

**REGULAR MEETING  
RIVER FALLS UTILITY ADVISORY BOARD  
April 18, 2016 6:30 p.m.  
Council Chambers, City Hall**

The Regular Meeting of the River Falls Utility Advisory Board was called to order by President Hanson at 6:30 p.m. Present: Chris Gagne, Diane Odeen, Wayne Beebe, Tim Thum, Grant Hanson, Duane Pederson, and Adam Myszewski. Staff present: Kevin Westhuis, Utility Director; Kristi Hartmon, Administrative Assistant; Julie Bergstrom, Finance Director; Ray French, Management Analyst; Brent Buesking, Management Analyst Fellow; Ron Groth, Water/Waste Water Superintendent; Greg Koehler, Lead Water Works Operator.

**M/S Odeen/Myszewski to approve minutes of the March 20, 2016 Regular Meeting. Motion Carried.**

**CONSENT AGENDA:**

1. Acknowledgment of the following minutes:  
West Central Wisconsin Biosolids Facility Commission Meeting – 03-01-16  
POWERful Choices Committee – 3-10-16

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

Noted corrections: Utility Advisory Board Member Beebe pointed out that on the West Central Wisconsin Biosolids Facility Commission Meeting, the month was incorrect on the minutes for approving the bills and the financial report. It read April and should have been February. Utility Director Westhuis stated that he would bring that up at the meeting and have them corrected.

**NEW BUSINESS:**

2. Ordinance Amending Wellhead Protection Regulation – Ray French, Management Analyst provided a brief primer of the Wellhead Protection Ordinance update. It was first adopted in 2001 in chapter 8 dealing with health, safety and wellness. This ordinance created protection zones around each of the municipal wells and established permitted uses within the overall district. This ordinance also adopted separation distances for certain uses around Municipal Well Nos. 2 – 5 and established permitted uses within the overall district. The ordinance and the maps have not been updated recently to reflect well six which was put into operation in 2011. This was identified last year through the annual DNR water system survey. Looking back through the history and staff notes on the ordinance, French found discussion in the staff notes from 2004 to 2006 during times of development for the exiting map that included the protection zones and was difficult to understand how the map worked with the separation distances and they didn't line up very well. Those discussions turned into a potential date that was worked out in 2007 on updating the ordinance to create permitted use zones and move the regulations to the zoning code and was never fully adopted or actually adopted at all.

French talked about what is changing in the ordinance and also stated a lot of the information that updated is what was already stated in 2007 that was not adopted. The big change is the wellhead protection ordinance would be moving to the zoning code under chapter 17. It creates a ground water protection overlay showing the districts on the official zoning map. It further codified the separation distances into zones A, B, and C. French stated by showing the overlay district on the zoning map the goal is to make the wellhead protection ordinance more available and transparent. French stated another major change in the ordinance is the reviewing process for requests for exemptions (or variances) from the wellhead protection ordinance. To clarify the approval process, the required environmental assessment reports will be sent to the Utilities Director for review and recommendation of the Utility Advisory Board and Plan Commission, subject to a final decision by the Common Council. The final change was minor changes that reflect updates to the Administrative Code since 2001 or were discussed as potential updates in 2007.

French summarized that the 2015 Sanitary Survey Report of River Falls Waterworks requires an update to the wellhead protection ordinance to include the protection area for MW6 on the official map. The draft ordinance establishes Chapter 17.70 – Groundwater Protection Overlay District from the existing Wellhead Protection Ordinance in Chapter 8.44. It reflects the changes discussed by staff in 2007, recent revisions to the Administrative Code, and the intent to establish an overlay district to be shown on the Official Zoning Map. French recommended the Utility Advisory Board approve the Ordinance to Create Chapter 17.70 relating to wellhead protection and forward that recommendation to the Plan Commission. French asked if the board had any questions. Beebe asked concerning well number 4 and Kwik Trip (South Main by Sycamore) because of the proximity to the circle on the map is it still within the correct parameters so there is no overlap with Kwik Trip, tanks, ect. French referred the board to page four of the draft ordinance that states gasoline or fuel oil storage tank installation that has received written approval from the Wisconsin Department of Agriculture, Trade and Consumer Protection (hereafter ATCP) or its designated agent under Section ATCP 93.100, Wis. Adm. Code. To get Kwik Trip approved for the South Main site a variance was granted and what that did was codify that exception and made Kwik Trip compliant.

Odeen moved to approve the ordinance to Create Chapter 17.70 relating to the Wellhead Protection and forward to the Plan Commission. Gagne seconded the motion and the motion passed.

