

**REGULAR MEETING  
RIVER FALLS UTILITY ADVISORY BOARD  
February 15, 2016 6:30 p.m.  
Council Chambers, City Hall**

The Regular Meeting of the River Falls Utility Advisory Board was called to order by Secretary Beebe at 6:30 p.m. Present: Chris Gagne, Diane Odeen, Wayne Beebe, Tim Thum, and Adam Myszewski. Absent: Grant Hanson, Duane Pederson. Staff present: Kevin Westhuis, Utility Director; Kristi Hartmon, Administrative Assistant; Ron Groth, Water/Waste Water Superintendent and Julie Bergstrom, Finance Director; Other Present: Mark Lundgren, MSA Professional Services; Tom Paque , WPPI Energy

**M/S Beebe/Gagne to approve minutes of the January 18, 2016 Regular Meeting. Motion Carried.**

**CONSENT AGENDA:**

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

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

**RESOLUTIONS:**

2. Resolution Recommending Bid for Waste Water Treatment Plant Project: Utility Director Kevin Westhuis introduced Mark Lundgren from MSA Professionals as the presenter that will go over the bids that were opened on February 9<sup>th</sup> for the Waste Water Treatment Facility Reconditioning Project. Mr. Lundgren explained that there were four qualified bidders (Gridor, Staab Construction Corporation, Total Mechanical, Inc. and Miron Construction). MSA was familiar with all four of those contractors and were happy with the bids and they were all acceptable. They each gave a base bid with supplemental bid items and an alternate bid item. The base bid was all the work that the city wanted and supplemental bid items for removal of existing sludge storage ditch and replacement of oxidation ditch valve. The alternate bid item was for extending the construction end date to August 30, 2107.

MSA and city staff had good discussions on the bids and supplemental and alternate bid items. They decided that it made no sense to go the extra six months of construction because there would be increased engineering fees involved, additional time from city staff and loss of opportunity from energy savings costs associated with this new update. It was also discussed that the price for removing the existing sludge storage ditch was a little out of line. MSA felt this was an opportunity to save some money by doing the removing of the existing sludge storage ditch with internal staff. Supplemental bid item no. 2 was selected consisting of the replacement of an oxidation ditch valve.

The low bidder was Miron Construction. MSA Professionals recommended awarding the construction bid to Miron Construction for \$3,751,207. MSA also recommended the creation of a contingency fund of 5% of the construction total which is \$187,560. This is to be used for change orders and unforeseen, necessary additions to the scope of work due to project conditions or staff preferences. City staff will approve change orders up to \$50,000 and UAB and City Council will approve change orders over \$50,000.

The other piece to this project is now that MSA is done with the design piece of this project, MSA proposed a time and materials engineering contract for construction services of \$308,872. This covers construction administration, construction staking and construction observation. A time and materials contract will allow the city to change the level of service provided based on onsite conditions. The expenses will be reviewed with city staff on a monthly basis. This proposed engineering fee is for specific tasks necessary to administer and observe the construction progress. Utility Director Westhuis stated that this is not a "not to exceed" amount, it is just an estimate and will go on time and materials and will try hard on keeping it below the \$308,872. Westhuis addressed that they need time and resources to build a quality facility. MSA provided a detailed breakout of engineering fees they anticipate in the board's packets.

The Wisconsin DNR keeps track of construction and bidding fees from consultants on WWTF projects funded by the Clean Water Fund. Based on that dataset, the estimated bidding and construction fees fall in line with the median costs for similar sized projects (see included cost curve). MSA does not base its fees on the total project cost, rather, it develops them from the ground up, based on experience and using the personnel and time necessary to meet the clients expectations and produce a quality project. Mr. Lundgren showed the board the projected savings from the new project with an annual energy savings of \$30,000, a labor and replacement parts savings and hauling and tipping costs for sludge treatment of up to 10% in potential savings (current annual hauling and tipping fees - \$300,000).

MSA respectfully requested the Utility Advisory Board to consider recommending the bid award to Miron Construction for \$3,751,207 and recommended establishment of a 5% contingency fund. They also recommended the proposed engineering service contract in the amount of \$308,872.

