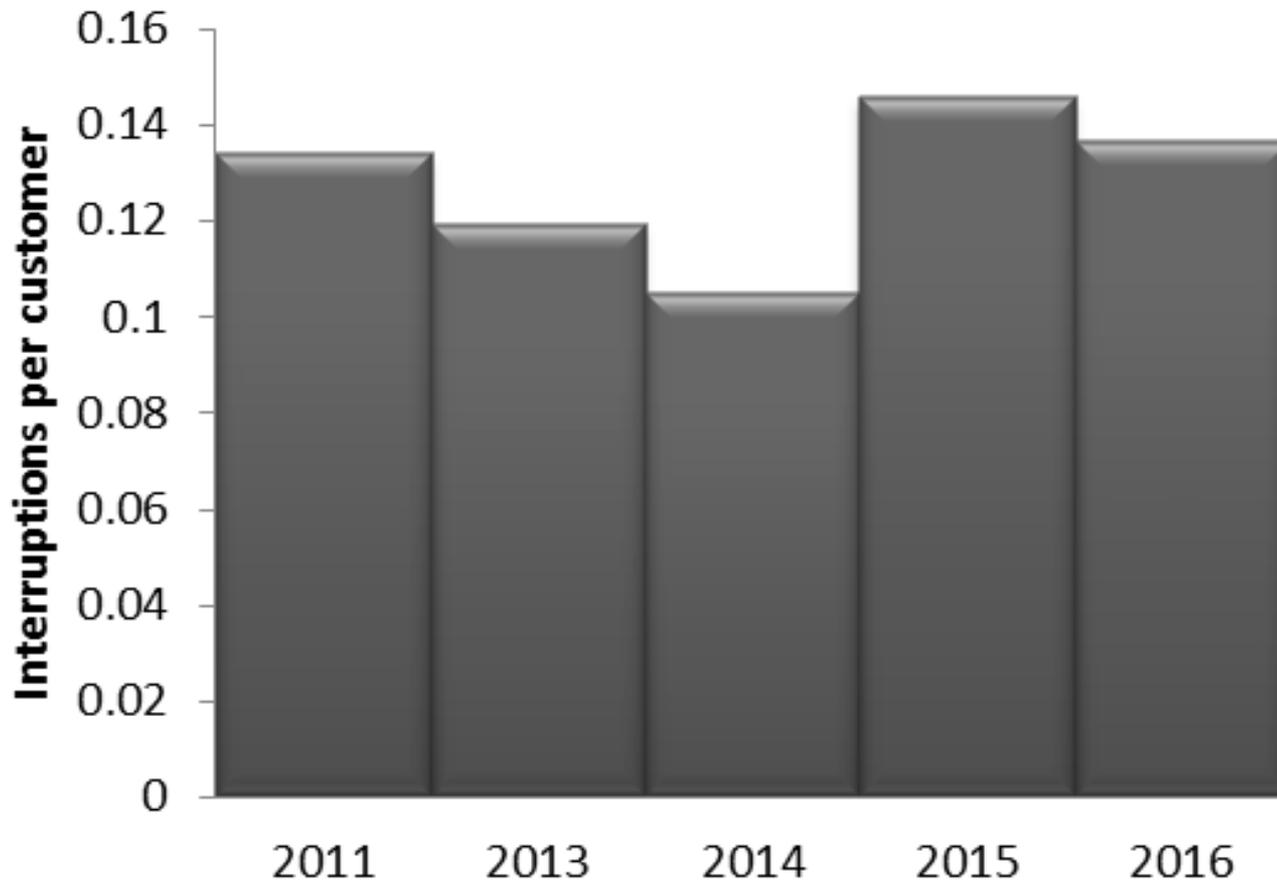
# CAIDI



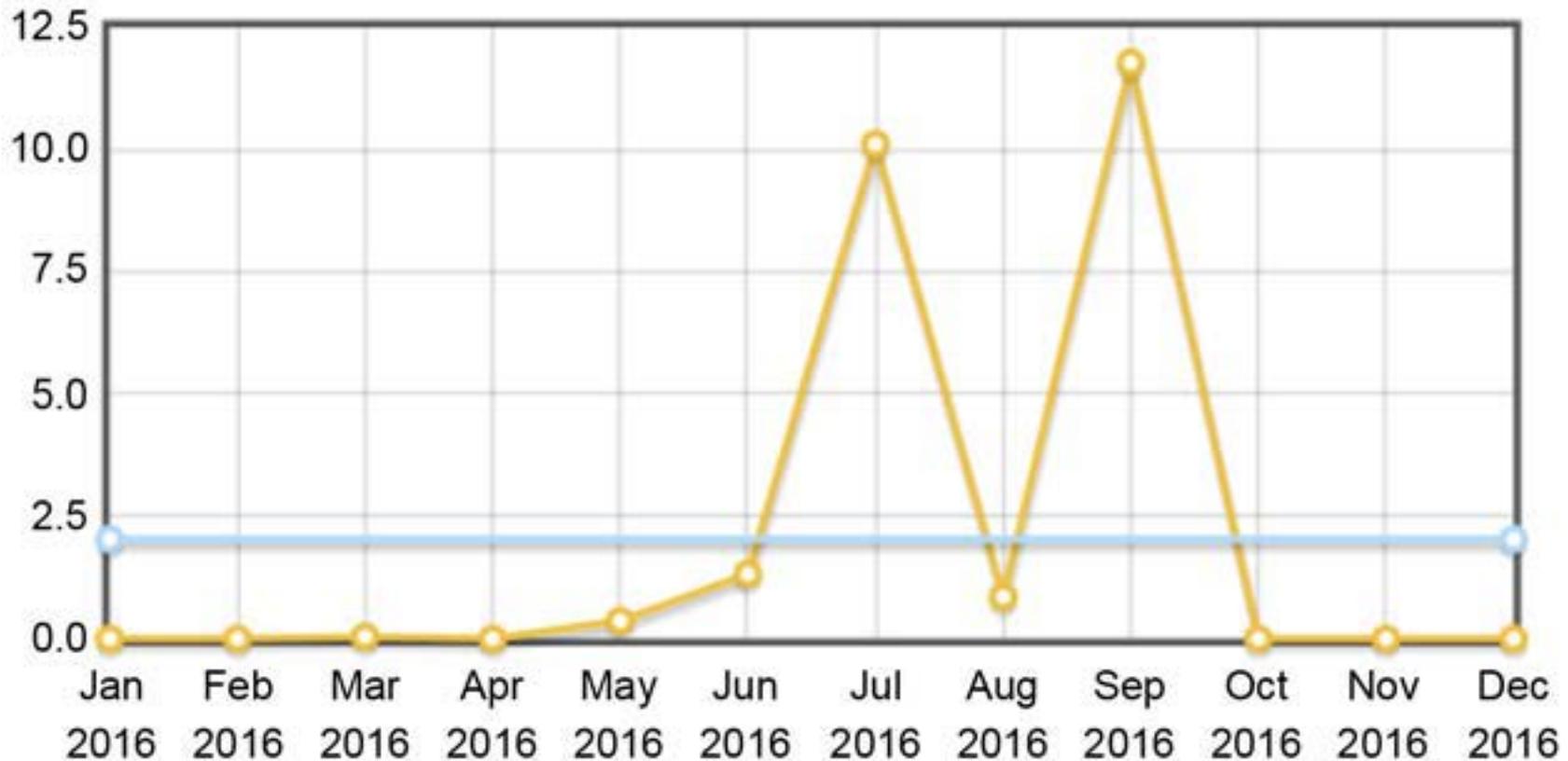
# SAIDI



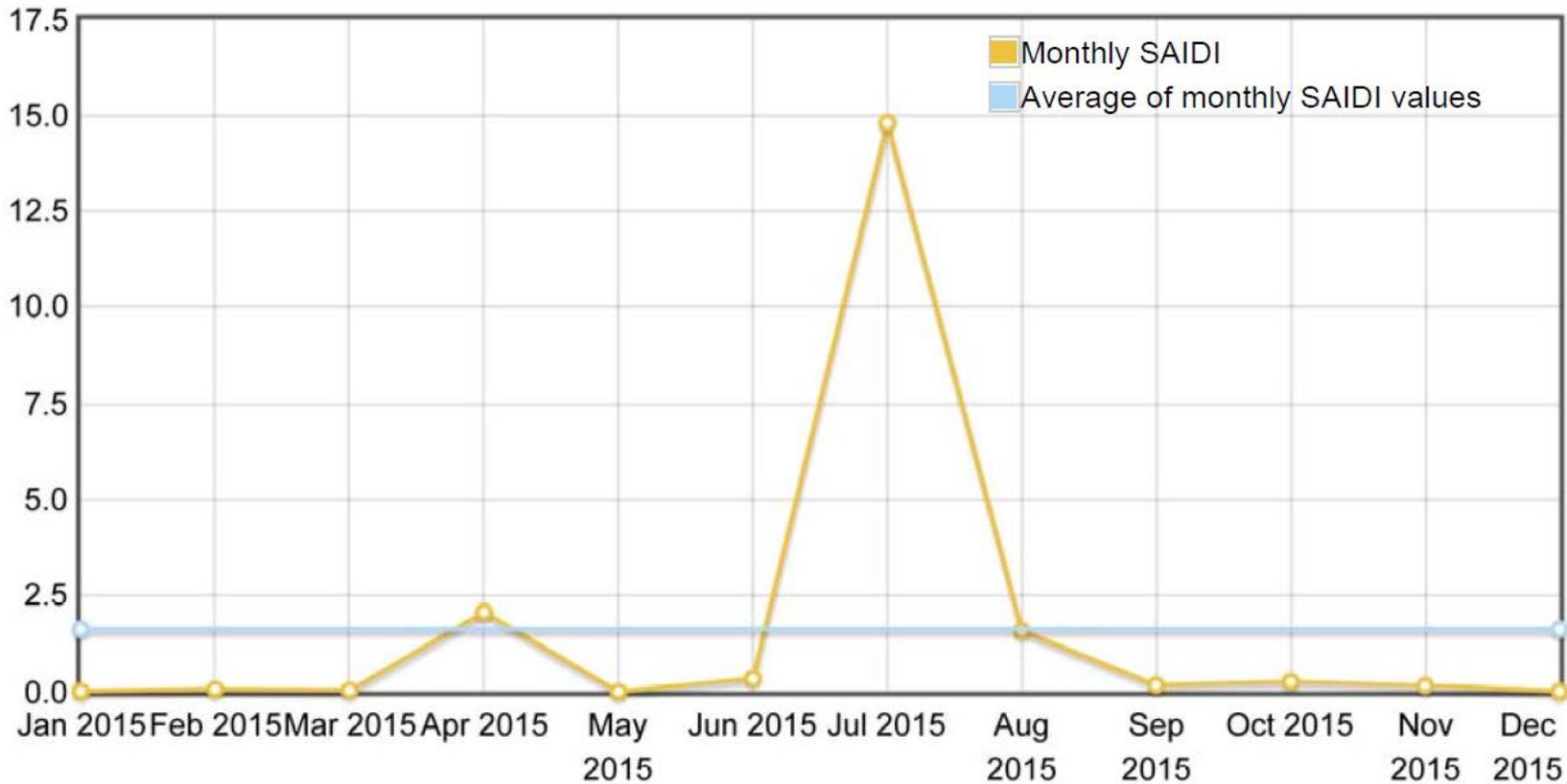
# SAIFI



# Monthly SAIDI - 2016

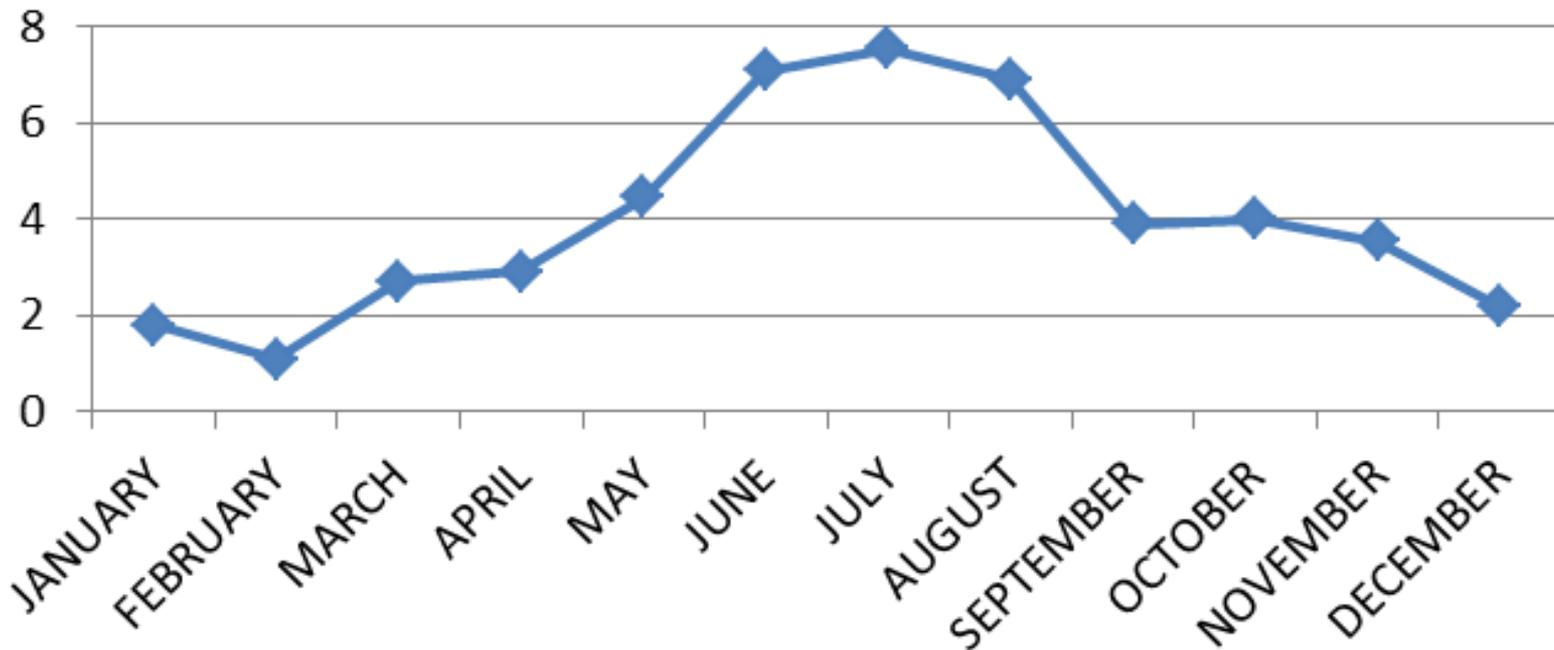


# Monthly SAIDI - 2015

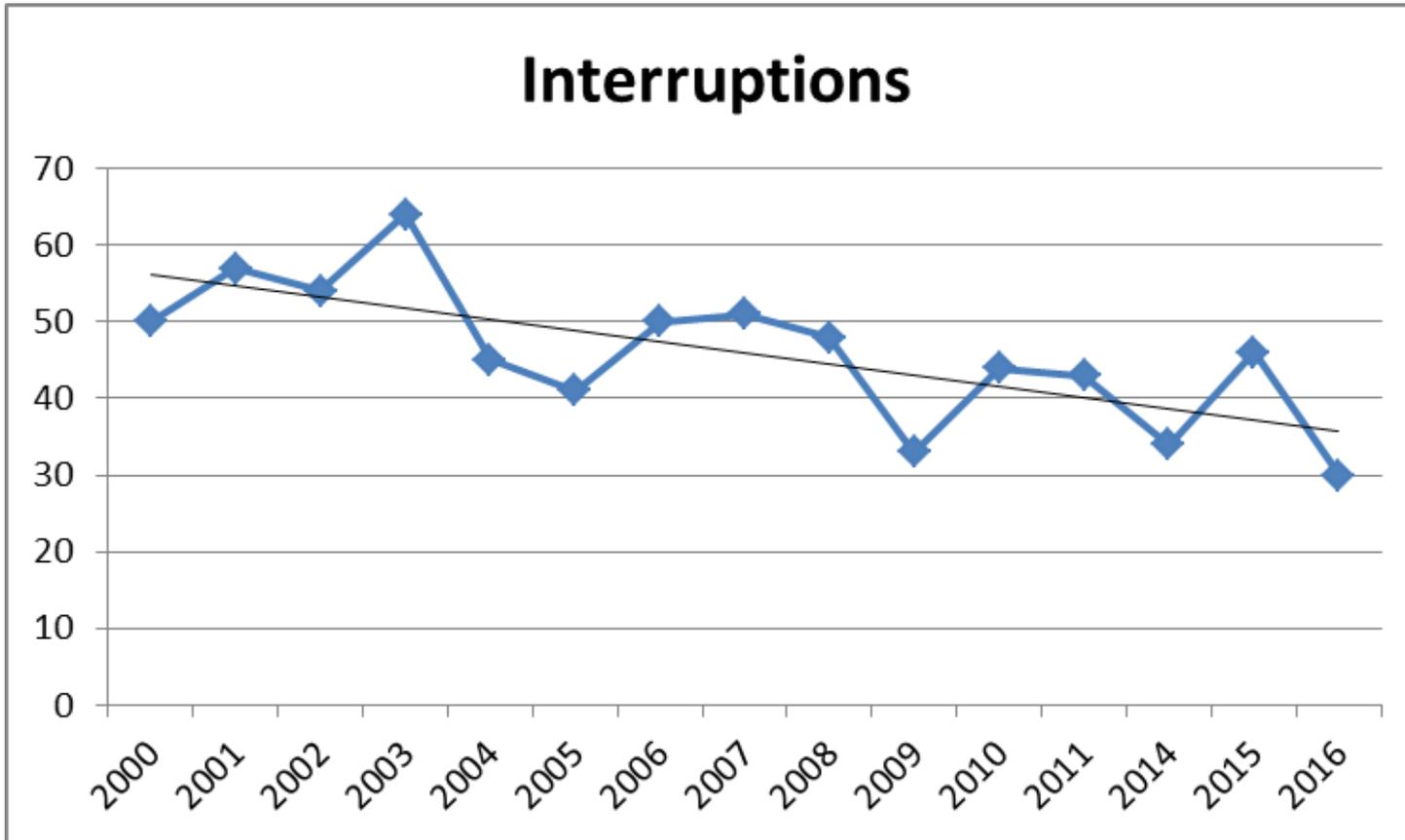


# 10-Year Average

## Number of Interruptions

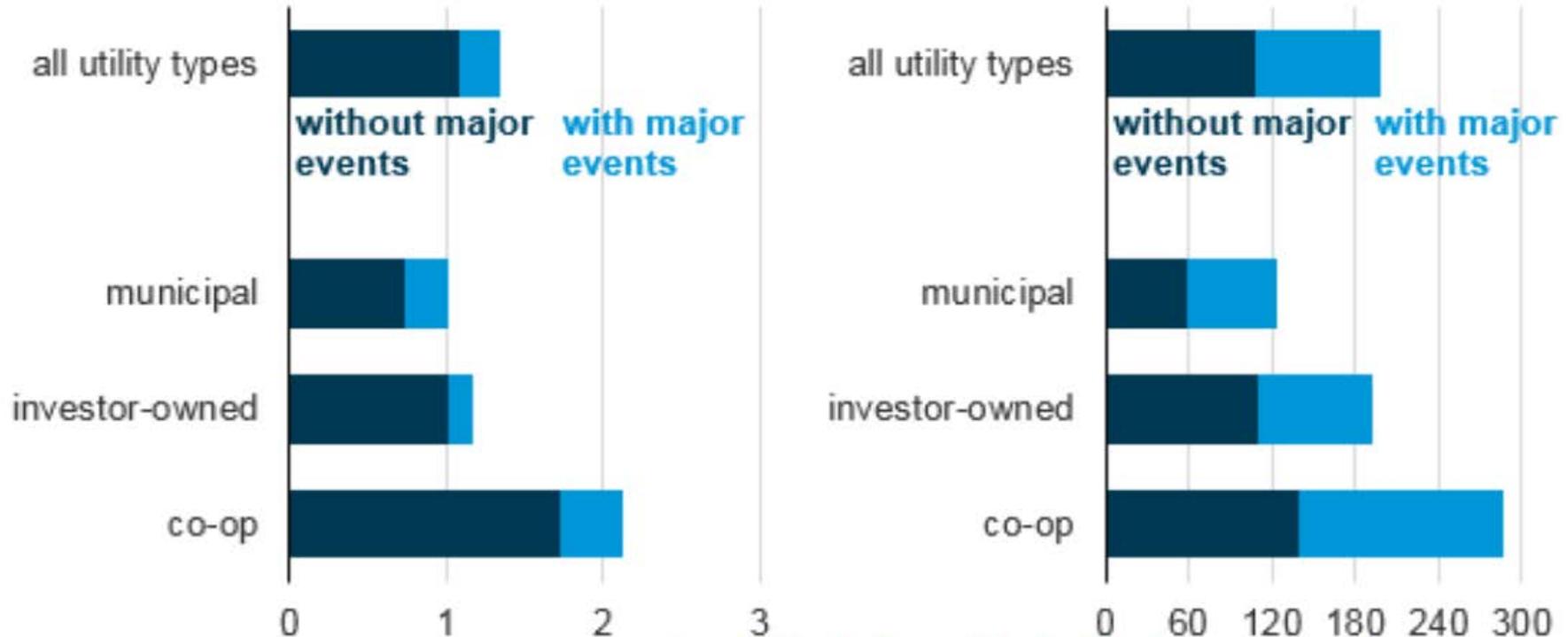


# Interruptions per year



# National Data - EIA

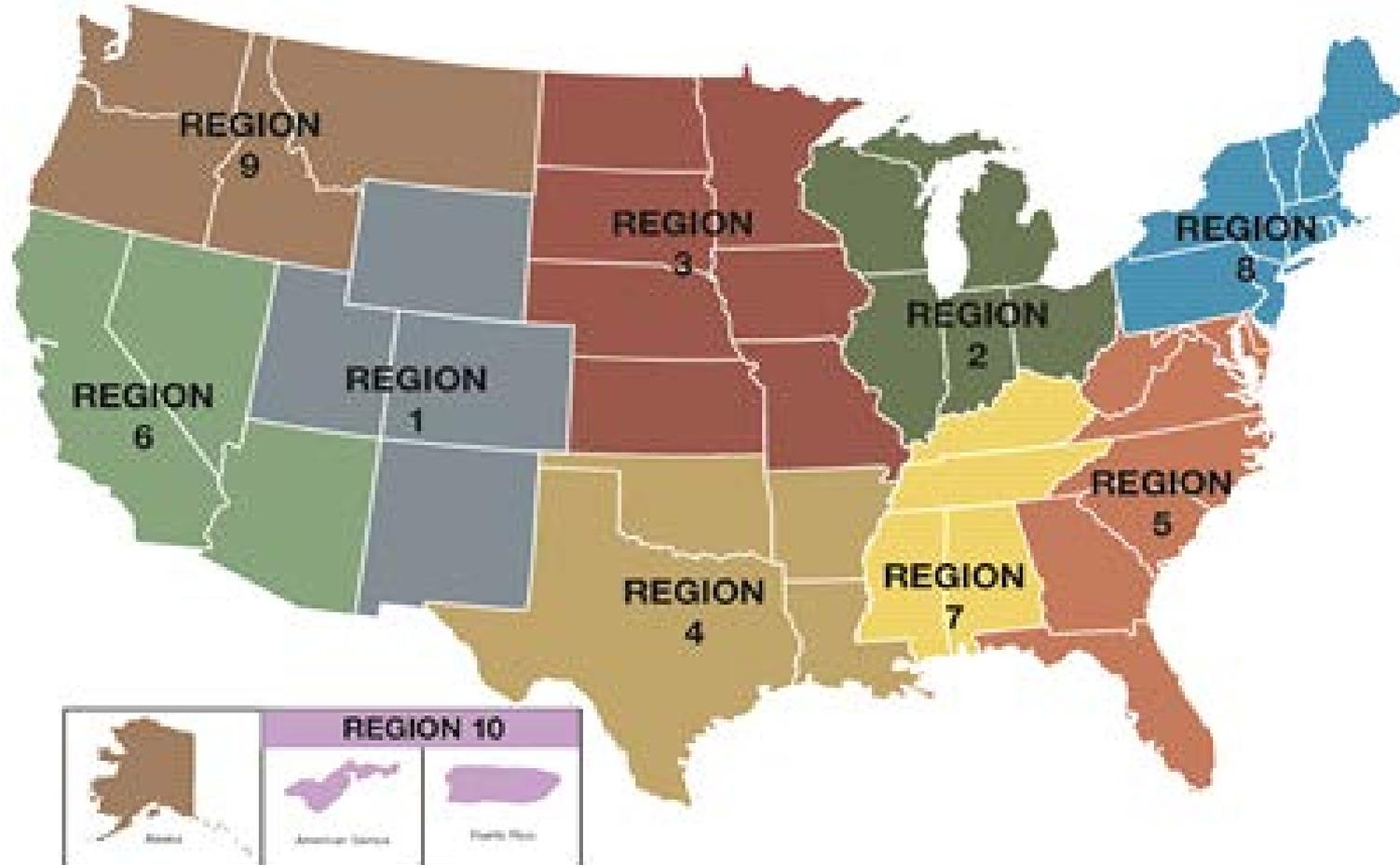
