

**RIVER FALLS UTILITY ADVISORY BOARD
REGULAR MEETING
March 19, 2018 6:30 p.m.
Council Chambers, City Hall**

The regular meeting of the River Falls Utility Advisory Board was called to order by Utility Advisory Board President Myszewski at 6:30 p.m.

Present: Adam Myszewski, Diane Odeen, Patrick Richter and Tim Thum

Absent: Duane Pederson and Kevin Swanson

Staff present: Kevin Westhuis, Utility Director; Rhonda Davison, Utility Program Coordinator; Lanae Nelson, Utility Administrative Assistant; Julie Bergstrom, Assistant City Administrator, Wayne Siverling, Electric Line Superintendent; Tim Wiste, Journeyman Lineworker; Brandt Johnson, Management Analyst Fellow and Jason Rohloff, Management Analyst Fellow

Approval of Minutes:

January 15, 2018, Regular Meeting Minutes

M/S Odeen/Richter approve minutes. Unanimous.

CONSENT AGENDA:

Acknowledgment of the following minutes:

West Central Wisconsin Biosolids Facility Commission -12-21-2017 & 1-18-2018;

POWERful Choices Committee Meeting -1-11-2018, 2-8-2018 & 3-8-2018

MSC Thum/Odeen approve Consent Agenda. Unanimous.

NEW BUSINESS:

Resolution No. 2018-03 and Resolution No. 2018-04 adopting consideration for a Utility Sponsorship opportunity at the St. Croix Valley Business Innovation Center

Utility Director Kevin Westhuis presented detailed information on a recommendation to consider a Utility Sponsorship opportunity at the St. Croix Valley Business Innovation Center (SCVBIC). Westhuis expressed that he believes River Falls Municipal Utilities (RFMU) is also in the economic development business and this sponsorship at SCVBIC would be great for the community and our utility. RFMU is a city owned and operated utility and has a vested interest in the economic health of River Falls. This opportunity to invest in a sponsorship gives RFMU the ability to promote economic development in the community which in turn pays off for the utility. Two of the current tenants at the Sterling Ponds Corporate Park. One of these two tenants is in the top 10 and the other is in the top 20 of RFMU utility customers; are recent examples of positive economic development. SCVBIC is a multi-use facility offering business incubation, workforce training, and business acceleration services. The goal of SCVBIC is to foster an entrepreneurial culture, to create jobs, and accelerate the growth of new, existing, and spin-off businesses in River Falls and in the St. Croix region. RFMU is committed to making River Falls a better place to live and work. RFMU

is partnering with SCVBIC to help contribute to the development, growth and well-being on the community. The sponsorship will be a River Falls Municipal Utility Sponsorship and will be paid for and split equally out of reserve funds from the Electric, Water, and Wastewater departments.

In the presentation were two sponsorship option proposed to the UAB:

- 1) Gold Level Sponsorship for the support of the board room is \$100,000 (Resolution No. 2018-03)
- 2) Silver Level Sponsorship for the support of the light industrial and manufacturing space is \$55,000 (Resolution No. 2018-04)

Discussion:

Option 1: Silver Level Sponsorship

The first option supports the light industrial and manufacturing area of the building. The light industrial and manufacturing space can accommodate up to four tenants at a time. RFMU's \$55,000 sponsorship will include in-kind electrical equipment to supply a main service in one of the bays for industrial tenants. \$25,000 will be paid upon signing the agreement. The sponsorship also includes in-kind labor and additional cash to be paid over three years. By sponsoring the light industrial and manufacturing space, RFMU is supporting an area for 20* years that will generate new utility customers once they graduate from the incubator program.

**Correction: Sponsorship is for 10 years. Westhuis discussed post meeting with UAB members present.*

Option 2: Gold Level Sponsorship

The second option is sponsorship of the Board Room for \$100,000. The Board Room, which can seat up to 12, is available for tenants to set up smaller events and meetings. The Board Room is also available for businesses and organizations in the region to use for a small fee. With this option, the Board Room would be named after the River Falls Municipal Utilities for 20* years. \$25,000 will be paid upon signing with three years to pay the additional \$75,000.