Mr. Lundgren asked the board if they had any comments or questions for him. Board member Odeen asked if this project was projected to be finished by mid-December 2016. Lundgren confirmed that they will be starting the project as soon as the Council awards the bids and services with a final completion date of December 2016. Board member Gagne commented he visited the WWTF with Kevin and WWTF city staff and it was good to see some of the safety concerns that staff had are being addressed in this project as well as the energy efficiency upgrades and savings with the new indoor facility. Utility Director Westhuis also commented that there will be reduced odor in the spring time as well with these new upgrades. Gagne asked Westhuis to explain to the viewers at home the two parts of this construction bid. Westhuis explained that the first part, the

3.75M, is for the actual construction of the facility and the \$308,872 portion is for the administration and management of the project; getting engineers on the site, construction observation, staking, construction meetings and making sure the project is being built correctly, staying safe and staying on schedule. Finance Director Julie Bergstrom stated that there is a 20 year sewer revenue bond and plan to pay for the project. This will be going to the City Council in a week.

Utility Advisory Board Member Odeen moved approval for resolution no. 2016-04 recommending the contract for construction and construction management services for the WWTP modifications. Advisory Board Member Beebe seconded the motion and the motion passed.

3. Resolution to Extend WPPI Contract: Beebe stated that we had good discussions at the joint meeting in January and Tom Paque is here to answer any questions. Utility Director Westhuis reminded the board and the community watching at home that he started engaging the board in late September of this year through December and then in January of 2016 held a joint workshop with City Council where the boards were able to ask questions to WPPI and WPPI gave them a presentation on the contract extension as well.

Gagne asked Westhuis to briefly explain the benefits of this partnership with WPPI (member utility owned as opposed to privately owned companies). Westhuis stated that the Municipal Utility model that we're in right now is beneficial to the citizens of River Falls for several reasons. Being part of WPPI allows members to continually negotiate for good solid stable rates that are in compliance with state and federal standards. Westhuis also stated that this is a local municipal utility being governed by local policymakers like the Utility Advisory Board where the voice of the community is heard and the utility is continually giving back to the community. Gagne stated that the thing he likes about local municipal utilities is when he has a question on his bill; he can walk into city hall and get his questions answered face-to-face. Gagne asked Westhuis who makes up the voice of the advisory board and community to WPPI. Westhuis stated that we are fortunate in River Falls. There is a board of directors with WPPI Energy and every participating member is on the Board of Directors. There is also an Executive Committee with 11 members, which Westhuis is one of them. The boards have a direct influence on decisions that are going on. Odeen commented that she likes local control that is created by having a municipal utility and also likes the partnership with WPPI especially being that this is a contract that she won't see the end of so the UAB and City Council really wanted to make the right decision for future generations. She appreciated all the information and helping them through the process.

Utility Advisory Board Member Gagne made a motion for approval of resolution no. 2016-05 recommending the City Council to approve amendment no. 2 to the long term power supply contract with WPPI. Advisory Board Member Beebe seconded the motion and the motion passed.

Tom Paque of WPPI Energy thanked the board and the members for their commitment to WPPI. Without the commitment of the members, WPPI Energy is nothing. Paque recognizes that this was a big decision and really appreciates the action the board took. Mr. Paque stated he gets to see a lot of communities across the state and said that RFMU has a really well run utility and is a special utility and they have been leaders in WPPI for 30 years.

**REPORTS:**

4. Finance Report: Finance Director Bergstrom stated that the financials will be available at next month's UAB meeting. Bergstrom apologized for not having them ready but wants to provide the board with the best information and it wasn't ready for this meeting.
5. Utility Dashboards for, Electric, Water, Waste water and Powerful Choices were included in the UAB Packets. Westhuis pointed out that we have had only two customers affected by electric outages to date. Gagne stated that most of the outages are caused by squirrels. Westhuis said that 65-70% of outages are caused by squirrels or animals. Westhuis stated that tree trimming is happening now and have sent out 2,000 notices for the tree trimming to customers. Gagne stated that he went on a utility tour with Westhuis and checked out all the wells and booster stations to gain knowledge in what is going on. Gagne took a look at well #6 and it was nice to meet Greg, Bill and Ron and they were very professional and know there stuff. Beebe agreed with Gagne and when he has worked with the water department on freeze-ups or problems the staff is always so helpful and professional. Westhuis stated that they did a 30 minute presentation at the last City Council meeting on RFMU's water system and the quality of our water. It is published on the City of River Falls' YouTube channel if any citizens would like to view it.
6. Monthly Utility Report was included in the UAB packets for review. Gagne asked if the loan program that was approved for the community solar is currently in play. Westhuis confirmed the loan program was available for the purchase of solar panel(s).

Westhuis reminded the board that the painting and reconditioning of the Sycamore water tower will happen later this year around June 1<sup>st</sup>.

**ADJOURNMENT:**

**M/S Thumb/Myszewski moved to adjourn at 7:07 p.m. Unanimous.**

Reported by: Kristi Hartmon, Administrative Assistant

---

Wayne Beebe, Secretary