Average electric power service interruptions per customer by utility type, 2015  
frequency (number of instances)      total duration (minutes)



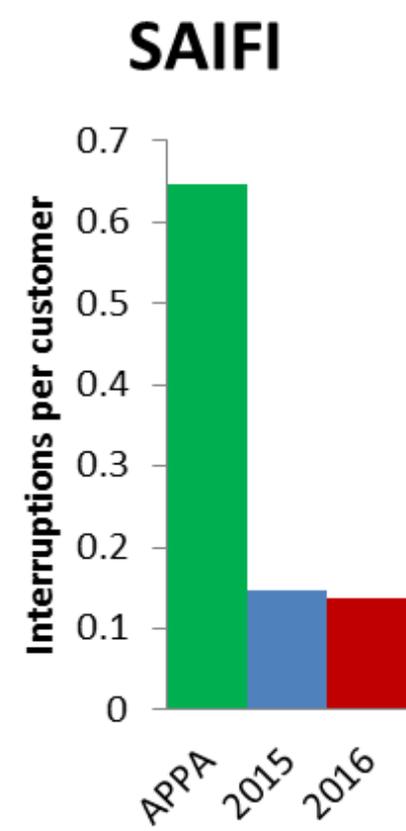
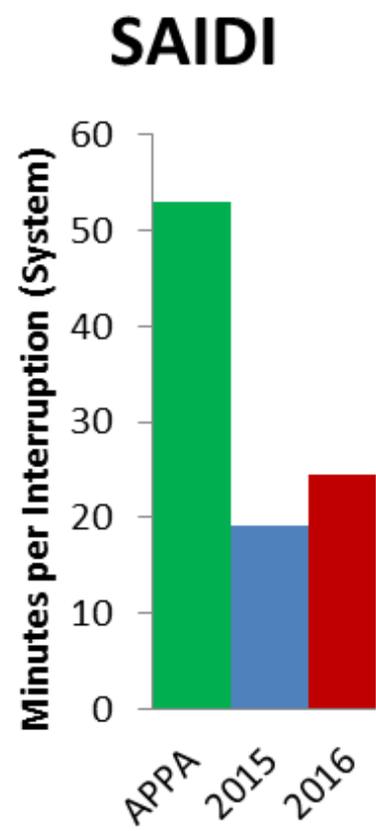
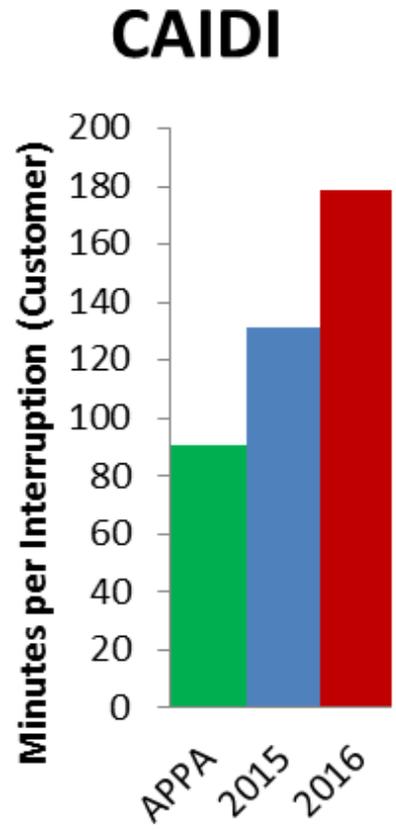
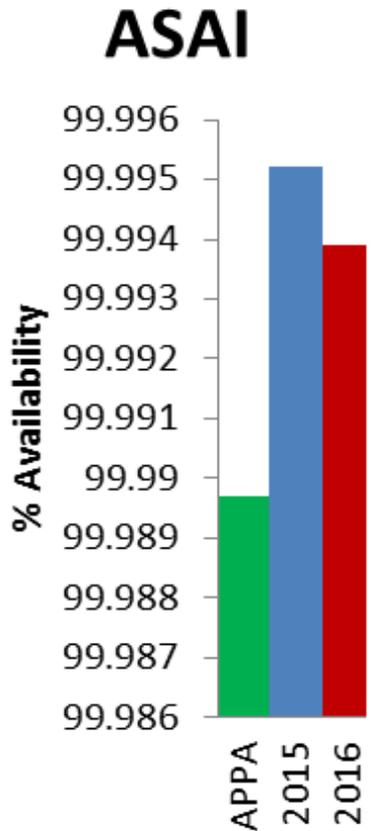
Source: U.S. Energy Information Administration, *Annual Electric Power Industry Report* (EIA-861) 2015 early release