3. Water Rate Increase Update. Utility Director, Kevin Westhuis, stated that this is not an actionable item but wanted the board to be aware of any updates to the water rate increase as there is a PSC hearing coming up on the rates. The board has been advised about over the last year and wanted to get the board up-to-date on the significance of those so if people in the community have questions the board will be aware. Westhuis stated he gave the board (in there packets) information on potential rate changes, historical data of revenues and expenses over the last five or six years so the board had a snapshot of what the utility is thinking regarding the rate changes. Westhuis stated the utility has been working with the

PSC for about 14 months. Westhuis went over the rates in detail and why the increase is necessary in order to maintain the water system. RFMU currently serves approximately 5,200 customers and provides customers with clean high quality water that meets or exceeds all state and federal standards. Utility Director Westhuis likes to refer it to consistently delivering safe reliable drinking water at the best possible value that we can to the citizens. Westhuis believes it is his responsibility to protect the City's investment and make sure they have the revenues, people, systems and equipment in place to do that. Westhuis stated that the value of the water system is close to nineteen million dollars in total plant service stating the City has a huge investment including two water towers; one 750,000 gallon reservoir; two pumping stations for needed pressure; five wells; 70 miles of pipe to maintain and replace when necessary; 1,398 valves to exercise and maintain; 818 hydrants; complete weekly, monthly, and annual water sampling and testing; system flushing; aquifers to monitor and protect; Cross Connection program to ensure a safe system; chemical monitoring (chlorine and fluoride); SCADA systems for tracking, recording, and monitoring; trucks and equipment; five knowledgeable, valuable, experienced, engaged employees. All Customers in River Falls will pay less than .005 cent per gallon for water with many rate classes and scenarios paying around .0025 cent per gallon.

Westhuis talked about how rates are determined. The rates are based on the actual cost of service to serve River Falls. Trilogy Consulting helped staff come up with a cost of service after gathering all the data and systems of what is being done today and what will be done in the future. Once the study was complete, it was turned over to the Public Service Commission and they gave the City their input on what the City should be charging its customers for water service. The Cost of Service Study examines revenue requirements for operation and maintenance, PILOTs, depreciation, and return on investment for future spending (going down 13% from 2012, but the Utility will be allowed a 6.5% return). The last increase was effective April 12, 2012 and was a 10% increase on the average residential customer.

Westhuis discussed the increase in water rates for residential, multi family, public authority and commercial/industrial customers. Three pieces are included to calculate the total monthly water bill (monthly fixed charge, volume charge and fire protection charge). Westhuis gave examples of the impact on the average customer in each rate classification. Estimate of impact on an average residential customer's monthly bill using 4,000 gallons of water per month will go from a current rate of \$15.31 to a proposed rate of \$17.71. An estimate of impact on an average commercial customer's monthly bill with a 1" water meter using 50,000 gallons of water per month will go from a current rate of \$81.83 to a proposed rate of \$83.43. An estimate of impact on an average public authority customer's monthly bill with a 1" water meter using 100,000 gallons of water per month will go from a current rate of \$168.00 to a proposed rate of \$191.05. An estimate of impact on an average Industrial customer's monthly bill with a 2" water meter using 250,000 gallons of water per month will go from a current rate of \$397.94 to a proposed rate of \$433.99. All the details of the proposed rate increase are published at [www.rfmu.org](http://www.rfmu.org). The utility notified customers of the PSC Public Hearing with an insert in customer utility bills mailed on April 5<sup>th</sup>, a Public

Notice was placed in the River Falls Journal on April 14<sup>th</sup>, posted on the City Hall official bulletin board, posted on [www.rfmu.org](http://www.rfmu.org) and [www.rfcity.org](http://www.rfcity.org) and posted on social media (Facebook and Twitter).

The telephonic public hearing will be held on Wednesday, April 20<sup>th</sup> at 2pm at City Hall in the Foster Conference Room. Westhuis noted a person may testify in this proceeding without becoming a party and without attorney representation. A person may make a web comment at [psc.wi.gov](http://psc.wi.gov), an oral comment spoken testimony at the public hearing, written comment, or mail no later than the day before the hearing addressed to Docket 5110-WR-104 Comments, Public Service Commission, P.O. Box 7854, Madison, WI 53707-7854. Westhuis asked the board if there were any comments, questions or concerns. Gagne asked Westhuis to explain why some may not necessarily see why the costs are going up but the consumption might be sitting at an even keel or going down. He asked Westhuis to explain why we need to make up for that conservation. Westhuis explained a pipe in the ground has a lifespan and that pipe doesn't care if it's running full of water or running half full of water. They City still needs to maintain that pipe and replace that pipe on the same schedule (called fixed costs). The City still needs to recover the revenues to ensure safe clean drinking water. Gagne stated when we conserve and put all these efficiency programs in place we are using less water and selling less water and the revenues are going down and the City needs to make up for that to pay for as Kevin's example "the pipes in the ground". Kevin stated we still want to help people conserve water and keep bills down, but still need to maintain a reliable safe water system. UAB member Hanson confirmed that the current rate of \$5.25 and we are proposing a rate of \$8.00. Westhuis stated that is the monthly fee portion of one of the three components of a monthly bill.