**Correction: Sponsorship is for 10 years. Westhuis discussed post meeting with UAB members present.*

MS Odeen/Thum to move for the approve the Resolution No. 2018-04. Odeen felt the Silver Level Sponsorship was appropriate for RFMU as it is involved in the City's utilities and this sponsorship supports the light industrial and manufacturing area of the SCVBIC building. Myszewski and Westhuis clarified that half of the money for the sponsorship will be paid upfront and the remaining would be paid in three years for a 20 * year commitment. Westhuis, Odeen and Julie Bergstrom, Assistant City Administrator also commented that there is an open house on April 12th. Westhuis expressed that this sponsorship is an investment in the community and RFMU will directly benefit from these companies that succeed in the community. Odeen said that it is appropriate that RFMU have a visual presence at the SCVBIC building. **President Myszewski asked for a vote on the resolution. The resolution passed unanimous.**

**Correction: Sponsorship is for 10 years. Westhuis discussed post meeting with UAB members present.*

SWOTT Analysis-Water Utility Business Plan

Utility Director Westhuis introduced Management Analyst Fellows, Brandt Johnson and Jason Rohloff as the presenters of the Strengths, Weaknesses, Opportunities, Threats, and Trends (SWOTT) Analysis – Water Utility Business Plan. Johnson and Rohloff did the 2017 Electric Utility Plan and are working with Westhuis on updating the 2018 water business plan, presentation and the SWOTT Analysis. As part of the planning, a SWOTT Analysis exercises was done with the UAB to make sure the utility is on track. Johnson and Rohloff went through this information internally with Westhuis and came up with the following details. Strengths in the Water Utility department is the staff's knowledge and the city's adequate water supply. Weaknesses in the Water Utility department is the communication to customers about the cost of operations and the aging infrastructure. Opportunities in the Water Utility department are to have a proactive asset management and increase technology in leak locating. Threats that the Water Utility department has is a shortage of trained workers and an increased materials cost. The Trends in the Water Utility department is conservation and high capacity wells.

The UAB came up with additional ideas and had a good discussion on the following that Johnson and Rohloff wrote up a list to include with the one that they had done internally with Westhuis. The UAB discussed that the Water Utility department had Strengths in having multiple aquifers in the city, up to date staff and facilities, consistently clean and safe water, knowledgeable staff and the affordability of water. Weaknesses that the Water Utility department has is an aging infrastructure, communicating cost of rates and customer understanding and education. Opportunities that the Water Utility department has is lining water lines, increase water pressure in certain areas of the city (North and West), having proactive asset management and leak locating technology. Threats that the Water Utility has is the impacts on the aquifers (water quality and water quantity), shortage of trained workers, threats to local control and regulation. The trends that the Water Utility department has is high capacity wells, conservation, cost compared to inflation, higher regulated standards for water and recycled wastewater.

REPORTS:

2017 RFMU Annual Report

Utility Director Westhuis presented the UAB with a hard copy of the 2017 RFMU Annual Report and presented a power point overview of the report.

Finance Report

Assistant City Administrator, Julie Bergstrom gave a brief overview of the finance report. Bergstrom reviewed the funds of each, electric, water and wastewater, which are running at where they should be, between 15-17% of the budget. Year end of 2017 all funds (electric, water, wastewater and including storm water) finished in the black.

Utility Dashboards

Utility Director Westhuis had the 2018 January and February utility dashboards of Electric, Water, Wastewater Treatment Plan and POWERful Choices included in the UAB packet for review.

Monthly Utility Reports

Utility Director Westhuis had the 2018 January and February monthly utility reports in the UAB packet for review. Westhuis presented the plaque of the Platinum RP3 Designation Award from the American Public Power Association for providing reliable and safe electric service to Tim Wiste, Journeyman Lineworker for the Electric Department. The RP3 designation, which lasts for three years, recognizes public power utilities that demonstrate proficiency in four key disciplines: reliability, safety, workforce development and system improvement. Criteria include sound business practices and a utility-wide commitment to safe and reliable delivery of electricity.

ANNOUNCEMENTS:

None

ADJOURNMENT:

MSC Odeen/ Richter to adjourn. Unanimous.

Myszewski announced meeting adjourned at 7:15 p.m.

Reported by: Lanae Nelson, Utility Administrative Assistant

A handwritten signature in cursive script, appearing to read "Duane Pederson", is written over a horizontal line.

Duane Pederson, Secretary