# APPA Regional Data



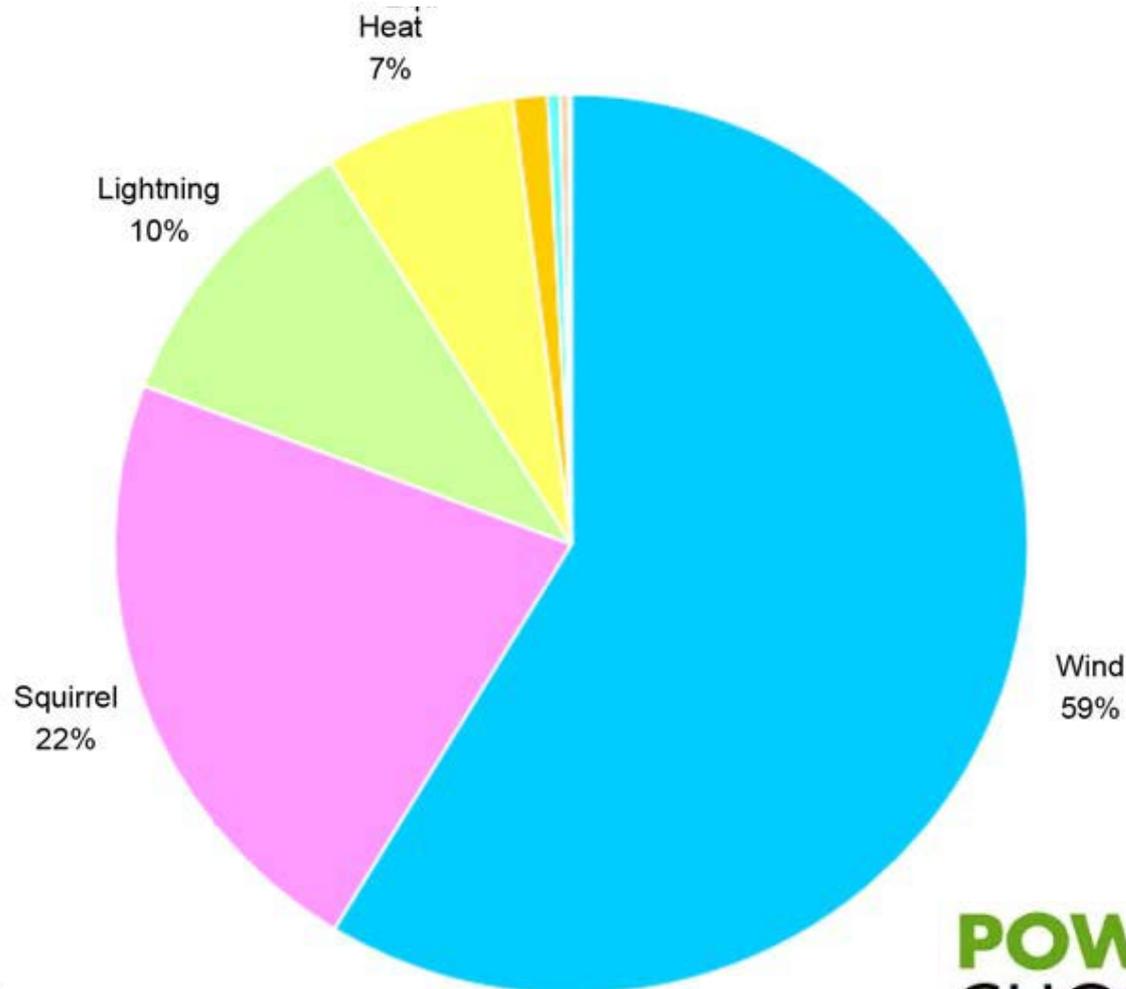
# Regional Comparison



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



# 2016 Causes by Outage Duration



# Questions?

**Wayne Siverling**

(715) 426-3480

[wsiverling@rfcity.org](mailto:wsiverling@rfcity.org)

**Weston Arndt**

(715)-426-3434

[warndt@wppienergy.org](mailto:warndt@wppienergy.org)





## MEMORANDUM

**To:** Utility Advisory Board

**From:** Weston Arndt, WPPI Energy Services Representative

**Date:** October 17, 2016

**Re:** Community Solar – Plan for Full Subscription

---

### INTRODUCTION

City of River Falls staff and WPPI Energy have been in discussions seeking the best solution to address some questions regarding the community solar garden. The memo and presentation offer an introduction to the concepts proposed.

### BACKGROUND

The following is a summary of shares subscribed, reserved, and available as of October 1, 2016:

186	Shares subscribed
90	TW Equities reserved*
90	Winfield Sterling Ponds reserved*
90	<u>Winfield Mann Valley reserved*</u>
456	Sold and formally committed shares
354	of 810 shares are unallocated*

\*Energy is part of WPPI Energy portfolio

### DISCUSSION

The City of River Falls has targeted new businesses locating in the Sterling Ponds Corporate Park to subscribe large allocations of the community solar project. However, businesses currently building, with plans to build, or prospects are missing out on potential energy credits because they do not yet have an account for which to provide energy credits. In conversations with one of these businesses, they also inquired about a payment plan or financing option.

We reviewed several possibilities address the energy credit issue and payment plan options for this customer and additional customers moving forward. Our analysis and deliberations resulted in what we believe is a mutually beneficial opportunity for WPPI Energy, the City of

River Falls, and its customers. We propose to utilize WPPI Energy's Member Energy Efficiency and Renewable Energy Loan Program (Member Loan Program) to purchase the available shares and fully subscribe the Community Solar Garden. Once executed, the shares would be subscribed to multiple City electric accounts. The shares would be available to retail customers through tariff-authorized transfer transactions. Additionally, we would utilize the local Community Solar Loan Program as a financing tool to assist our retail customers in procuring these shares. Through the transfer of shares, the City can charge a pro-rated fee, to recover its investment and pay off the member loan.

The Member Loan is designed to help members implement energy efficiency and renewable energy projects. Members directed staff to use a portion of the Point Beach Nuclear Power Plant sale refund to finance this revolving loan program and provide long-term benefits to members. Each member will be eligible for up to \$500,000 cumulatively in 0% interest loans. This can include multiple loans for a member, but the sum of the initial loan amounts cannot be greater than \$500,000. The minimum loan amount is \$5,000 for each loan issued.

All financing approved will include an origination fee equal to one percent of the loan amount to offset administrative costs associated with processing and collection of loan payment. The origination fee will be included in the first monthly invoice from WPPI Energy. The loan term will be 10 years. Each member utility borrowing under this program will make 120 equal monthly payments over 10 years. Early repayment of loans made under this program may occur at any time at the member's discretion.

There are 624 shares of community solar garden unsubscribed as of October 1, 2016. The cost to acquire these shares at \$567 each totals \$353,808. This would be the amount requested of the WPPI Energy Member Energy Efficiency and Renewable Energy Loan. An application has been submitted to WPPI Energy for preliminary approval. WPPI Energy staff and Executive Committee are supportive of the concept.

## **CONCLUSION**

This concept was brought before the Utility Advisory Board to provide an update on the community solar project and the member loan concept. A similar introduction will be presented to City Council on October 25. Action on the Member Loan Application will occur at the WPPI Energy Executive Committee meeting on October 27. With an WPPI Energy loan application approval and support from the Utility Advisory Board and City Council, authorization to execute the loan agreements will occur at the November 8 City Council meeting.



# Community Solar Plan for full subscription

October 17, 2016

Utility Advisory Board

Weston Arndt, WPPI Energy Services Representative



# Introduction

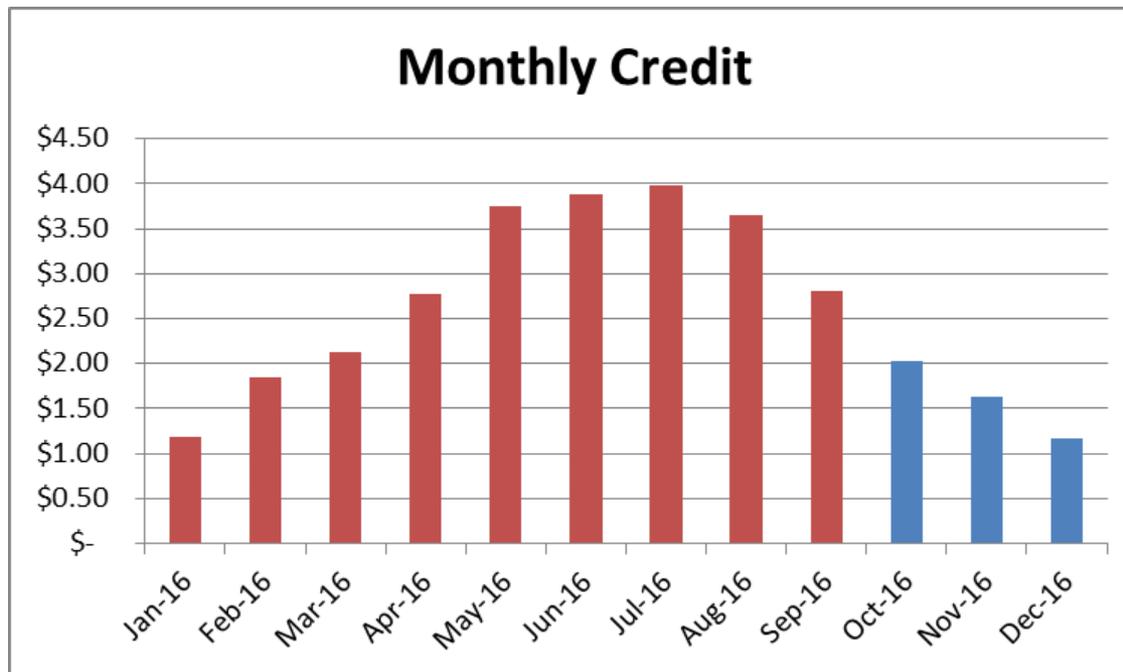
- Program updates
- Opportunities
- Proposed action plan



# Energy Production

Credit to date: \$26.15

Annual trending: \$31.00



# Status

186	Shares subscribed
90	TW Equities
90	Winfield Sterling Ponds
90	<u>Winfield Mann Valley</u>
456	<i>Sold and formally committed shares</i>

**354 of 810 shares are unallocated\***

\*Energy included in WPPI portfolio



# Questions

- What happens to the credit for customers paying full price?
  - New businesses – Electric Service in 2017 or beyond?
- Can we offer payment plans or financing for large purchases?
- What can be offered in alignment with the approved program tariff?



# Considerations

- Tariff allows customers to transfer subscribed shares to other retail accounts on RFMU service.
- WPPI Energy offers a member loan program, up to \$500,000 at 0% interest, with 1% upfront admin fee.
- RFMU Community Solar Loan
  - 4% APR, 1-3 year term



# Logistics

WPPI

- Issues member loan to River Falls
- Community Solar fully subscribed
- All credit for energy passed through

RFMU/City

- Shares allocated to city facilities
- Monthly credit applied during transition
- Shares still available to customers

Customer

- Shares may be purchased for pro-rated cost
- Shares transferred from City Accounts
- Existing loan program is available

# Next Steps

- Present concept to City Council
  - October 25
- Member Loan Application to WPPI Executive Committee
  - October 27
- City Council considers Member Loan resolution
  - November 8
- Issue loan and subscribe shares
  - End of 2016



# Questions?



**Mike Noreen**

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[mnoreen@rfcity.org](mailto:mnoreen@rfcity.org)

**Weston Arndt**

(715)-426-3434

[warndt@wppienergy.org](mailto:warndt@wppienergy.org)



## Community Solar Landscape Plan

Listed below are three potential options, which will be available for viewing at the solar panel site the end of October.

- 1) A silk-screened panel depicting an attractive scene from nature (see picture below). This screen will reach from the ground to the top of the solar panels, thereby discouraging people from accessing the underside of the panels.
- 2) Robust landscaping intended to highlight a natural look and feel while limiting access to the back of the panels.
- 3) A combination of the above: silk-screened panel with intermittent landscaping.





## MEMORANDUM

**TO:** The City of River Falls Utility Advisory Board

**FROM:** Kevin Westhuis, Utility Director

**DATE:** October 17, 2016

**TITLE:** **Power Plant Substation Project Update**

---

### RECOMMENDED ACTION

No action is needed at this time. This is an update to reintroduce our timeline and activity related to the construction and modifications for the new substation equipment.

### BACKGROUND

Much of the existing equipment and electric gear at the Power Plant Substation has exceeded its recommended life span and a rebuild is necessary to ensure electric reliability for River Falls. Additional electric load in the community, a new transformer, and new switchgear, combined with breaker "ties" with XCEL Energy and Dairyland Power at the Substation require a new substation footprint.

### DISCUSSION

Another goal of the substation project is to isolate the electrical equipment from the old power plant building. All electrical equipment from our utility, XCEL Energy, and Dairyland Power will be removed from the old Power Plant building and relocated to the "new substation footprint" which will be in the vacant lot owned by the City which is located directly to the North of the existing substation structure.

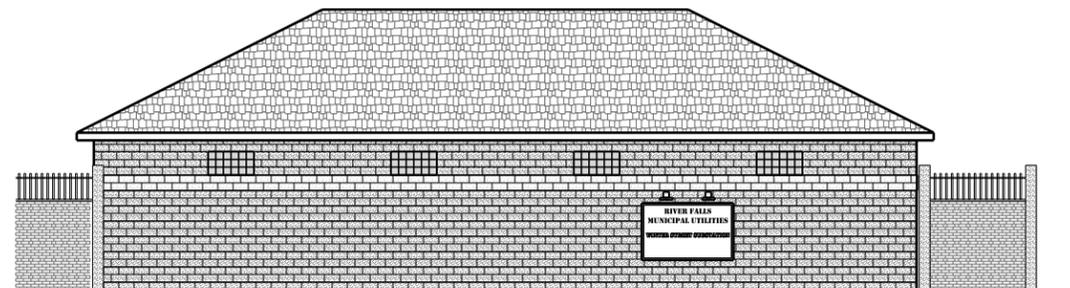
The relocation of electric equipment does not include the relocation of the hydroelectricity generator or its switches which will remain in an isolated control room in the existing power plant.