#### **RESOLUTIONS:**

4. Resolution Recommending Water Emergency Plan Update. Brent Buesking, Management Analyst Fellow gave a presentation. Buesking is asking the board to approve the Water Utility Emergency Response Plan Update. The Wisconsin Department of Natural Resources requires local municipalities have a comprehensive, written Water Utility Emergency Response Plan. The City of River Falls retains this plan and is updating it with local contact numbers within the utility, radio frequencies, emergency water production procedures, intergovernmental agreements, and how to communicate with the public. The last time the emergency plan was updated was May 2013. Since then, RFMU has experienced staff changes along with local and state emergency contacts. One of the biggest revisions is the addition of Well #6. The well's specifications were added to the plan. Well #6 plays an important role in emergency water production. If the eastern portion of the City experiences a power outage, then the backup generator at Well #6 will start automatically and supply water needs to Golf View Tower. This needs to be done to ensure an adequate amount of water is maintained in the Golf View Water Tower. Staff recommended that the Utility Advisory Board approve the Water Utility Emergency Response Plan Update. Buesking asked the board if they had any questions. Odeen thanked Buesking for working on this and stated that it is good to know that the city is on top of it and that we are good stewards on both our infrastructure and our water resources. Odeen made a motion to approve the

Water Utility Emergency Plan Update, Gagne seconded the motion. Gagne made an amendment to the motion to include the corrections as stated in the draft update. Motion passed.

**REPORTS:**

5. Finance Report: Finance Director Bergstrom gave a brief overview of the finance report. The first quarter of the year 2016 is complete and everything is generally either at or under budget. Bergstrom stated she would like to see the revenues higher but as long as the revenues and expenses are approximately the same we are good. One exception is the wastewater fund revenues are at 26% and expenses are at 17%. There are still some expenses in the budget that are seasonal (like sewer cleaning). There was a delayed invoice for the hydro sediment study so that did skew a little bit of the hydro costs. Beebe asked Bergstrom regarding the water fund, the current period experienced a positive gain of \$4,529 with a three-month cumulative total at a negative loss of \$12,428. It seems lately like the water fund has had a loss every month. Bergstrom stated that it ties with the way the water fund has been doing in the past eighteen months. That is why the City is proposing the water rate increase.
6. Utility Dashboards for, Electric, Water, Waste water and Powerful Choices were included in the UAB Packets. Westhuis pointed out on the Powerful Choices dashboard we continue to provide about twice the dollar amount of incentives we collect from our Citizens in River Falls. Mike Noreen and Weston Arndt in the Energy Services Department continue to be working hard and get a two for one value of the money collected on the utility bills and then what we reinvest back into the community. Gagne stated that River Falls currently ranks 10<sup>th</sup> in the Nation for customer participation in Green Block sales and 2<sup>nd</sup> in Wisconsin.
7. Monthly Utility Report was included in the UAB packets for review. Hanson asked if the 600 amp primary switch inspections were completed. Westhuis confirmed that they were complete. Beebe asked what the winter lateral fee for new underground services is. Westhuis stated it is a "frost fee" which is an extra fee per foot that is charged in the winter months. Beebe also asked about the 15000 gallons of grease trap contents from UWRP and what those are. Westhuis stated that it is from food service at the University and they are charged \$1755.00 to dispose of them at the WWTF. Hanson asked if the sludge storage ditch mixer #3 that failed on March 2<sup>nd</sup> was fixed. Westhuis confirmed it was fixed. Gagne stated that with the improvements at the WWTF and bringing that indoors that is going to help. Westhuis stated that Miron has been delivering equipment to the treatment plant with construction starting the following Monday. Beebe asked about setting up routes for valve turning machine (spin doctor) and what that is. Westhuis stated that the spin doctor is a piece of equipment (a hydraulic unit) that spins the valves. With over 600/year to do this helps with having to turn them manually.

RFMU earned the 2016 Award of Continued Excellence (ACE) from the American Public Power Association's (APPA) Demonstration of Energy & Efficiency Developments (DEED) program.

There will be a Kinni Corridor Planning Meeting at 6:00pm, Tuesday, April 19<sup>th</sup> at City Hall Training Room. This was Chris Gagne's last meeting as a Utility Advisory Board Member. Chris was elected on the City Council. Mayor is working on interviewing and will be appointing a new member to the board.

**ADJOURNMENT:**

**M/S Odeen/Beebe moved to adjourn at 7:56 p.m. Unanimous.**

Reported by: Kristi Hartmon, Administrative Assistant

---

Secretary