The Power Plant Substation project will begin with phase one yet this fall. Phase one will consist of pouring the concrete pad for our transformer that was built by Virginia Transformer and the "setting" of this transformer that will be delivered and set on the new pad in late November or early December. Phase two will commence in early 2017 with the construction of our switch gear building and XCEL Energy's construction of their control building. Our switchgear is being built by Siemens and will be delivered yet this year and stored by us until our final installation in 2017. Phase three will involve cabling, connections, SCADA installation, and ultimate ties to

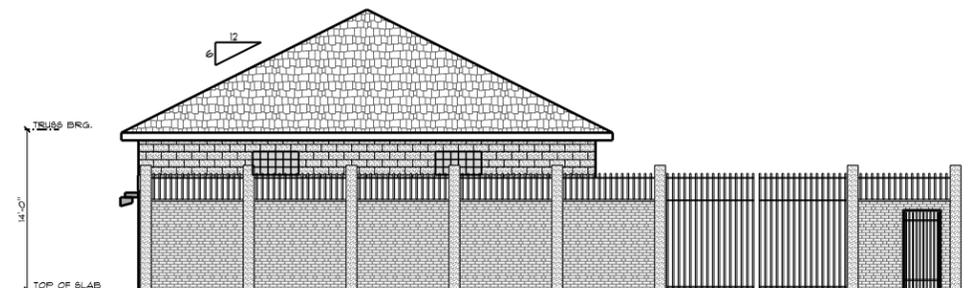
the electric system. This phase will be completed by mid-summer 2017. Phase 4 will involve fencing and site beautification.

## **CONCLUSION**

Because of the potential uses for the old Power Plant building, the new substations proximity to roads and neighborhoods, combined with the heightened sensitivity to make this area as aesthetically pleasing as possible, extra care has gone into the site plan layout to consider setbacks, sightlines, and neighborhood compatibility. The large equipment (transformer and switchgear) were bid out, ordered, and are set for delivery. Much coordination and work is still to be done by our engineer and project manager Krause Engineering, Inc., but we thought this was a good time to give you an update on this much anticipated project.



1 EAST ELEVATION  
SCALE: 1/16" = 1'-0"



2 NORTH ELEVATION  
SCALE: 1/16" = 1'-0"

2920 Enloe Street Ste. 101  
Hudson, WI 54016  
PH. 715-381-5277  
406 Technology Dr. E. Ste. A  
Menomonie, WI 54751  
PH. 715-232-8490



Auth Consulting / associates

PROJECT: RIVER FALLS MUNICIPAL UTILITIES  
POWER PLANT SUBSTATION BUILDING

PAGE INFO: PROPOSED EXTERIOR ELEVATIONS

PROJECT:

SCALE:

AS NOTED

DRAWN BY:

DEP

INITIAL DATE:

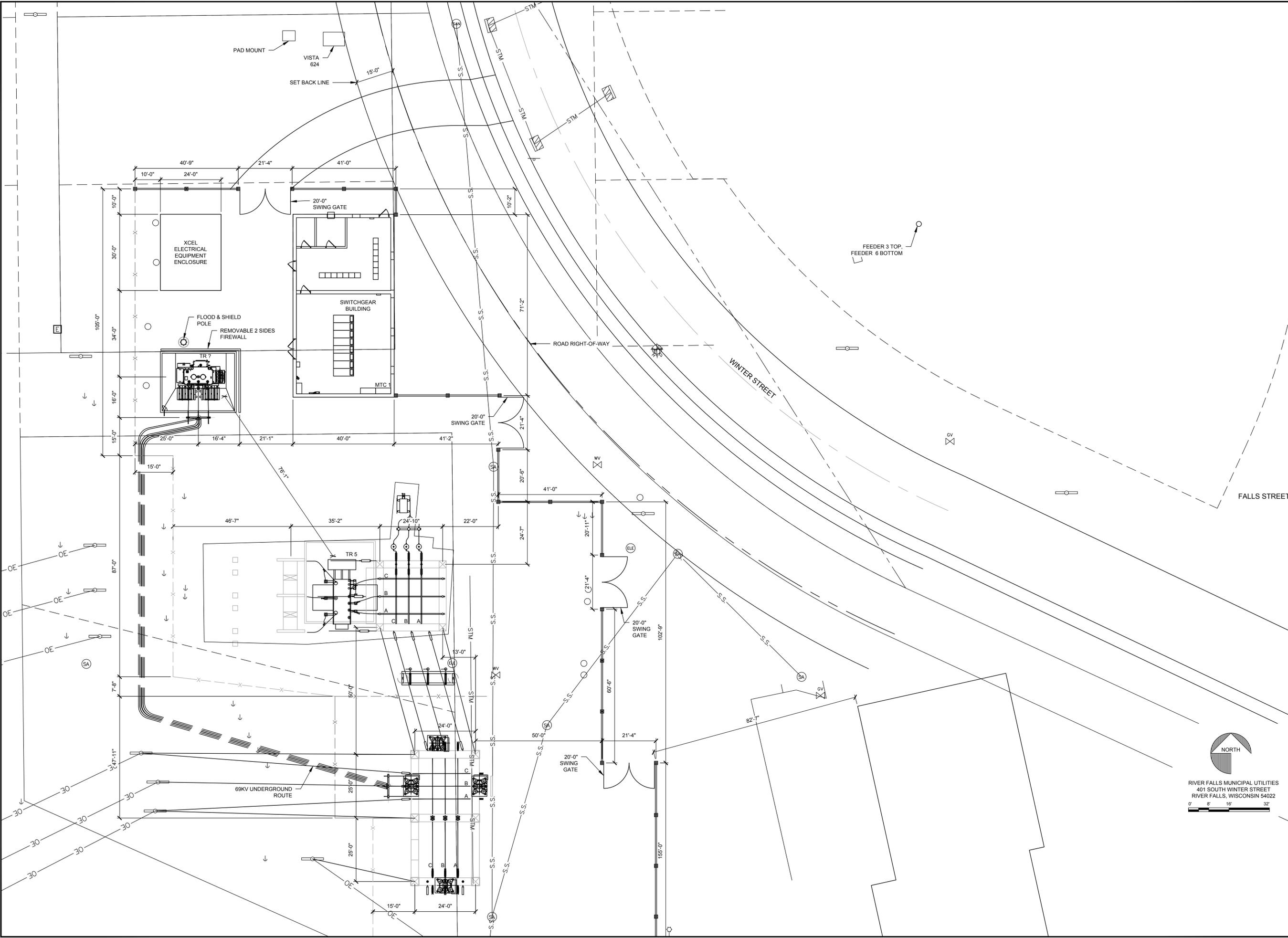
12.09.15

LAST REVISED:

10.04.16 (9)

PAGE #

A1



KRAUSE POWER ENGINEERING, LLC (KPE) 2016. ANY USE OR REUSE OF THIS PLANNING AND THE CORRESPONDING DRAWINGS WITHOUT THE WRITTEN PERMISSION OF KPE IS PROHIBITED. KPE SHALL NOT BE RESPONSIBLE FOR ANY UNAUTHORIZED USE OR REUSE OF THESE MATERIALS OR DAMAGES RESULTING THEREFROM.

REFERENCE DRAWING NUMBERS

REV. BY	REV.	DATE	DESCRIPTION

CITY OF RIVER FALLS ELECTRIC UTILITY  
RIVER FALLS, WISCONSIN  
POWER PLANT SUBSTATION

FINAL SITE PLAN

PROJECT NO: RFL-15-01.01  
DATE: 09/29/16  
DRAWN BY: JAB  
CHECKED BY: DWK

SHEET:  
**PPS-02-0A**



# Wastewater Treatment Plant Rehabilitation Project Update

October 17, 2016

Utility Advisory Board

Kevin Westhuis, Utility Director

Ron Groth, Water / Wastewater Superintendent



# WWTP Construction





## Interior Block Walls

Structural block walls before insulation and fascia block.





## Precast Concrete Roof and Sheeting

Concrete precast roof and sheeting being installed to trusses.





## Stairs

New Stairs leading to Pump Room in the  
Bio-building Basement.





## Daft Unit

Relocate DAFT Unit to new building.



## Pump Room

New return and waste pumps along with associated piping.



Air Handling Units



Bio Building as of October 11, 2016

# Project Completion

- Electrical
- Move the DAFT Unit
- New RAS lines to clarifiers
- SCADA system
- Chemical feed
- Blacktop and concrete
- Seeding





October 12, 2016

To: Utility Advisory Board

From: Tracy Biederman, Accountant

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

Electric fund: Total revenue for the nine months ending is \$10,300,758. Year to date total expenses are \$9,948,229; generating a net income of \$352,529.

- WPPI's wholesale power bill for the nine months ending has a \$182,293 savings as compared to 2015.
- Electric Charges for Services have declined \$192,828. The power cost adjustment factor has remained low as compared to 2015.
- Distribution expenses are higher in 2016 due to the increase in locates for underground line expenses and directional boring for fiber install.
- Customer Accounts have increased with the corresponding Powerful Choices incentives for weatherization, efficiency, and education programs.
- Period ending cash and investments balance is a positive \$7.29 million.

Water fund: Total revenue for the water fund is \$1,361,137. Year to date total expenses are \$1,312,357; generating a net income of \$48,780.

- Industrial and irrigation consumption continue to increase over the prior year-to-date.
- Since the inception of the water rate changes as of June 27<sup>th</sup>; Residential and Irrigation combined sales dollars factor 77% of the increase in water service revenues.
- Period ending cash and investments balance is a positive \$1.05 million.

Sewer fund: Year to date revenue for the sewer fund is \$2,523,048. Year to date total expenses are \$1,924,315; generating a net income of \$598,733.

- Industrial and Multi-family sales dollars have increased \$44,500 and \$23,900 respectively over the prior reporting year.
- Debt Service is higher due to the 2016A Revenue Bond issuance costs.
- Period ending cash and investments balance is a positive \$5.9 million.

Storm Water fund: Year to date revenue for the storm water fund is \$395,914. Year to date total expenses are \$367,366; generating a net income of \$28,548.

- The fund's financial net income remains flat in comparison to 2015.
- Period ending cash and investments balance is a positive \$316,686.

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



# Financial Statement September 2016

	Current Year				
	Budget	Month	Y-T-D	% Budgeted	Prior Y-T-D
<b>610 - Electric</b>					
<b>Revenue</b>					
Charges for Services	\$14,189,533	\$1,031,246	\$9,938,420	70%	\$10,131,248
Interest	\$15,000	\$0	\$21,984	147%	\$16,175
Miscellaneous	\$622,488	\$28,847	\$308,155	50%	\$296,550
Other Financing	\$30,000	\$27,439	\$32,198	107%	\$209,538
<b>Total Revenue</b>	<b>\$14,857,021</b>	<b>\$1,087,533</b>	<b>\$10,300,758</b>	<b>69%</b>	<b>\$10,653,511</b>
<b>Expense</b>					
Hydraulic Power Generation	\$32,569	\$1,992	\$39,439	121%	\$47,374
Purchased Power	\$10,866,597	\$775,675	\$7,203,652	66%	\$7,385,945
Transmission	\$25,997	\$98	\$7,933	31%	\$51,625
Distribution	\$1,106,753	\$75,558	\$680,363	61%	\$616,142
Customer Accounts	\$621,039	\$48,493	\$405,259	65%	\$388,543
Administrative & General	\$394,911	\$28,414	\$245,414	62%	\$253,990
Other Operating Expenses	\$764,700	\$89,891	\$631,440	83%	\$581,256
Debt Service	\$277,008	\$25,183	\$226,644	82%	\$0
Transfers to Other Funds	\$767,447	\$56,454	\$508,085	66%	\$476,471
<b>Total Expense</b>	<b>\$14,857,021</b>	<b>\$1,101,759</b>	<b>\$9,948,229</b>	<b>67%</b>	<b>\$9,801,345</b>
<b>Net Total 610 - Electric</b>	<b>\$0</b>	<b>\$(14,226)</b>	<b>\$352,529</b>	<b>68%</b>	<b>\$852,166</b>



# Financial Statement September 2016

	Current Year				Prior Y-T-D
	Budget	Month	Y-T-D	% Budgeted	
<b>620 - Water</b>					
<b>Revenue</b>					
Charges for Services	\$1,313,137	\$136,400	\$1,134,598	86%	\$1,047,867
Interest	\$3,474	\$0	\$4,243	122%	\$1,738
Miscellaneous	\$459,145	\$12,278	\$107,488	23%	\$104,331
Other Financing	\$85,080	\$4,452	\$114,809	135%	\$107,396
<b>Total Revenue</b>	<b>\$1,860,836</b>	<b>\$153,130</b>	<b>\$1,361,137</b>	<b>73%</b>	<b>\$1,261,331</b>
<b>Expense</b>					
Transmission	\$437,754	\$43,456	\$294,701	67%	\$291,574
Pumping	\$139,492	\$9,248	\$84,704	61%	\$102,883
Water Treatment	\$75,901	\$3,454	\$66,967	88%	\$54,421
Customer Accounts	\$117,111	\$7,747	\$61,038	52%	\$59,504
Administrative & General	\$187,321	\$15,796	\$128,784	69%	\$144,040
Other Operating Expenses	\$365,844	\$38,511	\$303,890	83%	\$274,157
Debt Service	\$66,119	\$5,439	\$48,802	74%	\$51,133
Transfers to Other Funds	\$471,294	\$35,941	\$323,471	69%	\$301,081
<b>Total Expense</b>	<b>\$1,860,836</b>	<b>\$159,592</b>	<b>\$1,312,357</b>	<b>71%</b>	<b>\$1,278,793</b>
<b>Net Total 620 - Water</b>	<b>\$0</b>	<b>\$(6,462)</b>	<b>\$48,780</b>	<b>72%</b>	<b>\$(17,462)</b>



# Financial Statement September 2016

	Current Year				Prior Y-T-D
	Budget	Month	Y-T-D	% Budgeted	
<b>630 - Waste Water</b>					
<b>Revenue</b>					
Charges for Services	\$3,079,754	\$266,794	\$2,374,778	77%	\$2,305,847
Interest	\$4,500	\$0	\$13,123	292%	\$6,723
Miscellaneous	\$36,614	\$2,894	\$41,556	113%	\$40,237
Other Financing	\$59,480	\$3,126	\$93,591	157%	\$99,107
<b>Total Revenue</b>	<b>\$3,180,348</b>	<b>\$272,814</b>	<b>\$2,523,048</b>	<b>79%</b>	<b>\$2,451,913</b>
<b>Expense</b>					
Operation	\$529,477	\$34,712	\$288,627	55%	\$311,936
Maintenance	\$558,637	\$27,369	\$238,243	43%	\$270,297
Bio Solids	\$394,000	\$16,990	\$239,485	61%	\$270,876
Customer Accounts	\$285,187	\$8,051	\$109,188	38%	\$107,459
Administrative & General	\$360,773	\$22,843	\$223,375	62%	\$211,360
Other Operating Expenses	\$493,000	\$43,438	\$414,557	84%	\$436,273
Debt Service	\$99,737	\$15,733	\$274,380	275%	\$112,835
Transfers to Other Funds	\$459,537	\$15,162	\$136,460	30%	\$136,460
<b>Total Expense</b>	<b>\$3,180,348</b>	<b>\$184,297</b>	<b>\$1,924,315</b>	<b>61%</b>	<b>\$1,857,497</b>
<b>Net Total 630 - Waste Water</b>	<b>\$0</b>	<b>\$88,517</b>	<b>\$598,733</b>	<b>70%</b>	<b>\$594,417</b>



# Financial Statement September 2016

	Current Year				Prior Y-T-D
	Budget	Month	Y-T-D	% Budgeted	
<b>640 - Storm Water</b>					
<b>Revenue</b>					
Charges for Services	\$505,000	\$43,100	\$392,462	78%	\$386,931
Interest	\$500	\$0	\$(298)	(60)%	\$204
Miscellaneous	\$77,136	\$0	\$0	0%	\$0
Other Financing	\$5,000	\$417	\$3,750	75%	\$3,750
<b>Total Revenue</b>	<b>\$587,636</b>	<b>\$43,516</b>	<b>\$395,914</b>	<b>67%</b>	<b>\$390,885</b>
<b>Expense</b>					
Storm Water	\$587,636	\$42,888	\$367,366	63%	\$365,086
<b>Total Expense</b>	<b>\$587,636</b>	<b>\$42,888</b>	<b>\$367,366</b>	<b>63%</b>	<b>\$365,086</b>
<b>Net Total 640 - Storm Water</b>	<b>\$0</b>	<b>\$628</b>	<b>\$28,548</b>	<b>65%</b>	<b>\$25,799</b>



## Balance Sheet September 2016

FUND	Description	Period Net Change	Account Balance
<b>610 Electric</b>			
<b>Assets</b>	<b>Total Assets</b>	<b>(385,143.16)</b>	<b>21,462,067.64</b>
	Cash and Investments	(107,380.20)	7,295,132.97
	Accounts Receivable	(272,493.04)	1,237,036.12
	Prepaid & Inventory	(78,985.90)	880,056.16
	Construction in Progress	140,443.90	831,966.94
	Capital Assets	0.00	24,387,645.52
	A/D Capital Assets	(66,727.92)	(13,278,632.07)
	Deferred Resources	0.00	108,862.00
<b>Liabilities</b>	<b>Total Liabilities</b>	<b>370,917.25</b>	<b>(1,112,532.24)</b>
	Accounts Payable	395,842.86	(968,227.99)
	Non-Current Liability	(567.00)	(89,972.75)
	Debt Outstanding	824.02	(104,695.76)
	Deferred Resources	(25,182.63)	50,364.26
<b>Fund Balance</b>	<b>Total Fund Balance</b>	<b>14,225.91</b>	<b>(20,349,535.40)</b>
	Fund Balance	14,225.91	(20,349,535.40)
	<b>Total Liabilities + Fund Balance</b>	<b>385,143.16</b>	<b>(21,462,067.64)</b>



## Balance Sheet September 2016

FUND	Description	Period Net Change	Account Balance
<b>620 Water</b>			
<b>Assets</b>	<b>Total Assets</b>	<b>(37,811.08)</b>	<b>15,677,543.55</b>
	Cash and Investments	7,818.28	1,058,305.92
	Accounts Receivable	(12,159.80)	153,659.14
	Prepaid & Inventory	3,431.02	63,647.83
	Non-Current Assets	0.00	337,752.08
	Construction in Progress	0.00	720,685.18
	Capital Assets	0.00	18,892,461.55
	A/D Capital Assets	(36,900.58)	(5,593,764.15)
	Deferred Resources	0.00	44,796.00
<b>Liabilities</b>	<b>Total Liabilities</b>	<b>31,348.95</b>	<b>(1,907,684.23)</b>
	Accounts Payable	36,788.05	(30,136.16)
	Non-Current Liability	14.86	(29,271.15)
	Debt Outstanding	(5,453.96)	(1,848,276.92)
<b>Fund Balance</b>	<b>Total Fund Balance</b>	<b>6,462.13</b>	<b>(13,769,859.32)</b>
	Fund Balance	6,462.13	(13,769,859.32)
	<b>Total Liabilities + Fund Balance</b>	<b>37,811.08</b>	<b>(15,677,543.55)</b>



## Balance Sheet September 2016

FUND	Description	Period Net Change	Account Balance
<b>630 Waste Water</b>			
<b>Assets</b>	<b>Total Assets</b>	<b>(478,083.27)</b>	<b>28,009,739.01</b>
	Cash and Investments	(920,011.28)	5,985,083.84
	Accounts Receivable	3,220.83	322,550.35
	Prepaid & Inventory	0.00	17,200.00
	Non-Current Assets	0.00	411,644.57
	Construction in Progress	482,144.87	2,858,450.74
	Capital Assets	0.00	27,811,941.54
	A/D Capital Assets	(43,437.69)	(9,457,968.03)
	Deferred Resources	0.00	60,836.00
<b>Liabilities</b>	<b>Total Liabilities</b>	<b>566,600.20</b>	<b>(9,978,535.76)</b>
	Accounts Payable	582,333.27	(513,213.19)
	Non-Current Liability	1,976.00	(224,031.71)
	Debt Outstanding	(15,695.46)	(9,397,689.14)
	Deferred Resources	(2,013.61)	156,398.28
<b>Fund Balance</b>	<b>Total Fund Balance</b>	<b>(88,516.93)</b>	<b>(18,031,203.25)</b>
	Fund Balance	(88,516.93)	(18,031,203.25)
	<b>Total Liabilities + Fund Balance</b>	<b>478,083.27</b>	<b>(28,009,739.01)</b>



## Balance Sheet September 2016

FUND	Description	Period Net Change	Account Balance
<b>640 Storm Water</b>			
<b>Assets</b>	<b>Total Assets</b>	<b>(14,837.34)</b>	<b>6,170,103.75</b>
	Cash and Investments	(1,768.18)	316,686.13
	Accounts Receivable	(165.23)	47,204.43
	Construction in Progress	0.00	28,359.53
	A/D Fixed Assets	(12,903.93)	5,761,477.66
	Deferred Resources	0.00	16,376.00
<b>Liabilities</b>	<b>Total Liabilities</b>	<b>15,465.11</b>	<b>(191,091.61)</b>
	Accounts Payable	15,465.11	(30,156.86)
	Debt Outstanding	0.00	(165,934.75)
<b>Fund Balance</b>	<b>Total Fund Balance</b>	<b>(627.77)</b>	<b>(5,974,012.14)</b>
	Fund Balance	(627.77)	(5,974,012.14)
<b>Total Liabilities + Fund Balance</b>		<b>14,837.34</b>	<b>(6,170,103.75)</b>



## MEMORANDUM

**TO:** Utility Advisory Board

**FROM:** Tracy Biederman, Accountant

**DATE:** October 17, 2016

**TITLE:** Performance Ratio Update as of September 2016 financials

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### RECOMMENDED ACTION

No action required, update on electric, water, sewer, and storm water performance ratios as of September 30, 2016.

### BACKGROUND

Performance ratios were compiled in 2012 to review the electric, water and sewer financial ratios as a comparison with Moody's rating standards. The ratios included liquidity, earnings, debt measurements and operational measures from the years 2005 through 2012.

After the initial review, three standard ratios were considered as the best indicators of financial health, including the operating ratio, net take-down and debt ratio. These ratios have been carried forward to reflect the current trends.

### DISCUSSION

#### Operating Ratio (Expenses/Revenues)

The operating ratio measures the portion of revenue used for operating expenses. A smaller ratio indicates the organization's ability to generate profit if revenues decline.

#### Net Take-Down Ratio (Net Income/Gross Revenue)

This ratio is more commonly known as the profit margin and measures how much of each dollar of sales is kept in earnings. Higher expenses will decrease this ratio, as the ability to increase revenue is limited. Variable expenses could have a greater impact on this ratio.

#### Debt Ratio (Liabilities/Assets)

This ratio measures how much of the company's assets could be claimed by liabilities, lower values of assets to liabilities is preferred.

Results through September 2016

**ELECTRIC FUND**

Performance Measures	2013	2014	2015	YTD as of 9/30/2016	Optimum Ratio
Operating Ratio (Expenses/Revenues)	90.7%	92.2%	91.3%	92.6%	Lower
Net Take-Down (Net Income/Gross Revenue)	9.1%	7.6%	8.6%	7.4%	Higher
Debt Ratio (Liabilities/Assets)	11.2%	6.9%	6.0%	5.2%	Lower
Total Number of Customers	6,240	6,254	6,271	6,349	

The debt ratio reflects the reduction of outstanding debt in the electric fund. The net take down will fluctuate during the year as projects and maintenance expenses may be cyclical as compared to prior periods. The purchased power in 2016 accounts for 76% of the operating expenses. Purchased power, a significant variable in this fund, was at 66% of budgeted at the end of September.

**WATER FUND**

Performance Measures	2013	2014	2015	YTD as of 9/30/2016	Optimum Ratio
Operating Ratio (Expenses/Revenues)	79.2%	86.3%	60.5%	83.1%	Lower
Net Take-Down (Net Income/Gross Revenue)	20.8%	13.7%	39.5%	16.9%	Higher
Debt Ratio (Liabilities/Assets)	16.5%	14.3%	12.8%	12.24%	Lower
Total Number of Customers	5,016	5,084	5,228	5,289	

The operating ratios are higher than previous years due to a projected small change in net position resulting from higher maintenance repairs. An increase in water rates has been in place since June 27<sup>th</sup> 2016. As the utility recognizes decreases in consumption; the results of the rates have increased revenues for residential and irrigation customers. The debt ratio is trending positively with the annual repayment of outstanding debt.

**SEWER FUND**

Performance Measures	2013	2014	2015	YTD as of 9/30/2016	Optimum Ratio
Operating Ratio (Expenses/Revenues)	67.5%	73.8%	64.2%	68.3%	Lower
Net Take-Down (Net Income/Gross Revenue)	32.2%	26.0%	35.8%	31.6%	Higher
Debt Ratio (Liabilities/Assets)	34.5%	29.1%	25.8%	35.8%	Lower
Total Number of Customers	4,467	4,521	4,599	4,663	

Sewer fund ratios remain flat with the exception of the debt ratio which factors in the 2016 Revenue Bond issued for \$4.51 million. The operating ratio is anticipated to decline slightly with the WWTP expansion and corresponding depreciation expected at full-year in 2017.

**STORMWATER FUND**

Performance Measures	2013	2014	2015	YTD as of 9/30/2016	Optimum Ratio
Operating Ratio (Expenses/Revenues)	84.3%	77.4%	97.5%	93.6%	Lower
Net Take-Down (Net Income/Gross Revenue)	15.7%	22.5%	2.5%	6.4%	Higher
Debt Ratio (Liabilities/Assets)	7.4%	5.5%	3.5%	3.2%	Lower

Storm Water operating ratio remains flat with 2015 as expenditures remain stable for the period ending September. The net take down is expected to improve in 2016 in comparison to 2015 with the increase in services and permits issued for Mann Valley and Sterling Ponds. The debt ratio is trending downward with the 2012 debt issue maturing in 2017.

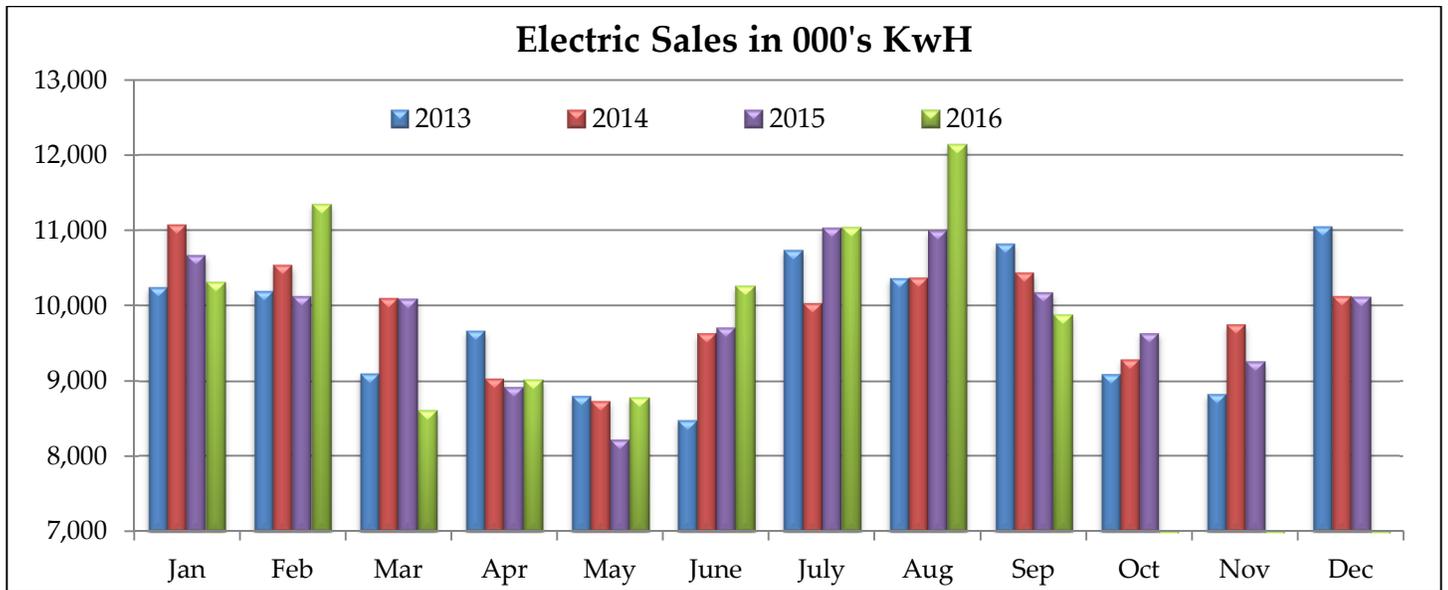
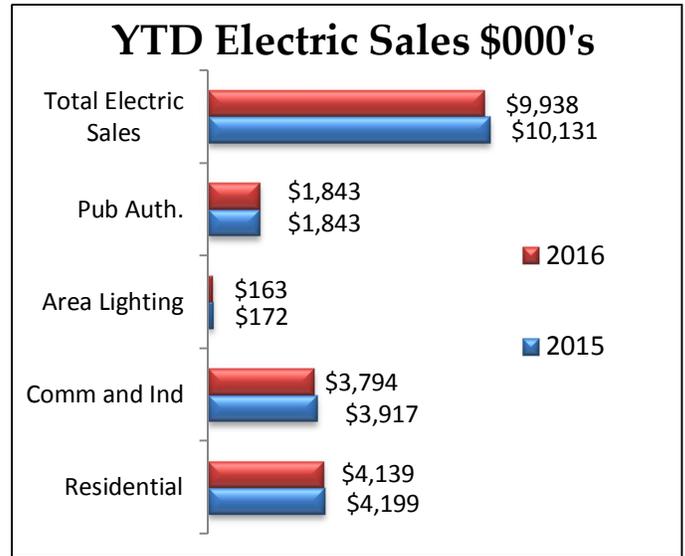
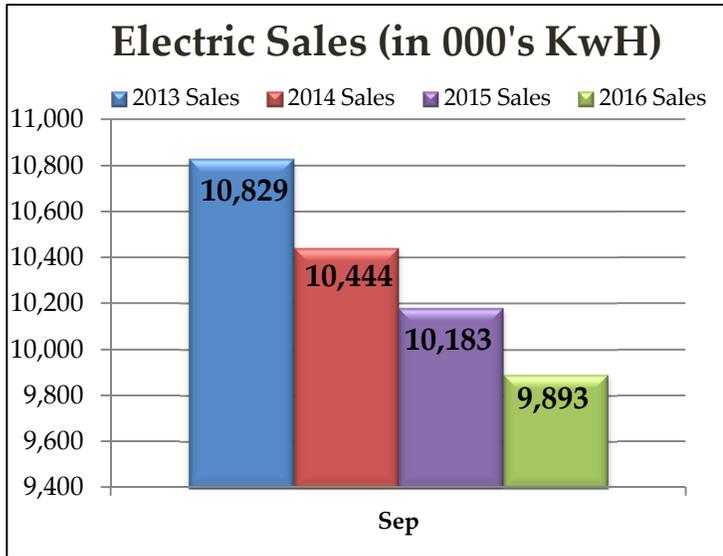
**CONCLUSION**

Performance ratios through September 2016 are dependent on many daily variables. The data is only a reflection of maintenance and repair expenditures for the nine months ending in 2016. Debt ratios will be stable through the end of 2016 and Net take-down will be dependent on customer’s consumption patterns for the next three months.

# River Falls Municipal Utility

## Electric Dashboard

### September 2016

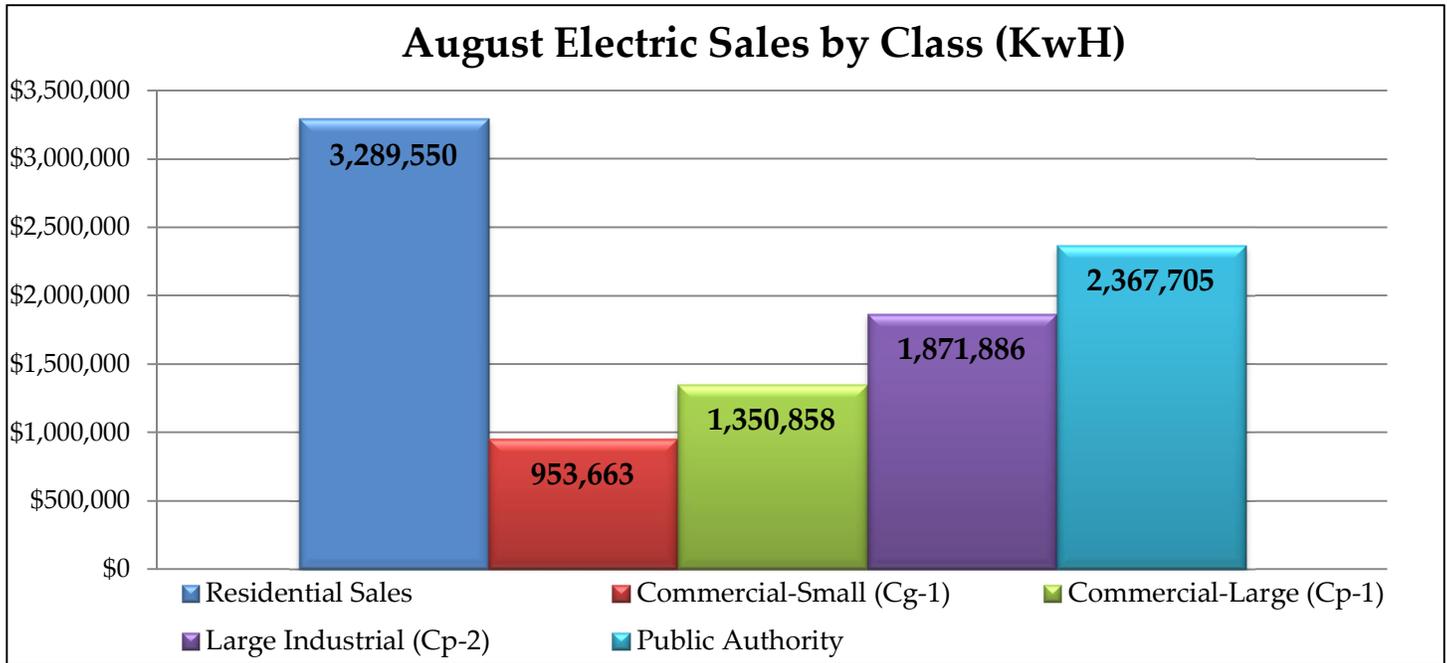


*The Power of Community*

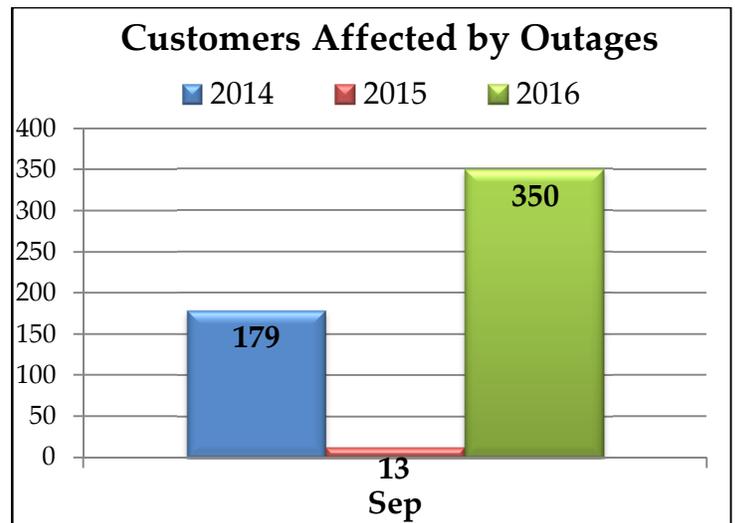
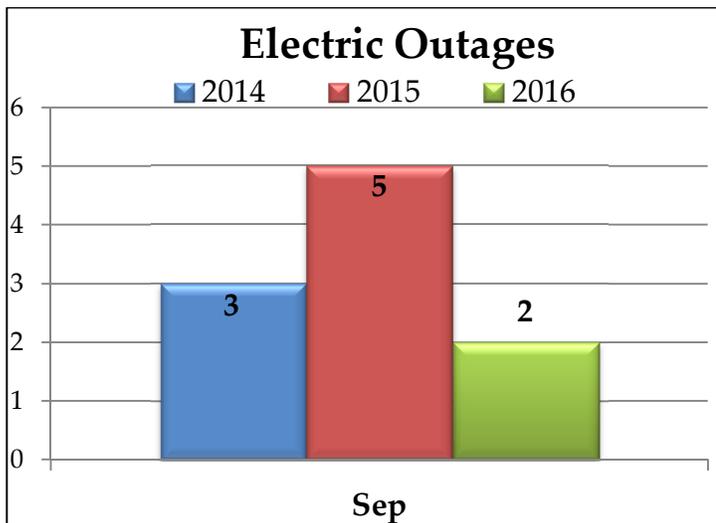
# River Falls Municipal Utility

## Electric Dashboard

September 2016



### Electric Outages



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

# River Falls Municipal Utility

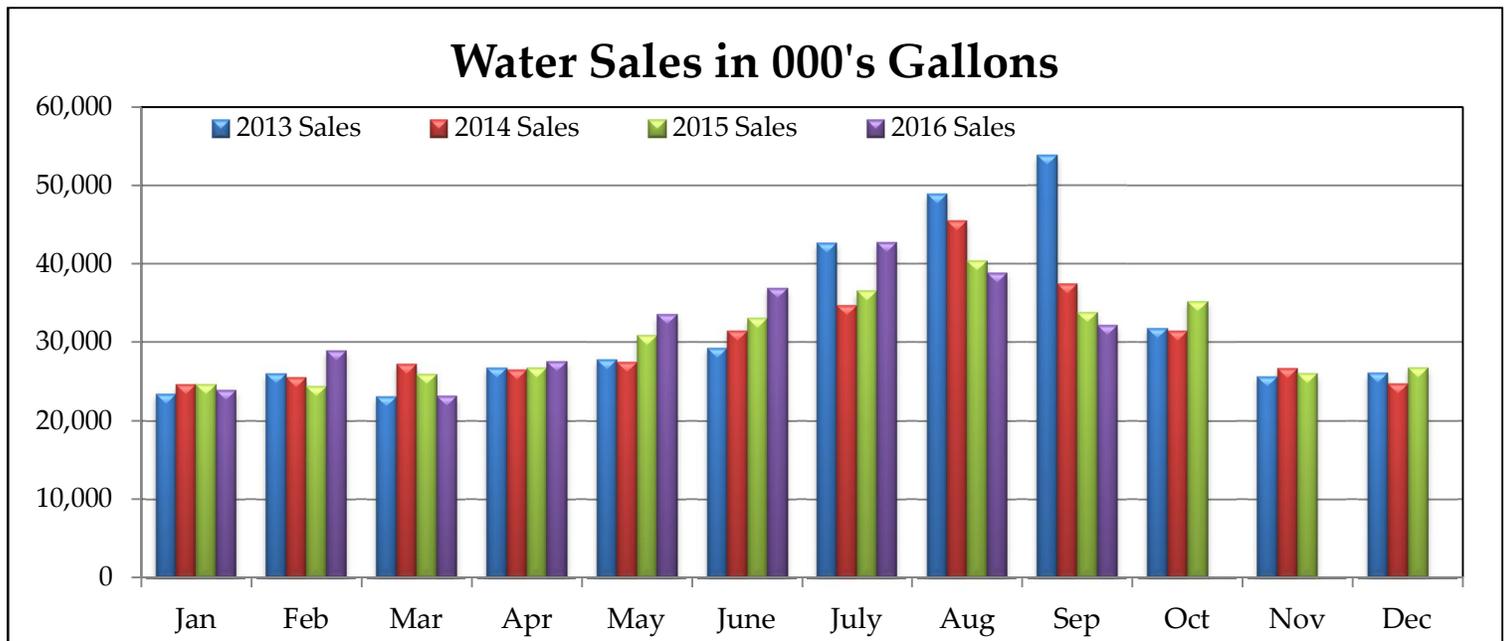
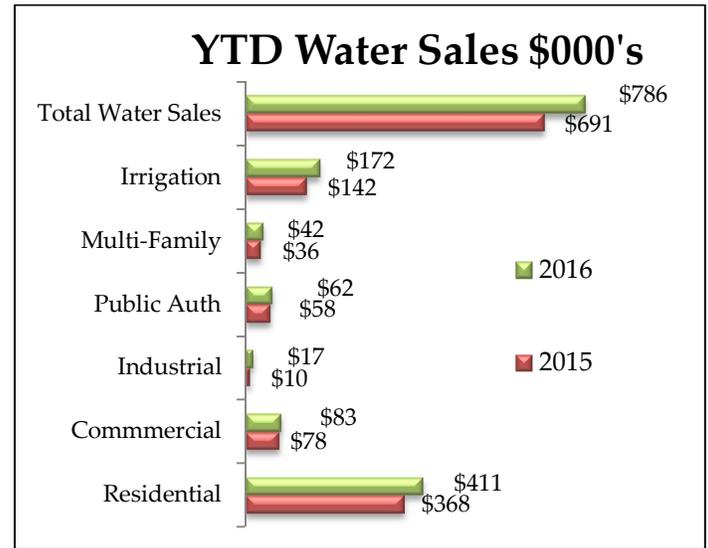
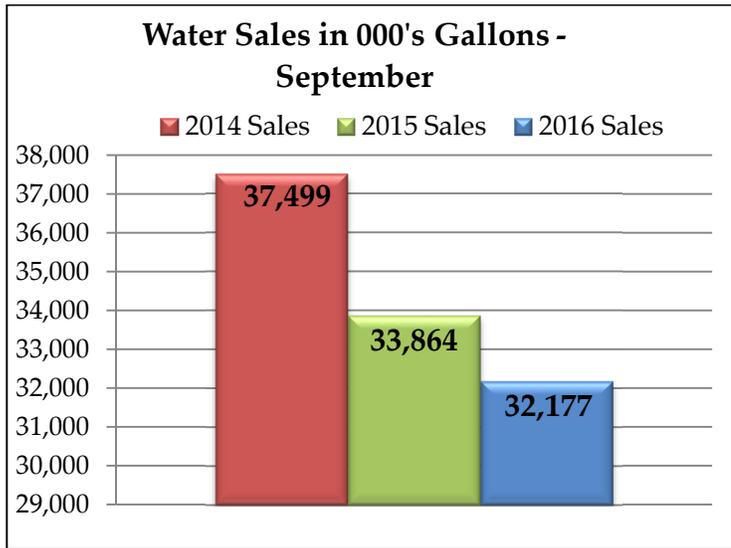


## Water Dashboard



September 2016

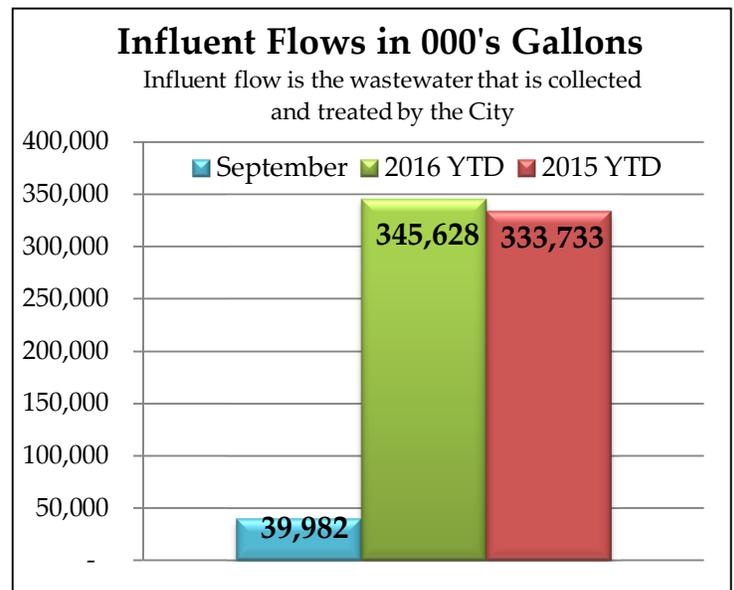
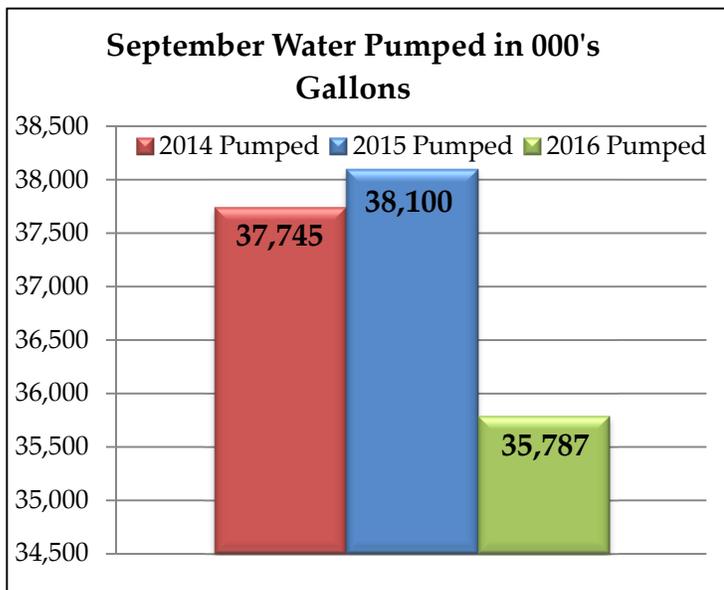
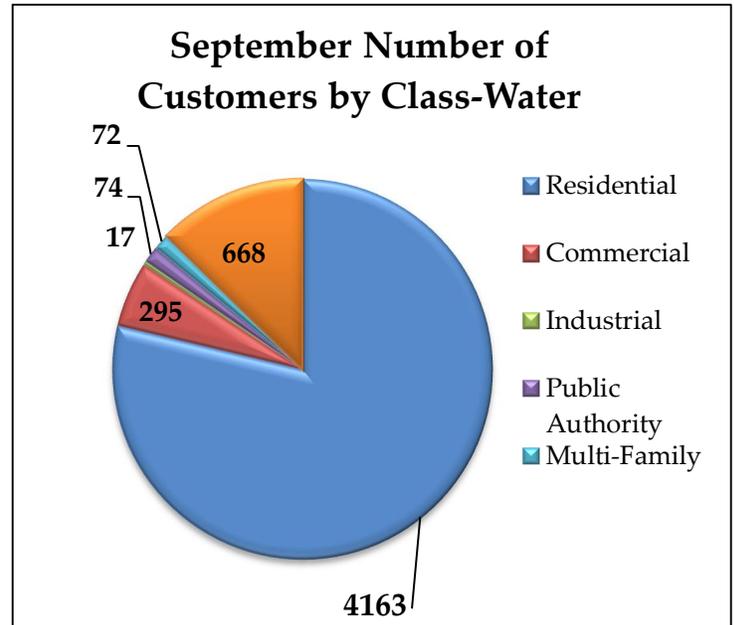
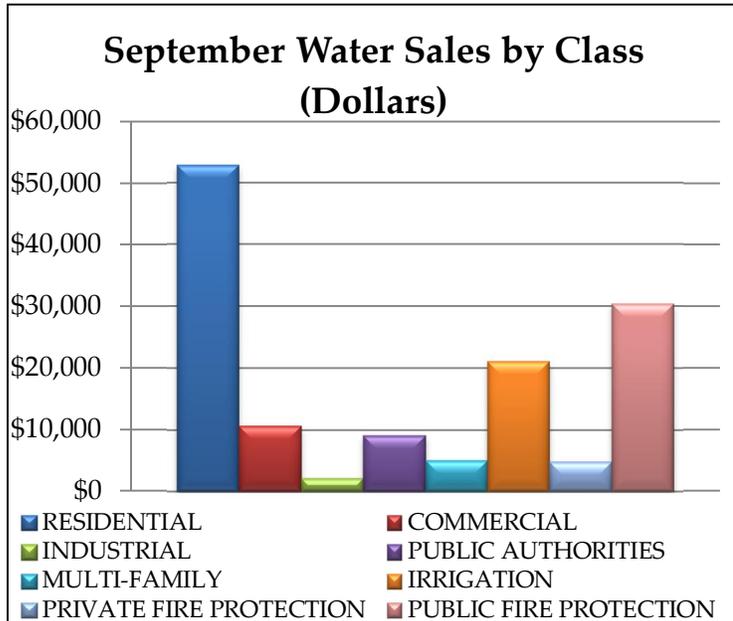
### Water Sales



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

# River Falls Municipal Utility Water Dashboard

September 2016



Used as a comparison between water pumped versus water treated.

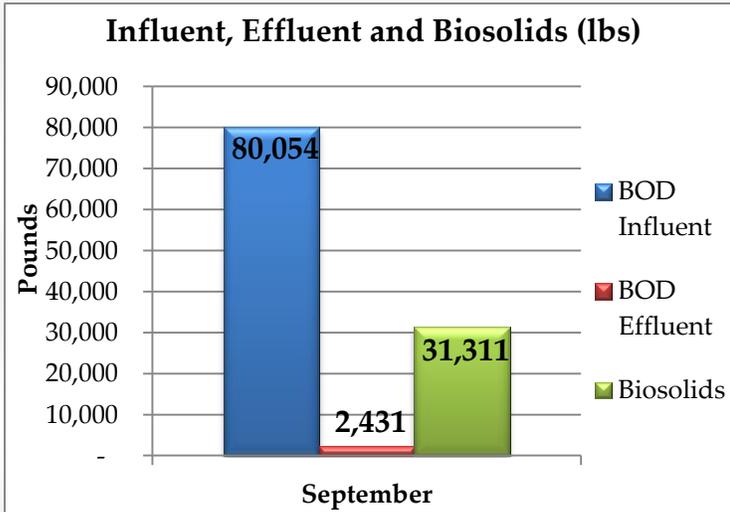


*Providing a safe and reliable supply of high quality water to the River Falls community we serve.*

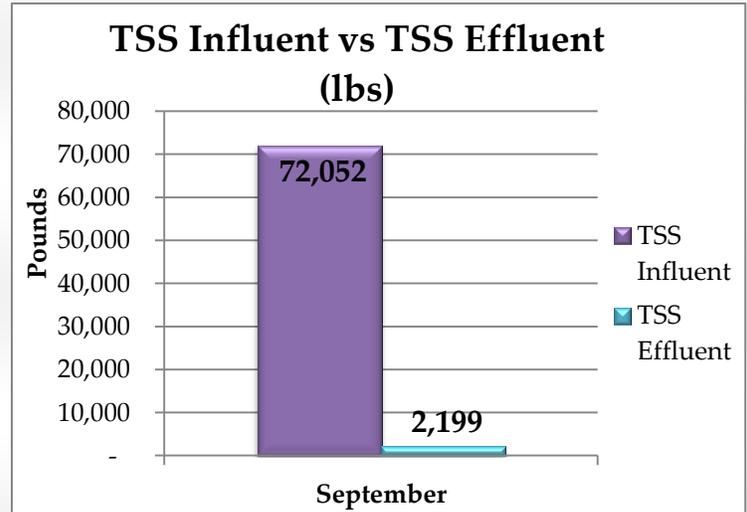
# River Falls Municipal Utilities Waste Water Treatment Plant

## For September 2016

### Influent, Effluent and Biosolids (lbs.)



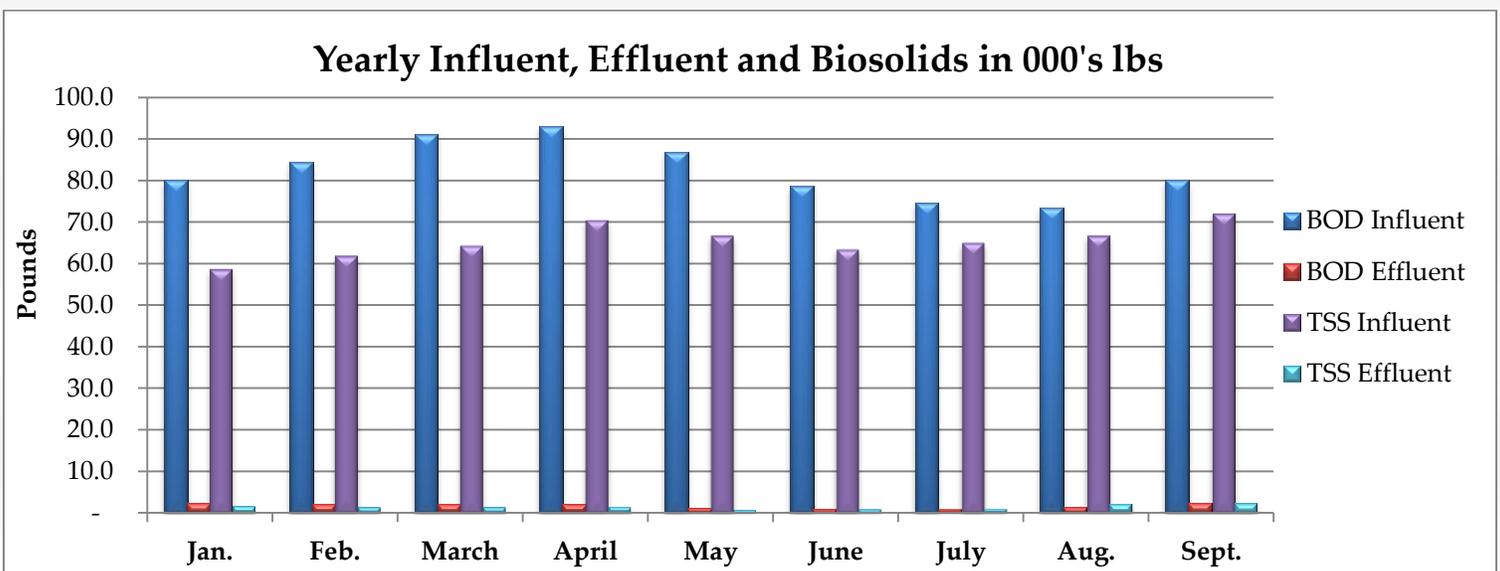
### TSS Influent vs TSS Effluent (lbs)



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

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.

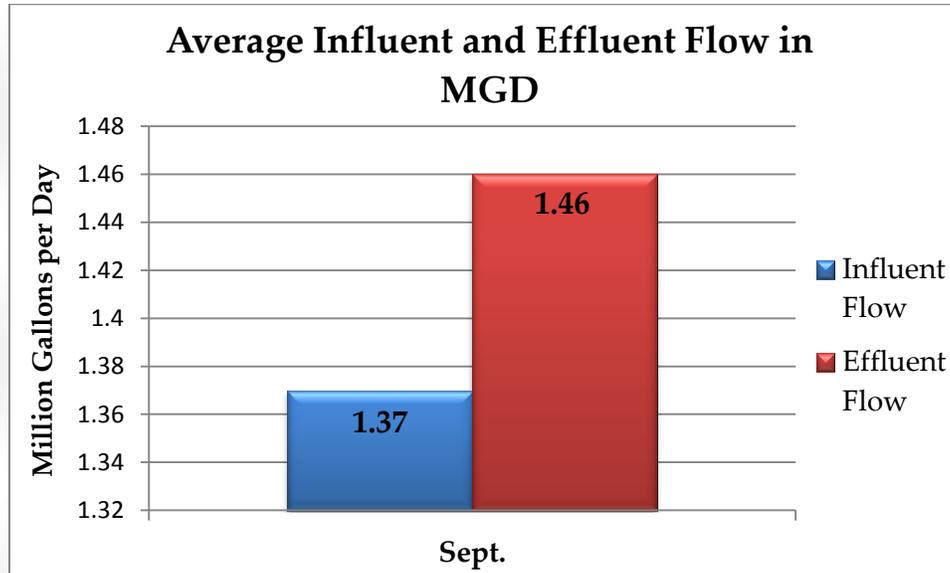
### Yearly BOD and TSS Influent and Effluent (in 000's lbs.)



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.

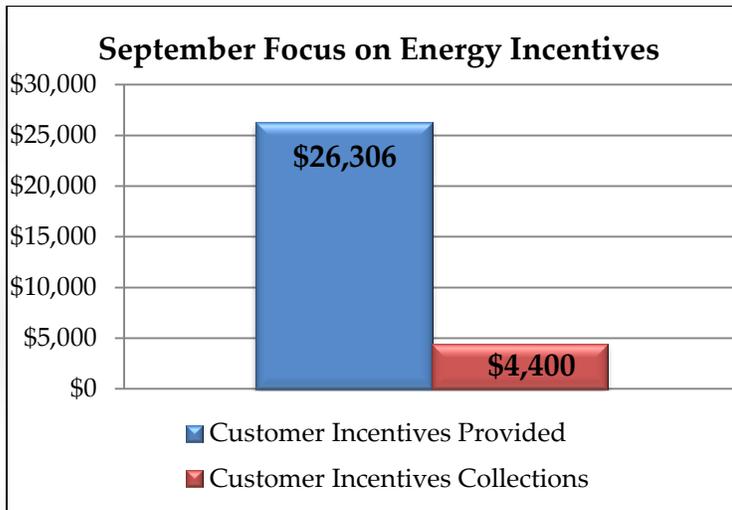


For more information please contact: Bill Swenson  
(715) 426-3531 or [wswenson@rfcity.org](mailto:wswenson@rfcity.org)

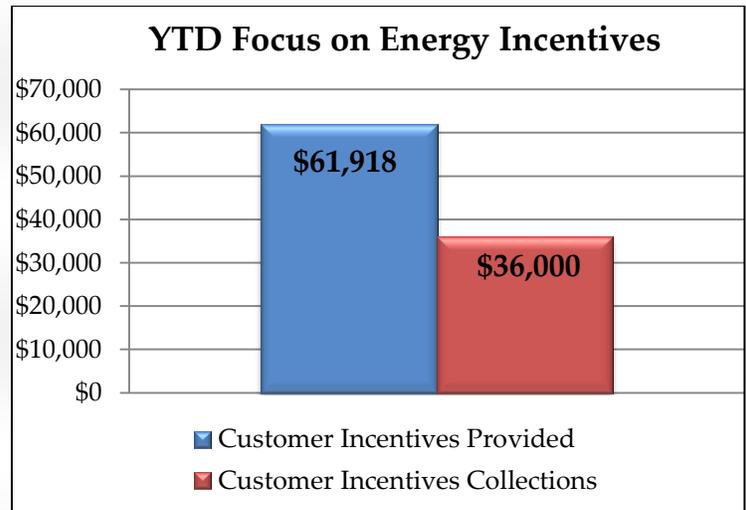
# POWERful Choices! Dashboard

## For September 2016

### Focus on Energy Program

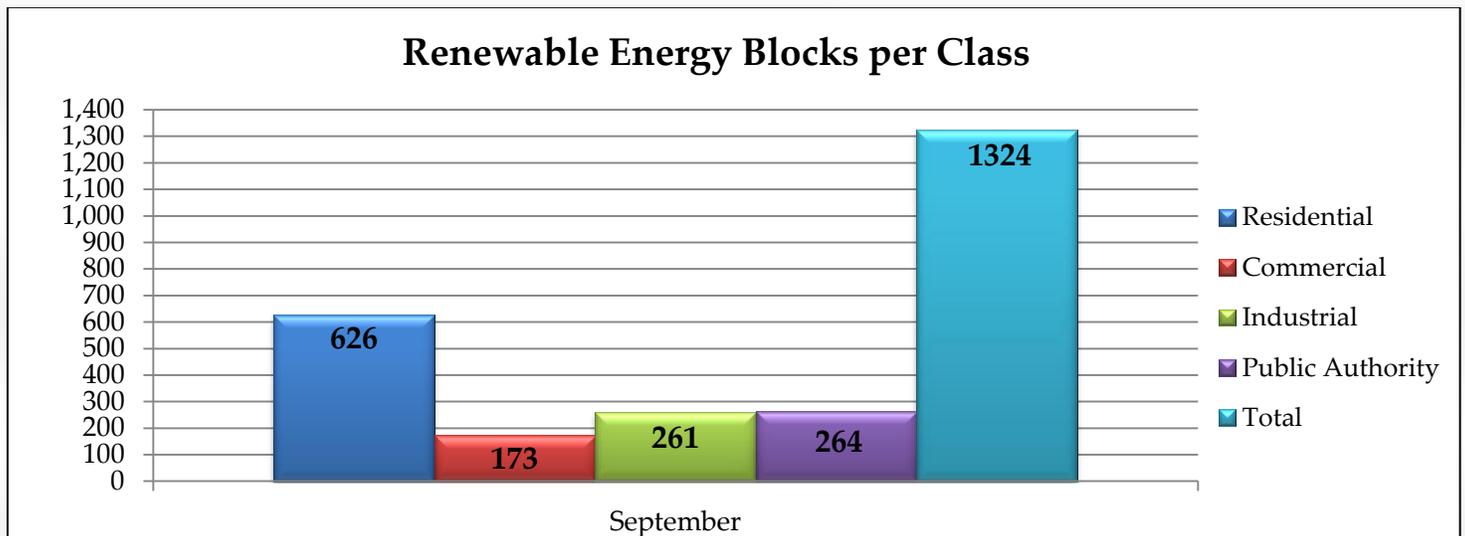


The total customer incentives provided for January compared to the customer incentives collections from Focus on Energy.



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

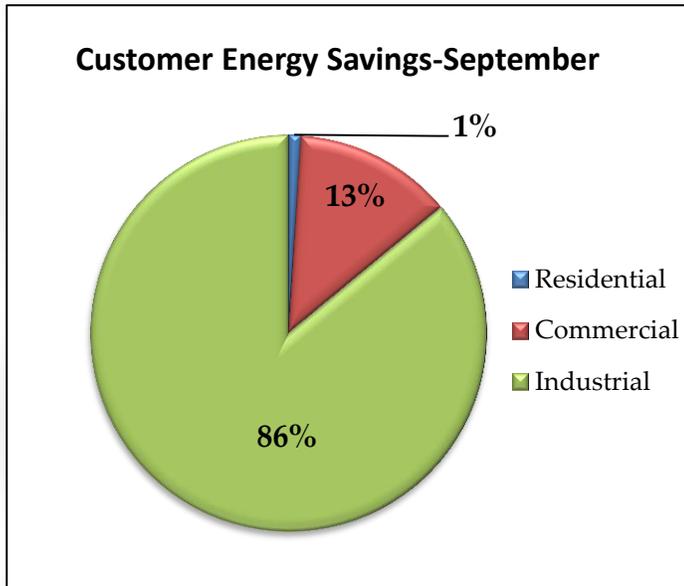
### Renewable Energy Blocks



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

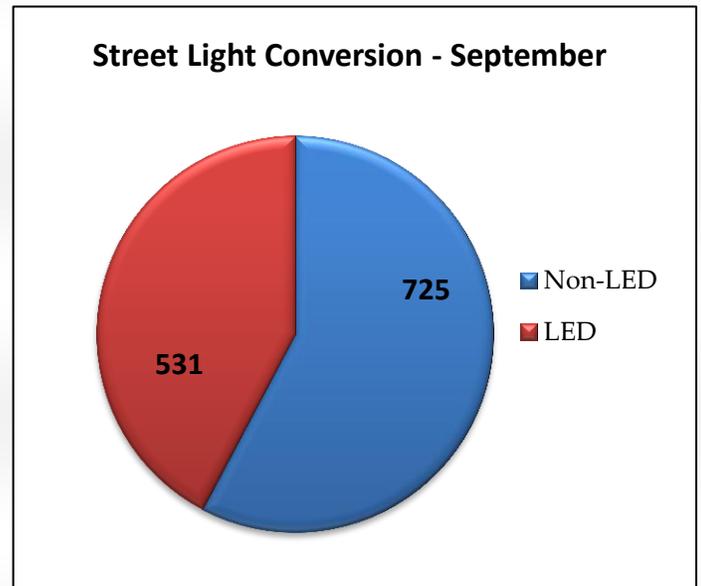
# POWERful Choices! Dashboard

## Energy Savings



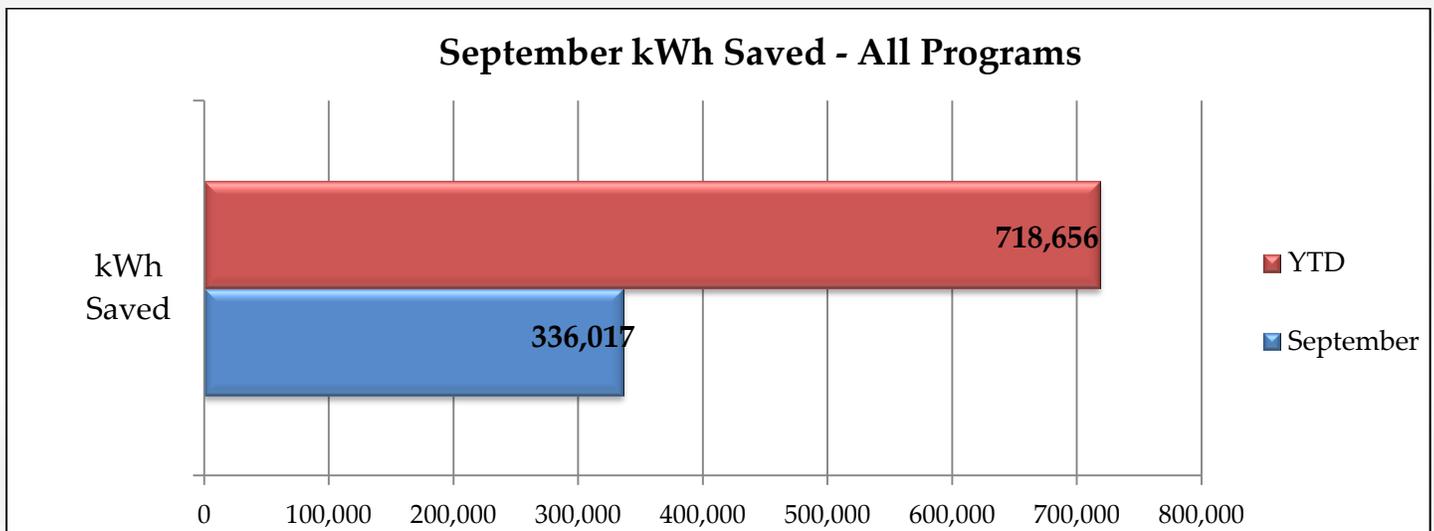
Monthly cumulative percentage of kilowatt hours saved per customer sector.

## 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 5<sup>th</sup> in the nation for customer participation and 1<sup>st</sup> 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 8.52 percent. The goal is to reach 10 percent customer participation.



# River Falls Municipal Utilities

## Monthly Report

### September 2016

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## ELECTRIC

### Maintenance / Inspections

- Maintenance repairs performed. This is maintenance work found through required system inspections.
- Substation monthly inspections.
- Hydro's checked on daily.

### Projects

- Radio Road project. We are  $\frac{3}{4}$  of the way completed with our "boring" project down Radio Road that will allow for installation of a three phase circuit out to Mann Valley and also be part of a loop feed to key commercial centers.
- Installed temporary power to Winfield Facility in Mann Valley.
- Chapman Drive street light installation – bases installed, lights will be installed in the next couple weeks and will be complete by the end of October.
- Provided temporary power for September community events; Art on the Kinni, Bacon Bash, and Car Cruze.
- Sterling Ponds Corporate Park primary extension was installed for the new business.
- Installed conduit for the street lights before the blacktop was installed for the Lake George trail.
- Completed the Best Maid Cookie Factory transformer replacement on Sunday, September 18.

### 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 through November 15.
- MEUW JT&S training.



## **RIVER FALLS WASTE WATER TREATMENT FACILITY**

### Bio-solids Building Construction Progress

- Trusses were set.
- Begin sheeting roof.
- New stairs installed to lower level of bio-building.
- Installation of the metal roof and soffit.
- Ran conduit for electrical feed.
- Installation of installed ice and water shield on bio-building roof.

### WWTP Maintenance / Repair

- Large mixer west side of sludge storage failed and was repaired.
- Large mixer on the east side of sludge storage failed.
- Small mixer on west side of sludge storage failed.



## WATER/SEWER

### Routine Maintenance

- All September routine and new service/construction samples were safe and in compliance.
- Stated fall hydrant pumping; this includes checking close to 800 hydrants for water in the barrel so they don't freeze and become inoperable during winter. The wet year will have an impact on how many will actually need to be pumped.
- LNT, a sewer main cleaning company was here to clean lift station wet wells as our pumps were plugging up due to ragging issues.

### Projects

- Received bids for putting asphalt around the manholes we had rehabbed this year. This project should be mid-October.
- Sewer lining complete. This is a proactive approach to the sanitary sewer lines that are in need of rehab that is done yearly to prevent back-ups. Nineteen different runs were done this year.
- Two water services were replaced on West Elm Street. Both services were done on our side to eliminate old piping and lead goosenecks from the system.
- A cement catch basin was installed on the Golf View tower overflow tube to prevent water from flowing away from the manhole.
- New scales were delivered and installed at well #6.

### Misc.

- A short presentation was given at the Landlord Connections meeting to inform landlords of upcoming cross connection inspections for their facilities.

## **ENGINEERING TECH WORK**

### GPS and Map Work

- Four lateral repairs (2 water/2 sewer)
- GPS lot corners in Sterling Corporate
- GPS and map Sterling Ponds corporate Joint Trench
- Continue updates to the WWTP (Mapping & GPS)
- GPS Lake George Street lighting
- Finish Chapman Street light conduit mapping and assist Reid with locating for trees along Chapman
- Start GPS work on the East side of Radio Road (electric boring route)
- Map electric work orders

### Plan Reviews

- Plan reviews ( Spring Creek Addition)
- Attach and review sanitary video for Sterling Ponds Corporate Park – Phase 2B (note: all that is left now is the Walk-thru)

### Misc.

- Continue work on system age (Water & Sanitary)



## CONSERVATION AND EFFICIENCY

### Community solar

Currently 455 (56%) sold. Continue to see interest from customers and participation keeps climbing.

### Renewable Energy blocks

525 customers are purchasing green blocks. 8.41% of customers participating in the program and we remain #1 in the state for customer participation.

### Large power customers

- Assisted customers with identifying issues using the infrared camera
- Met with contractor to help with POWERful Choices! programming
- Several large lighting projects were completed in September

### Program development

Worked with staff to bring a free electronics and lighting recycling program to River Falls. This event is on Saturday, October 22 from 8 a.m. to 1 p.m. at Public Works (this recycling event is sponsored by POWERful Choices and is in conjunction with the annual fall cleanup).

### Community Involvement

- Presented to Lion's Club
- Chippewa Valley Technical College – Residential construction
- UW-River Falls – Just Local
- United Church of Christ – brought in Mark Klunda from the Insurance Federation of Minnesota. He spoke on the *Impact of Climate Change on Homeowners and Property Insurance*
- Facilitated the natural resources day for the Leadership River Falls - Youth

### Residential Customers

Currently making a push for residential customers to sign up for a free energy savings from Focus on Energy. As the weather starts to get colder the calls for Home Performance Testing go up.

### Weatherization program

- One home of an income qualified homeowner was weatherized
- There are currently 7 homes in the weatherization program
- All homeowners have agreed to allow the Nest Thermostat to be installed and data collected
- Data will be used to help staff develop a Nest thermostat program for energy efficiency

### Blue Bike program

Leadership River Falls Youth program painted and prepped 24 bikes. Nine more bikes were added to the fleet.

### Utility Box Beautification project

A utility box on the River Falls State Bank property was painted. The art was provided by the POWERful choices! and CAB partnership. The art used was submitted in 2016 but not one of the original four chosen for the public boxes. Funding came solely from River Falls State Bank.

### Committees & Training

Forward Foundation, Healthy Foundations, Blue Bike Program, Green Teams, UW-River Falls Sustainability Working Group. Green Teams held their 5<sup>th</sup> annual Pizza and a Movie event at the public library. This City employee event was well attended. A movie regarding the issues facing bees in America was watched and discussed.



**For August 1, 2016 – August 31, 2016**

Move in applications = 425  
New Access My Account = 151  
Disconnected Services = 51  
Reconnected Services = 54

As of **9-22-16** we had a total of 6696 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.